

**CITY OF YORK,  
SOUTH CAROLINA**

**FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2023**







**CITY OF YORK, SOUTH CAROLINA**

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**YEAR ENDED SEPTEMBER 30, 2023**

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**CITY OF YORK, SOUTH CAROLINA**  
**LISTING OF PRINCIPAL OFFICIALS**  
**YEAR ENDED SEPTEMBER 30, 2023**

Established

1842

**MAYOR**

Michael Fuesser

**CITY COUNCIL MEMBERS AS OF SEPTEMBER 30, 2023**

Edward Brown

Matt Hickey

Marion Ramsey

Stephanie Jarrett

Charles Brewer

Kellie Harrold

**CITY MANAGER**

Dalton Pierce

**FINANCE DIRECTOR**

Jeff Wilkins



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# Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of City Council  
City of York  
York, South Carolina

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of York, South Carolina (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to the financial audits contained in *Government Auditing Standards* ("Government Auditing Standards"), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Correction of Error*

As discussed in Note IV.E in the notes to the financial statements, the City discovered that there were donated capital asset infrastructure items not included in the capital asset listing as of September 30, 2022. The City corrected this error in its 2023 financial statements by reflecting a prior period adjustment. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 GAAS and *Government Auditing Standards*, we

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the other postemployment benefit plan schedules, and the pension plan schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and 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.

## ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Greene Finney Cauley, LLP*

Greene Finney Cauley, LLP  
Mauldin, South Carolina  
September 5, 2024



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## CITY OF YORK, SOUTH CAROLINA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### YEAR ENDED SEPTEMBER 30, 2023

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The management of the City of York ("City") offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023 ("FY 2023" or "2023") compared to the fiscal year ended September 30, 2022 ("FY 2022" or "2022"). The intent of this management's discussion and analysis ("MD&A") is to look at the City's financial performance as a whole. Readers are encouraged to not only consider the information presented here, but also the information provided in the financial statements, the notes to the financial statements, the required supplementary information, and the supplementary information to enhance their understanding of the City's overall financial performance.

#### FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- In the Statement of Net Position, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent year by approximately \$33,932,000. Unrestricted net position was approximately \$92,000 as a result of pension accounting standards that were implemented in 2015 and other postemployment benefits ("OPEB") accounting standards that were implemented in 2018.
- The City's total net position increased by approximately \$8,461,000, compared to the prior year increase of approximately \$2,279,000 as revenues of approximately \$25,378,000 exceeded expenses of approximately \$16,917,000.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of approximately \$11,950,000, an increase of approximately \$3,342,000 from the prior year balance.
- At the end of the current year, unassigned fund balance for the General Fund was approximately \$6,226,000, which was approximately 55% of total General Fund expenditures for FY 2023.
- The City's capital assets increased by approximately \$1,119,000 (4%). The increase in capital assets was due to additions of \$2,825,000 partially offset by depreciation expense of approximately \$1,706,000.
- The City's total debt decreased by approximately \$702,000 (22%). This decrease was due to principal payments on existing debt of approximately \$937,000, partially offset by new financed purchases of \$235,000.

#### OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of two parts – *Financial Section* (which includes the MD&A, the financial statements, the required supplementary information, and the supplementary information) and the *Compliance Section*.

##### Financial Statements

This MD&A is intended to serve as an introduction to the City's financial statements. The City's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the financial statements, this report contains other required supplementary information and supplementary information that will enhance the reader's understanding of the financial condition of the City.

**Government-Wide Financial Statements.** The financial statements include two statements that present different views of the City. These are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources ("deferred outflows") and liabilities and deferred inflows of resources ("deferred inflows"), with the differences between these 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 City 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.

The government-wide financial statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include general government, public safety (police and fire), recreation, and public works. The business-type activities are the City's water and sewer operations. The government-wide financial statements can be found as listed in the table of contents.



## CITY OF YORK, SOUTH CAROLINA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED SEPTEMBER 30, 2023

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#### OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

##### Financial Statements (Continued)

**Fund Financial Statements.** The fund financial statements provide a more detailed look at the City's most significant activities. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like all other governmental entities in South Carolina, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

The City maintains seven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenue, expenditures and changes in fund balances for the General Fund (major fund), ARPA Fund (major fund), Special Revenue Fund (nonmajor fund), Hospitality/Accommodation Tax Fund (nonmajor fund), Impact Fee Fund (nonmajor), Firefighters' 1% Fund (nonmajor), and the Capital Projects Fund (nonmajor). The governmental funds financial statements can be found as listed in the table of contents.

**Proprietary Funds** – The City maintains one type of proprietary fund. *Enterprise Funds* are used to account for operations that (a) are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through 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 City uses an enterprise fund to account for its water and sewer operations. The proprietary fund financial statements can be found as listed in the table of contents.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

**Required Supplementary Information** – Regarding the City's major governmental fund, the City adopts an annual budget for its General Fund. A required budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with its budgets. The City sponsors an agent multiple-employer defined benefit healthcare plan ("OPEB Plan"). The City has provided the required schedules for the OPEB Plan. Required pension schedules have been included which provide relevant information regarding the City's participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. Required supplementary information can be found as listed in the table of contents.

**Supplementary Information** – In addition to the financial statements, notes, and required supplementary information, this report includes certain supplementary information. Supplementary information, which includes combining and individual fund financial schedules, budgetary schedules for certain of the City's other budgeted funds, and the uniform schedule of fines, assessments, and surcharges (per Act 96), is presented immediately following the required supplementary information. The supplementary information can be found as listed in the table of contents.



**CITY OF YORK, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED SEPTEMBER 30, 2023**

**OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)**

**Financial Statements (Continued)**

Figure A-1 Major Features of the City's Government-Wide and Fund Financial Statements			
	Government-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Fund
Scope	Entire City government.	The activities of the City that are not proprietary.	Activities the City operates similar to private businesses.
Required Financial Statements	<ul style="list-style-type: none"> <li>▪ Statement of Net Position.</li> <li>▪ Statement of Activities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Balance Sheet.</li> <li>▪ Statement of Revenues, Expenditures, and Changes in Fund Balances.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of Net Position.</li> <li>▪ Statement of Revenues, Expenses, and Changes in Net Position.</li> <li>▪ Statement of Cash Flows.</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.
Type of Balance Sheet Information	All balance sheet elements, both financial and capital, and short-term and long-term.	Only balance sheet elements that come due during the year or shortly thereafter. No capital assets or long-term obligations are included.	All balance sheet elements, both financial and capital, and short-term and long-term.
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid.



# CITY OF YORK, SOUTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### YEAR ENDED SEPTEMBER 30, 2023

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the City's net position for September 30, 2023 and 2022:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and Other Assets	\$ 13,815,893	11,091,379	10,983,076	3,345,228	24,798,969	\$ 14,436,607
Capital Assets, Net	8,759,333	8,432,889	22,099,087	20,590,005	30,858,420	29,022,894
Total Assets	22,575,226	19,524,268	33,082,163	23,935,233	55,657,389	43,459,501
Deferred Outflows of Resources	1,336,501	1,021,282	173,833	124,315	1,510,334	1,145,597
Liabilities:						
Long-Term Obligations	2,279,214	2,455,690	1,183,763	1,726,481	3,462,977	4,182,171
Net OPEB Liability	2,290,593	2,009,063	381,766	453,659	2,672,359	2,462,722
Net Pension Liability	8,830,231	8,666,426	1,069,035	997,347	9,899,266	9,663,773
Other	1,234,480	1,825,403	5,366,511	866,507	6,600,991	2,691,910
Total Liabilities	14,634,518	14,956,582	8,001,075	4,043,994	22,635,593	19,000,576
Deferred Inflows of Resources	533,803	712,779	66,329	137,187	600,132	849,966
Net Position:						
Net Investment in Capital Assets	7,396,892	7,072,706	21,011,069	19,086,267	28,407,961	26,158,973
Restricted	3,775,635	2,272,217	1,656,303	1,730,289	5,431,938	4,002,506
Unrestricted	(2,429,121)	(4,468,734)	2,521,220	(938,189)	92,099	(5,406,923)
Total Net Position	\$ 8,743,406	4,876,189	25,188,592	19,878,367	33,931,998	\$ 24,754,556

The City's total assets increased approximately \$12,198,000 from the prior year. Current and other assets increased approximately \$10,362,000 primarily due to an increase in cash and investments in 2023. Capital assets increased approximately \$1,836,000 from additions exceeding depreciation expense. Total liabilities increased approximately \$3,635,000 from the prior year primarily due to an increase in other liabilities. The changes in deferred outflows/inflows, net OPEB liability, and the net pension liability were primarily due to differences between expected and actual liability/investment experience, changes in actuarial assumptions, and changes in the percentage of the City's share of the net pension liabilities in the State retirement plans in the current year.

The City's net position increased by approximately \$8,461,000 during the current fiscal year due to revenues exceeding expenses. Please see the discussion following the next table regarding current year operations.

The City's assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$33,932,000 as of September 30, 2023. Approximately \$28,408,000 of total net position reflects the City's net investment in capital assets (i.e., land, buildings, water and sewer utility system, equipment, vehicles, infrastructure, etc.) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt generally must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately \$5,432,000 of net position represents resources that are subject to external restrictions on how they may be used. This net position is restricted primarily for capital projects, tourism related expenditures, firefighters' 1% costs, victim's assistance, public safety, utility expansion, and other special revenue programs. The remaining portion of the City's net position is unrestricted of approximately \$92,000, which is primarily due to the net pension liabilities of approximately \$9,899,000 related to the State retirement plans in connection with the implementation of pension accounting standards in 2015 and the net OPEB liability of approximately \$2,672,000 related to the implementation of OPEB accounting standards in 2018.



**CITY OF YORK, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED SEPTEMBER 30, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The following table shows the changes in the City's net position for 2023 and 2022:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,690,348	2,494,497	6,829,066	5,564,796	10,519,414	\$ 8,059,293
Operating Grants and Contributions	4,209,028	1,236,101	-	-	4,209,028	1,236,101
Capital Grants and Contributions	154,856	435,500	865,931	82,077	1,020,787	517,577
General Revenues:						
Taxes	8,114,601	7,210,941	-	-	8,114,601	7,210,941
Other	1,338,980	786,897	174,785	1,492	1,513,765	788,389
Total Revenues	17,507,813	12,163,936	7,869,782	5,648,365	25,377,595	17,812,301
Expenses:						
General Government	2,802,928	2,661,233	-	-	2,802,928	2,661,233
Public Safety	5,903,268	5,160,993	-	-	5,903,268	5,160,993
Recreation	917,962	763,289	-	-	917,962	763,289
Public Works	1,902,901	1,807,047	-	-	1,902,901	1,807,047
Interest and Other Charges	44,864	60,909	-	-	44,864	60,909
Water/Sewer	-	-	5,345,111	5,080,093	5,345,111	5,080,093
Total Expenses	11,571,923	10,453,471	5,345,111	5,080,093	16,917,034	15,533,564
Change in Net Position Before Transfers	5,935,890	1,710,465	2,524,671	568,272	8,460,561	2,278,737
Transfers	(2,254,187)	211,268	2,254,187	(211,268)	-	-
Change in Net Position	3,681,703	1,921,733	4,778,858	357,004	8,460,561	2,278,737
Net Position - Beginning of Year,						
As Previously Reported	4,876,189	2,954,456	19,878,367	19,521,363	24,754,556	22,475,819
Prior Period Adjustment*	185,514	-	531,367	-	716,881	-
Net Position - Beginning of Year	5,061,703	2,954,456	20,409,734	19,521,363	25,471,437	22,475,819
Net Position - End of Year	\$ 8,743,406	4,876,189	25,188,592	19,878,367	33,931,998	\$ 24,754,556

\* The City restated the beginning balance of net position for unrecorded capital assets due to prior period adjustments. See Note IV.E. in the notes to the financial statements for more details.

**Governmental Activities:** Governmental activities had an increase in net position of approximately \$3,682,000. Governmental activities revenues increased by approximately \$5,344,000 (44%) from the prior year. Program revenues increased by approximately \$3,888,000 due to increases in charges for services and operating grants in the current year. Tax revenues increased approximately \$904,000 over the prior year primarily due to higher property taxes and business licenses. Expenses related to total governmental activities increased by approximately \$1,118,000, or 11%, from the prior year. This increase was primarily due to higher compensated absence accruals, higher pension costs, and higher personnel costs.

**Business-Type Activities:** Net position related to business-type activities (i.e., water and sewer operations) increased by approximately \$4,779,000. This increase was primarily due to revenues of approximately \$7,870,000 and transfers in \$2,254,000 exceeding expenses of approximately \$5,345,000. Revenues increased by approximately \$2,221,000 (39%). Expenses increased by approximately \$265,000 (5%).



## CITY OF YORK, SOUTH CAROLINA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED SEPTEMBER 30, 2023

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#### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At the end of the current fiscal year, the City's governmental funds reported ending fund balance of approximately \$11,950,000, an increase of approximately \$3,342,000, or 39% over the prior year fund balance. Approximately 54% of the total fund balance of the governmental funds or \$6,226,000 constitutes unassigned fund balance, which is available for spending at the City's discretion. Approximately \$446,000 of fund balance represents nonspendable items for notes receivable and prepaids. The restricted fund balance indicates balances that are not available for new spending and are constrained for: (1) for capital projects (\$1,484,000), (2) for tourism-related expenditures (\$1,893,000), (3) for Firefighters' 1% costs (\$25,000), (4) for victims' assistance (\$153,000), (6) for public safety (\$221,000), and (7) for unspent debt proceeds (\$263,000). The remainder of the fund balance is assigned for disaster relief and emergencies (\$1,000,000) and capital projects (\$239,000). Total unassigned fund balance of approximately \$6,226,000 for the governmental funds represents approximately 51% of total governmental funds expenditures.

Highlights for the General Fund were as follows:

- Total General Fund revenues and other financing sources of approximately \$12,874,000 increased by approximately \$1,811,000 from the prior year, primarily due to increases in transfers, increases in property tax collections, grant revenues, fines and levies, and licenses and permits.
- Total General Fund expenditures increased by approximately \$1,081,000, primarily due to an increase in personnel related costs, fuel costs, and capital outlay.

**Proprietary Fund.** The City's proprietary fund provides the same type of information found in the government-wide statements, but in more detail. Net position of the Utility Fund at the end of 2023 was approximately \$25,189,000. Please see "Business-Type Activities" discussion in the previous section for details.

**General Fund Budgetary Highlights:** If budget amendments are made, they generally fall into one of three categories: amendments made to adjust the estimates used to prepare the original budget ordinance once exact information is available; amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and increases in appropriations that become necessary to maintain services. The City did not amend the budget in FY2023.

The City's actual results for the General Fund were different than the budgeted amounts due to the following:

- Actual revenues of approximately \$11,260,000 were approximately \$1,899,000 (20%) over budget primarily due to higher business license fees of approximately \$448,000, higher building permit revenue of approximately \$348,000, higher interest of approximately \$196,000, higher grant revenue of approximately \$358,000, and higher property and vehicle tax collections of approximately \$141,000.
- Actual expenditures of approximately \$11,201,000 were approximately \$1,586,000 (16%) over budget primarily due to higher public safety expenditures and public works expenditures.
- Actual net other financing sources of approximately \$1,614,000 were over budget by approximately \$1,300,000 (413%), due to transfers in of approximately \$978,000 and unbudgeted proceeds from financed purchase agreements (\$235,000).



**CITY OF YORK, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED SEPTEMBER 30, 2023**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

***Capital Assets***

City's capital assets include land, construction in progress, buildings and improvements, infrastructure, utility plant, street improvements, furniture and fixtures, automobiles and trucks, and other equipment. The City's capital assets (net of depreciation) as of September 30, 2023 and 2022 were as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022<sup>^</sup></b>	<b>2023</b>	<b>2022<sup>^</sup></b>	<b>2023</b>	<b>2022<sup>^</sup></b>
Land	\$ 563,640	563,640	191,727	191,727	755,367	\$ 755,367
Construction in Progress	222,900	127,262	846,240	59,406	1,069,140	186,668
Buildings and Improvements	10,037,149	9,873,227	-	-	10,037,149	9,873,227
Infrastructure	1,805,219	1,687,768	-	-	1,805,219	1,687,768
Utility Plant	-	-	42,977,709	41,932,846	42,977,709	41,932,846
Street Improvements	777,362	777,362	-	-	777,362	777,362
Furniture and Fixtures	155,530	155,530	-	-	155,530	155,530
Automobiles and Trucks	5,279,969	4,691,963	160,562	212,987	5,440,531	4,904,950
Other Equipment	2,011,667	2,011,667	461,330	461,330	2,472,997	2,472,997
Right to Use Asset - Leased Vehicles	213,812	213,812	-	-	213,812	213,812
Accumulated Depreciation	(12,307,915)	(11,483,828)	(22,538,481)	(21,736,923)	(34,846,396)	(33,220,751)
Total	<u>\$ 8,759,333</u>	<u>8,618,403</u>	<u>22,099,087</u>	<u>21,121,373</u>	<u>30,858,420</u>	<u>\$ 29,739,776</u>

<sup>^</sup> The City restated the beginning balance of net position for unrecorded capital assets due to prior period adjustments. See Note IV.E. in the notes to the financial statements for more details.

The total increase in the City's capital assets for 2023 was approximately \$1,119,000 or 4%. Major capital asset events during 2023 included the following:

- Capital asset additions of approximately \$2,825,000 consisted primarily of:
  - Construction in progress totaling \$1,021,000 for Lincoln Rd Sidewalk (\$115,000), Railroad Avenue Sidewalk (\$43,500), City Park Phase II (\$41,005), Water Filtration Remediation (\$27,930), Upper/Lower Dam (\$35,680), Larson Road (\$132,000), Fishing Creek (\$435,000), Liberty Street and Reading Street Waterline (\$175,000), and other various projects (\$14,000).
  - Purchases of vehicles of approximately \$616,000.
  - Other purchases of equipment and building improvements of approximately \$1,188,000.
- Depreciation expense of approximately \$852,000 for governmental activities and approximately \$854,000 for business-type activities.

Additional information on the City's capital assets can be found in Notes I and III in the notes to the financial statements.



## CITY OF YORK, SOUTH CAROLINA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### YEAR ENDED SEPTEMBER 30, 2023

#### CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

##### *Debt*

As of September 30, 2023, the City had total outstanding debt of approximately \$2,553,000. The City's total debt as of September 30, 2023 and 2022 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Financed Purchases	\$ 1,435,459	1,613,164	113,018	145,000	1,548,477	\$ 1,758,164
Leases	29,746	72,509	-	-	29,746	72,509
Revenue Bonds	-	-	975,000	1,425,000	975,000	1,425,000
Total	\$ 1,465,205	1,685,673	1,088,018	1,570,000	2,553,223	\$ 3,255,673

The total decrease in the City's debt for 2023 was approximately \$702,000 or 22%. Major events during 2023 included the following:

- Issuance of financed purchase agreements for approximately \$235,000 for the purchase of a leaf truck.
- Regularly scheduled principal payments of approximately \$937,000.

The State of South Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The City's statutory debt limit at September 30, 2023 was approximately \$3,099,000. The City had no bonded debt subject to the 8% limit as of September 30, 2023.

Additional information regarding the City's long-term obligations can be found in Note III in the notes to the financial statements.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's elected officials and staff considered many factors when setting the fiscal year 2024 ("2024") budget. The state of the economy, anticipated construction activity, future capital needs, and the best interests of the City's residents were all taken into account.

- **Millage:** The City's 2024 budget has a total millage rate of 115.2 (same as 2023 millage).
- **Revenues and Expenditure:** The City's (a) General Fund budget has total revenues (including transfers in) and total expenditures (including transfers out) of approximately \$12,248,000, (b) the Utility Fund budget (including budgeted utility capital projects) has total revenues and expenses (including transfers out) of approximately \$27,175,000, (c) the Hospitality/Accommodation Tax Fund has total revenues (including transfers in) and expenditures (including transfers out) of approximately \$1,537,000, and (d) other governmental funds with total revenues (including transfers in) and total expenditures of approximately \$7,237,000.
- **Salaries and Wages:** The 2024 budget provided for a 4% cost of living wage increase for all full-time employees.

#### REQUESTS FOR CITY INFORMATION

This financial report is designed to provide a general overview of the City of York's finances for all those with an interest in the government's financing. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Manager or Director of Finance, 10 N. Roosevelt Street, P.O. Box 500, York, SC 29745. General information about the City can be obtained from our website at [www.yorksc.gov](http://www.yorksc.gov).



# **BASIC FINANCIAL STATEMENTS**



## CITY OF YORK, SOUTH CAROLINA

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,685,293	8,046,694	\$ 16,731,987
Restricted Cash and Cash Equivalents	2,626,933	1,235,452	3,862,385
Restricted Investments	1,250,000	518,529	1,768,529
Accounts Receivable	213,585	676,601	890,186
Property Taxes Receivable	335,078	-	335,078
Intergovernmental Receivable	296,317	-	296,317
Internal Balances	(472,985)	472,985	-
Prepays	56,672	-	56,672
Inventory	-	32,815	32,815
Other Assets	435,500	-	435,500
Notes Receivable	389,500	-	389,500
Capital Assets:			
Non-Depreciable	786,540	1,037,967	1,824,507
Depreciable, Net	7,972,793	21,061,120	29,033,913
<b>TOTAL ASSETS</b>	<b>22,575,226</b>	<b>33,082,163</b>	<b>55,657,389</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Charges	954,133	110,105	1,064,238
Deferred Other Postemployment Benefit Charges	382,368	63,728	446,096
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,336,501</b>	<b>173,833</b>	<b>1,510,334</b>
<b>LIABILITIES</b>			
Accounts Payable	639,086	251,575	890,661
Accrued Expenses	508,348	17,860	526,208
Accrued Interest Payable	28,051	8,896	36,947
Customer Deposits	-	97,678	97,678
Unearned Revenue	58,995	4,990,502	5,049,497
Non-Current Liabilities:			
Long-Term Obligations - Due Within One Year	948,463	581,330	1,529,793
Long-Term Obligations - Due in More Than One Year	1,330,751	602,433	1,933,184
Net Pension Liability - Due in More Than One Year	8,830,231	1,069,035	9,899,266
Net Other Postemployment Benefits Liability - Due in More Than One Year	2,290,593	381,766	2,672,359
<b>TOTAL LIABILITIES</b>	<b>14,634,518</b>	<b>8,001,075</b>	<b>22,635,593</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Credits	227,200	15,229	242,429
Deferred Other Postemployment Benefits Credits	306,603	51,100	357,703
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>533,803</b>	<b>66,329</b>	<b>600,132</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	7,396,892	21,011,069	28,407,961
Restricted For:			
Capital Projects	1,483,519	-	1,483,519
Utility Expansion	-	1,656,303	1,656,303
Tourism (Hospitality/Accommodation Taxes)	1,893,456	-	1,893,456
Firefighters' 1% Costs	24,916	-	24,916
Victims Assistance	153,107	-	153,107
Public Safety	220,637	-	220,637
Unrestricted	(2,429,121)	2,521,220	92,099
<b>TOTAL NET POSITION</b>	<b>\$ 8,743,406</b>	<b>25,188,592</b>	<b>\$ 33,931,998</b>

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



## CITY OF YORK, SOUTH CAROLINA

## STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2023

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT:</b>							
Governmental Activities:							
General Government	\$ 2,802,928	249,859	3,573,480	-	1,020,411	-	\$ 1,020,411
Public Safety	5,903,268	562,269	635,548	-	(4,705,451)	-	(4,705,451)
Recreation	917,962	919,431	-	154,856	1,195,683	-	1,195,683
Public Works	1,902,901	1,958,789	-	-	(983,470)	-	(983,470)
Interest and Other Charges	44,864	-	-	-	(44,864)	-	(44,864)
<b>Total Governmental Activities</b>	<b>11,571,923</b>	<b>3,690,348</b>	<b>4,209,028</b>	<b>154,856</b>	<b>(3,517,691)</b>	<b>-</b>	<b>(3,517,691)</b>
Business-Type Activities:							
Water/Sewer	5,345,111	6,829,066	-	865,931	-	2,349,886	2,349,886
<b>Total Business-Type Activities</b>	<b>5,345,111</b>	<b>6,829,066</b>	<b>-</b>	<b>865,931</b>	<b>-</b>	<b>2,349,886</b>	<b>2,349,886</b>
<b>TOTAL - PRIMARY GOVERNMENT</b>	<b>\$ 16,917,034</b>	<b>10,519,414</b>	<b>4,209,028</b>	<b>1,020,787</b>	<b>(3,517,691)</b>	<b>2,349,886</b>	<b>(1,167,805)</b>
General Revenues:							
Taxes:							
Property Taxes					4,241,417	-	4,241,417
Hospitality Taxes					829,610	-	829,610
Accommodations Taxes					143,313	-	143,313
Franchise Fees					637,085	-	637,085
Business Licenses					2,263,176	-	2,263,176
Intergovernmental Revenue					600,138	-	600,138
Miscellaneous Revenue					355,587	-	355,587
Investment Earnings					347,431	174,785	522,216
Gain on Sale/Disposal of Capital Assets					35,824	-	35,824
Transfers					(2,254,187)	2,254,187	-
<b>Total General Revenues and Transfers</b>					<b>7,199,394</b>	<b>2,428,972</b>	<b>9,628,366</b>
<b>CHANGE IN NET POSITION</b>					<b>3,681,703</b>	<b>4,778,858</b>	<b>8,460,561</b>
NET POSITION, Beginning of Year					4,876,189	19,878,367	24,754,556
Prior Period Adjustment					185,514	531,367	716,881
NET POSITION, Beginning of Year, As Restated					5,061,703	20,409,734	25,471,437
<b>NET POSITION, End of Year</b>					<b>\$ 8,743,406</b>	<b>25,188,592</b>	<b>\$ 33,931,998</b>

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



## CITY OF YORK, SOUTH CAROLINA

## BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	GENERAL FUND	ARPA FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 7,692,514	-	992,779	\$ 8,685,293
Restricted Cash and Cash Equivalents	414,190	-	2,212,743	2,626,933
Restricted Investments	-	-	1,250,000	1,250,000
Accounts Receivable	212,291	-	1,294	213,585
Property Taxes Receivable	335,078	-	-	335,078
Intergovernmental Receivable	201,038	-	95,279	296,317
Prepays	56,672	-	-	56,672
Due from Other Funds	60,513	-	151,867	212,380
Notes Receivable	389,500	-	-	389,500
<b>TOTAL ASSETS</b>	<b>\$ 9,361,796</b>	<b>-</b>	<b>4,703,962</b>	<b>\$ 14,065,758</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 543,167	-	95,919	\$ 639,086
Accrued Expenses	508,348	-	-	508,348
Due to Other Funds	-	-	685,365	685,365
Unearned Revenue	-	-	58,995	58,995
<b>TOTAL LIABILITIES</b>	<b>1,051,515</b>	<b>-</b>	<b>840,279</b>	<b>1,891,794</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	224,176	-	-	224,176
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>224,176</b>	<b>-</b>	<b>-</b>	<b>224,176</b>
<b>FUND BALANCES</b>				
Nonspendable				
Notes Receivable - Pee Dee Rose Hotel	389,500	-	-	389,500
Prepays	56,672	-	-	56,672
Restricted for:				
Capital Projects	50,758	-	1,432,761	1,483,519
Tourism	-	-	1,893,456	1,893,456
Firefighters' 1% Costs	-	-	24,916	24,916
Victim's Assistance	-	-	153,107	153,107
Public Safety	100,347	-	120,290	220,637
Unspent Debt Proceeds	263,085	-	-	263,085
Assigned for:				
Disaster Relief and Emergencies	1,000,000	-	-	1,000,000
Capital Projects	-	-	239,153	239,153
Unassigned	6,225,743	-	-	6,225,743
<b>TOTAL FUND BALANCES</b>	<b>8,086,105</b>	<b>-</b>	<b>3,863,683</b>	<b>11,949,788</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 9,361,796</b>	<b>-</b>	<b>4,703,962</b>	<b>\$ 14,065,758</b>

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



**CITY OF YORK, SOUTH CAROLINA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2023**

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**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 11,949,788**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of the assets was \$21,067,248 and the accumulated depreciation was \$12,307,915. 8,759,333

Land purchased for redevelopment/resale is not a financial resource and therefore it is not reported as an asset in the governmental funds but is in the Statement of Net Position. 435,500

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore have been deferred in the governmental funds. 224,176

Net other postemployment benefits liability and deferred outflows and inflows related to the City's other postemployment benefits plan are not recorded in the governmental funds but are recorded in the Statement of Net Position. (2,214,828)

The City's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position. (8,103,298)

Accrued interest on long-term obligations in governmental accounting is not due and payable in the current period and therefore is not reported as a liability in the governmental funds. (28,051)

Long-term liabilities are not due or payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities consisted of the following:

Long-Term Obligations (Financed Purchases and Leases)	(1,465,205)	
Compensated Absences (General Leave)	(814,009)	(2,279,214)

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ 8,743,406**

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



## CITY OF YORK, SOUTH CAROLINA

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

YEAR ENDED SEPTEMBER 30, 2023

	GENERAL FUND	ARPA FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Taxes				
Ad Valorem	\$ 4,270,641	-	-	\$ 4,270,641
Franchise Fees	637,085	-	-	637,085
Occupancy	150	-	-	150
Hospitality/Accommodation Taxes	-	-	972,923	972,923
Licenses and Permits	2,835,732	-	-	2,835,732
Interest	203,876	134,125	9,430	347,431
Fines and Levies	73,088	-	-	73,088
Impact Fees	-	-	1,148,520	1,148,520
Charges for Services	1,589,141	-	-	1,589,141
Fire Protection	110,146	-	-	110,146
State Shared Revenue	562,638	-	-	562,638
Grants	593,218	3,573,480	192,356	4,359,054
School District Partnership	196,748	-	-	196,748
Other	187,410	-	130,261	317,671
<b>TOTAL REVENUES</b>	<b>11,259,873</b>	<b>3,707,605</b>	<b>2,453,490</b>	<b>17,420,968</b>
<b>EXPENDITURES</b>				
Current:				
General Government	2,171,684	-	260,959	2,432,643
Public Safety	5,469,827	-	71,104	5,540,931
Recreation	808,425	-	522	808,947
Public Works	1,593,815	-	201,442	1,795,257
Capital Outlay	769,140	-	325,939	1,095,079
Debt Service:				
Principal	412,705	-	42,763	455,468
Interest and Fiscal Charges	35,919	-	12,054	47,973
<b>TOTAL EXPENDITURES</b>	<b>11,261,515</b>	<b>-</b>	<b>914,783</b>	<b>12,176,298</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,642)</b>	<b>3,707,605</b>	<b>1,538,707</b>	<b>5,244,670</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Financed Purchases Issued	235,000	-	-	235,000
Sale/Disposal of Capital Assets	11,513	-	24,311	35,824
Insurance Proceeds	80,246	-	-	80,246
Transfers In	1,347,942	-	370,235	1,718,177
Transfers Out	(60,500)	(3,708,629)	(203,235)	(3,972,364)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,614,201</b>	<b>(3,708,629)</b>	<b>191,311</b>	<b>(1,903,117)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>1,612,559</b>	<b>(1,024)</b>	<b>1,730,018</b>	<b>3,341,553</b>
FUND BALANCES, Beginning of Year	6,473,546	1,024	2,133,665	8,608,235
<b>FUND BALANCES, End of Year</b>	<b>\$ 8,086,105</b>	<b>-</b>	<b>3,863,683</b>	<b>\$ 11,949,788</b>

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



**CITY OF YORK, SOUTH CAROLINA**

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

**YEAR ENDED SEPTEMBER 30, 2023**

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**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 3,341,553**

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

Revenues in the Statement of Activities that do not provide current financial resources are not  
reported as revenues in the funds. They are considered revenues in the Statement of Activities. (29,225)

Repayment of financed purchases and leases is recognized in the governmental funds, but the repayment  
reduces long-term obligations in the Statement of Net Position. This amount is the total reduction in  
outstanding principal in the current year. 455,468

Financed purchase proceeds provide current financial resources to the governmental fund, but issuing  
financed purchases increases long-term liabilities in the Statement of Net Position. (235,000)

Interest on long-term obligations in the Statement of Activities differs from the amount reported in the  
governmental fund because interest is recognized as an expenditure in the funds when it is due,  
and thus requires the use of current financial resources. In the Statement of Activities, however,  
interest expense is recognized as the interest accrues, regardless of when it is due. 3,109

Changes in the City's proportionate shares of the net pension liability, deferred outflows of resources,  
and deferred inflows of resources for the current year related to its participation in the State retirement  
plans are not reported in the governmental funds but are reported in the Statement of Activities. 90,087

Some expenses reported in the Statement of Activities do not require the use of current financial  
resources and therefore are not reported as expenditures in the governmental funds. (43,992)

Changes in the net other postemployment benefits liability and deferred outflows and inflows of resources  
for the City's other postemployment benefits plan for the current year are not reported in the governmental  
funds but are reported in the Statement of Activities. (41,227)

The governmental funds report capital asset additions as expenditures. However, in the Statement of  
Activities, capital outlay expenditures that qualify as capital assets are allocated over their estimated  
useful lives as depreciation expense. This is the amount by which capital asset additions of \$993,115  
exceeded depreciation expense of \$852,185 in the current period. 140,930

**TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 3,681,703**

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



## CITY OF YORK, SOUTH CAROLINA

## STATEMENT OF NET POSITION - PROPRIETARY FUND

SEPTEMBER 30, 2023

	UTILITY FUND
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 8,046,694
Restricted Cash and Cash Equivalents	1,235,452
Restricted Investments	518,529
Account Receivable, Net	676,601
Due from General Fund	472,985
Inventory	32,815
Total Current Assets	10,983,076
Noncurrent Assets	
Non-Depreciable Capital Assets	1,037,967
Depreciable Capital Assets, Net	21,061,120
Total Noncurrent Assets	22,099,087
<b>TOTAL ASSETS</b>	<b>33,082,163</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pension Charges	110,105
Deferred Other Postemployment Benefit Charges	63,728
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>173,833</b>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	251,575
Accrued Expenses	17,860
Accrued Interest Payable	8,896
Unearned Revenue	4,990,502
Customer Deposits	97,678
Current Portion - Compensated Absences	77,122
Current Portion - Debt	504,208
Total Current Liabilities	5,947,841
Noncurrent Liabilities	
Compensated Absences, Less Current Portion	18,623
Debt, Less Current Portion	583,810
Net Pension Liability	1,069,035
Net Other Postemployment Benefits Liability	381,766
Total Non-Current Liabilities	2,053,234
<b>TOTAL LIABILITIES</b>	<b>8,001,075</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Pension Credits	15,229
Deferred Other Postemployment Benefits Credits	51,100
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>66,329</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	21,011,069
Restricted for Utility Expansion	1,656,303
Unrestricted	2,521,220
<b>TOTAL NET POSITION</b>	<b>\$ 25,188,592</b>

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



**CITY OF YORK, SOUTH CAROLINA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION - PROPRIETARY FUND**

**YEAR ENDED SEPTEMBER 30, 2023**

	<b>UTILITY FUND</b>
<b>OPERATING REVENUES</b>	
Charges for Service	
Water and Sewer Revenue	\$ 5,044,996
Water and Sewer Taps	39,347
Meter Connection Fees	250,047
Sprinkler/Hydrant Fees	57,331
Pre-Treatment Wastewater	27,243
Administrative Fee	58,137
Other	33,988
<b>TOTAL OPERATING REVENUES</b>	<b>5,511,089</b>
<b>OPERATING EXPENSES</b>	
Utility Administration	4,475,270
Non-Departmental	(11,863)
Depreciation	853,983
<b>TOTAL OPERATING EXPENSES</b>	<b>5,317,390</b>
<b>OPERATING INCOME</b>	<b>193,699</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Capacity Fees	1,317,977
Interest Earned	174,785
Interest Expense	(27,721)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>1,465,041</b>
<b>INCOME BEFORE CAPITAL GRANTS, CONTRIBUTIONS, AND TRANSFERS</b>	<b>1,658,740</b>
Capital Grants	531,403
Contributed Capital	334,528
Transfers In	3,975,647
Transfers Out	(1,721,460)
<b>CHANGE IN NET POSITION</b>	<b>4,778,858</b>
NET POSITION, Beginning of Year	19,878,367
Prior Period Adjustment	531,367
NET POSITION, Beginning of Year, Restated	20,409,734
<b>NET POSITION, End of Year</b>	<b>\$ 25,188,592</b>

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



## CITY OF YORK, SOUTH CAROLINA

## STATEMENT OF CASH FLOWS - PROPRIETARY FUND

YEAR ENDED SEPTEMBER 30, 2023

	UTILITY FUND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 6,820,526
Cash Payments for Goods and Services	(3,512,853)
Cash Payments to Employees	(970,817)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>2,336,856</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Payments and Transfers (to) from Other Funds	1,825,994
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<b>1,825,994</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital Grants	4,874,570
Acquisition of Capital Assets	(1,497,170)
Principal Paid on Revenue Bonds	(481,982)
Interest Payments on Revenue Bonds	(32,281)
<b>NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>2,863,137</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Change in Investments	(385)
Income on Investments	174,785
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>174,400</b>
<b>NET INCREASE IN RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS</b>	<b>7,200,387</b>
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, Beginning of Year	2,081,759
<b>RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, End of Year</b>	<b>\$ 9,282,146</b>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 193,699
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	853,983
Other Non-Operating Income	1,317,977
Changes in Accounts Representing Operating Activities:	
Grants Receivable	(8,882)
Deferred Pension Charges	(42,771)
Deferred OPEB Charges	(6,747)
Accounts Payable	158,327
Accrued Salaries and Fringe Benefits	2,727
Customer Deposits	342
Compensated Absences	(60,736)
Net Other Postemployment Benefits Obligation	(71,893)
Net Pension Liability	71,688
Deferred Pension Credits	(27,824)
Deferred Other Postemployment Benefits Credits	(43,034)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 2,336,856</b>
Noncash Investing, Capital and Financing Activities:	
Acquisition of Capital Assets through Developer Contributions	\$ 334,528

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



## CITY OF YORK, SOUTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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The City of York ("City") was incorporated in 1842. Section 47-26 of the 1962 Code of Laws, as amended (Home Rule Act), requires that municipalities adopt a specific form of government. The City operates under a Council-Manager Form of government with a Mayor elected at large and six council members elected from single member districts. The Mayor and Council are vested with the legislative and policymaking powers of the City. The Council appoints a City Manager who serves as the chief executive officer of the City and is responsible to the Council for proper administration of all affairs of the City.

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. The Reporting Entity

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

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

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

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City. Based on the criteria above, the City does not have any component units.

##### *Major Operations*

The City's major governmental operations include: general government, public safety (police and fire), recreation, and public works. In addition, the City provides water and sewer operations through its utility fund.

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City (the "Primary Government"). For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these financial statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.



**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

**Governmental fund financial statements** are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, hospitality taxes, accommodation taxes, fire protection fees and charges for services, fines and forfeitures, business licenses, franchise fees, intergovernmental revenues, external service reimbursements and interest associated with the current fiscal period are all considered to be measurable and susceptible to accrual and so have been recognized as revenues of the current fiscal period. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of certain reimbursement expenditure grants for which a twelve-month availability period is generally used.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, lease purchase expenditures, capital lease expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due and payable. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. Proceeds of long-term debt, financed purchase obligations, and lease obligations are reported as other financing sources.

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are either (a) shown in individual columns (and noted that they are nonmajor) or (b) aggregated and presented in a single column.

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

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



**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Governmental Fund Types** are those through which most governmental functions of the City are financed. The City's expendable financial resources and related balance sheet items (except for those accounted for in the Proprietary Fund) are accounted for through governmental funds. The governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. The City's fund governmental funds are as follows:

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

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

The **ARPA Fund, a major fund** and a budgeted fund, is used to account for the activity related to the American Rescue Plan Act of 2021.

The **Special Revenue Fund, a nonmajor fund** and an unbudgeted fund, is used to primarily account for public safety grant revenues/expenditures and victim's advocate revenues/expenditures that are legally restricted for specified purposes.

The **Hospitality/Accommodation Tax Fund, a nonmajor fund** and a budgeted fund, is used to account for and report the financial resources received and disbursed related to the City's 2% fee imposed on prepared food and beverage sales (hospitality tax) and the rental of accommodations (accommodation tax) within the City limits. These funds are restricted and thus can only be spent for tourism related expenditures.

The **Impact Fee Fund, a nonmajor fund** and a budgeted fund, is used to account for the collection of impact fees and the related expenditures that are restricted for capital projects.

The **Firefighters' 1% Fund, a nonmajor fund** and an unbudgeted fund, is used to account for the City's 1% money received from the State which is restricted for the betterment and maintenance of skilled and efficient fire departments.

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

**Proprietary Fund Types** are accounted for based on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are primarily charges for services and fees. Operating expenses for enterprise funds include the expense for providing goods and services, administrative expenses, maintenance, and depreciation of capital assets. All revenues and expenses not meeting this definition are generally reported as non-operating items. Proprietary funds are made up of two classes: enterprise funds and internal service funds. The City does not have any internal service funds and has one enterprise fund.



**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

*Enterprise Funds* are 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 costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through 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 City has the following enterprise fund:

The *Utility Fund, a major enterprise fund* and a budgeted fund, is used to account for all activities of the City's water/sewer operations. The revenues of this fund are generated through water/sewer fees charged to customers. Services are supplied to customers under a rate structure designed to produce revenues sufficient to recover operating expenses, including principal and interest on proprietary fund debt. This fund is restricted for the payment of water/sewer expenses.

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

**1. Cash, Cash Equivalents, and Investments**

The City considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and money market mutual funds to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) and other non-money market mutual funds are reported as investments. The City's operating cash and investment policy is designed to operate within existing statutes (which are identical for all non-fiduciary funds, fund types and component units within the State of South Carolina). The statutes of the State of South Carolina authorize the City to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.



**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

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

- South Carolina Local Government Investment Pool ("South Carolina LGIP" or "Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" and GASB Statement No. 72 "*Fair Value Measurement and Application*", investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than 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. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.
- Certificate of deposit ("CD") are bond-type investments issued by a bank when a person or company deposits a certain amount of money for a determined amount of time. The maturity can be up to ten years, and interest is paid to the holder of the CD at an agreed upon rate. Funds removed before maturity are subject to a penalty.

**2. Receivables and Payables**

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

All accounts receivable, property taxes receivable, intergovernmental receivable, and notes receivable are shown net of an allowance for uncollectible amounts (if material). Accounts receivables are comprised of amounts due from entities and individuals for a variety of types of fees, including but not limited to, franchise fees, hospitality fees, accommodations taxes, garbage fees, water/sewer fees, and other fees/charges.



**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)****3. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out method. Prepaids and inventories are recorded as expenditures/expenses at the time the items are consumed (consumption method) rather than when purchased (if material).

**4. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the Utility Fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the Government-Wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the Utility Fund are reported both in the business-type activities column of the Government-Wide Statement of Net Position and in the Proprietary Fund financial statements.

The City defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend its life are not capitalized. Donated capital assets are recorded at estimated acquisition value (as estimated by the City) at the date of the donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets (if material). Depreciation of exhaustible capital assets used by the Proprietary Fund is charged as an expense against operations, and accumulated depreciation is reported on the Proprietary Fund's balance sheet.

Capital assets are depreciated on the straight-line method generally using the following estimated useful lives:

Buildings and Improvements	5 - 50 years
Infrastructure	5 - 15 years
Streets Improvements	5 - 20 years
Furniture and Fixtures	5 - 25 years
Water and Sewer Utility Systems	5 - 50 years
Automobiles, Trucks, and Equipment	3 - 20 years

**5. Compensated Absences**

The City's employees earn vacation time, which either may be taken or accumulated until paid upon retirement or termination. Each employee may accumulate a maximum of 320 hours of vacation time. Any vacation over 320 hours not taken in the year earned will be forfeited. An employee who has at least 16 years of continuous services and has a minimum of 280 hours accumulated vacation balance may request to be reimbursed for one or two weeks once per calendar year. The remaining 10 days must be taken as annual leave within the calendar year.

Sick leave may be accumulated up to 1,240 hours. Sick leave must be used for valid illness but will be paid out up to a maximum of 120 hours. Employees that retire from the City may apply a maximum of 1,040 hours toward early retirement. Compensatory leave is accumulated up through the employee's effective date of termination and is paid at the employee's regular rate of pay.

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16 "Accounting for Compensated Absences." The entire compensated absence liability and expense is reported on the government-wide financial statements.



**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**5. *Compensated Absences (Continued)***

The portion applicable to the proprietary fund is also recorded in the Utility Fund. The governmental funds will also recognize a liability for compensated absences if they have matured, for example, as a result of employee resignation or retirement prior to fiscal year end (if material).

**6. *Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. The portion applicable to the Proprietary Fund is also recorded in the Proprietary Fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method (as it approximates the effective interest method) if material. Debt is reported net of applicable bond premiums and discounts.

In the governmental fund financial statements, bond premiums, discounts and bond issuance costs are recognized immediately. The face amount of debt, lease purchases, or capital leases issued is reported as other financing sources. Premiums received on issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

In general, payables and accrued liabilities that will be paid from the governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current financial resources. However, claims and judgments, debt, financed and lease purchases, compensated absences, and other related long-term liabilities that will eventually be paid from the governmental funds are not reported as a liability in the fund financial statements until due and payable.

**7. *Deferred Outflows/Inflows of Resources***

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has two types of deferred outflows of resources: (1) The City reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (2) The City reports *deferred other postemployment benefit ("OPEB") charges* in its Statement of Net Position in connection with its OPEB plan. The *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

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



**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**8. Fund Balance**

In accordance with GAAP, the City classifies its governmental fund balances as follows:

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

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

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

**Assigned** – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date.

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

The City 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 City generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City's Council has set a minimum unassigned fund balance policy equal to or at least 25% of the total audited General Fund expenditures for the previous fiscal year.

**9. Net Position**

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 consist 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 and financed purchase obligations which have 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.



**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**10. Pensions and Other Postemployment Benefits**

In government-wide financial statements, pensions and OPEB are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.B and Note IV.C and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The City recognizes net pension and net OPEB liabilities for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the City's fiscal year-end.

Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

**11. Fair Value**

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

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City 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 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 City 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.



# CITY OF YORK, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *12. Accounting Estimates*

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

##### *13. Comparative Data*

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

### II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Budgetary Information

The City's charter establishes the fiscal year as the twelve-month period beginning October 1. The departments submit to the City Manager a budget of estimated expenditures of the ensuing fiscal year after which the City Manager subsequently submits a budget of estimated expenditures and revenues to the City Council. Prior to October 1, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Council.

Budgeted amounts are as originally adopted, or as amended by the City Council and are prepared on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America. The City has elected to present its budgetary comparison information (required supplementary information) for the General Fund and the ARPA Fund as a separate schedule and not as a basic financial statement.

The General Fund, ARPA Fund, Hospitality/Accommodations Tax Fund (which is made up of several subfunds), Impact Fee Fund, Capital Projects Fund, and Utility Fund (which is made up of several subfunds) were the governmental and enterprise funds for which the City has legally adopted budgets. See the required supplementary information and the supplementary information for details on the City's budgeted funds.

### III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

#### A. Deposits and Investments

##### *Deposits*

**Custodial Credit Risk for Deposits:** Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City does not have a formal deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of September 30, 2023, none of the City's bank balances of approximately \$9,537,000 (with a carrying value of approximately \$9,451,000) were exposed to custodial credit risk.



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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

A. Deposits and Investments (Continued)

*Investments*

As of September 30, 2023, the City had the following investments and maturities:

Investment Type	Credit Rating *	Fair Value Level (1)	Fair Value	WAM (In Years)
South Carolina LGIP	Unrated	N/A	\$ 12,912,132	< 1 Year

\* If available, credit ratings are for Standard & Poor's, Moody's Investors Service, and Fitch Ratings.

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

N/A - Not Applicable

WAM = weighted average maturity.

**Interest Rate Risk:** The City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

**Custodial Credit Risk for Investments:** Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina.

**Credit Risk for Investments:** Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have an investment policy for credit risk but follows the investment policy statutes of the State of South Carolina.

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

Certain cash, cash equivalents, and investments of the City are legally restricted for specified purposes. The major types of restrictions at September 30, 2023 were those imposed by the revenue source (i.e. hospitality taxes, accommodation taxes, grants, etc.).

*Reconciliation of Deposits and Investments to the Financial Statements*

A reconciliation of cash, cash equivalents, and investments as shown in the statement of net position for all activities is as follows:

Description	Amount
Carrying Amount of Deposits	\$ 9,450,769
Fair Value of Investments	12,912,132
Total Deposits and Investments	<u>\$ 22,362,901</u>
Statement of Net Position:	
Cash and Cash Equivalents	\$ 16,731,987
Restricted Cash and Cash Equivalents	3,862,385
Restricted Investments	1,768,529
Total Cash, Cash Equivalents, and Investments	<u>\$ 22,362,901</u>



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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

B. Receivables and Unearned/Unavailable Revenues

*Property Taxes and Deferred Inflows of Resources*

York County, South Carolina (the “County”) is responsible for levying and collecting property taxes to meet the funding obligations of the City. This obligation is established each year by City Council. Assessed values are established by the County Assessor, the County Auditor, and the South Carolina Department of Revenue and Taxation at various rates of 4 to 10.5 percent of the estimated market value.

Real property and all personal property taxes other than vehicle property taxes attach as an enforceable lien on property as of January 16th. Taxes are levied and billed in October on all property other than vehicles and are payable without penalty until January 15th of the following year. Penalties are assessed on unpaid taxes on the following dates:

January 16 <sup>th</sup>	3%
February 2 <sup>nd</sup>	an additional 7%
March 17 <sup>th</sup>	an additional 5%

After proper notification, the law requires "exclusive possession" of property necessary to satisfy the delinquent taxes. Properties with unpaid taxes are sold at a public auction during the month of October. Vehicle property taxes attach a lien and are levied throughout the year depending on when the vehicles' license tags expire. The lien and collection date for motor vehicle taxes is the last day of the month in which the motor vehicle license expires.

The City’s fiscal year 2023 real and business personal property taxes (which was for tax year 2022) were levied in October 2022 based on a millage rate of 115.2 mills (no increase from the prior year) and were due beginning on that date. The City’s assessed value of real and personal property was approximately \$38.7 million for tax year 2022. Amounts received by the County but not yet remitted to the City at year end (immaterial amounts) are included in “Property Taxes Receivable” in the balance sheet and statement of net position.

The City has recorded uncollected property taxes at September 30, 2023 of approximately \$335,000 (which is net of an allowance for an uncollectible portion of approximately \$14,000). The City recognized outstanding delinquent property taxes of approximately \$111,000 as revenue in the current year because the amount was collected within 60 days after year end. The remaining delinquent property tax receivable of approximately \$224,000 has been recorded as unavailable revenue (component of deferred inflows of resources) on the governmental fund financial statements.

*Notes Receivable*

The notes receivable relates to loans the City provided to a developer in December 1999 and June 2000 for approximately \$410,000 (discounted to approximately \$390,000) related to the PeeDee Apartments (rehabilitation of the Rose Hotel) and are subject to repayment commencing on the 41<sup>st</sup> anniversary of the completion date (first payment is scheduled to be made starting in 2032).

*Unearned/Unavailable Revenues*

Governmental funds report as unearned revenues (a) revenues that are not considered to be available to liquidate liabilities (unavailable revenue), (b) revenues received in advance that have not been earned (unearned revenue). As of September 30, 2023, the City had approximately \$59,000 in unearned revenue for governmental funds and approximately \$4,991,000 in unearned revenue for business type activities. The \$4,991,000 relates to the Lake Caldwell Dam Project and various DHEC grants.



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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

C. Interfund Receivables, Payables, and Transfers

*Interfund Receivables and Payables*

Interfund balances at September 30, 2023, consisted of the following individual fund receivables and payables (is expected to be paid within one year):

Fund	Receivables	Payables
<b><u>Governmental Funds:</u></b>		
General Fund	\$ 60,513	\$ -
Special Revenue Fund	130,053	-
Hospitality/Accommodation Tax Fund	21,814	-
Capital Projects Fund	-	685,365
<b><u>Enterprise Fund:</u></b>		
Utility Fund	472,985	-
Totals	<u>\$ 685,365</u>	<u>\$ 685,365</u>

The interfund receivables and payables are primarily the results of the General Fund formerly handling the cash activities of the Utility Fund, Hospitality/Accommodation Tax Fund, Capital Projects Fund, and the Special Revenue Fund. The General Fund currently (a) finances the salaries and other operating expenses for the Utility Fund, (b) collects customer payments for the Utility Fund, (c) processes payroll transactions, and, in prior years, (d) would process vendor payments for the Utility Fund, Hospitality/Accommodation Tax Fund, Capital Projects Fund, and Special Revenue Fund.

As these cash activities occur, the General Fund records this activity in the interfund account with the actual income or expenditure/expense being recorded in the appropriate fund (i.e. Special Revenue Fund, Hospitality/Accommodations Tax Fund, Capital Projects Fund, and the Utility Fund). Amounts to be paid between the funds are accounted for in the interfund receivable/payable accounts.

*Interfund Transfers*

Interfund transfers for the year ended September 30, 2023, consisted of the following:

Fund	Transfers In	Transfers Out
<b><u>Governmental Fund:</u></b>		
General Fund	\$ 1,347,942	\$ 60,500
ARPA Fund	-	3,708,629
Hospitality/Accommodation Tax Fund	-	175,500
Impact Fee Fund	-	27,735
Capital Projects Fund	370,235	-
<b><u>Enterprise Fund:</u></b>		
Utility Fund	<u>3,975,647</u>	<u>1,721,460</u>
Totals	<u>\$ 5,693,824</u>	<u>\$ 5,693,824</u>



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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

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

*Interfund Transfers (Continued)*

Funds are transferred to the General Fund from the Utility Fund in lieu of overhead, salary and fringe benefits, and administrative costs. Council approves the amounts transferred annually during the budget process. The ARPA Fund transferred funds received to the General Fund and Utility Fund. The Hospitality/Accommodations Tax Fund transferred funds to the General Fund for expenditures related to events the City hosted. The General Fund transferred funds to the Capital Projects Fund cover the debt service payments. The Utility Fund transferred funds to the Capital Projects Fund for the business park project, Fish Creek WWTP project and Liberty Street project.

D. Capital Assets

Capital asset activity for the City's governmental activities for the year ended September 30, 2023, was as follows:

	Restated Beginning Balance *	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets, Non-Depreciable:					
Land	\$ 563,640	-	-	-	\$ 563,640
Construction In Progress	127,262	213,089	-	(117,451)	222,900
Total Capital Assets, Non-Depreciable	690,902	213,089	-	(117,451)	786,540
Capital Assets, Depreciable:					
Buildings and Improvements	9,873,227	163,922	-	-	10,037,149
Infrastructure	1,687,768	-	-	117,451	1,805,219
Street Improvements	777,362	-	-	-	777,362
Furniture and Fixtures	155,530	-	-	-	155,530
Automobiles and Trucks	4,691,963	616,104	28,098	-	5,279,969
Other Equipment	2,011,667	-	-	-	2,011,667
Right to Use Asset - Leased Vehicles	213,812	-	-	-	213,812
Total Capital Assets, Depreciable	19,411,329	780,026	28,098	117,451	20,280,708
Less: Accumulated Depreciation for:					
Buildings and Improvements	5,068,414	255,377	-	-	5,323,791
Infrastructure	756,127	92,174	-	-	848,301
Street Improvements	544,510	48,566	-	-	593,076
Furniture and Fixtures	154,145	896	-	-	155,041
Automobiles and Trucks	3,022,769	355,908	28,098	-	3,350,579
Other Equipment	1,788,195	56,502	-	-	1,844,697
Right to Use Asset - Leased Vehicles	149,668	42,762	-	-	192,430
Total Accumulated Depreciation	11,483,828	852,185	28,098	-	12,307,915
Total Capital Assets, Depreciable, Net	7,927,501	(72,159)	-	117,451	7,972,793
Governmental Activities Capital Assets, Net	\$ 8,618,403	140,930	-	-	\$ 8,759,333

\* The City restated the beginning balance of net position for unrecorded capital assets due to prior period adjustments. See Note IV.E. in the notes to the financial statements for more details.



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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

D. Capital Assets (Continued)

Capital asset additions and depreciation expense for governmental activities were charged to functions/programs as follows:

Functions/Programs	Capital Asset Additions	Depreciation Expense
General Government	\$ 46,495	\$ 77,512
Public Safety	379,472	366,329
Recreation	85,109	137,693
Public Works	482,039	270,651
Total - Governmental Activities	<u>\$ 993,115</u>	<u>\$ 852,185</u>

Capital asset activity for the City's business-type activities for the year ended September 30, 2023, was as follows:

	Restated Beginning Balance *	Increases	Decreases	Transfers	Ending Balance
<b>Business-Type Activities</b>					
Capital Assets, Non-Depreciable:					
Land	\$ 191,727	-	-	-	\$ 191,727
Construction In Progress	59,406	807,857	-	(21,023)	846,240
Total Capital Assets, Non-Depreciable	<u>251,133</u>	<u>807,857</u>	<u>-</u>	<u>(21,023)</u>	<u>1,037,967</u>
Capital Assets, Depreciable:					
Utility Plant	41,932,846	1,023,840	-	21,023	42,977,709
Automobile and Trucks	212,987	-	52,425	-	160,562
Other Equipment	461,330	-	-	-	461,330
Total Capital Assets, Depreciable	<u>42,607,163</u>	<u>1,023,840</u>	<u>52,425</u>	<u>21,023</u>	<u>43,599,601</u>
Less: Accumulated Depreciation for:					
Utility Plant	21,316,148	812,578	-	-	22,128,726
Automobile and Trucks	142,163	15,739	52,425	-	105,477
Other Equipment	278,612	25,666	-	-	304,278
Total Accumulated Depreciation	<u>21,736,923</u>	<u>853,983</u>	<u>52,425</u>	<u>-</u>	<u>22,538,481</u>
Total Capital Assets, Depreciable, Net	<u>20,870,240</u>	<u>169,857</u>	<u>-</u>	<u>21,023</u>	<u>21,061,120</u>
Business-Type Activities Capital Assets, Net	<u>\$ 21,121,373</u>	<u>977,714</u>	<u>-</u>	<u>-</u>	<u>\$ 22,099,087</u>

\* The City restated the beginning balance of net position for unrecorded capital assets due to prior period adjustments. See Note IV.E. in the notes to the financial statements for more details.



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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

D. Capital Assets (Continued)

Capital asset additions and depreciation expense for business-type activities were charged to functions/programs as follows:

Functions/Programs	Capital Asset Additions	Depreciation Expense
Water/Sewer	\$ 1,831,697	\$ 853,983

The City business-type activities receive from time to time donated capital assets (generally water and sewer lines) from subdivisions/projects that are given to the City from various parties. For the year ended September 30, 2023, the City received approximately \$335,000 of donations.

E. Long-Term Obligations

The City issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds ("GOB") are direct obligations and pledge the full faith and credit of the City and are subject to the 8% debt limit requirement if not issued under a bond referendum. Revenue Bonds ("RB") and Refunding Revenue Bonds ("RRB") are obligations of the City that are secured by revenue from a specific source (water/sewer charges). Financed Purchases ("FP") obligations and Leases ("L") are special obligations of the City payable from the general revenues of the City. The full faith, credit, and taxing powers of the City are not pledged for the payment of the RB or FP obligations nor the interest thereon. All of the City's outstanding debt and leases have been issued/obtained through direct borrowings/placements ("DBP"). Obligations through DBP are generally secured/collateralized by the underlying assets and contain provisions that in an event of default, (a) outstanding amounts can become immediately due if the City is unable to make payment and (b) the lender could exercise its option to demand return of the financed asset. Details on the City's outstanding issues as of September 30, 2023 are as follows:

<i>Financed Purchases</i>	Balance at September 30, 2023
\$112,167 financed purchase issued in March 2017 ("FP – 2017B"), due in annual installments of \$15,750 beginning on March 15, 2018 through March 15, 2025, which includes interest at 2.66%. The proceeds from this issue were used to purchase a wheel loader.	\$ 30,287
\$714,917 financed purchase issued in October 2017 ("FP – 2017C"), due in annual installments of \$81,138 beginning on October 13, 2018 through October 13, 2027, which includes interest at 2.37%. The proceeds from this issue were used to purchase a fire truck.	378,367
\$225,731 financed purchase issued in October 2017 ("FP – 2017D"), due in annual installments of \$35,228 beginning on October 13, 2018 through October 13, 2024, which includes interest at 2.26%. The proceeds from this issue were used to purchase a garbage truck.	68,137
\$370,000 financed purchase issued in November 2019 ("FP – 2020A"), due in annual installments of \$79,275 beginning on November 7, 2020 through November 7, 2024, which includes interest at 2.34%. The proceeds from this issue were used to upgrade the City's IT system and to purchase fire radios.	\$ 153,154



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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

E. Long-Term Obligations (Continued)

	Balance at <u>September 30, 2023</u>
<i><b>Financed Purchases (Continued)</b></i>	
\$110,000 financed purchase issued in November 2019 ("FP – 2020C"), due in annual installments of \$23,616 beginning on November 7, 2020 through November 7, 2024, which includes interest at 2.41%. The proceeds from this issue were used to purchase police vehicles.	\$ 45,577
\$153,800 financed purchase issued in February 2020 ("FP – 2020D"), due in annual installments of \$32,905 beginning on February 13, 2021 through February 13, 2025, which includes interest at 2.29%. The proceeds from this issue were used to purchase vehicles.	63,617
\$128,000 financed purchase issued in December 2020 ("FP – 2020E"), due in annual installments of \$27,196 beginning on December 29, 2021 through December 29, 2025, which includes interest at 2.05%. The proceeds from this issue were used to purchase vehicles.	78,353
\$50,000 financed purchase issued in August 2021 ("FP – 2021A"), due in annual installments of \$10,549 beginning on August 19, 2022 through August 19, 2026, which includes interest at 1.81%. The proceeds from this issue will be used to purchase a fire hose.	30,537
\$62,000 financed purchase issued in December 2021 ("FP – 2021B"), due in annual installments of \$13,028 beginning on December 2, 2022 through December 2, 2026, which includes interest of 1.67%. The proceeds from this issue will be used to purchase vehicles.	50,007
\$160,000 financed purchase issued in December 2021 ("FP – 2021D"), due in annual installments of \$33,719 beginning on December 29, 2022 through December 29, 2026, which includes interest of 1.77%. The proceeds from this issue will be used to purchase police vehicles and equipment.	129,113
\$145,000 financed purchase issued in December 2021 ("FP – 2021C"), due in annual installments of \$30,558 beginning on December 29, 2022 through December 2026, which includes interest of 1.77%. The proceeds from this issue will be used to purchase utility vehicles.	113,018
\$235,000 financed purchase issued in February 2023 ("FP – 2023"), due in annual installments of \$34,805 beginning November 1, 2023 through November 1, 2030, which includes interest of 4.19%. The proceeds from this issue were used to purchase a leaf truck.	235,000
<i><b>Leases</b></i>	
\$233,172 in leases issued in February, May, June and August of 2019 ("L – 2019"), due in 60 monthly installments of approximately \$5,000 per month beginning in February 2019 through August 2024, which includes interest at 9.6%. The proceeds from this issue were used to purchase several vehicles.	\$ 29,746



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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

E. Long-Term Obligations (Continued)

*Refunding Revenue Bonds*

\$4,000,000 waterworks and sewer system refunding revenue bonds issued in December 2014 (“RRB – 2014”), due in annual installments of approximately \$300,000 to \$500,000 beginning December 1, 2014 through December 1, 2024, plus interest at 2.42% due semiannually. The proceeds from this issue were used to refund the 2009 revenue bonds. The original 2009 revenue bonds were used to finance the City’s upgrades to the wastewater plant, a pump station, and other capital improvements. \$ 975,000

Presented below is a summary of changes in long-term obligations for the City’s governmental activities for the year ended September 30, 2023:

Long-Term Obligations	Beginning Balances	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Financed Purchases – DBP:					
FP – 2017B	\$ 44,845	-	14,558	30,287	\$ 14,945
FP – 2017C	448,867	-	70,500	378,367	72,170
FP – 2017D	101,080	-	32,943	68,137	33,688
FP – 2020A	227,114	-	73,960	153,154	75,691
FP – 2020B	263,548	-	90,238	173,310	92,287
FP – 2020C	67,565	-	21,988	45,577	22,517
FP – 2020D	94,361	-	30,744	63,617	31,448
FP – 2020E	103,428	-	25,075	78,353	25,589
FP – 2021A	40,356	-	9,819	30,537	9,997
FP – 2021B	62,000	-	11,993	50,007	12,193
FP – 2021D	160,000	-	30,887	129,113	31,434
FP – 2023	-	235,000	-	235,000	27,557
Total Financed Purchases – DBP	1,613,164	235,000	412,705	1,435,459	449,516
Leases – DBP:					
L – 2019	72,509	-	42,763	29,746	29,746
Total Leases – DBP	72,509	-	42,763	29,746	29,746
Compensated Absences	770,017	487,835	443,843	814,009	469,201
Total Governmental Activities	\$ 2,455,690	722,835	899,311	2,279,214	\$ 948,463



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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

E. Long-Term Obligations (Continued)

Presented below is a summary of changes in long-term obligations for the City's business-type activities for the year ended September 30, 2023:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-Type Activities:</b>					
Revenue Bonds – DBP:					
RRB – 2014	\$ 1,425,000	-	450,000	975,000	\$ 475,000
Total Revenue Bonds – DBP	1,425,000	-	450,000	975,000	475,000
Financed Purchases – DBP:					
FP – 2021C	145,000	-	31,982	113,018	29,208
Total Financed Purchases – DBP	145,000	-	31,982	113,018	29,208
Compensated Absences	156,481	65,308	126,044	95,745	77,122
Total Business-Type Activities	\$ 1,726,481	65,308	608,026	1,183,763	\$ 581,330

The order of priority for pledges and security on the capital assets of the City's water/sewer activities is the revenue bonds. The revenue bond requires the City to maintain user rates sufficient to generate net earnings, as defined by the agreements, 100% of the annual principal and interest payments on the revenue bonds and junior bonds (as defined). The revenue bonds contain significant requirements for meeting annual debt service payments and to comply with other general requirements. The City is in compliance with all of the significant financial covenants at September 30, 2023.

Interest paid on the debt issued by the City is generally exempt from federal income tax. The City may sometimes temporarily reinvest the proceeds of such tax-exempt debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government. The City does not have any arbitrage liability at September 30, 2023.

Article Eight, Section Seven of the South Carolina Constitution of 1895, as amended, provides that no City or Town shall incur any bonded debt which shall exceed eight percent (8%) of the assessed value of the property therein and no such debt shall be created without the electors of such City or Town voting in favor of such further bonded debt. Prior to Home Rule Act of July 1, 1976, the bonded debt exemption was thirty five percent (35%). In 1976, the General Assembly reduced the general obligation debt limit without voter approval to eight percent (8%) of assessed valuation; whereas, with a referendum any amount can be floated. As of September 30, 2023, the City had no bonded debt outstanding subject to the 8% limit of approximately \$3,099,000 resulting in an unused legal debt margin of approximately \$3,099,000.



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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

E. Long-Term Obligations (Continued)

Presented below is a summary of financed purchase and lease requirements (all of which are DBP) to maturity by year for the City's governmental activities as of September 30, 2023:

Year Ended September 30,	Financed Purchases		Leases		Total
	Principal	Interest	Principal	Interest	
<b><u>Governmental Activities:</u></b>					
2024	\$ 449,516	33,913	29,746	9,117	\$ 522,292
2025	444,180	25,895	-	-	470,075
2026	185,011	15,425	-	-	200,436
2027	151,717	10,971	-	-	162,688
2028	108,795	7,148	-	-	115,943
2029 - 2031	96,240	8,175	-	-	104,415
Totals	\$ 1,435,459	101,527	29,746	9,117	\$ 1,575,849

Presented below is a summary of debt and finance purchase requirements (all of which are DBP) to maturity by year for the City's business-type activities as of September 30, 2023:

Year Ended September 30,	Revenue Bonds		Financed Purchases		Total
	Principal	Interest	Principal	Interest	
<b><u>Business-Type Activities</u></b>					
2024	\$ 475,000	17,848	29,208	1,350	\$ 523,406
2025	500,000	6,050	29,074	1,483	536,607
2026	-	-	29,589	969	30,558
2027	-	-	25,147	445	25,592
Totals	<u>\$ 975,000</u>	<u>23,898</u>	<u>113,018</u>	<u>4,247</u>	<u>\$ 1,116,163</u>

IV. OTHER INFORMATION

A. Risk Management

*Participation in Public Entity Risk Pools for Property and Casualty Insurance*

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The City has joined together with other municipalities in the state to form the South Carolina Municipal Insurance and Risk Financing Fund ("SCMIRF") and the South Carolina Municipal Insurance Trust ("SCMIT"), which are public entity risk pools currently operating as a common risk management and insurance program for general risk insurance and workers compensation, respectively.

The City pays an annual premium to SCMIRF for its general risk insurance. For the year ended September 30, 2023, the City made premium payments totaling approximately \$287,000. SCMIRF is self-sustaining through member premiums and reinsures through commercial companies. SCMIRF's net position from its most recently issued audited financial statements at December 31, 2022, totaled approximately \$6,715,000. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.



**IV. OTHER INFORMATION (CONTINUED)**

**A. Risk Management (Continued)**

The City pays an annual premium to SCMIT for its workers compensation insurance. For the year ended September 30, 2023, the City made premium payments totaling approximately \$140,000. The Trust uses reinsurance agreements to reduce its exposure to large workers' compensation losses. SCMIT's net position from its most recently issued audited financial statements at December 31, 2022, totaled approximately \$44,198,000. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

**B. Retirement Plans**

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

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

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

*Plan Description*

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

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



**IV. OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

*Plan Membership*

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

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

*Plan Benefits*

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

- 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.



**IV. OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

*Plan Benefits*

- **PORS** – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

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

*Plan Contributions*

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, the SCRS and PORS (“Plans”) 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. Effective July 1, 2017, employee rates were increased and capped at 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 until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA Board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

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

As noted earlier, both employees and the City are required to contribute to the Plans at rates established and as amended by the PEBA. The City’s contributions are actuarially determined but are communicated to and paid by the City as a percentage of the employees’ annual eligible compensation. Required employer and employee contribution rates for the past year are as follows:



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

*Plan Contributions (Continued)*

	SCRS Rates		PORS Rates	
	2023		2023	
	10/1 - 6/30	7/1 - 9/30	10/1 - 6/30	7/1 - 9/30
Employer Contribution Rate: ^				
Retirement	17.41%	18.41%	19.84%	20.84%
Incidental Death Benefit	0.15%	0.15%	0.20%	0.20%
Accidental Death Contributions	0.00%	0.00%	0.20%	0.20%
	<u>17.56%</u>	<u>18.56%</u>	<u>20.24%</u>	<u>21.24%</u>
Employee Contribution Rate ^	<u>9.00%</u>	<u>9.00%</u>	<u>9.75%</u>	<u>9.75%</u>

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

The actual and required contributions to the SCRS and PORS were approximately \$490,000 and \$585,000, respectively, for the year ended September 30, 2023 and include the nonemployer contributions noted below.

*Nonemployer Contributions*

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("State") funded 1 percent of the SCRS and PORS contribution increases for the year ended June 30, 2024. The State's budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2023 (measurement date) to the City were approximately \$22,000 and \$21,000 for the SCRS and PORS, respectively. These contributions (on-behalf benefits) from the State were recognized as intergovernmental revenues and pension expenditures in the City's governmental fund financial statements.

*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 the consulting actuary, Gabriel, Roeder, Smith and Company, and are based on an actuarial valuation performed as of July 1, 2022. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023 (measurement date) for the SCRS and PORS.



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

*Actuarial Assumptions and Methods (Continued)*

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.00%	7.00%
Projected Salary Increases*	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

\* Includes inflation at 2.25%.

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table ("2020 PRSC"), were developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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

*Long-Term Expected Rate of Return*

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 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 following table. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

*Long-Term Expected Rate of Return (Continued)*

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

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

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

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 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 Plans' fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the Plans' funding requirements.

At September 30, 2023, the City reported liabilities of approximately \$5,086,000 and \$4,814,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2023, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2022 that was projected forward to the measurement date. The City's proportion of the NPL were based on a projection of the City's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2023 measurement date, the City's SCRS proportion was 0.021034 percent, which was an increase of 0.001304 from its proportion measured as of June 30, 2022. At the June 30, 2023 measurement date, the City's PORS proportion was 0.15813 percent, which was a decrease of 0.00461 from its proportion measured as of June 30, 2022.



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

For the year ended September 30, 2023, the City recognized pension expense of approximately \$450,000 and \$528,000 for the SCRS and PORS, respectively. At September 30, 2023, the City reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences Between Expected and Actual Experience	\$ 88,293	\$ 14,103
Change in Assumptions	77,917	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	6,961
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	221,084	51,386
Employer Contributions Subsequent to the Measurement Date	136,489	-
Total SCRS	<u>523,783</u>	<u>72,450</u>
<b>PORS</b>		
Differences Between Expected and Actual Experience	226,540	59,343
Change in Assumptions	104,767	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	8,260
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	44,159	102,376
Employer Contributions Subsequent to the Measurement Date	164,989	-
Total PORS	<u>540,455</u>	<u>169,979</u>
Total SCRS and PORS	<u>\$ 1,064,238</u>	<u>\$ 242,429</u>

Approximately \$136,000 and \$165,000 that were reported as deferred outflows of resources related to the City's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended September 30,	SCRS	PORS	Total
2024	\$ 129,893	125,478	\$ 255,371
2025	(17,505)	(120,881)	(138,386)
2026	205,440	205,923	411,363
2027	(2,984)	(5,033)	(8,017)
Total	<u>\$ 314,844</u>	<u>205,487</u>	<u>\$ 520,331</u>



# CITY OF YORK, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

### IV. OTHER INFORMATION (CONTINUED)

#### B. Retirement Plans (Continued)

##### *Discount Rate*

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

##### *Sensitivity Analysis*

The following table presents the sensitivity of the City's proportionate share of the NPL of the Plans to changes in the discount rate, calculated using the discount rate of 7.00 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.00 percent) or 1% point higher (8.00 percent) than the current rate:

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability of the SCRS	\$ 6,570,963	5,085,509	\$ 3,850,851
City's proportionate share of the net pension liability of the PORS	6,790,531	4,813,757	3,194,531
Total	<u>\$ 13,361,494</u>	<u>9,899,266</u>	<u>\$ 7,045,382</u>

##### *Plans Fiduciary Net Position*

Detailed information regarding the fiduciary net position of the Plans administered by the PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for the SCRS and PORS. The ACFR is publicly available through the PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

##### *Payable to Plans*

The City reported a payable of approximately \$153,000 to the PEBA as of September 30, 2023, representing required employer and employee contributions for the month of September 2023 for the SCRS and PORS. This amount is included in Accrued Expenses on the financial statements and was paid in November 2023.

#### C. Other Postemployment Benefits

##### *Plan Description*

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



# CITY OF YORK, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

### IV. OTHER INFORMATION (CONTINUED)

#### C. Other Postemployment Benefits (Continued)

##### *Plan Membership*

As of June 30, 2021, the last actuarial valuation, the following employees were covered by the OPEB Plan's benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefit Payments	23
Active Members	43
Total Membership	66

##### *Plan Benefits and Contributions*

A regular full-time City employee who is a member of the State Retirement System (SCRS and PORS) is eligible for retiree insurance as follows:

1. An employee with 15 years of service as of July 1, 2010, who retires under the State Retirement System at age 55, having completed 20 years of continuous service with the City is eligible for health insurance on the City's plan. The City pays 100% of the Cigna plan until age 65, at which time the City pays 100% of the Medicare Supplement until death.
2. An employee with 10 but not yet 15 years of service as of July 1, 2010, who retires under the State Retirement System at age 55, having completed 15 years of continuous service with the City is eligible for health insurance on the City's plan. The City pays 50% of the Cigna plan until age 65, at which time the City pays 50% of the Medicare Supplement until death.
3. An employee hired July 1, 2000 or after who retires under the State Retirement System at age 55, having completed 20 years of continuous service with the City is eligible for health insurance on the City's plan. The City pays \$300 a month to age 65, at which time the City pays \$300 a month of the Medicare Supplement until death. The retiree must remain on the City's insurance plan.
4. An employee hired July 1, 2000 or after who retires under the State Retirement System at age 55, having completed 15, but fewer than 20 years of continuous service with the City is eligible for health insurance on the City's plan. The City pays \$150 a month to age 65, at which time the City pays \$150 a month of the Medicare Supplement until death. The retiree must remain on the City's insurance plan.
5. Employees or elected officials hired after January 1, 2013 will no longer be offered retiree insurance by the City.

Spouses and dependents are not eligible for retiree coverage. If a retiree goes to work where health coverage is available, he/she forfeits City coverage. Information regarding the State Retirement System (SCRS and PORS) eligibility may be found in Note IV.B.

City contributions include the cost of health and dental premiums. City contributions that are listed with a specific dollar amount (\$300 or \$150 per month) are not expected to increase in the future. The City also provides \$10,000 in life insurance to qualified retirees under age 65. At age 65, the policy reduces to \$6,500, further reducing to \$5,000 at age 70, where it remains until death.

Coverage in the City's group health plan will continue until the qualified retiree becomes Medicare eligible, at which time health coverage will be converted to a Medicare Supplement policy.

The total monthly costs for the pre-65 and post-65 plan coverage options are as follows:

	Medical	Dental
Pre-65 Total Cost of Coverage	\$ 672.87	\$ 38.56
Post-65 Total Cost of Coverage	\$ 363.00	\$ 38.56



# CITY OF YORK, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

### IV. OTHER INFORMATION (CONTINUED)

#### C. Other Postemployment Benefits (Continued)

##### *Plan Benefits and Contributions (Continued)*

For the year ended December 31, 2022 (measurement date), the City made contributions of approximately \$153,000, or an average of 7.17% of covered payroll.

##### *Actuarial Assumptions and Methods*

Actuarial valuations of the OPEB Plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, inflation, healthcare cost trend rates, and future salary changes. Amounts determined regarding the net OPEB liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

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

Actuarial Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Inflation	2.25%
Investment Rate of Return	4.75% which includes inflation
Discount Rate	4.75%
Healthcare Cost Trend Rate	Pre-Medicare - 7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031, Medicare - 5.25% for 2021 decreasing to an ultimate rate of 4.50% by 2025
Payroll Growth	SCRS - 3.00% - 9.50%; PORS - 3.50% - 10.50% (including inflation)
Coverage Elections	10 years of service as of July 1, 2010 - 55 & 15 - 75%, 15 years of service as of July 1, 2010 - 55 & 20 - 100%, Hired After July 1, 2000 - 55 & 15 - 37.5% and 55 & 20 - 75%, Elected Officials - 95%, and Spouse Coverage - 0%
Active Participation/Marriage	100% of all active employees are assumed to be married with female spouses being three years younger than males
Mortality Table	PUB-2010 Mortality Table for Employees with a 135% multiplier

The actuarial assumptions used above were based on the results of the actuarial experience study adopted for the SCRS and PORS pension plan.



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

*Long-Term Expected Rate of Return*

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

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
US Government Agency	58.0%	4.00%	2.32%
US Government MBS/CMO/CMBS	40.0%	5.60%	2.24%
Cash and Short Duration (Net)	2.0%	3.90%	0.08%
Total	100.0%		4.64%

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

The City's net OPEB liability was measured as of December 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 that was rolled forward to the measurement date.

	Total OPEB Liability (a)	OPEB Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances as of December 31, 2021	\$ 3,585,925	1,123,203	\$ 2,462,722
Changes for the year:			
Service Cost	28,033	-	28,033
Interest	166,732	-	166,732
Difference Between Expected/Actual Experience	(2,433)	-	(2,433)
Changes of Assumptions	-	-	-
Contributions - Employer	-	153,323	(153,323)
Net Investment Income	-	(165,802)	165,802
Benefit Payments	(153,323)	(153,323)	-
Administrative Expense	-	(4,826)	4,826
Net Changes	39,009	(170,628)	209,637
Balances as of December 31, 2022	\$ 3,624,934	952,575	\$ 2,672,359



CITY OF YORK, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

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

For the year ended September 30, 2023, the City recognized OPEB expense of approximately \$89,000. At September 30, 2023, the City reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 112,560	\$ 308,936
Changes of Assumptions	-	48,767
Net Difference Between Projected/Actual Earnings on OPEB Plan Investments	223,506	-
Employer Contributions Subsequent to the Measurement Date	110,030	-
Total	<u>\$ 446,096</u>	<u>\$ 357,703</u>

Approximately \$110,000 that was reported as deferred outflows of resources related to the City's contributions subsequent to the measurement date to the OPEB Plan, respectively, will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the OPEB Plan will increase (decrease) OPEB expense as follows:

Year Ended September 30,	Total
2024	\$ (63,057)
2025	(58,574)
2026	48,844
2027	51,328
2028	(178)
Total	<u>\$ (21,637)</u>

*Discount Rate*

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

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

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



# CITY OF YORK, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

### IV. OTHER INFORMATION (CONTINUED)

#### C. Other Postemployment Benefits (Continued)

##### *Sensitivity of the Net OPEB Liability to Changes in the Discount Rate (Continued)*

	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
Net OPEB Liability	\$ 3,166,662	2,672,359	\$ 2,265,988

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

The following table presents the sensitivity of the City's net OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower or 1% point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	\$ 2,284,574	2,672,359	\$ 3,140,513

#### D. Contingent Liabilities and Commitments

##### *Litigation*

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

##### *Grants*

The City receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the City at September 30, 2023.

##### *Other Commitments*

In November 2022, the City entered into an agreement with Davis and Floyd for engineering services for the Fishing Creek Wastewater Treatment Plant Improvement project for approximately \$1,395,000. The outstanding commitment for this project is approximately \$959,600 at September 30, 2023.

#### E. Prior Period Adjustment

In connection with the audit of the City's capital assets for the year ended September 30, 2023, the City determined that in the year ended September 30, 2022 there were donated capital asset infrastructure items that had not been included in the City's financial statements as of September 30, 2022 of approximately \$186,000 for governmental activities and approximately \$531,000 for business type activities. The City corrected this error in its fiscal 2023 financial statements by reflecting a prior period adjustment.

#### F. Subsequent Events

In November 2023, the City entered into an economic development agreement with Raines Company to foster the revitalization and redevelopment of the City's historic downtown in the amount of approximately \$2,000,000.



**CITY OF YORK, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2023**

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**IV. OTHER INFORMATION (CONTINUED)**

**E. Subsequent Events (Continued)**

In December 2023, the City entered into an agreement with RNF Construction, LLC for the York City Park Improvements Phase 2 in the amount of approximately \$562,000.

In March 2024, the City entered into an agreement with Seagrave Fire Apparatus, LLC for a custom Seagrave Marauder Pumper fire truck in the amount of approximately \$1,159,000.

In April 2024, the City entered into an agreement with North American Construction Company for the Fishing Creek WWTP Improvements in the amount of approximately \$8,801,000.

In June 2024, the City entered into an agreement with Faulkner Development & Engineering, LLC for the Lincoln Road sidewalk project in the amount of approximately \$1,177,000.

In July 2024, the City entered into an agreement with Keck and Wood Inc for the Liberty Street Waterline Improvements in the amount of approximately \$7,380,000.

In July 2024, the City purchased property off Ecology Drive for approximately \$372,000.



# **REQUIRED SUPPLEMENTARY INFORMATION**



## CITY OF YORK, SOUTH CAROLINA

## REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH REVISED BUDGET
	ORIGINAL	REVISED	ACTUAL	
REVENUES				
Taxes				
Property Taxes	\$ 3,805,000	3,805,000	3,877,379	\$ 72,379
Vehicle Taxes	325,000	325,000	393,262	68,262
Franchise Fees - Other	630,000	630,000	637,085	7,085
Total Taxes	4,760,000	4,760,000	4,907,726	147,726
Other Revenues				
State Shared Revenue	417,000	417,000	562,638	145,638
Business Licenses	1,815,000	1,815,000	2,263,176	448,176
Building Permits	225,000	225,000	572,556	347,556
Court Fines/Fees	40,000	40,000	73,088	33,088
Interest	8,000	8,000	203,876	195,876
Rent	1,000	1,000	150	(850)
Garbage Fees	1,210,000	1,210,000	1,325,382	115,382
Fire Protection	109,000	109,000	110,146	1,146
Recreation Fees	164,000	164,000	202,908	38,908
Recycling Fees	62,000	62,000	60,851	(1,149)
Miscellaneous	130,000	130,000	187,313	57,313
Copies	-	-	13	13
Sales Permits	-	-	84	84
Grants	235,000	235,000	593,218	358,218
Reimbursement School Resource	185,000	185,000	196,748	11,748
Total Other Revenues	4,601,000	4,601,000	6,352,147	1,751,147
TOTAL REVENUES	9,361,000	9,361,000	11,259,873	1,898,873
EXPENDITURES				
General Government:				
Legislative				
Personnel Services	659,000	659,000	668,091	(9,091)
Operating Expenditures	126,000	126,000	176,964	(50,964)
Total Legislative	785,000	785,000	845,055	(60,055)
Executive				
Personnel Services	74,000	74,000	73,303	697
Operating Expenditures	68,000	68,000	65,148	2,852
Total Executive	142,000	142,000	138,451	3,549
Court				
Personnel Services	114,000	114,000	112,658	1,342
Operating Expenditures	50,500	50,500	61,241	(10,741)
Total Court	\$ 164,500	164,500	173,899	\$ (9,399)

(Continued)



## CITY OF YORK, SOUTH CAROLINA

## REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH REVISED BUDGET
	ORIGINAL	REVISED		
Planning and Zoning				
Personnel Services	\$ 431,500	431,500	439,053	\$ (7,553)
Operating Expenditures	115,500	115,500	146,627	(31,127)
Capital Outlay	31,000	31,000	9,373	21,627
Debt Service	13,500	13,500	13,165	335
Total Planning and Zoning	591,500	591,500	608,218	(16,718)
Non-Departmental				
Personnel Services	154,000	154,000	143,954	10,046
Operating Expenditures	275,000	275,000	284,645	(9,645)
Debt Service	32,000	32,000	31,710	290
Total Non-Departmental	461,000	461,000	460,309	691
<b>Total General Government</b>	<b>2,144,000</b>	<b>2,144,000</b>	<b>2,225,932</b>	<b>(81,932)</b>
<b>Public Safety:</b>				
Police				
Personnel Services	3,194,500	3,194,500	3,605,360	(410,860)
Operating Expenditures	492,500	492,500	503,437	(10,937)
Capital Outlay	-	-	387,715	(387,715)
Debt Service	82,000	82,000	94,507	(12,507)
Total Police	3,769,000	3,769,000	4,591,019	(822,019)
Fire				
Personnel Services	1,097,500	1,097,500	1,078,962	18,538
Operating Expenditures	194,000	194,000	274,120	(80,120)
Debt Service	159,500	159,500	159,324	176
Total Fire	1,451,000	1,451,000	1,512,406	(61,406)
Fire Suppression/County				
Operating Expenditures	15,500	15,500	7,948	7,552
Total Fire Suppression/County	15,500	15,500	7,948	7,552
<b>Total Public Safety</b>	<b>5,235,500</b>	<b>5,235,500</b>	<b>6,111,373</b>	<b>(875,873)</b>
<b>Recreation:</b>				
Recreation				
Personnel Services	493,000	493,000	520,194	(27,194)
Operating Expenditures	257,000	257,000	288,231	(31,231)
Capital Outlay	19,000	19,000	55,981	(36,981)
Total Recreation	769,000	769,000	864,406	(95,406)
<b>Total Recreation</b>	<b>\$ 769,000</b>	<b>769,000</b>	<b>864,406</b>	<b>\$ (95,406)</b>

(Continued)



## CITY OF YORK, SOUTH CAROLINA

## REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH REVISED BUDGET
	ORIGINAL	REVISED		
<b>Public Works:</b>				
Public Works Administration				
Personnel Services	\$ 494,500	494,500	554,987	\$ (60,487)
Operating Expenditures	507,000	507,000	615,623	(108,623)
Capital Outlay	12,000	12,000	316,071	(304,071)
Debt Service	116,500	116,500	116,241	259
Total Public Works Administration	1,130,000	1,130,000	1,602,922	(472,922)
Public Works Commercial				
Personnel Services	62,000	62,000	60,906	1,094
Operating Expenditures	206,500	206,500	260,289	(53,789)
Total Public Works Commercial	268,500	268,500	321,195	(52,695)
Recycling				
Personnel Services	60,500	60,500	60,252	248
Operating Expenditures	34,500	34,500	41,758	(7,258)
Debt Service	33,500	33,500	33,677	(177)
Total Recycling	128,500	128,500	135,687	(7,187)
<b>Total Public Works</b>	1,527,000	1,527,000	2,059,804	(532,804)
<b>TOTAL EXPENDITURES</b>	<b>9,675,500</b>	<b>9,675,500</b>	<b>11,261,515</b>	<b>(1,586,015)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(314,500)</b>	<b>(314,500)</b>	<b>(1,642)</b>	<b>312,858</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Financed Purchases Issued	-	-	235,000	235,000
Sale/Disposal of Capital Assets	5,000	5,000	11,513	6,513
Insurance Proceeds	-	-	80,246	80,246
Transfers In	370,000	370,000	1,347,942	977,942
Transfers Out	(60,500)	(60,500)	(60,500)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>314,500</b>	<b>314,500</b>	<b>1,614,201</b>	<b>1,299,701</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>1,612,559</b>	<b>1,612,559</b>
FUND BALANCES, Beginning of Year	6,473,546	6,473,546	6,473,546	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 6,473,546</b>	<b>6,473,546</b>	<b>8,086,105</b>	<b>\$ 1,612,559</b>

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The City's actual expenditures exceeded its budgeted expenditures due to higher operating expenditures.



## CITY OF YORK, SOUTH CAROLINA

## REQUIRED SUPPLEMENTARY INFORMATION - OTHER BUDGETARY COMPARISON SCHEDULE - ARPA FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS			VARIANCE WITH REVISED BUDGET
	ORIGINAL	REVISED	ACTUAL	
<b>REVENUES</b>				
Interest	\$ -	-	134,125	\$ 134,125
Grants	-	2,093,931	3,573,480	1,479,549
<b>TOTAL REVENUES</b>	<b>-</b>	<b>2,093,931</b>	<b>3,707,605</b>	<b>1,613,674</b>
<b>EXPENDITURES</b>				
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>2,093,931</b>	<b>3,707,605</b>	<b>1,613,674</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	(2,093,931)	(3,708,629)	(1,614,698)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(2,093,931)</b>	<b>(3,708,629)</b>	<b>(1,614,698)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>(1,024)</b>	<b>(1,024)</b>
FUND BALANCES, Beginning of Year	1,024	1,024	1,024	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 1,024</b>	<b>1,024</b>	<b>-</b>	<b>\$ (1,024)</b>

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.



## **CITY OF YORK, SOUTH CAROLINA**

### **NOTES TO THE BUDGETARY COMPARISON SCHEDULES**

**YEAR ENDED SEPTEMBER 30, 2023**

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#### **A. BASIS OF ACCOUNTING**

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

#### **B. BUDGETARY INFORMATION**

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

1. The City's charter establishes the fiscal year as the twelve-month period beginning October 1. The departments submit to the City Manager a budget of estimated expenditures of the ensuing fiscal year after which the City Manager subsequently submits a budget of estimated expenditures and revenues to the City Council. Prior to October 1, the budget is legally enacted through passage of an ordinance.
2. Budgeted amounts are as originally adopted, or as amended by the City Council and are prepared on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America.
3. The General Fund, ARPA Fund, Hospitality/Accommodations Tax Fund, Impact Fee Fund, Capital Projects Fund, and Utility Fund (which is made up of several subfunds) were the governmental and enterprise funds for which the City has legally adopted budgets.
4. During the year, accountability for the budget for each department is primarily the responsibility of the department head. The City Manager has the authority to transfer funds within and among departments, but no such transfers between one fund to another fund without approval of City Council. The legal level of budgetary control is at the department level, as reflected in the required supplementary information.
5. The presented budgetary information is as originally adopted or as amended by City Council. During the year, City Council amended the budget to account for additional revenues and expenditures and to reallocate resources among several departments.
6. At year-end, unencumbered balances of appropriations lapse into the unappropriated fund balance.



## CITY OF YORK, SOUTH CAROLINA

## REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

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

## LAST SIX YEARS

	Year Ended September 30,					
	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service Cost	\$ 28,033	30,330	29,417	47,982	46,533	\$ 45,126
Interest	166,732	159,365	156,981	191,111	187,131	183,614
Differences Between Expected and Actual Experience	(2,433)	178,772	(8,341)	(813,314)	(17,765)	(39,542)
Changes of Assumptions	-	(67,034)	-	(18,333)	-	-
Benefit Payments, Including Refunds of Member Contributions	(153,323)	(139,521)	(116,451)	(135,272)	(129,042)	(101,565)
Net Change in Total OPEB Liability	39,009	161,912	61,606	(727,826)	86,857	87,633
Total OPEB Liability - Beginning of Year	3,585,925	3,424,013	3,362,407	4,090,233	4,003,376	3,915,743
Total OPEB Liability - End of Year (a)	\$ 3,624,934	3,585,925	3,424,013	3,362,407	4,090,233	\$ 4,003,376
OPEB Plan Fiduciary Net Position:						
Employer Contribution	\$ 153,323	139,521	116,451	276,595	270,542	\$ 191,565
Net Investment Income	(165,802)	(30,836)	60,954	44,645	13,147	17,812
Benefit Payments, Including Refunds of Member Contributions	(153,323)	(139,521)	(116,451)	(135,272)	(129,042)	(101,565)
Administrative Expense	(4,826)	(1,250)	(4,576)	-	(3,597)	(9,981)
Net Change in OPEB Plan Fiduciary Net Position	(170,628)	(32,086)	56,378	185,968	151,050	97,831
OPEB Plan Fiduciary Net Position - Beginning of Year	1,123,203	1,155,289	1,098,911	912,943	761,893	664,062
OPEB Plan Fiduciary Net Position - End of Year (b)	\$ 952,575	1,123,203	1,155,289	1,098,911	912,943	\$ 761,893
Net OPEB Liability (Asset) - End of Year (a) - (b)	\$ 2,672,359	2,462,722	2,268,724	2,263,496	3,177,290	\$ 3,241,483
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	26.28%	31.32%	33.74%	32.68%	22.32%	19.03%
Covered-Employee Payroll	\$ 2,139,284	2,139,284	2,210,956	2,210,956	2,751,126	\$ 2,751,126
Net OPEB Liability as a Percentage of Covered-Employee Payroll	124.92%	115.12%	102.61%	102.38%	115.49%	117.82%

## Notes to Schedule:

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

The City adopted GASB #75 during the year ended September 30, 2018. Information before 2018 is not available.

Significant Changes of Assumptions:

None.



## CITY OF YORK, SOUTH CAROLINA

## REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

## SCHEDULE OF THE CITY'S CONTRIBUTIONS

## LAST SIX YEARS

	Year Ended September 30,					
	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 186,316	178,965	177,179	225,345	241,694	\$ 265,991
Contributions in Relation to the Actuarially Determined Contribution	153,323	139,521	116,451	276,595	270,542	191,565
Contribution Deficiency (Excess)	\$ 32,993	39,444	60,728	(51,250)	(28,848)	\$ 74,426
Covered-Employee Payroll	\$ 2,139,284	2,139,284	2,210,956	2,210,956	2,751,126	\$ 2,751,126
Contributions as a Percentage of Covered--Employee Payroll	7.17%	6.52%	5.27%	12.51%	9.83%	6.96%

**Notes to Schedule:**

The City adopted GASB #75 during the year ended September 30, 2018. Information before 2018 is not available.

Valuation Date: June 30, 2021

## Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Inflation	2.25%
Investment Rate of Return	4.75% which includes inflation
Discount Rate	4.75%
Healthcare Cost Trend Rates	Pre-Medicare - 7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031, Medicare - 5.25% for 2021 decreasing to an ultimate rate of 4.50% by 2025
Payroll Growth	SCRS - 3.00% - 9.50%; PORS - 3.50% - 10.50% (including inflation)
Coverage Elections	Varying from 100% for those with 15 years experience and 55 years old on July 1, 2010 to 37.50% for those hired after July 1, 2000. No spousal coverage.
Marriage Percentage	100% of active employees are assumed to be married, with female spouses being three years younger than males.
Mortality Table	PUB-2010 Mortality Table for Employees with a 135% multiplier

**Other Information:**

None



CITY OF YORK, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
SOUTH CAROLINA RETIREMENT SYSTEM

LAST NINE FISCAL YEARS

	Year Ended September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
City's Proportion of the Net Pension Liability	0.021034%	0.019730%	0.019840%	0.020558%	0.022077%	0.022378%	0.023452%	0.022296%	0.022432%	
City's Proportionate Share of the Net Pension Liability	\$ 5,085,509	4,783,047	4,293,567	5,253,025	5,041,195	5,014,228	5,279,422	4,762,393	\$ 4,254,337	
City's Covered Payroll	\$ 2,702,147	2,361,105	2,243,592	2,297,474	2,331,318	2,272,609	2,359,724	2,159,043	\$ 2,106,937	
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	188.20%	202.58%	191.37%	228.64%	216.24%	220.64%	223.73%	220.58%	201.92%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.65%	57.06%	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%	

Notes to Schedule:

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

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

The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.



CITY OF YORK, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM

LAST NINE FISCAL YEARS

	Year Ended September 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 490,402	407,314	372,143	357,283	340,887	318,492	271,146	246,945	\$ 232,961
Contributions in Relation to the Contractually Required Contribution									
Contributions from the City	468,379	385,291	350,120	335,260	318,864	318,492	249,251	246,945	232,961
Contributions from the County	22,023	22,023	22,023	22,023	22,023	-	21,895	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	\$ -
City's Covered Payroll	\$ 2,750,840	2,418,161	2,351,120	2,296,165	2,305,315	2,308,246	2,256,674	2,204,890	\$ 2,128,874
Contributions as a Percentage of Covered Payroll	17.83%	16.84%	15.83%	15.56%	14.79%	13.80%	12.02%	11.20%	10.94%

Notes to Schedule:

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



CITY OF YORK, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM

LAST NINE FISCAL YEARS

	Year Ended September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
City's Proportion of the Net Pension Liability	0.15813%	0.16275%	0.16053%	0.15875%	0.16278%	0.16708%	0.16661%	0.15716%	0.14146%	
City's Proportionate Share of the Net Pension Liability	\$ 4,813,757	4,880,726	4,130,267	5,264,391	4,665,136	4,734,409	4,564,382	3,986,349	\$ 3,083,181	
City's Covered Payroll	\$ 2,769,124	2,563,084	2,413,854	2,394,199	2,361,038	2,286,847	2,238,907	2,003,597	\$ 1,752,530	
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	173.84%	190.42%	171.11%	219.88%	197.59%	207.03%	203.87%	198.96%	175.93%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.79%	66.45%	70.37%	58.79%	62.69%	61.73%	60.94%	60.44%	64.57%	

Notes to Schedule:

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

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

The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.



CITY OF YORK, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS  
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM

LAST NINE FISCAL YEARS

	Year Ended September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Contractually Required Contribution	\$ 584,759	509,599	465,306	437,593	411,560	381,104	318,546	288,604	\$ 244,682	
Contributions in Relation to the Contractually Required Contribution										
Contributions from the City	564,159	488,999	444,706	416,993	390,960	381,104	297,946	288,604	244,682	
Contributions from the County	20,600	20,600	20,600	20,600	20,600	-	20,600	-	-	
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	\$ -	
City's Covered Payroll	\$ 2,850,746	2,612,512	2,515,616	2,399,082	2,355,967	2,313,193	2,164,250	2,078,908	\$ 1,811,894	
Contributions as a Percentage of Covered Payroll	20.51%	19.51%	18.50%	18.24%	17.47%	16.48%	14.72%	13.88%	13.50%	

Notes to Schedule:

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



# **SUPPLEMENTARY INFORMATION**



## CITY OF YORK, SOUTH CAROLINA

## SUPPLEMENTARY INFORMATION - COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	SPECIAL REVENUE FUNDS					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	SPECIAL REVENUE FUND	HOSPITALITY/ ACCOMMOD- -ATION TAX FUND	IMPACT FEE FUND	FIRE- -FIGHTERS' 1% FUND	CAPITAL PROJECTS FUND	
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	-	-	-	992,779	\$ 992,779
Restricted Cash and Cash Equivalents	149,720	1,105,346	932,761	24,916	-	2,212,743
Restricted Investments	-	750,000	500,000	-	-	1,250,000
Accounts Receivable	1,294	-	-	-	-	1,294
Intergovernmental Receivable	-	95,279	-	-	-	95,279
Due from Other Funds	130,053	21,814	-	-	-	151,867
<b>TOTAL ASSETS</b>	<b>\$ 281,067</b>	<b>1,972,439</b>	<b>1,432,761</b>	<b>24,916</b>	<b>992,779</b>	<b>\$ 4,703,962</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 7,670	78,983	-	-	9,266	\$ 95,919
Due to Other Funds	-	-	-	-	685,365	685,365
Unearned Revenue	-	-	-	-	58,995	58,995
<b>TOTAL LIABILITIES</b>	<b>7,670</b>	<b>78,983</b>	<b>-</b>	<b>-</b>	<b>753,626</b>	<b>840,279</b>
<b>FUND BALANCES</b>						
Restricted for:						
Capital Projects (Impact Fees)	-	-	1,432,761	-	-	1,432,761
Tourism	-	1,893,456	-	-	-	1,893,456
Firefighters' 1% Costs	-	-	-	24,916	-	24,916
Victim's Assistance	153,107	-	-	-	-	153,107
Public Safety	120,290	-	-	-	-	120,290
Assigned for:						
Capital Projects	-	-	-	-	239,153	239,153
<b>TOTAL FUND BALANCES</b>	<b>273,397</b>	<b>1,893,456</b>	<b>1,432,761</b>	<b>24,916</b>	<b>239,153</b>	<b>3,863,683</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 281,067</b>	<b>1,972,439</b>	<b>1,432,761</b>	<b>24,916</b>	<b>992,779</b>	<b>\$ 4,703,962</b>



## CITY OF YORK, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2023

	SPECIAL REVENUE FUNDS					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	SPECIAL REVENUE FUND	HOSPITALITY/ ACCOMMOD- -ATION TAX FUND	IMPACT FEE FUND	FIRE- -FIGHTERS' 1% FUND	CAPITAL PROJECTS FUND	
<b>REVENUES</b>						
Taxes						
Hospitality/Accommodation Taxes	\$ -	972,923	-	-	-	\$ 972,923
Interest	337	1,116	7,347	44	586	9,430
Impact Fees	-	-	1,148,520	-	-	1,148,520
Grants	-	37,500	-	-	154,856	192,356
Other	33,328	66,709	-	30,224	-	130,261
<b>TOTAL REVENUES</b>	<b>33,665</b>	<b>1,078,248</b>	<b>1,155,867</b>	<b>30,268</b>	<b>155,442</b>	<b>2,453,490</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	260,959	-	-	-	260,959
Public Safety	47,254	-	-	23,850	-	71,104
Recreation	-	-	-	-	522	522
Public Works	-	201,442	-	-	-	201,442
Capital Outlay	-	145,838	-	-	180,101	325,939
Debt Service:						
Principal	-	-	-	-	42,763	42,763
Interest and Fiscal Charges	-	-	-	-	12,054	12,054
<b>TOTAL EXPENDITURES</b>	<b>47,254</b>	<b>608,239</b>	<b>-</b>	<b>23,850</b>	<b>235,440</b>	<b>914,783</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(13,589)</b>	<b>470,009</b>	<b>1,155,867</b>	<b>6,418</b>	<b>(79,998)</b>	<b>1,538,707</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale/Disposal of Capital Assets	24,311	-	-	-	-	24,311
Transfers In	-	-	-	-	370,235	370,235
Transfers Out	-	(175,500)	(27,735)	-	-	(203,235)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>24,311</b>	<b>(175,500)</b>	<b>(27,735)</b>	<b>-</b>	<b>370,235</b>	<b>191,311</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>10,722</b>	<b>294,509</b>	<b>1,128,132</b>	<b>6,418</b>	<b>290,237</b>	<b>1,730,018</b>
FUND BALANCES, Beginning of Year	262,675	1,598,947	304,629	18,498	(51,084)	2,133,665
<b>FUND BALANCES, End of Year</b>	<b>\$ 273,397</b>	<b>1,893,456</b>	<b>1,432,761</b>	<b>24,916</b>	<b>239,153</b>	<b>\$ 3,863,683</b>



## CITY OF YORK, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - OTHER BUDGETARY COMPARISON SCHEDULE -  
HOSPITALITY/ACCOMMODATION TAX FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH REVISED BUDGET
	ORIGINAL	REVISED		
<b>REVENUES</b>				
Hospitality Tax	\$ 625,000	625,000	829,610	\$ 204,610
Accommodations Tax	100,000	100,000	143,313	43,313
Grants	32,000	32,000	37,500	5,500
Interest Earnings	-	-	1,116	1,116
Miscellaneous Revenue	35,000	35,000	66,709	31,709
<b>TOTAL REVENUES</b>	<b>792,000</b>	<b>792,000</b>	<b>1,078,248</b>	<b>286,248</b>
<b>EXPENDITURES</b>				
Capital Improvements:				
Community Promotions	20,000	20,000	18,841	1,159
Other Capital Outlay	166,500	166,500	145,838	20,662
Professional Services	222,000	222,000	201,442	20,558
Miscellaneous	208,500	208,500	242,118	(33,618)
<b>TOTAL EXPENDITURES</b>	<b>617,000</b>	<b>617,000</b>	<b>608,239</b>	<b>8,761</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>175,000</b>	<b>175,000</b>	<b>470,009</b>	<b>295,009</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(175,000)	(175,000)	(175,500)	(500)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(175,000)</b>	<b>(175,000)</b>	<b>(175,500)</b>	<b>(500)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>294,509</b>	<b>294,509</b>
FUND BALANCES, Beginning of Year	1,598,947	1,598,947	1,598,947	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 1,598,947</b>	<b>1,598,947</b>	<b>1,893,456</b>	<b>\$ 294,509</b>



## CITY OF YORK, SOUTH CAROLINA

## SUPPLEMENTARY INFORMATION - OTHER BUDGETARY COMPARISON SCHEDULE - IMPACT FEE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH REVISED BUDGET
	ORIGINAL	REVISED		
<b>REVENUES</b>				
Interest Earnings	\$ -	-	7,347	\$ 7,347
Impact Fees	-	717,000	1,148,520	431,520
<b>TOTAL REVENUES</b>	<b>-</b>	<b>717,000</b>	<b>1,155,867</b>	<b>438,867</b>
<b>EXPENDITURES</b>				
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>717,000</b>	<b>1,155,867</b>	<b>438,867</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	(717,000)	(27,735)	689,265
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(717,000)</b>	<b>(27,735)</b>	<b>689,265</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>1,128,132</b>	<b>1,128,132</b>
FUND BALANCES, Beginning of Year	304,629	304,629	304,629	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 304,629</b>	<b>304,629</b>	<b>1,432,761</b>	<b>\$ 1,128,132</b>



## CITY OF YORK, SOUTH CAROLINA

## SUPPLEMENTARY INFORMATION - OTHER BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH REVISED BUDGET
	ORIGINAL	REVISED		
<b>REVENUES</b>				
Grants	\$ 500,000	500,000	154,856	\$ (345,144)
Interest Earnings	-	-	586	586
<b>TOTAL REVENUES</b>	<b>500,000</b>	<b>500,000</b>	<b>155,442</b>	<b>(344,558)</b>
<b>EXPENDITURES</b>				
Capital Improvements:				
Splash Park Grant	-	-	522	(522)
Capital Outlay	566,100	566,100	180,101	385,999
Debt Service				
Principal	-	-	42,763	(42,763)
Interest and Other Charges	-	-	12,054	(12,054)
<b>TOTAL EXPENDITURES</b>	<b>566,100</b>	<b>566,100</b>	<b>235,440</b>	<b>330,660</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(66,100)</b>	<b>(66,100)</b>	<b>(79,998)</b>	<b>(13,898)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	66,100	66,100	370,235	304,135
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>66,100</b>	<b>66,100</b>	<b>370,235</b>	<b>304,135</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>290,237</b>	<b>290,237</b>
FUND BALANCES, Beginning of Year	(51,084)	(51,084)	(51,084)	-
<b>FUND BALANCES, End of Year</b>	<b>\$ (51,084)</b>	<b>(51,084)</b>	<b>239,153</b>	<b>\$ 290,237</b>



## CITY OF YORK, SOUTH CAROLINA

## SUPPLEMENTARY INFORMATION - OTHER BUDGETARY COMPARISON SCHEDULE - UTILITY FUND

## SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGETS AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS			
	ORIGINAL	REVISED	ACTUAL	VARIANCE
REVENUES				
Water/Sewer Receipts	\$ 2,730,000	2,730,000	3,161,842	\$ 431,842
Base Charge	1,475,000	1,475,000	1,683,154	208,154
DHEC Charge	75,000	75,000	84,584	9,584
Penalty	75,000	75,000	115,416	40,416
Water/Sewer Taps	51,000	51,000	39,347	(11,653)
Connection Fees	35,000	35,000	61,236	26,236
Hydrant Fees	46,000	46,000	57,331	11,331
Meter Reinstallation	-	-	656	656
Meter Installation	50,000	50,000	188,155	138,155
Capacity Fees	717,000	717,000	1,317,977	600,977
Administration	34,000	34,000	58,137	24,137
Pretreatment	20,000	20,000	27,243	7,243
Interest	500	500	174,785	174,285
Grants	4,304,000	4,304,000	531,403	(3,772,597)
Miscellaneous	-	-	33,988	33,988
TOTAL REVENUES	9,612,500	9,612,500	7,535,254	(2,077,246)
EXPENSES				
Utility Administration:				
Personnel Services	1,037,000	1,037,000	973,544	63,456
Operating Expenditures	2,812,500	2,812,500	3,501,726	(689,226)
Debt Service	510,000	510,000	27,721	482,279
Total Utility Administration	4,359,500	4,359,500	4,502,991	(143,491)
Utility Maintenance:				
Depreciation	-	-	153,841	(153,841)
Total Utility Maintenance	-	-	153,841	(153,841)
Water Plant:				
Depreciation	-	-	299,220	(299,220)
Total Water Plant	-	-	299,220	(299,220)
Wastewater Plant:				
Depreciation	-	-	400,922	(400,922)
Total Wastewater Plant	-	-	400,922	(400,922)
Non-Departmental:				
Personnel Services	-	-	(181,317)	181,317
Operating Expenditures	-	-	169,454	(169,454)
Capital Outlay	4,300,000	4,300,000	-	4,300,000
Total Non-Departmental	4,300,000	4,300,000	(11,863)	4,311,863
TOTAL EXPENSES	8,659,500	8,659,500	5,345,111	3,314,389

(Continued)



## CITY OF YORK, SOUTH CAROLINA

## SUPPLEMENTARY INFORMATION - OTHER BUDGETARY COMPARISON SCHEDULE - UTILITY FUND

## SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGETS AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2023

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	REVISED		
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>953,000</b>	<b>953,000</b>	<b>2,190,143</b>	<b>1,237,143</b>
Contributed Capital	-	-	334,528	334,528
Transfers In	-	-	3,975,647	3,975,647
Transfers Out	(953,000)	(953,000)	(1,721,460)	(768,460)
TOTAL OTHER FINANCING SOURCES (USES)	(953,000)	(953,000)	2,588,715	3,541,715
<b>NET CHANGES IN NET POSITION</b>	<b>-</b>	<b>-</b>	<b>4,778,858</b>	<b>4,778,858</b>
NET POSITION, Beginning of Year	19,878,367	19,878,367	19,878,367	-
Prior Period Adjustments	-	-	531,367	531,367
NET POSITION, Beginning of Year, Restated	19,878,367	19,878,367	20,409,734	531,367
<b>NET POSITION, End of Year</b>	<b>\$ 19,878,367</b>	<b>19,878,367</b>	<b>25,188,592</b>	<b>\$ 5,310,225</b>



## CITY OF YORK, SOUTH CAROLINA

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

YEAR ENDED SEPTEMBER 30, 2023

## FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
<b>Court Fines and Assessments:</b>				
Court fines and assessments collected			\$ 169,328	\$ 169,328
Court fines and assessments remitted to State Treasurer			(98,026)	(98,026)
<b>Total Court Fines and Assessments retained</b>			<b>71,302</b>	<b>71,302</b>
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained			2,841	2,841
Assessments retained			8,267	8,267
<b>Total Surcharges and Assessments retained for victim services</b>			<b>\$ 11,108</b>	<b>\$ 11,108</b>

## FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
<b>Carryforward from Previous Year – Beginning Balance</b>	<b>\$ 153,107</b>		<b>\$ 153,107</b>
<b>Victim Service Revenue:</b>			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	8,267		8,267
Victim Service Surcharges Retained by City/County Treasurer	2,841		2,841
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
<b>Contribution Received from Victim Service Contracts:</b>			
(1) Town of			
(2) Town of			
(3) City of			
<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>	<b>\$ 164,215</b>		<b>\$ 164,215</b>
<b>Expenditures for Victim Service Program:</b>	<b>Municipal</b>	<b>County</b>	<b>Total</b>
Salaries and Benefits			
Operating Expenditures			
<b>Victim Service Contract(s):</b>			
(1) York County	\$ 11,108		\$ 11,108
(2) Entity's Name			
<b>Victim Service Donation(s):</b>			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	<b>11,108</b>		<b>11,108</b>
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)			
<b>Less: Prior Year Fund Deficit Repayment</b>			
<b>Carryforward Funds – End of Year</b>	<b>\$ 153,107</b>		<b>\$ 153,107</b>



CITY OF YORK, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures
<b>US Department of Treasury</b>			
Pass-Through SC Rural Infrastructure Authority: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan Act)	21.027	N/A	\$ 3,573,480
<b>Total US Department of Treasury</b>			<b>3,573,480</b>
<b>US Department of Housing and Urban Development</b>			
Direct Programs: Community Development Block Grant	14.218	4-CE-22-014	38,500
<b>Total US Department of Housing and Urban Development</b>			<b>38,500</b>
<b>TOTAL FEDERAL ASSISTANCE EXPENDED</b>			<b>\$ 3,611,980</b>

There were no expenditures to subrecipients for the year ended September 30, 2023.



**CITY OF YORK, SOUTH CAROLINA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2023**

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**A. GENERAL**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of the City of York, South Carolina (the “City”) for the year ended September 30, 2023. Expenditures for federal financial assistance awarded directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

**B. BASIS OF ACCOUNTING**

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in the notes to the City’s financial statements.

**C. RELATIONSHIP TO THE FINANCIAL STATEMENTS**

Federal award expenditures are generally reported in the City’s financial statements as expenditures in the General Fund and special revenue fund for all federal programs.

**D. MATCHING COSTS**

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

**E. INDIRECT COST RATE**

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



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# Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## 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*

### INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of City Council  
City of York  
York, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 the City of York, South Carolina (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 5, 2024.

#### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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.

Our 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

#### Report on Compliance and Other Matters

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



### **City's Responses to Findings**

*Governmental Auditing Standards* require the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

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

*Greene Finney Cauley, LLP*

Greene Finney Cauley, LLP  
Mauldin, South Carolina  
September 5, 2024





# Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE

### INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of City Council  
City of York  
York, South Carolina

#### Report on Compliance for Each Major Federal Program

##### *Opinion on Each Major Federal Program*

We have audited the City of York, South Carolina's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

##### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

##### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

##### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.



The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Greene Finney Cauley, LLP*

Greene Finney Cauley, LLP  
Mauldin, South Carolina  
September 5, 2024



CITY OF YORK, SOUTH CAROLINA

SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2023

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**2022-001: PRIOR PERIOD ADJUSTMENT – UNAVAILABLE PROPERTY TAX REVENUE**

<b>Condition:</b>	During the 2022 audit, it was noted that the City had erroneously included current year (FY 2022) tax billings in the calculation of the 60-day collections for the fiscal year 2021 financial statements which resulted in revenue and fund balance to be overstated as of September 30, 2021. This issue was corrected with a prior period adjustment when brought to the City’s attention.
<b>Criteria:</b>	The City should have proper internal controls and accounting procedures in place to ensure that the appropriate balances collected within 60 days of year end are properly recorded in the correct period.
<b>Context, Cause and Effect:</b>	The City erroneously included current property tax collections (FY 2022) with the delinquent taxes collected within 60 days of year end and recognized these balances as revenue for the year ended September 30, 2021. This caused the City’s property tax revenue and fund balance to be overstated by approximately \$399,000.
<b>Status:</b>	The City ensured that the property tax revenue was recorded in the correct period for the year ended September 30, 2023.

**2022-002: RECORDING BALANCE SHEET ITEMS**

<b>Condition:</b>	During the 2022 audit, it was noted that the City had not properly recorded its balance sheet activity for its grant receivables, property tax receivable, unearned revenue, and accrued liabilities. Each of these issues were adjusted when they were brought to the City’s attention.
<b>Criteria:</b>	The City should have proper internal controls and accounting procedures in place to ensure that current year activity is being properly recorded in a timely manner.
<b>Context, Cause and Effect:</b>	Related to receivables, there were several instances where the City did not record the grant receivables that were related to the 2022 fiscal year. Related to unearned revenue, the City had recorded grant revenue that had not been earned as of September 30, 2022. Related to accrued liabilities, the City had not adjusted a few of the year end balances which had debit balances, and the expenditures incurred for one of the City’s projects had not been accrued back to the 2022 fiscal year. These items were adjusted/corrected when brought to the City’s attention.
<b>Response:</b>	The City has addressed some of the items listed above but additional items were identified in the audit for the year ended September 30, 2023. See the current year financial statement finding #2023-002 for more details.



CITY OF YORK, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2023

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Section I - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

  X   Yes        No

Significant deficiencies identified that are not  
considered to be material weaknesses?

                X   None Reported

Noncompliance material to financial statements noted?

       Yes          X   No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?

       Yes          X   No

Significant deficiencies identified that are not  
considered to be material weaknesses?

       Yes          X   None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR 200.516 (Uniform Guidance)?

       Yes          X   No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-------------------------------------	---

21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Fund (American Rescue Plan)
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Dollar threshold used to distinguish between type A and type B programs:

  \$       750,000

Auditee qualified as low-risk auditee?

       Yes          X   No



## CITY OF YORK, SOUTH CAROLINA

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2023

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#### Section II – Current Year Financial Statement Findings

##### **2023-001: PRIOR PERIOD ADJUSTMENT – CAPITAL ASSETS**

<b>Condition:</b>	During the 2023 audit, it was noted that the City had added capital asset items to the asset listing that had been left off from prior years. These items that were added were significant. This issue was corrected with a prior period adjustment when brought to the City's attention.
<b>Criteria:</b>	The City should have proper internal controls and accounting procedures in place to ensure that all capital assets are being added to the asset listing in the period in which they relate.
<b>Context, Cause and Effect:</b>	The City became aware of some donated infrastructure that was received in prior years but was not communicated to the finance department. This led to the City's capital asset listing to be understated and needed to be corrected with a prior period adjustment.
<b>Recommendation:</b>	We recommend that the City develop and implement appropriate internal controls and accounting procedures to ensure that the capital asset records include all of the City's assets and that they are recorded in the appropriate fiscal year.
<b>Response:</b>	The City agrees with this finding and will adhere to the corrective action plan on page 88 in this audit report.

##### **2023-002: RECORDING BALANCE SHEET ITEMS**

<b>Condition:</b>	During the 2023 audit, it was noted that the City had not properly recorded its balance sheet activity for its grant receivables, unearned revenue, and accrued liabilities. Each of these issues were adjusted when they were brought to the City's attention.
<b>Criteria:</b>	The City should have proper internal controls and accounting procedures in place to ensure that current year activity is being properly recorded in a timely manner.
<b>Context, Cause and Effect:</b>	Related to receivables, there were several instances where the City did not record the grant receivables that were related to the 2023 fiscal year. Related to unearned revenue, the City had recognized grant revenue but did not make that entry. Related to accrued liabilities, the City had not adjusted a few of the year end balances which had debit balances, and the expenditures incurred for various items that had not been accrued back to the 2023 fiscal year. These items were adjusted/corrected when brought to the City's attention.
<b>Recommendation:</b>	We recommend that the City develop and implement appropriate internal controls and accounting procedures to ensure that all balance sheet activity is properly recorded in a timely manner.
<b>Response:</b>	The City agrees with this finding and will adhere to the corrective action plan on page 88 in this audit report.

#### Section III – Current Year Federal Award Findings and Questioned Costs

No matters to report.



**CITY OF YORK, SOUTH CAROLINA**  
**CORRECTIVE ACTION PLAN**  
**YEAR ENDED SEPTEMBER 30, 2023**

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**Section II – Financial Statement Findings**

**Finding:** 2023-001

**Contact Person:** Jeff Wilkins, Finance Director, [jwilkins@yorksc.gov](mailto:jwilkins@yorksc.gov)

**Corrective Action:** The City will ensure that all capital asset activity is properly recorded and reflected on the City's financial statements in the appropriate accounting period.

**Proposed Completion Date:** Prior to September 30, 2023

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**Finding:** 2023-002

**Contact Person:** Jeff Wilkins, Finance Director, [jwilkins@yorksc.gov](mailto:jwilkins@yorksc.gov)

**Corrective Action:** The City will ensure that all significant balance sheet accounts are properly recorded and reflected on the City's financial statements in the appropriate accounting period.

**Proposed Completion Date:** Prior to September 30, 2023

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**Section III – Federal Award Findings and Questioned Costs**

No findings noted.