

CITY OF GEORGETOWN, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared By:
Department of Finance
Kathy Vermeland
Finance Director

CITY OF GEORGETOWN, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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MAYOR
CAROL JAYROE

CITY ADMINISTRATOR
SANDRA E. YUDICE, Ph.D.

CITY CLERK
STEPHANIE BUCCIONE



COUNCIL MEMBERS
JIM CLEMENTS
MAYOR PRO TEMPORE

JONATHAN ANGNER
HOBSON H. MILTON
JIMMY MORRIS
CLARENCE SMALLS
VACANT

Finance Department
Kathy Vermeland, Director
Office: (843) 545-4031
Fax: (843) 546-5435

March 13, 2024

To the Honorable Mayor, Members of the Governing Council, and Residents of the City of Georgetown:

State law requires that all general-purpose local governments, at the close of each fiscal year, publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill the financial reporting requirement for the fiscal year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Mauldin & Jenkins, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City of Georgetown's (the "City") financial statements for the year ended June 30, 2023, the best opinion the City can receive. The independent auditor's report is located at the front of the financial section of this audit.

The Management's Discussion and Analysis ("MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Georgetown, incorporated in 1805 as a Town and in 1892 as a City, is a historic community located on the coast of South Carolina 60 miles north of Charleston and 35 miles south of Myrtle Beach. It currently occupies seven square miles and serves a population of approximately 8,556. The City of Georgetown is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which is done from time to time.

The City of Georgetown operates under the Mayor-Council form of government. Policy-making and legislative authority are vested in a governing council ("Council") consisting of the Mayor and six Council members, all elected on a partisan basis. The Mayor and Council members are elected at large, each for four-year staggered terms. The Mayor and Council appoint the City Administrator who administers all departments of the City.

The City provides a full range of general services, including police and fire protection, sanitation services, repair and maintenance of City streets and infrastructure, building regulations, planning, zoning, code enforcement, and special events. In addition to general governmental activities, the City provides water, wastewater, and electric utilities, and stormwater management services.

The Council is required to adopt a final budget for the upcoming fiscal year no later than the close of the previous fiscal year. This annual budget serves as the foundation for the City's financial planning. The budget is prepared by fund (e.g.,

General Fund (“GF”), Debt Service, and Enterprise Funds) and department (e.g., police, fire, planning, etc.). Department directors may transfer resources within a department, with approval from the City Administrator. Transfers between funds and budget amendments require approval from the Council.

Local Economy

The local economy is rooted in government, education, and health services, which make up the majority of the City's top employment. Tidelands Georgetown Memorial Hospital has invested in the redevelopment of its facilities and campus between 2012 and 2020. Major industries located within the City's boundaries or in close proximity include a paper mill, medical services, communications, and real estate companies.

The unemployment rate for the Georgetown area is 3.6%, compared to the State of South Carolina unemployment rate of 3.1 %. Tidelands Georgetown Memorial Hospital is the leading employer for the City followed by the Georgetown County School District. Although not located within the City limits but adjacent to it, International Paper Company ranks third in employment and is a mainstay in the Georgetown community.

Property taxes continue to be the top revenue source in the GF with business licenses and permits not far behind. These revenue sources represent approximately 81 % of total revenues.

Long-Term Financial Planning

The City maintains a five-year Capital Improvement Program (“CIP”), with the first year becoming a major element of the annual budget. The plan was initially developed in order to provide the City with a framework in which to operate on a multi-year basis and is updated each year. The City continues working with its financial advisor on financing strategies to carry out CIP projects.

Relevant Financial Policies

The City recognizes the benefits of utilizing public funds in a prudent manner in order to provide adequate working capital in the event of emergencies or other unexpected economic events and to reduce the need for short-term borrowing. The Council has adopted a fund balance policy, which endeavors to maintain an unassigned fund balance in the GF in an amount equal to at least two month's normal General Fund operating expenditures, excluding capital outlay.

In 2006, the City adopted an unreserved fund balance policy for the General Fund to maintain a fund balance equal to at least 15% of the total audited GF expenditures for the previous fiscal year. Unassigned fund balance in the GF stands at approximately 65% of total expenditures.

The City established a Capital Projects Reserve Fund in FY 2016. This fund is used to account for and report funds that are restricted, committed, or assigned for future capital improvements and for funding certain elements identified in the City's annually adopted Capital Improvement Plan. The proceeds from the City Hall settlement are accounted for in the Capital Projects Reserve Fund.

In July 2017, the City adopted a Transfer Policy to memorialize its allocation of funds to, and otherwise reimburse, its GF for costs attributable to the combined water, sewer, and electric Enterprise Funds. The intent was to establish an arrangement that provides a predictable, reliable, and mutually acceptable distribution of costs owed to the GF from the Enterprise Funds.

The City has established a Tax Increment Financing (“TIF”) district, consisting of 282 acres of the City’s downtown commercial corridor, which includes general commercial, core commercial, intermediate commercial heavy industrial, and light industrial zoning. The TIF district ordinance authorized the City to borrow money for redevelopment within the TIF area and will last 30 years from the date the initial series of TIF bonds are issued. Debt service for the identified projects will be provided from the incremental property tax revenue resulting from the value added by the redevelopment projects. The TIF district has generated \$117,440 in revenue due to new development. Once the City establishes a record of steady TIF revenue, the City intends to issue bonds to fund projects authorized in the TIF ordinance.

Major Initiatives

The old City Hall building located at 120 North Fraser Street was demolished in January 2019. City Council approved construction of a new City Hall building on the same site. However, primarily due to the unknown economic effects of the COVID-19 pandemic, Council passed a resolution in May 2020 to suspend the new City Hall project. In addition, Council approved an ordinance to commit \$3.5 million of insurance proceeds received for the future construction of the new City Hall. The proceeds from the City Hall settlement are accounted for in the Capital Projects Reserve Fund. Due to the persistence of the pandemic, building a new City Hall was not pursued in 2021. In early 2022, City Council determined to not build on the same site and authorized resuming the project at a different location. In June of 2023, the City purchased the headquarters building of Liberty Steel located at 420 South Hazard Street. The new City Hall building will be located at this facility. The building is scheduled for renovations in 2024 until mid-2025.

A Stormwater Management Plan (“SWMP”) was completed in July 2019 and is a strategic initiative to address flooding due to rain events and protect property and the natural environment. A list of 12 flood mitigation projects was prioritized with a total cost of \$20.822 million. The City received a federal grant from the U.S. Department of Commerce Economic Development Administration (“EDA”) to address three areas identified in the SWMP plan to mitigate flooding issues in the Core Commercial Historic District and to build a bulkhead behind Constitution Park. The engineering design work was completed in March of 2022. Construction started in January of 2024. The project should be complete by July 2025. The project construction cost is \$6.251 million, inclusive of the federal, state, and local share.

The City is responsible for the distribution of water and electric utility services, the collection and treatment of wastewater, and the treatment of raw water for its customers. The City maintains the water distribution system within its municipal boundary as well as in certain areas outside the City limits. The water treatment plant (“WTP”) services the entire City. The City distributes domestic water to a variety of customers including industrial companies. The City's WTP was built in the early 1970s and the City undertook a major overhaul at the end of 2001. Since 2015, the area has been hit with major storms and hurricanes annually, putting a strain on the raw water treatment system since the levels of siltation and contaminants increase in the raw water after every significant storm. The existing water sedimentation basin needs renovations due to aging and exposure to natural coastal weather elements such as hurricanes and tropical storms. Therefore, the City applied for and received a U.S. Department of Commerce grant through the EDA to build a secondary flocculation-sedimentation basin that can enhance the water treatment plant reliability of the raw water treatment process. The design was completed in October of 2022. The City bid this project in November of 2022 and re-bid the project in March of 2023. Bids were higher than the allotted grant amount and the City has obtained municipal bonds to pay for the additional construction costs. The project construction cost is \$5.241 million. Work started in January of 2024 and should be completed within one year.

The Maryville School Lift Station is 100% complete and the final Department of Health and Environmental Control (“DHEC”) permit to operate was issued in November of 2023. The total project cost was \$991,072. The project was paid with a combination of South Carolina Rural Infrastructure Authority (“RIA”) grant and American Rescue Plan Act (“ARPA”) funding. The RIA grant was officially closed in December of 2023.

In April of 2023, the City of Georgetown was awarded a \$9.733 million grant from the SC Infrastructure Investment Program (“SCIIP”) to replace Sewer Pump Station #11 and the former City Hall site on S. Fraser Street and to replace the primary sewer force main from P.S. #1 J to the WTP. The City engaged an engineering consultant in November of 2023 to develop design plans and specifications. The project is scheduled to be completed by June of 2026.

Other notable projects include: 1) West End Water Upgrades paid for by a combination of Community Development Block Grants (“CDBG”) and ARPA funds. The construction cost of the project is approximately \$1 million; 2) Maryville Water Main Improvements-Phase I construction planned for the first half of 2024 and to be paid for by ARPA funds; and 3) Raw Water Pump Station Electrical Renovations, which include replacing the 50-year motor control center, generator, electrical conduits, and wiring and new SCADA monitoring and controls and other minor architectural refurbishments.

In an effort to improve upon the electric distribution system resiliency, the City has strategically focused on redesigning the electric distribution system in an area prone to flooding in the business corridor on Front Street. To minimize the cost impact on the City, the project was designed in four phases. The first phase was completed during FY 2021. Due to budget constraints, the second phase was postponed to FY 2024. It is anticipated that this phase will start construction in February 2024.

Awards and Acknowledgements

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Georgetown for its annual comprehensive financial report ("ACFR") for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate for the fiscal year ending June 30, 2023.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance and Administration departments. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and Council for their support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Kathy Vermeland

Director of Finance



Scott Whittier
City Administrator

CITY OF GEORGETOWN, SOUTH CAROLINA

ELECTED AND APPOINTED OFFICIALS

JUNE 30, 2023

Elected Officials

Carol R. Jayroe **Mayor**
Tamika Williams-Obeng..... Council Member
Jonathan Anger Council Member
Jim Clements..... Mayor Pro-Tempore, Council Member
Hobson H. Milton Council Member
Jimmy Morris..... Council Member
Clarence C. Smalls..... Council Member

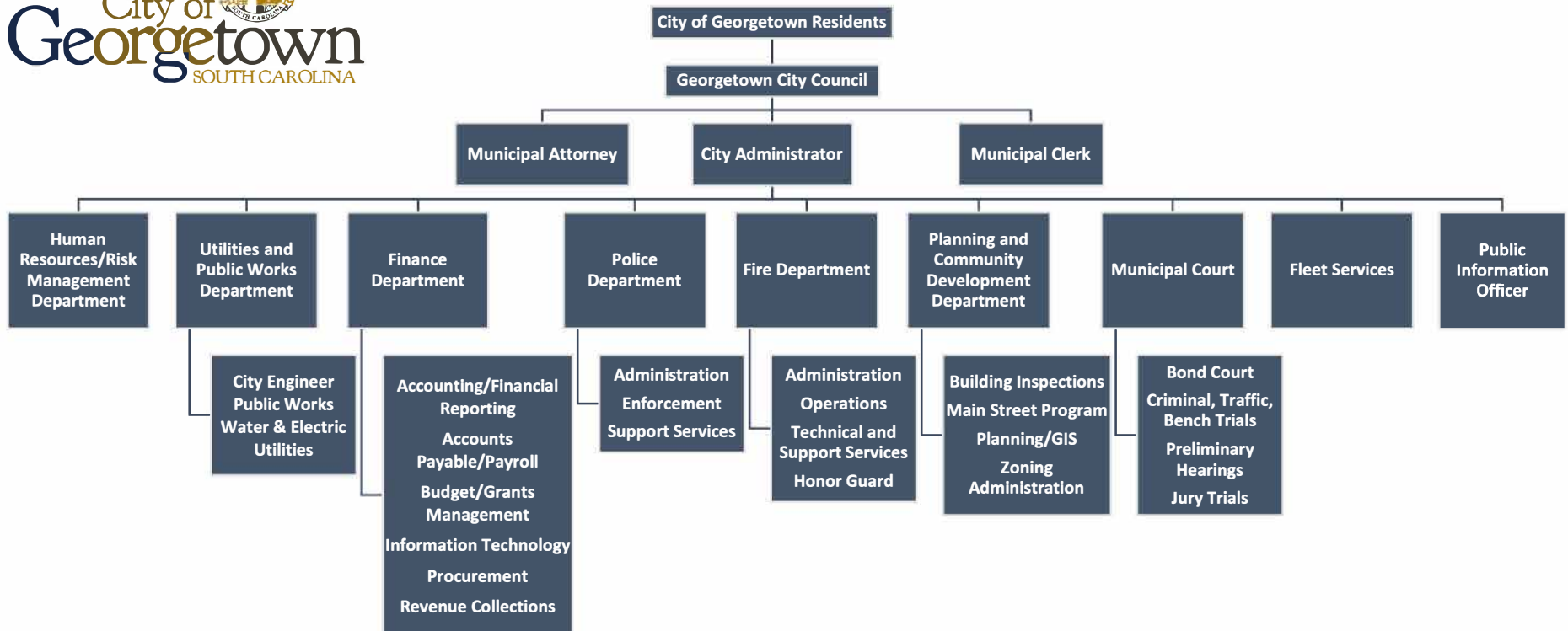
City Officials

Sandra E. Yúdice, Ph.D...... **City Administrator**
Scott Whittier Deputy City Administrator
Stephanie Buccione..... Municipal Clerk
Cindy Owens..... Clerk of Court
Kathy Vermeland..... Finance Director
William “Bill” Pierce..... Chief of Police
Charlie Cribb..... Fire Chief
Robert Cox..... Planning and Community Development Director
Orlando Arteaga..... City Engineer
Isaac Williams..... Fleet Superintendent

Elise F. Crosby..... City Attorney
Robert W. Maring..... City Prosecutor
Robert H. O’Donnell..... City Judge

CITY OF GEORGETOWN, SOUTH CAROLINA

ORGANIZATIONAL CHART JUNE 30, 2023





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Georgetown
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**The Honorable Mayor and Members
of the Council
Georgetown, South Carolina**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Georgetown, South Carolina** (the "City"), as of and for the year ended June 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 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 June 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United State. 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.

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 generally accepted auditing standards 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 generally accepted auditing standards 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, pension schedules, and the other post-employment benefit plan schedule, 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 combining and individual nonmajor fund financial statements and schedules, the Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, the Schedule of Volume True-Up Calculation – Regional Wastewater Treatment Plant, and the Uniform Schedule of Court Fines, Assessments, and Surcharges, as required by the State of South Carolina (collectively the "Supplementary Information") are presented for purposes of additional analysis and are not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the Schedule of Expenditures of Federal Awards, the Schedule of Volume True-Up Calculation – Regional Wastewater Treatment Plant, and the Uniform Schedule of Court Fines, Assessments, and Surcharges are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, other information, and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 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 of Georgetown, South Carolina's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
March 13, 2024

CITY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

As management of the City of Georgetown, South Carolina (the "City"), we offer readers of the City's financial statements this Management's Discussion and Analysis ("MD&A") of the financial activities of the City for the year ended June 30, 2023 ("FY 2023" or "2023") compared to the year ended June 30, 2022 ("FY 2022" or "2022"). The intent of this MD&A is to look at the City's financial performance as a whole. We would encourage readers to not only consider the information presented here, but also the information provided in the letter of transmittal, the financial statements, and the notes to the financial statements to enhance their understanding of the City's overall financial performance.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent year by approximately \$61,354,000 (net position). Of this amount, approximately \$14,101,000 and \$47,253,000 were related to the City's governmental and business-type activities, respectively. In addition, the City's unrestricted net position (may be used to meet the government's ongoing obligations to citizens and creditors) was approximately \$1,398,000 for its business-type activities and a deficit of approximately \$3,319,000 for its governmental activities primarily due to the net pension and other post-employment benefit plan ("OPEB") liabilities.
- The City's net position for the current year increased by approximately \$4,017,000 for governmental activities and increased by approximately \$2,810,000 for business-type activities compared to the prior year net position.
- At the close of the current year, the City's governmental funds reported combined ending fund balances of approximately \$16,784,000, an increase of approximately \$3,106,000 from the prior year fund balance. Approximately 33% of this total fund balance amount, \$5,611,000 is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current year, unassigned fund balance for the General Fund was approximately \$6,654,000, or 65%, of total General Fund expenditures.
- The City's capital asset balances increased overall by approximately \$3,524,000, or 5%, during the current year. This increase was primarily due to depreciation expense of approximately \$4,247,000 being less than additions of approximately \$7,928,000 and net disposals of approximately \$157,000.
- The City's total liabilities increased overall by approximately \$3,952,000, or 10%, during the current year. This increase was primarily due to an increase of approximately \$2,346,000 in long-term obligations, an increase of approximately \$1,257,000 in net pension liability, an increase of approximately \$1,516,000 in other liabilities offset by a decrease of approximately \$1,167,000 in the total OPEB liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *Introductory Section*, the *Financial Section* (which includes Management's Discussion and Analysis, the financial statements, required supplementary information, supplementary information, and other information), the *Statistical Section*, and the *Compliance Section*.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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 supplementary information that will enhance the reader's understanding of the financial condition of the City.

Government-Wide Financial Statements

The *government-wide financial statements* 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 and liabilities and deferred inflows of resources, with the difference between these items 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 City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, and community development. The business-type activities of the City include electric, water, wastewater, and stormwater drainage utilities in addition to a waste management operation. The government-wide financial statements can be found as listed in the table of contents of this report.

Fund Financial Statements

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (Continued)

Governmental Funds (Continued) – Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twelve individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund. The General Fund, Local Accommodations and Hospitality Tax Fund, American Rescue Plan Act Fund, and Capital Reserve Fund are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining schedules* elsewhere in this report. The governmental fund financial statements can be found as listed in the table of contents of this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric utility, the water and wastewater utility, the stormwater drainage utility, and waste management, each of which is considered to be a major Enterprise Fund of the City.

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

Custodial Funds are used to account for assets the City holds on behalf of others. The Guerry Scholarship Private Purpose Trust Fund is used to account for assets and transactions of a scholarship fund established with contributions made in memory of Major Spencer Guerry, a City policeman who lost his life in 1994 while serving in the line of duty. The financial statements of the Fiduciary Fund 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 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Other Information

In addition to the financial statements and accompanying notes, the City provides a required budgetary comparison schedule for its General Fund, Local Accommodations and Hospitality Tax Fund, American Rescue Plan Act Fund, and Capital Reserve Fund to demonstrate compliance with the annual appropriated budget. 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. The City has also provided the required schedule of changes in the City's net OPEB liability and related ratios. Required supplementary information can be found as listed in the table of contents.

Supplementary information is presented immediately following the required supplementary information. This information, which can be found as listed in the table of contents, includes the combining financial schedules referred to earlier, as well as various individual fund schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis of government-wide financial information focuses on the net position and changes in net position of the City's governmental and business-type activities. 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 as of June 30, 2023 compared to June 30, 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 20,954,898	\$ 16,321,376	\$ 9,615,992	\$ 8,022,254	\$ 30,570,890	\$ 24,343,630
Capital assets,						
net of depreciation	15,683,109	13,578,398	58,271,922	56,852,839	73,955,031	70,431,237
Total assets	36,638,007	29,899,774	67,887,914	64,875,093	104,525,921	94,774,867
Deferred outflows	2,362,928	2,506,555	535,569	817,658	2,898,497	3,324,213
of resources	2,362,928	2,506,555	535,569	817,658	2,898,497	3,324,213
Long-term liabilities	3,950,690	1,894,650	14,837,566	14,547,259	18,788,256	16,441,909
Other liabilities	3,809,727	2,366,791	1,957,874	1,884,507	5,767,601	4,251,298
Total OPEB liability	2,677,552	3,503,820	1,093,648	1,435,480	3,771,200	4,939,300
Net pension liability	12,241,134	11,045,644	2,572,108	2,510,499	14,813,242	13,556,143
Total liabilities	22,679,103	18,810,905	20,461,196	20,377,745	43,140,299	39,188,650
Deferred inflows	2,221,309	3,511,993	708,776	871,292	2,930,085	4,383,285
of resources	2,221,309	3,511,993	708,776	871,292	2,930,085	4,383,285
Net Position:						
Net investment in						
capital assets	12,574,578	11,858,250	44,157,974	42,410,788	56,732,552	54,269,038
Restricted	4,845,425	3,499,363	1,697,854	1,697,854	6,543,279	5,197,217
Unrestricted	(3,319,480)	(5,274,182)	1,397,683	335,072	(1,921,797)	(4,939,110)
Total net position	\$ 14,100,523	\$ 10,083,431	\$ 47,253,511	\$ 44,443,714	\$ 61,354,034	\$ 54,527,145

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The City's total current and other assets increased approximately \$6,227,000 from the prior year to approximately \$30,571,000 at June 30, 2023. The increase was primarily due to cash and investments increasing from the prior year by approximately \$4,761,000, and an increase in receivables of approximately \$1,345,000. Net capital asset balances increased overall by approximately \$3,524,000, or 5%, from the prior year to approximately \$73,955,000 at June 30, 2023. This increase was primarily due to depreciation expense of approximately \$4,247,000 being less than additions of approximately \$7,928,000 and net disposals of approximately \$157,000. Total long-term obligations increased approximately \$2,346,000, or 14%, primarily due to current year issuances exceeding scheduled principal payments. The net pension liability increased \$1,257,000 due to changes in the latest actuarial valuation. The total OPEB liability decreased by approximately \$1,167,000 due to changes in the latest actuarial valuation. Other liabilities increased by approximately \$1,516,000.

The largest portion of the City's net position of approximately \$56,733,000 represents the City's net investment in capital assets (e.g., land, infrastructure, utility systems, buildings, machinery, equipment, etc.), less any related debt used to acquire those assets that is still outstanding. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Approximately \$6,543,000 (11%) of net position represents resources that are subject to external restrictions on how they may be used. This portion of the net position is restricted primarily for tourism related expenditures, debt service, grants, and capital improvements for a regional wastewater treatment plant. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, totaled a net deficit of approximately \$1,922,000 of total net position. Unrestricted net position includes amounts that the City has "earmarked" for projects or other uses.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table shows the changes in the City's net position for 2023 compared to 2022.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 979,108	\$ 919,301	\$ 21,803,059	\$ 20,023,938	\$ 22,782,167	\$ 20,943,239
Operating grants and contributions	1,329,773	800,465	1,339,804	27,541	2,669,577	828,006
Capital grants and contributions	894,369	70,712	742,952	-	1,637,321	70,712
General revenues:						
Taxes	5,857,311	5,644,044	-	-	5,857,311	5,644,044
Business licenses	3,903,677	3,221,543	-	-	3,903,677	3,221,543
Other	1,670,700	912,010	361,837	883,835	2,032,537	1,795,845
Total revenues	<u>14,634,938</u>	<u>11,568,075</u>	<u>24,247,652</u>	<u>20,935,314</u>	<u>38,882,590</u>	<u>32,503,389</u>
Current expenses:						
General government	2,592,586	2,413,691	-	-	2,592,586	2,413,691
Public safety	6,899,081	6,732,128	-	-	6,899,081	6,732,128
Public works	1,097,212	1,573,673	-	-	1,097,212	1,573,673
Community development	1,094,696	888,288	-	-	1,094,696	888,288
Interest	76,596	51,751	-	-	76,596	51,751
Electric utility	-	-	11,314,442	11,265,547	11,314,442	11,265,547
Water utility	-	-	3,041,631	2,588,512	3,041,631	2,588,512
Wastewater utility	-	-	3,752,564	3,613,794	3,752,564	3,613,794
Stormwater drainage utility	-	-	1,105,370	1,283,495	1,105,370	1,283,495
Waste management	-	-	1,081,523	1,012,253	1,081,523	1,012,253
Total expenses	<u>11,760,171</u>	<u>11,659,531</u>	<u>20,295,530</u>	<u>19,763,601</u>	<u>32,055,701</u>	<u>31,423,132</u>
Change in net position, before transfers	2,874,767	(91,456)	3,952,122	1,171,713	6,826,889	1,080,257
Transfers	<u>1,142,325</u>	<u>(532,683)</u>	<u>(1,142,325)</u>	<u>532,683</u>	<u>-</u>	<u>-</u>
Increase in net position	<u>4,017,092</u>	<u>(624,139)</u>	<u>2,809,797</u>	<u>1,704,396</u>	<u>6,826,889</u>	<u>1,080,257</u>
Net position, beginning of year	10,083,431	10,707,570	44,443,714	42,739,318	54,527,145	53,446,888
Net position, end of year	<u>\$ 14,100,523</u>	<u>\$ 10,083,431</u>	<u>\$ 47,253,511</u>	<u>\$ 44,443,714</u>	<u>\$ 61,354,034</u>	<u>\$ 54,527,145</u>

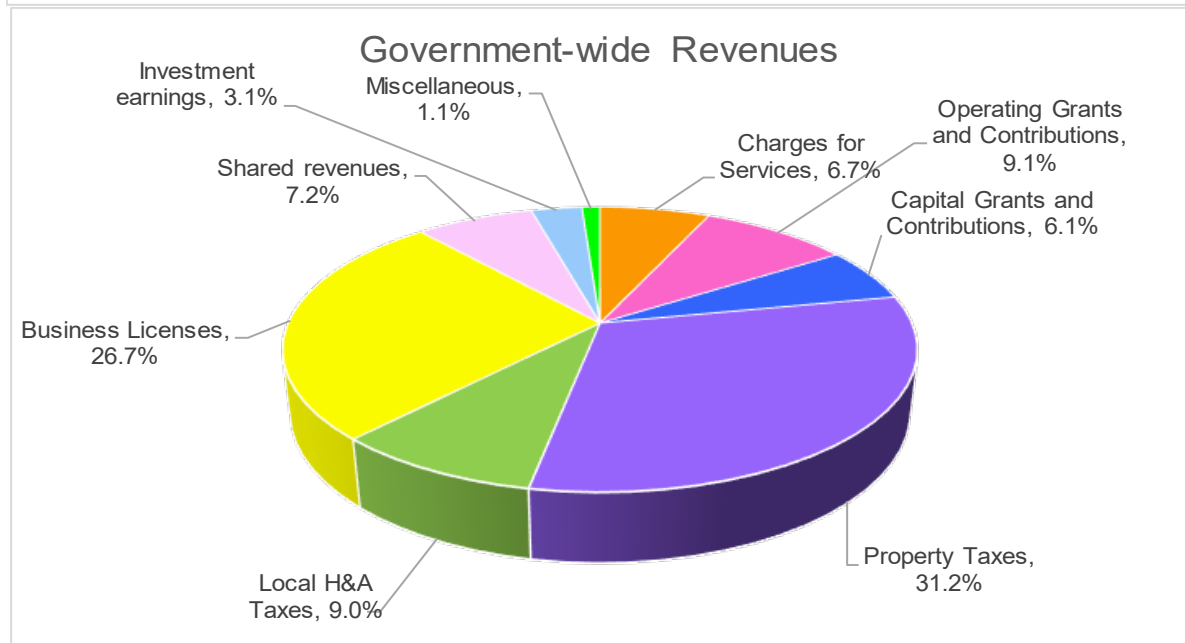
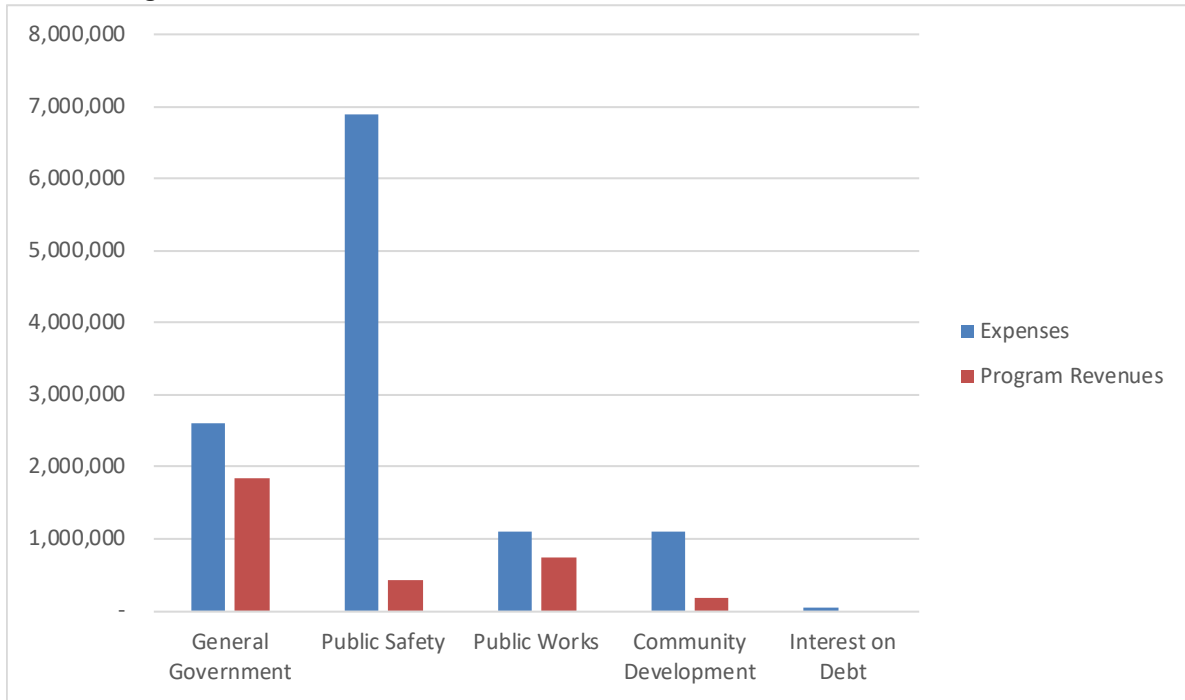
Governmental Activities: Total expenses for governmental activities were approximately \$11,760,000. Some of these expenses were paid for by those who directly benefited from the programs (approximately \$979,000) or by other governments and organizations that subsidized certain programs with grants and contributions (approximately \$2,224,000). In addition, the City's business-type activities provide funding for programs by making cash transfers to the governmental activities each year. After deducting transfers to certain business-type activities, the net "subsidy" for the current year was approximately \$1,142,000. The amount that our taxpayers ultimately financed through City taxes (i.e. property taxes, hospitality accommodations and hospitality taxes, business licenses, etc.) was approximately \$9,761,000. The City paid for the remaining costs of governmental activities with other general revenues, such as business licenses, shared revenues, investment earnings, and other miscellaneous sources.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Total revenues increased approximately \$3,067,000 to approximately \$14,635,000 in 2023, which was primarily due to increases of approximately \$759,000 in other nonrecurring revenue, an increase of approximately \$682,000 in business licenses, an increase of approximately \$1,353,000 in grants and contributions, and increases of approximately \$213,000 in tax revenue. Expenses increased approximately \$101,000, or 1%, compared to the prior year.

Expenses and Program Revenues – Governmental Activities

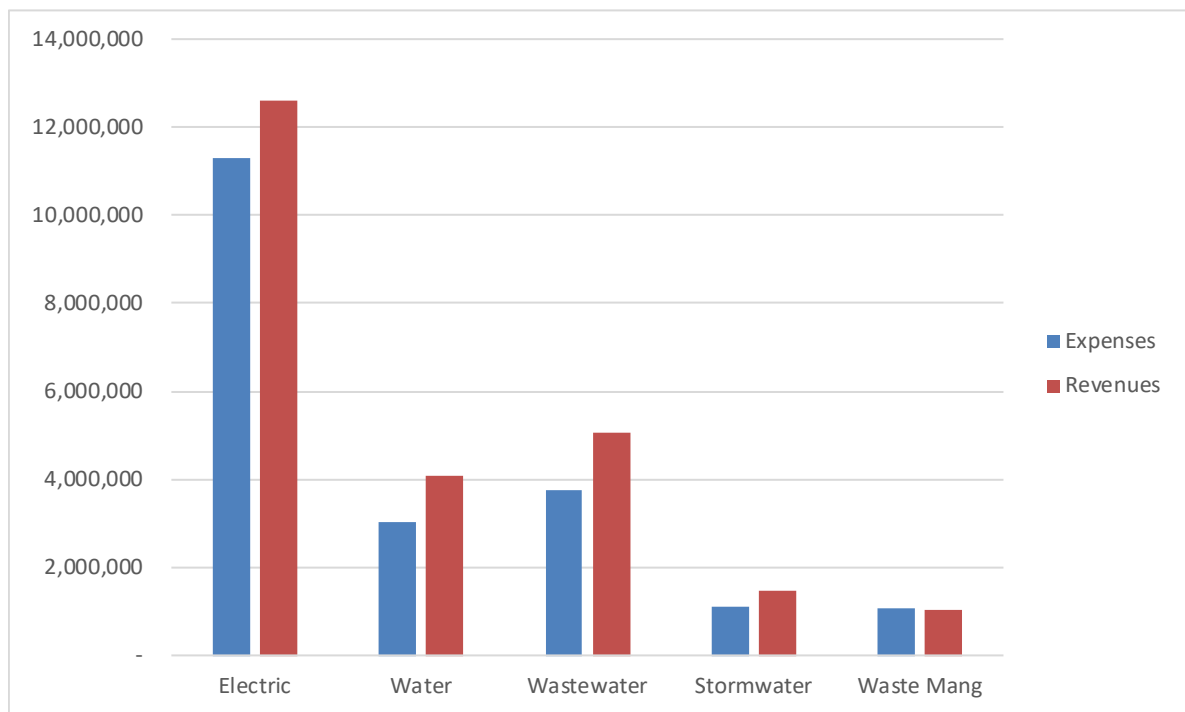


MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities: Revenues of the City's business-type activities increased by approximately \$3,312,000, or 16%, compared to the prior year. This increase was primarily due to an increase of approximately \$1,779,000 in charges for services, due to rate increases and an increase in the number of customers, as well as an increase of approximately \$1,312,000 in grants and contributions, due to more grants and donated assets. Expenses of the City's business-type activities increased approximately \$532,000, or approximately 3%, compared to the prior year. The increase was primarily due to an increase of approximately \$453,000 in water expenses, offset by a decrease of approximately \$178,000 in stormwater expenses.

Expenses and Program Revenues – Business-Type Activities



Revenues generated through service charges by the City's electric utility represent approximately 52% of total revenue recognized from service charges of all business-type activities. Electric utility expenses account for approximately 56% of total expenses of all business-type activities. During the current year, the utility funds transferred approximately \$1,346,000 to the General Fund to help fund governmental activities of the City. The majority of the revenues in the City's business-type activities are related to charges for services.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 year.

At the end of the City's current year, the General Fund reported a fund balance of approximately \$12,967,000, an increase of approximately \$3,240,000, or (33%), from the prior year. This increase was primarily due to an increase in licenses and permits revenue of approximately \$607,000, an increase in intergovernmental revenue of approximately \$486,000, and issuance of debt of approximately \$2,040,000. Transfers out to other funds also decreased by approximately \$1,405,000.

At the end of the City's current year, the fund balance of the Local Hospitality and Accommodations Tax Fund reported a fund balance of approximately \$2,547,000, an increase of \$120,000 due to tax and other revenues of approximately \$1,335,000 exceeding expenditures of approximately \$1,090,000 and transfers out of approximately \$125,000.

At the end of the City's current year, the fund balance of the American Rescue Plan Act Fund reported a fund balance of approximately \$1,147,000, an increase of \$1,142,000 due to intergovernmental and other revenues of approximately \$1,157,000 exceeding expenditures of approximately \$15,000.

At the end of the City's current year, the fund balance of the Capital Reserve Fund reported a fund deficit of approximately \$1,043,000, a decrease of \$1,508,000 due to intergovernmental revenues of approximately \$704,000 along with other financing sources of \$685,000 being less than expenditures of approximately \$2,897,000.

Proprietary Funds

The City's proprietary funds generally provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. At year-end, net position of the Electric Utility Fund, the Water and Wastewater Utility Fund, the Stormwater Drainage Utility Fund, and the Waste Management Fund (the City's major enterprise funds) account for 100% of net position of all of the City's proprietary Enterprise Funds combined.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

Proprietary Funds (Continued)

Significant changes in net position for each of these funds during FY 2023 were as follows:

- The Electric Utility Fund had an increase in net position of approximately \$651,000. Total net position at the end of the year was approximately \$12,246,000, of which approximately \$9,952,000 was its net investment in capital assets.
- The Water and Wastewater Utility Fund had an increase in net position of approximately \$1,816,000. Total net position at the end of the year was approximately \$25,189,000, of which approximately \$23,750,000 was its net investment in capital assets. Total net position restricted for the Regional Wastewater Treatment Plan was approximately \$1,698,000 (7%). The remainder was an unrestricted deficit of approximately \$258,000 which was primarily due to the net pension and OPEB liabilities.
- The Stormwater Drainage Utility Fund had an increase in net position of approximately \$396,000. Total net position at the end of the year was approximately \$10,017,000, of which approximately \$10,071,000 was its net investment in capital assets. The remainder was an unrestricted deficit of approximately \$54,000 due to the total liabilities and deferred inflows exceeding total assets and deferred outflows.
- The Waste Management Fund had a decrease in net position of approximately \$53,000. Total net position at the end of the year was a deficit of approximately \$199,000, of which approximately \$384,000 was its net investment in capital assets. The remainder was an unrestricted deficit of approximately \$584,000 due to the total liabilities and deferred inflows exceeding total assets and deferred outflows.

General Fund Budgetary Highlights

The original General Fund budget, as presented in the required supplementary information, includes the original appropriations authorized by Council just prior to the start of the current year. During the year, there were no budget amendments.

At the close of the current year, actual revenues were higher than budget by approximately \$1,420,000. The following are some of the more noteworthy variances from revenue estimates:

- Property taxes were over budget by approximately \$202,000 due to conservative estimates during budgeting and growth due to an improving economy.
- Intergovernmental revenues were under budget by \$179,000 due to original estimates exceeding actual grant revenues.
- Licenses and permits were over budget by approximately \$982,000 due to conservative estimates during budgeting and growth due to an improving economy.
- Investment earnings were over budget by approximately \$327,000 due to increased cash and interest rates.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

General Fund Budgetary Highlights (Continued)

Actual expenditures incurred were approximately \$1,542,000 less than budget. The more significant variances from budget are noted below:

- Public safety expenses were under budget by approximately \$631,000 mostly due to lower personnel costs as a result of having less employees than expected during the current year.
- General government expenses were under budget by approximately \$923,000 mostly due to lower personnel costs as a result of a decrease in employees during the current year.

Budgetary comparisons for all General Fund revenue sources and functional expenditures can be found as listed in the table of contents of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the City had approximately \$73,955,000 (net of accumulated depreciation) in a broad range of capital assets. This amount represents a net increase of approximately \$3,524,000 (5%) from the prior year. The City's capital assets (net of depreciation) as of June 30, 2023 and 2022 were as follows:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,200,193	\$ 3,180,193	\$ 289,687	\$ 289,687	\$ 3,489,880	\$ 3,469,880
Construction in progress	1,634,978	20,676	3,151,229	753,782	4,786,207	774,458
Land improvements	-	-	35,281	38,173	35,281	38,173
Buildings and improvements	4,243,478	4,563,954	90,796	98,649	4,334,274	4,662,603
Electric system	-	-	11,246,830	11,585,993	11,246,830	11,585,993
Fiber optics system	-	-	458	689	458	689
Water system	-	-	14,287,819	14,750,185	14,287,819	14,750,185
Wastewater system	-	-	16,836,898	16,852,982	16,836,898	16,852,982
Stormwater drainage system	-	-	9,340,383	9,825,638	9,340,383	9,825,638
Infrastructure	689,868	686,237	-	-	689,868	686,237
Vehicles, equipment, and furnishing:	2,759,402	1,617,224	2,992,541	2,657,061	5,751,943	4,274,285
Other improvements	3,155,190	3,510,114	-	-	3,155,190	3,510,114
Total	<u>\$ 15,683,109</u>	<u>\$ 13,578,398</u>	<u>\$ 58,271,922</u>	<u>\$ 56,852,839</u>	<u>\$ 73,955,031</u>	<u>\$ 70,431,237</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

Major capital asset activity for the year included the following:

- Capital asset additions for the City's governmental activities were approximately \$3,413,000 and consisted of the following:
 - Land of approximately \$20,000.
 - Construction in Progress of approximately \$1,697,000.
 - Vehicles, Equipment, and Furnishings of approximately \$1,586,000.
 - Buildings and Improvements of approximately \$36,000.
 - Other improvements of approximately \$58,000.
 - Infrastructure of approximately \$16,000.
- Capital asset additions for the City's business-type activities were approximately \$4,515,000 and consisted of the following:
 - CIP for all Business Activity Funds totaling approximately \$2,666,000.
 - Vehicles, Equipment, and Furnishings of approximately \$684,000.
 - Water system of approximately \$233,000.
 - Wastewater system of approximately \$932,000.
- Depreciation expense of approximately \$1,151,000 and \$3,096,000 for the City's governmental and business-type activities, respectively.

Additional information regarding the City's capital assets can be found in Note 6 in the notes to the financial statements.

Debt Administration

As of June 30, 2023 and June 30, 2022, the City had total outstanding debt of approximately \$18,489,000 and \$16,162,000, respectively. The City's total debt as of June 30, 2023 and 2022 were as follows:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 1,596,615	\$ 1,681,727	\$ -	\$ -	\$ 1,596,615	\$ 1,681,727
Revenue Bonds	2,040,497	-	9,949,503	9,584,000	11,990,000	9,584,000
Financed Purchases	109,064	38,421	722,705	587,284	831,769	625,705
State Revolving Fund Loans	-	-	4,070,723	4,270,767	4,070,723	4,270,767
Total	<u>\$ 3,746,176</u>	<u>\$ 1,720,148</u>	<u>\$ 14,742,931</u>	<u>\$ 14,442,051</u>	<u>\$ 18,489,107</u>	<u>\$ 16,162,199</u>

The City's total debt increased by approximately \$2,327,000, or 14%, during FY 2023 due to new issuances and scheduled principal payments. The new issuances during the current year was a financed purchase agreement for \$374,000 and revenue bonds for \$3,850,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration (Continued)

Under current state statutes, the City can issue general obligation debt without referendum whenever the new debt and outstanding balances of existing debt in total do not exceed 8% of taxable assessed values on property located within the City limits. As of June 30, 2023, the amount of new general obligation debt that could be issued without referendum was approximately \$2,071,000. General obligation debt issued pursuant to referendum is not subject to the statute limitation.

Additional information regarding the City's long-term obligations can be found in Note 7 in the notes to the financial statements.

ECONOMIC FACTORS AND 2024 BUDGET FOR THE CITY

The City's elected and appointed officials considered many factors when setting the fiscal year 2024 ("FY 2024") budget, tax rates, and fees that will be charged for business-type activities. Some of the factors considered were the national and local economy, tourism trends, population growth rates both in the City and in the County, and trend data regarding growth in property tax base and permits and licenses issued. Analysis of these factors resulted in projections for the new year that reflect some revenue growth.

At year-end, amounts available in the General Fund for future appropriation are approximately \$6,654,000 (unassigned fund balance); however, of this amount the City maintains, by policy, a minimum fund balance policy of approximately 15% of total audited General Fund expenditures or \$1,547,000 for emergencies and contingencies. This leaves approximately \$5,107,000 in remaining unassigned fund balance at year-end. The City has conscientiously managed its activities over the last several years in order to increase fund balance to the current level. The cost associated with temporary City Hall facilities have impacted our fund balance. With limited potential for revenue growth in the near-term, a budget for FY 2024 was prepared cautiously and with the recognition that realization of revenue estimates and containment of expenditures will be particularly important. The FY 2024 budget includes a planned use of fund balance of \$1,518,000.

REQUESTS FOR CITY INFORMATION

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

Office of the Director of Finance
1134 North Fraser Street
City of Georgetown, SC, 29440.

CITY OF GEORGETOWN, SOUTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 10,786,466	\$ 6,169,856	\$ 16,956,322
Cash and cash equivalents, restricted	4,474,235	662,112	5,136,347
Investments, restricted	806,018	934,223	1,740,241
Taxes receivable, net	242,314	-	242,314
Accounts receivable, net	641,575	2,450,060	3,091,635
Other receivable, net	45,657	55,476	101,133
Intergovernmental receivables	1,267,282	661,966	1,929,248
Internal balances	2,596,787	(2,596,787)	-
Prepays and inventories	94,564	1,279,086	1,373,650
Capital assets:			
Non-depreciable	4,835,171	3,440,916	8,276,087
Depreciable, net of accumulated depreciation	10,847,938	54,831,006	65,678,944
Total assets	36,638,007	67,887,914	104,525,921
DEFERRED OUTFLOWS OF RESOURCES			
Pension	1,899,826	346,415	2,246,241
Other post-employment benefits	463,102	189,154	652,256
Total deferred outflows of resources	2,362,928	535,569	2,898,497
LIABILITIES			
Accounts payable	748,109	1,130,420	1,878,529
Accrued interest payable	29,422	61,012	90,434
Accrued salaries and benefits	329,557	109,573	439,130
Customer deposits	-	656,869	656,869
Other accrued liabilities	11,606	-	11,606
Unearned revenue	2,691,033	-	2,691,033
Long-term liabilities:			
Due within one year	230,316	1,922,973	2,153,289
Due in more than one year	3,720,374	12,914,593	16,634,967
Other long-term liabilities due in more than one year:			
Net pension liability	12,241,134	2,572,108	14,813,242
Total other post-employment benefits liability	2,677,552	1,093,648	3,771,200
Total liabilities	22,679,103	20,461,196	43,140,299
DEFERRED INFLOWS OF RESOURCES			
Pension	841,140	145,045	986,185
Other post-employment benefits	1,380,169	563,731	1,943,900
Total deferred inflows of resources	2,221,309	708,776	2,930,085
NET POSITION			
Net investment in capital assets	12,574,578	44,157,974	56,732,552
Restricted for:			
Regional wastewater treatment plant	-	1,697,854	1,697,854
Debt service	801,353	-	801,353
TIF district	117,440	-	117,440
ARPA	1,146,690	-	1,146,690
Public safety programs	15,006	-	15,006
Community development programs	22,714	-	22,714
Tourism related costs	2,742,222	-	2,742,222
Unrestricted	(3,319,480)	1,397,683	(1,921,797)
Total net position	\$ 14,100,523	\$ 47,253,511	\$ 61,354,034

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

CITY OF GEORGETOWN, SOUTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,592,586	\$ 565,570	\$ 1,278,468	\$ -
Public safety	6,899,081	413,538	2,932	-
Public works	1,097,212	-	48,373	703,771
Community development	1,094,696	-	-	190,598
Interest and fiscal charges	76,596	-	-	-
Total governmental activities	<u>11,760,171</u>	<u>979,108</u>	<u>1,329,773</u>	<u>894,369</u>
Business-type activities:				
Electric utility	11,314,442	11,855,569	519,386	-
Water & wastewater utility	6,794,195	7,777,506	546,658	742,952
Stormwater utility	1,105,370	1,149,241	273,760	-
Waste management	1,081,523	1,020,743	-	-
Total business-type activities	<u>20,295,530</u>	<u>21,803,059</u>	<u>1,339,804</u>	<u>742,952</u>
Total primary government	<u>\$ 32,055,701</u>	<u>\$ 22,782,167</u>	<u>\$ 2,669,577</u>	<u>\$ 1,637,321</u>
General revenues:				
Property taxes				
Local accommodations and hospitality tax				
Business licenses				
Unrestricted intergovernmental revenues				
Investment income				
Miscellaneous revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position

Primary Government

Governmental Activities	Business-type Activities	Total
\$ (748,548)	\$ -	\$ (748,548)
(6,482,611)	-	(6,482,611)
(345,068)	-	(345,068)
(904,098)	-	(904,098)
(76,596)	-	(76,596)
(8,556,921)	-	(8,556,921)
-	1,060,513	1,060,513
-	2,272,921	2,272,921
-	317,631	317,631
-	(60,780)	(60,780)
-	3,590,285	3,590,285
(8,556,921)	3,590,285	(4,966,636)
4,540,933	-	4,540,933
1,316,378	-	1,316,378
3,903,677	-	3,903,677
1,048,528	-	1,048,528
457,909	269,516	727,425
164,263	92,321	256,584
1,142,325	(1,142,325)	-
12,574,013	(780,488)	11,793,525
4,017,092	2,809,797	6,826,889
10,083,431	44,443,714	54,527,145
\$ 14,100,523	\$ 47,253,511	\$ 61,354,034

CITY OF GEORGETOWN, SOUTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2023

	General Fund	Local Accom. & Hospitality Tax Fund	American Rescue Plan Act Fund	Capital Reserve Fund
ASSETS				
Cash and cash equivalents	\$ 10,786,466	\$ -	\$ -	\$ -
Cash and cash equivalents, restricted	-	2,572,010	1,456,999	-
Investments, restricted	806,018	-	-	-
Taxes receivable, net of allowances	242,314	-	-	-
Accounts receivable, net of allowances	439,135	92,844	-	109,558
Other receivable, net of allowances	45,657	-	-	-
Intergovernmental receivables	1,102,748	67,308	-	-
Due from other funds	540,881	-	2,351,287	-
Advances to other funds	100,000	-	-	-
Prepays	4,232	-	-	-
Inventories	90,332	-	-	-
Total assets	<u>\$ 14,157,783</u>	<u>\$ 2,732,162</u>	<u>\$ 3,808,286</u>	<u>\$ 109,558</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)				
LIABILITIES				
Accounts payable	\$ 474,740	\$ 169,004	\$ 5,334	\$ 41,607
Accrued salaries and benefits	326,229	3,328	-	-
Due to other funds	-	-	-	1,110,894
Accrued court bonds	11,606	-	-	-
Unearned revenue	1,016	-	2,656,262	-
Total liabilities	<u>813,591</u>	<u>172,332</u>	<u>2,661,596</u>	<u>1,152,501</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	197,774	-	-	-
Unavailable revenue - police fines	53,673	-	-	-
Unavailable revenue - other	125,932	12,743	-	-
Total deferred inflows of resources	<u>377,379</u>	<u>12,743</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)				
Nonspendable:				
Prepays	4,232	-	-	-
Inventory	90,332	-	-	-
Advances to other funds	100,000	-	-	-
Restricted:				
ARPA	-	-	1,146,690	-
Debt service	-	-	-	-
TIF district	-	-	-	-
Tourism related costs	-	2,547,087	-	-
Public safety programs	-	-	-	-
Community development programs	-	-	-	-
Committed:				
Disaster recovery	1,100,000	-	-	-
Capital projects	3,500,000	-	-	-
Assigned:				
Grants	-	-	-	-
Fiscal year 2024 budget appropriations	1,517,819	-	-	-
Unassigned	6,654,430	-	-	(1,042,943)
Total fund balances (deficit)	<u>12,966,813</u>	<u>2,547,087</u>	<u>1,146,690</u>	<u>(1,042,943)</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 14,157,783</u>	<u>\$ 2,732,162</u>	<u>\$ 3,808,286</u>	<u>\$ 109,558</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 10,786,466
445,226	4,474,235
-	806,018
-	242,314
38	641,575
-	45,657
97,226	1,267,282
725,000	3,617,168
-	100,000
-	4,232
-	90,332
<u>\$ 1,267,490</u>	<u>\$ 22,075,279</u>

\$ 57,424	\$ 748,109
-	329,557
9,487	1,120,381
-	11,606
<u>33,755</u>	<u>2,691,033</u>
<u>100,666</u>	<u>4,900,686</u>

-	197,774
-	53,673
-	138,675
<u>-</u>	<u>390,122</u>

-	4,232
-	90,332
-	100,000
-	1,146,690
801,353	801,353
117,440	117,440
195,135	2,742,222
15,006	15,006
22,714	22,714
-	1,100,000
-	3,500,000
15,176	15,176
-	1,517,819
-	5,611,487
<u>1,166,824</u>	<u>16,784,471</u>
<u>\$ 1,267,490</u>	<u>\$ 22,075,279</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2023

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

Fund balances, end of year	\$	16,784,471	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of capital assets was \$34,554,566 and the accumulated depreciation was \$18,871,457.			15,683,109
Property taxes and other receivables that will be collected in the future, but are not available soon enough to pay for the current period's expenditures, have been deferred in the funds.			390,122
The City's proportionate share 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 funds but are recorded in the Statement of Net Position.			(11,182,448)
The City's total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to its OPEB Plan is not recorded in the funds but is recorded in the Statement of Net Position.			(3,594,619)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Compensated absences	\$	(204,514)	
Accrued interest		(29,422)	
Debt obligations		(3,746,176)	
Total long-term liabilities			(3,980,112)
Net position of governmental activities, end of year	\$		<u>14,100,523</u>

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

CITY OF GEORGETOWN, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General Fund	Local Accom. & Hospitality Tax Fund	American Rescue Plan Act Fund	Capital Reserve Fund
Revenues:				
Taxes	\$ 4,206,254	\$ 1,129,392	\$ -	\$ -
Licenses and permits	4,504,820	-	-	-
Fire impact fees	127,305	-	-	-
Fines and forfeitures	109,301	-	-	-
Intergovernmental	1,362,655	190,598	1,040,199	703,771
Investment earnings	341,594	-	116,315	-
Miscellaneous	82,389	15,346	-	-
Total revenues	<u>10,734,318</u>	<u>1,335,336</u>	<u>1,156,514</u>	<u>703,771</u>
Expenditures:				
Current:				
General government	2,294,339	-	14,696	-
Public safety	6,890,993	-	-	-
Public works	1,090,547	-	-	-
Community development	-	799,372	-	-
Capital outlay	-	291,296	-	2,896,530
Debt service:				
Principal retirement	38,421	-	-	-
Interest	926	-	-	-
Total expenditures	<u>10,315,226</u>	<u>1,090,668</u>	<u>14,696</u>	<u>2,896,530</u>
Excess (deficiency) of revenues over (under) expenditures	<u>419,092</u>	<u>244,668</u>	<u>1,141,818</u>	<u>(2,192,759)</u>
Other financing sources (uses):				
Insurance proceeds	55,964	-	-	-
Issuance of debt	2,040,497	-	-	109,064
Transfers in	1,503,823	-	-	575,880
Transfers out	<u>(779,279)</u>	<u>(125,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>2,821,005</u>	<u>(125,000)</u>	<u>-</u>	<u>684,944</u>
Net change in fund balances	3,240,097	119,668	1,141,818	(1,507,815)
Fund balances, beginning of year	<u>9,726,716</u>	<u>2,427,419</u>	<u>4,872</u>	<u>464,872</u>
Fund balances (deficit), end of year	<u><u>\$ 12,966,813</u></u>	<u><u>\$ 2,547,087</u></u>	<u><u>\$ 1,146,690</u></u>	<u><u>\$ (1,042,943)</u></u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 185,785	\$ 5,521,431
-	4,504,820
-	127,305
-	109,301
338,682	3,635,905
-	457,909
10,564	108,299
<u>535,031</u>	<u>14,464,970</u>
-	2,309,035
36,580	6,927,573
13,911	1,104,458
207,845	1,007,217
-	3,187,826
85,112	123,533
46,248	47,174
<u>389,696</u>	<u>14,706,816</u>
<u>145,335</u>	<u>(241,846)</u>
-	55,964
-	2,149,561
-	2,079,703
<u>(33,099)</u>	<u>(937,378)</u>
<u>(33,099)</u>	<u>3,347,850</u>
112,236	3,106,004
<u>1,054,588</u>	<u>13,678,467</u>
<u>\$ 1,166,824</u>	<u>\$ 16,784,471</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Net change in fund balances - total governmental funds	\$	3,106,004
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization in the current period.

Capital outlay	\$	3,413,385	
Depreciation expense		(1,151,228)	
			2,262,157

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.		(157,446)
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Property tax and other revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		114,004
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related

Issuance of financed purchase obligations	\$	(109,064)	
Issuance of revenue bonds		(2,040,497)	
Repayment of the principal of long-term debt		123,533	
			(2,026,028)

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 governmental funds.

Compensated absences	\$	(30,012)	
Accrued interest		(29,422)	
Net pension liability, net of related deferred outflows and inflows of resources		515,624	
Total OPEB obligation, net of related deferred outflows and inflows of resources		262,211	
			718,401

Change in net position of governmental activities	\$	4,017,092
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The accompanying notes are an integral part of these financial statements.

CITY OF GEORGETOWN, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2023

	Electric Utility Fund	Water & Wastewater Utility Fund	Stormwater Drainage Utility Fund	Waste Management Fund	Total Enterprise Funds
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,492,284	\$ 4,352,810	\$ 324,762	\$ -	\$ 6,169,856
Cash and cash equivalents, restricted	496,970	165,142	-	-	662,112
Investments, restricted	620,503	146,431	-	167,289	934,223
Accounts receivable, net of allowances	1,509,174	851,549	44,785	44,552	2,450,060
Other receivables	23,364	26,477	2,127	3,508	55,476
Intergovernmental receivables	294,040	367,926	-	-	661,966
Prepays	-	32,700	-	-	32,700
Inventories	1,094,445	148,378	3,563	-	1,246,386
Total current assets	<u>5,530,780</u>	<u>6,091,413</u>	<u>375,237</u>	<u>215,349</u>	<u>12,212,779</u>
NONCURRENT ASSETS					
Capital assets:					
Non-depreciable	1,014,551	1,574,520	564,094	287,751	3,440,916
Depreciable, net of accumulated depreciation	12,527,119	32,344,098	9,606,439	353,350	54,831,006
Total noncurrent assets	<u>13,541,670</u>	<u>33,918,618</u>	<u>10,170,533</u>	<u>641,101</u>	<u>58,271,922</u>
Total assets	<u>19,072,450</u>	<u>40,010,031</u>	<u>10,545,770</u>	<u>856,450</u>	<u>70,484,701</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension	123,720	160,835	24,744	37,116	346,415
Other post-employment benefits	65,226	84,793	13,045	26,090	189,154
Total deferred outflows of resources	<u>188,946</u>	<u>245,628</u>	<u>37,789</u>	<u>63,206</u>	<u>535,569</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	676,814	404,093	41,093	8,420	1,130,420
Accrued interest payable	17,342	37,772	1,310	4,588	61,012
Accrued salaries and benefits	42,245	44,836	8,711	13,781	109,573
Due to other funds	-	2,351,287	-	145,500	2,496,787
Customer deposits	496,970	159,899	-	-	656,869
Current portion of compensated absences	15,082	11,611	2,974	1,006	30,673
Current portion of debt	663,319	1,165,850	48,061	15,070	1,892,300
Total current liabilities	<u>1,911,772</u>	<u>4,175,348</u>	<u>102,149</u>	<u>188,365</u>	<u>6,377,634</u>
NONCURRENT LIABILITIES					
Advance from other funds	-	-	100,000	-	100,000
Compensated absences, net of current portion	34,559	20,576	6,438	2,389	63,962
Debt, net of current portion	3,527,151	8,865,874	49,170	408,436	12,850,631
Net pension liability	918,610	1,194,193	183,722	275,583	2,572,108
Total other post-employment benefits liability	377,120	490,256	75,424	150,848	1,093,648
Total noncurrent liabilities	<u>4,857,440</u>	<u>10,570,899</u>	<u>414,754</u>	<u>837,256</u>	<u>16,680,349</u>
Total liabilities	<u>6,769,212</u>	<u>14,746,247</u>	<u>516,903</u>	<u>1,025,621</u>	<u>23,057,983</u>
DEFERRED INFLOWS OF RESOURCES					
Pension	51,802	67,342	10,360	15,541	145,045
Other post-employment benefits	194,390	252,707	38,878	77,756	563,731
Total deferred inflows of resources	<u>246,192</u>	<u>320,049</u>	<u>49,238</u>	<u>93,297</u>	<u>708,776</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	9,952,424	23,749,926	10,071,367	384,257	44,157,974
Restricted for regional wastewater treatment plant	-	1,697,854	-	-	1,697,854
Unrestricted	2,293,568	(258,417)	(53,949)	(583,519)	1,397,683
Total net position (deficit)	<u>\$ 12,245,992</u>	<u>\$ 25,189,363</u>	<u>\$ 10,017,418</u>	<u>\$ (199,262)</u>	<u>\$ 47,253,511</u>

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

CITY OF GEORGETOWN, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Electric Utility Fund	Water & Wastewater Utility Fund	Stormwater Drainage Utility Fund	Waste Management Fund	Total Enterprise Funds
OPERATING REVENUE					
Charges for service	\$ 11,855,569	\$ 7,777,506	\$ 1,149,241	\$ 1,020,743	\$ 21,803,059
Total operating revenues	11,855,569	7,777,506	1,149,241	1,020,743	21,803,059
OPERATING EXPENSES					
Purchased electricity	6,976,171	-	-	-	6,976,171
Purchased water	-	83,319	-	-	83,319
Provision for bad debts	59,857	44,192	5,962	11,672	121,683
Personnel services	1,741,218	1,761,627	188,906	407,083	4,098,834
Supplies	370,146	835,694	14,178	16,973	1,236,991
Other charges and services	1,355,566	1,909,293	373,585	586,307	4,224,751
Depreciation expense	725,040	1,798,221	518,101	54,392	3,095,754
Total operating expenses	11,227,998	6,432,346	1,100,732	1,076,427	19,837,503
Operating income (loss)	627,571	1,345,160	48,509	(55,684)	1,965,556
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental grant revenues	519,386	546,658	273,760	-	1,339,804
Interest earned on investments	211,694	56,460	-	1,362	269,516
Interest expense	(86,444)	(361,849)	(4,638)	(5,096)	(458,027)
Miscellaneous income	2,583	48,034	40,654	1,050	92,321
Total nonoperating revenues (expenses), net	647,219	289,303	309,776	(2,684)	1,243,614
Income (loss) before capital contributions and transfers	1,274,790	1,634,463	358,285	(58,368)	3,209,170
CAPITAL CONTRIBUTIONS	-	742,952	-	-	742,952
TRANSFERS					
Transfers in	106,940	53,337	37,487	5,635	203,399
Transfers out	(730,628)	(615,096)	-	-	(1,345,724)
Total transfers	(623,688)	(561,759)	37,487	5,635	(1,142,325)
Change in net position	651,102	1,815,656	395,772	(52,733)	2,809,797
Total net position (deficit), beginning of year	11,594,890	23,373,707	9,621,646	(146,529)	44,443,714
Total net position (deficit), end of year	\$ 12,245,992	\$ 25,189,363	\$ 10,017,418	\$ (199,262)	\$ 47,253,511

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

CITY OF GEORGETOWN, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Electric Utility Fund	Water & Wastewater Utility Fund	Stormwater Drainage Utility Fund	Waste Management Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 11,602,185	\$ 7,353,868	\$ 1,157,329	\$ 1,023,821	\$ 21,137,203
Other receipts (payments)	2,583	48,034	40,654	1,050	92,321
Payments to suppliers	(8,985,660)	(1,703,784)	(603,334)	(535,647)	(11,828,425)
Payments to employees	(1,672,390)	(1,817,025)	(329,846)	(439,139)	(4,258,400)
Net cash provided by operating activities	946,718	3,881,093	264,803	50,085	5,142,699
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	106,940	53,337	37,487	5,635	203,399
Transfers out	(730,628)	(615,096)	-	-	(1,345,724)
Intergovernmental grants	519,386	546,658	273,760	-	1,339,804
Net cash provided by (used in) noncapital financing activities	(104,302)	(15,101)	311,247	5,635	197,479
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(1,304,910)	(1,979,281)	(199,943)	(287,751)	(3,771,885)
Proceeds from the issuance of debt	1,650,470	-	-	423,507	2,073,977
Principal paid on debt	(601,000)	(1,099,043)	(48,013)	(25,041)	(1,773,097)
Interest and agent fees paid	(69,102)	(324,077)	(3,332)	(508)	(397,019)
Net cash provided by (used in) capital and related financing activities	(324,542)	(3,402,401)	(251,288)	110,207	(3,868,024)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	211,694	56,460	-	1,362	269,516
Purchase of investments	(562,280)	-	-	(167,289)	(729,569)
Sale of investments	-	15,671	-	-	15,671
Net cash provided by (used in) investing activities	(350,586)	72,131	-	(165,927)	(444,382)
Net change in cash	167,288	535,722	324,762	-	1,027,772
Cash and cash equivalents, beginning of year	1,821,966	3,982,230	-	-	5,804,196
Cash and cash equivalents, end of year	<u>\$ 1,989,254</u>	<u>\$ 4,517,952</u>	<u>\$ 324,762</u>	<u>\$ -</u>	<u>\$ 6,831,968</u>
Classified as:					
Cash and cash equivalents	\$ 1,492,284	\$ 4,352,810	\$ 324,762	\$ -	\$ 6,169,856
Cash and cash equivalents, restricted	496,970	165,142	-	-	662,112
	<u>\$ 1,989,254</u>	<u>\$ 4,517,952</u>	<u>\$ 324,762</u>	<u>\$ -</u>	<u>\$ 6,831,968</u>

(Continued)

CITY OF GEORGETOWN, SOUTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Electric Utility Fund	Water & Wastewater Utility Fund	Stormwater Drainage Utility Fund	Waste Management Fund	Total Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 627,571	\$ 1,345,160	\$ 48,509	\$ (55,684)	\$ 1,965,556
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	725,040	1,798,221	518,101	54,392	3,095,754
Other miscellaneous receipts	2,583	48,034	40,654	1,050	92,321
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	40,656	(55,712)	8,088	3,078	(3,890)
(Increase) decrease in inventory	(96,903)	(4,942)	28	-	(101,817)
Increase in due from other governments	(294,040)	(367,926)	-	-	(661,966)
Decrease in deferred outflow of resources	87,567	136,386	24,167	33,969	282,089
Increase (decrease) in accounts payable	(133,367)	150,216	(20,434)	(1,016)	(4,601)
Increase (decrease) in accrued liabilities	12,017	(4,165)	2,087	2,734	12,673
Increase (decrease) in other liabilities	10,187	(18,867)	1,693	701	(6,286)
Increase (decrease) in due to other funds	-	1,025,503	(189,203)	79,305	915,605
Increase (decrease) in net pension liability	105,953	72,224	(89,299)	(27,269)	61,609
Decrease in deferred inflows of resources	(39,472)	(74,079)	(35,666)	(13,299)	(162,516)
Decrease in net other post-employment benefits liability	(101,074)	(168,960)	(43,922)	(27,876)	(341,832)
Net cash provided by operating activities	<u>\$ 946,718</u>	<u>\$ 3,881,093</u>	<u>\$ 264,803</u>	<u>\$ 50,085</u>	<u>\$ 5,142,699</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets through developer contributions	<u>\$ -</u>	<u>\$ 742,952</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 742,952</u>

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

CITY OF GEORGETOWN, SOUTH CAROLINA

**STATEMENT OF NET POSITION - FIDUCIARY FUND
PRIVATE PURPOSE TRUST FUND
JUNE 30, 2023**

	Guerry Scholarship Private Purpose Trust Fund
ASSETS	
Cash and cash equivalents, restricted	\$ 35,058
Total assets	<u>\$ 35,058</u>
NET POSITION	
Restricted for future scholarship recipients	\$ 35,058
Total net position	<u>\$ 35,058</u>

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

CITY OF GEORGETOWN, SOUTH CAROLINA

**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND
PRIVATE PURPOSE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Guerry Scholarship Private Purpose Trust Fund
	<hr/>
ADDITIONS	
Investment earnings	\$ 1,371
Total additions	<hr/> 1,371
Change in net position	1,371
Net position, beginning of year	<hr/> 33,687
Net position, end of year	<hr/> \$ 35,058

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

NOTES TO FINANCIAL STATEMENTS

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Georgetown, South Carolina (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government 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.

A. Reporting Entity

The City of Georgetown (the "City") was incorporated in 1805 under the laws of the State of South Carolina. 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 the Mayor-Council form of government. The Council is composed of a Mayor and six Council members. The Mayor is elected at-large and six Council members are elected on a single member ward basis. The Mayor and Council, elected for four-year staggered terms, are vested with the legislative and policy-making powers of the City. The Mayor is the chief executive officer of the City. The Council has appointed a City Administrator who assists the Mayor in carrying out the proper administration of all affairs of the City.

As required by GAAP, the financial statements must present the City's financial information with any of its component units (if significant). 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 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 for being fiscally independent if excluding it would cause the City's financial statements to be misleading.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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.

The City's major operations include: general government, public safety (police and fire), public works, community development, electric utility, water utility, wastewater utility, stormwater utility, and waste management.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the 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.

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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting, as are the financial statements of the Proprietary Funds and Fiduciary Fund. 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 statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental **fund financial statements** are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, intergovernmental revenues, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be measurable and susceptible to accrual and so have been recognized as revenues of the current fiscal period. For this purpose, the government considers its revenues to be available if they are generally 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, 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 governmental funds. Proceeds of long-term debt and acquisitions under financed purchases 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 aggregated and presented in a single column. Fiduciary funds are reported by fund type.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 funds and fund types are used by the City.

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 Funds and Fiduciary Fund) are accounted for through governmental funds. Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. The City's governmental fund types and major and nonmajor 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 revenues and expenditures of the City except those required to be accounted for in other funds. All general tax revenues and other receipts that: (a) are not allocated by law or contractual agreement to other funds, or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The **Local Accommodations and Hospitality Tax Fund, a major fund** and a budgeted fund, is used to account for revenues received from a 3% fee imposed on the rental of accommodations provided to transients and from a 2% fee collected on the sale of prepared food and beverages served by restaurants, hotels, lounges, and other food facilities. The fees are restricted for expenditures associated with the preservation, maintenance and improvement of historical, environmental, and cultural assets of the City, and public facilities related to their use.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The **Capital Reserve Fund, a major fund** and a budgeted fund, is used to account for and report funds that are restricted, committed, or assigned for future capital improvements and for funding certain elements identified in the City's annually adopted Capital Improvement Plan.

The **Special Revenue Funds, nonmajor funds**, are used to account for 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 nonmajor Special Revenue Funds:

Federal, State, and Local Grants Fund	Community Development Fund
State Accommodations Tax Fund	Firefighters 1% Fund
Seized and Forfeited Property Fund	Utilities Round Up Fund

The **Capital Projects Fund (TIF District Fund), a nonmajor fund** and a budgeted fund, is used to account for and report funds that are restricted, committed, or assigned for future capital improvements and for funding certain elements identified in the City's annually adopted Capital Improvement Plan.

The **Debt Service Fund, a nonmajor fund** and a budgeted fund, is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of long-term debt principal, interest, and related costs for the City.

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 are made up of two classes: Enterprise Funds and Internal Service Funds. The City does not have any Internal Service Funds and has four Enterprise Funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 reported as non-operating revenues and expenses. The City's proprietary fund types and major and nonmajor funds are as follows:

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 Funds:

The **Electric Utility Fund, a major fund**, is used to account for assets and activities of the City's electric distribution operations. All costs are financed through charges to utility customers. This is a budgeted fund.

The **Water and Wastewater Utility Fund, a major fund**, is used to account for assets and activities of the City's water and wastewater operations. All costs are financed through charges to utility customers. This is a budgeted fund.

The **Stormwater Drainage Utility Fund, a major fund**, is used to account for the assets and activities of the City's stormwater drainage operations. All costs are financed through charges to utility customers. This is a budgeted fund.

The **Waste Management Fund, a major fund**, is used to account for the City's operation and maintenance of the City's waste collection and disposal systems, including community education and awareness regarding recycling and litter control. This is a budgeted fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Fiduciary Fund Types include the **Guerry Scholarship Private Purpose Trust Fund**. This fund is used to account for assets held by the City in a trustee capacity for individuals, other governments, and/or other funds and are accounted for in essentially the same manner as Proprietary Funds. Trust funds account for resources that are required to be held in trust for the recipients of scholarship funds. The Guerry Scholarship Private Purpose Trust Fund is used to account for assets and transactions of a scholarship fund established with contributions made in memory of Major Spencer Guerry, a City policeman who lost his life in 1994 while serving in the line of duty.

D. Cash and 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.
- (b) (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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents and Investments (Continued)

- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a fair value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g.) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made: (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of \$1 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:

- Agency securities are securities that are generally backed by mortgage loans, and due to their creation from particular corporations that are sponsored by the U.S. government, they enjoy credit protection based on either an implicit or explicit guarantee from the U.S. Government.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents and Investments (Continued)

- South Carolina Local Government Investment Pool ("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:

Office of State Treasurer
Local Government Investment Pool
P.O. Box 11778
Columbia, SC 29211-1960

E. 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, construct assets, and service debt. 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 trade and property taxes receivable are shown net of an allowance for uncollectible amounts. Trade receivables are comprised of amounts due from entities and individuals for a variety of types of fees, charges and services.

F. Inventories and Prepaid Items

Inventories of materials, supplies and gasoline are stated at average cost, which approximates market. The costs of inventories and prepaid items are accounted for using the consumption method (expensed when consumed).

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

General capital assets are those assets not specifically related to activities reported in the Proprietary Funds. 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 Proprietary Funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective fund financial statements.

The City defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) or groupings of similar items with individual costs of less than \$5,000, but when purchased together the total is greater than \$5,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if not purchased or constructed. Donated capital assets are recorded at estimated acquisition value (as estimated by the City) at the date of donation.

Public domain ("infrastructure") general capital assets, consist of the road network (roads, bridges, curbs and gutters, streets, and sidewalks, drainage systems, lighting systems), and water and sewer system assets that were acquired or that received substantial improvements. These assets are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Land improvements	10 – 40 years
Buildings and improvements	10 – 40 years
Infrastructure	30 – 60 years
Other improvements	10 – 25 years
Vehicles, equipment, and furnishings	5 – 10 years
Electric system	25 – 40 years
Fiber optics system	10 years
Water and wastewater systems	10 – 40 years
Stormwater drainage system	5 – 40 years

The City has a collection of historical furnishings presented for public exhibition and education at the Kaminski House Museum. The City ensures the collection is protected and preserved for future generations. The collection is not capitalized or depreciated subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire items for the collection.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused general leave (which encompasses vacation and sick pay benefits). Unused general leave is accumulated in varying amounts based on years of service to a maximum amount per scheduled work hour classification. General leave is depleted on the first-in/first-out ("FIFO") basis.

General leave may be used to cover the following types of absences (upon advance approval of the employee's supervisor/manager): employee vacation, employee personal leave for medical reasons, Family Medical Leave approved absences, and funeral leave. Unused general leave will be paid for at termination at a rate of 50% only if the employee is terminated for non-disciplinary reasons or if the employee gives and properly works a two-week notice of resignation. The City Administrator may waive the notice requirement. Effective April 18, 2013, a leave donation policy was adopted which allows all eligible employees to donate general leave hours on a voluntary basis from their unused balance to the Leave Donation Bank in accordance with policy guidelines.

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16 "Accounting for Compensated Absences." Accumulated general leave is accrued at 50% of each employee's current pay rate multiplied by an estimated percentage (which is currently estimated at 50%) of those that will qualify for payout (i.e., non-disciplinary termination, properly work two-week notice, etc.).

The entire compensated absence liability and expense is reported in the government-wide financial statements. The portion applicable to the City's enterprise activities is also recorded in the Proprietary Funds financial statements, if material. Governmental funds will only recognize compensated absences liability if they have matured, for example, as a result of employee resignations or retirements.

I. Accrued Liabilities and Long-Term Obligations

All payables accrued liabilities and long-term obligations are reported in the government-wide 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 or lease purchase issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Accrued Liabilities and Long-Term Obligations (Continued)

In general, payables and accrued liabilities that will be paid from 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 and financed purchase agreements, compensated absences, total post-employment benefit obligations, net pension liabilities, special termination benefits and other related long-term liabilities that will eventually be paid from governmental funds are not reported as a liability in the fund financial statements until due and payable.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net 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 Statements of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers' Retirement System; and 2) The City reports deferred other post-employment benefit ("OPEB") charges in its Statement of Net Position in connection with the single-employer defined benefit healthcare plan ("OPEB Plan"). These deferred pension and OPEB charges are either: (a) recognized in the subsequent period as a reduction of the net pension and total OPEB liabilities (which includes contributions made after the measurement date), or (b) amortized in a systematic and rational method as pension and OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Governmental Funds 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 revenues only in the Governmental Funds Balance Sheet; it is deferred and recognized as an inflow of resources (various revenues) in the period the amounts become available; 2) The City also reports deferred pension credits in its Statements of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers' Retirement System; and 3) The City reports deferred OPEB credits in its Statement of Net Position in connection with its OPEB Plan. These deferred pension and OPEB credits are amortized in a systematic and rational method and recognized as a reduction of pension and OPEB expense in future periods in accordance with GAAP.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. 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 they are not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e., principal on an endowment, etc.).

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

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action (ordinance) made by the highest level of decision making authority (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 by an approved motion or resolution by Council 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. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The City generally uses restricted amounts 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 formally adopted a minimum fund balance policy that endeavors to maintain a minimum of two months (approximately 15%) of normal General Fund expenditures to be available as unassigned fund balance. The City had unassigned fund balance of approximately \$6,699,000 at June 30, 2023 (which is approximately 65% of current year General Fund expenditures).

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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 consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds.

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

M. Pensions and Other Post-employment Benefits

In government-wide financial statements, pensions and other post-employment benefits ("OPEB") are required to be recognized and disclosed using the accrual basis of accounting (see Note 9 and Note 10 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 total 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 total 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 total 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the General Fund during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. For budget purposes, encumbrances and unused expenditure appropriations lapse at year-end.

O. Accounting Estimates

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

P. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fair Value (Continued)

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The 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.

Q. 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.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City has elected to present its budgetary comparison information (as required supplementary information) for the General Fund, Local Accommodations and Hospitality Tax Fund, American Rescue Plan Act Fund, and Capital Reserve Fund as separate schedules and not as basic financial statements. These funds were the only major governmental funds for which the City had a legally adopted budget.

Budgets have been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. Amounts presented in the "original" budget column in the budgetary comparative schedules reflect amounts originally adopted by ordinance. Amounts presented in the "final" budget column include any supplemental appropriations or other amendments formally authorized by Council.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

The City utilizes the following procedures in enacting its annual budgets:

- a) Prior to June 1, the City Administrator submits to Council proposed annual budgets for all funds for the fiscal year commencing the following July 1. The proposed budgets included recommended appropriations for each fund and the estimated sources to support such expenditures.
- b) Public hearings are held to obtain citizen input.
- c) Prior to July 1, budgets are legally enacted upon two readings and passage of a budget ordinance.

The City employs formal budgetary integration in its accounting system as a management control device. Expenditures may not exceed the budgeted appropriations at the fund level. The City Administrator is authorized to transfer budgeted amounts between departments within any fund and department heads may make budget transfers within their departments with the approval of the City Administrator. However, transfers of appropriations between funds and all supplemental appropriations must be approved by Council. The legal level of budgetary control is, therefore, at the fund level.

Encumbrance accounting is utilized in all governmental funds. Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriation. All encumbrances lapse at year-end.

General government and non-departmental functions are combined by the City in the financial statements.

Deficit Fund Balance and Deficit Net Position

The Capital Reserve Fund, a major governmental fund, had a deficit fund balance of \$1,042,943 at June 30, 2023. This fund balance deficit will be reduced through General Fund transfers.

The Waste Management Fund, a major enterprise fund, had a deficit net position of \$199,262 at June 30, 2023. This deficit net position will be reduced through General Fund transfers.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures Over Appropriations

For the year ended June 30, 2023, expenditures/expenses exceeded budget as follows:

	<u>Excess</u>
General Fund	
Public works	\$ 13,340
Debt service - principal	421
ARPA Fund	
General government	14,696
Capital Reserve Fund	
Capital outlay	1,675,503
Nonmajor Governmental Fund - Federal, State, & Local Grants Fund	
Public safety	2,932
Public works	13,911
Nonmajor Governmental Fund - State Accommodations Tax Fund	
Community development	107,595
Nonmajor Governmental Fund - Firefighters 1% Fund	
Public safety	32,848
Electric Utility Fund	
Operating expenses - supplies	53,846
Operating expenses - provision for bad debts	19,857
Interest expense	16,444
Water Utility Fund	
Operating expenses - provision for bad debts	12,604
Interest expense	7,818
Wastewater Utility Fund	
Operating expenses - other services and charges	5,842
Operating expenses - provision for bad debts	14,588
Interest expense	35,031
Stormwater Drainage Utility Fund	
Operating expenses - provision for bad debts	3,962
Waste Management Fund	
Operating expenses - other services and charges	59,132
Operating expenses - provision for bad debts	10,172

The over-expenditures/expenses in the ARPA Fund, Federal, State, and Local Grants Fund, Electric Utility Fund, Water Utility Fund, Wastewater Utility Fund, and Stormwater Drainage Utility Fund were funded by under expenditures/expenses in other areas. The over-expenditures in the General Fund and the Firefighters 1% Fund were funded by excess revenues over budget. The over-expenditures in the State Accommodations Tax Fund were funded by previous years fund balance. The over-expenditures/expenses in the Capital Reserve Fund and the Waste Management Fund will be funded by General Fund transfers in future years.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS

Certain deposits and investments of the City are legally restricted for specified purposes. The major types of restrictions at June 30, 2023 were: (a) those imposed by the revenue source (i.e., hospitality fees, accommodation taxes, grants, etc.), (b) debt service reserve funds, and (c) unspent bond proceeds.

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 June 30, 2023, none of the City's bank balances of approximately \$7,275,000 (with a carrying value of approximately \$6,700,000) were exposed to custodial credit risk.

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

<u>Investment Type</u>	<u>Credit</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>				
	<u>Rating ^</u>	<u>Level (1)</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 3</u>	<u>3 - 5</u>	<u>> 5</u>
LGIP	NR	N/A	\$ 15,427,723	\$ 15,427,723	\$ -	\$ -	\$ -
Agency Securities	AAAn, Aaa-mf	Level 1	1,740,241	1,740,241	-	-	-
Total			<u>\$ 17,167,964</u>	<u>\$ 17,167,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

^ If available, credit ratings are for Standard & Poor's and Moody's Investors Service

(1) See Note 1. P for the details of the City's fair value hierarchy

NR - Not rated

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

A reconciliation of cash and investments as shown in the Statements of Net Position for all activities is as follows:

<u>Description</u>	<u>Amount</u>
<i>Statement of Net Position:</i>	
Cash and cash equivalents	\$ 16,956,322
Restricted investments	1,740,241
Restricted cash and cash equivalents	5,136,347
 <i>Statement of Fiduciary Net Position:</i>	
Restricted cash and cash equivalents	35,058
	<u>\$ 23,867,968</u>
 Cash deposited with financial institutions	\$ 6,700,004
Fair value of investments	17,167,964
	<u>\$ 23,867,968</u>

NOTE 4. RECEIVABLES

Property taxes receivable represent current real and personal property as well as delinquent real and personal property taxes for the past ten years, less an allowance for amounts estimated to be uncollectible. All net property taxes receivable at year-end, except those collected within 60 days, are recorded as unavailable tax revenue and thus not recognized as revenue until collected in the governmental funds (if material).

Property taxes are assessed and collected by Georgetown County. The County levies its real property taxes each September based upon current assessed valuation. 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% 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 September 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 January 16th at 3%, on February 2nd for an additional 7%, and on March 17th for 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES (CONTINUED)

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 total millage rate of 110.6 mills (including 106.6 mills for operations and 4.0 mills for debt service). The City's assessed value of real and personal property (including vehicles) was approximately \$45.9 million for tax year 2022. Any amounts received by Georgetown County but not yet remitted to the City at year-end are included in the caption "Intergovernmental Receivables" in the Balance Sheet and Statement of Net Position.

The City has receivables related to electric, water, wastewater, stormwater, and waste management service fee billings, hospitality fees, and other miscellaneous receivables. The net receivables of the City's governmental funds and enterprise funds at June 30, 2023, include allowances for uncollectibles of approximately \$346,000 (property taxes and police fines) and \$1,783,000 (utility charges for services).

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances for the year ended June 30, 2023 consisted of the following individual fund receivables and payables:

Fund	Receivables	Payables
Major Governmental Funds:		
General Fund	\$ 540,881	\$ -
American Rescue Plan Act Fund	2,351,287	-
Capital Reserve Fund	-	1,110,894
Major Enterprise Funds:		
Water & Wastewater Utility Fund	-	2,351,287
Waste Management Fund	-	145,500
Nonmajor Governmental Funds		
Federal, State, and Local Grant Fund	-	4,374
State Accommodations Tax Fund	-	5,113
Debt Service Fund	725,000	-
Totals	<u>\$ 3,617,168</u>	<u>\$ 3,617,168</u>
	Advance to	Advance from
Fund	Other Funds	Other Funds
General Fund	\$ 100,000	\$ -
Stormwater Drainage Utility Fund	-	100,000
Totals	<u>\$ 100,000</u>	<u>\$ 100,000</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures/expenses occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. All balances except for the \$100,000 advance between the General Fund and the Stormwater Fund are expected to be repaid within one year.

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

Fund	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	\$ 1,503,823	\$ 779,279
Local Accommodations & Hospitality Tax Fund	-	125,000
Capital Reserve Fund	575,880	-
Major Enterprise Funds:		
Electric Utility Fund	106,940	730,628
Water & Wastewater Utility Fund	53,337	615,096
Stormwater Drainage Utility Fund	37,487	-
Waste Management Fund	5,635	-
Nonmajor Governmental Funds		
State Accommodations Tax Fund	-	33,099
Totals	<u>\$ 2,283,102</u>	<u>\$ 2,283,102</u>

During the course of normal operations and in order to support the numerous functions of the City, transactions between funds may occur. The City uses transfers to move unrestricted receipts so that they may be used for various programs in other funds. Transfers are most commonly made for program subsidies and grant matches.

Funds are transferred to the General Fund from the Utility Funds, State Accommodations Tax Fund, and Local Accommodations & Hospitality Tax Fund to support various programs and services of the City. Council approves the amount transferred annually generally during the budget process.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended June 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 3,180,193	\$ 20,000	\$ -	\$ -	\$ 3,200,193
Construction in progress	20,676	1,697,380	-	(83,078)	1,634,978
Total	<u>3,200,869</u>	<u>1,717,380</u>	<u>-</u>	<u>(83,078)</u>	<u>4,835,171</u>
Capital assets, being depreciated:					
Buildings and improvements	8,208,461	35,700	(301,439)	-	7,942,722
Vehicles, equipment and furnishings	9,248,734	1,586,330	(73,193)	-	10,761,871
Infrastructure	3,157,777	16,019	-	83,078	3,256,874
Other improvements	7,699,972	57,956	-	-	7,757,928
Total	<u>28,314,944</u>	<u>1,696,005</u>	<u>(374,632)</u>	<u>83,078</u>	<u>29,719,395</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,644,507)	(228,693)	173,956	-	(3,699,244)
Vehicles, equipment and furnishings	(7,631,510)	(414,189)	43,230	-	(8,002,469)
Infrastructure	(2,471,540)	(95,466)	-	-	(2,567,006)
Other improvements	(4,189,858)	(412,880)	-	-	(4,602,738)
Total	<u>(17,937,415)</u>	<u>(1,151,228)</u>	<u>217,186</u>	<u>-</u>	<u>(18,871,457)</u>
Total capital assets, being depreciated, net	<u>10,377,529</u>	<u>544,777</u>	<u>(157,446)</u>	<u>83,078</u>	<u>10,847,938</u>
Governmental activities capital assets, net	<u>\$ 13,578,398</u>	<u>\$ 2,262,157</u>	<u>\$ (157,446)</u>	<u>\$ -</u>	<u>\$ 15,683,109</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 359,090
Public safety	543,785
Public works	160,874
Community development	<u>87,479</u>
Total depreciation expense - governmental activities	<u>\$ 1,151,228</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the business-type activities for the year ended June 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 289,687	\$ -	\$ -	\$ -	\$ 289,687
Construction in progress	753,782	2,665,603	-	(268,156)	3,151,229
Total	<u>1,043,469</u>	<u>2,665,603</u>	<u>-</u>	<u>(268,156)</u>	<u>3,440,916</u>
Capital assets, being depreciated:					
Land improvements	146,412	-	-	-	146,412
Buildings and improvements	530,476	-	-	-	530,476
Vehicles, equipment and furnishings	7,531,482	684,124	-	-	8,215,606
Electric system	19,867,528	-	-	268,156	20,135,684
Fiber optics system	912,805	-	-	-	912,805
Water system	28,062,989	233,035	-	-	28,296,024
Wastewater system	36,878,498	932,075	-	-	37,810,573
Stormwater drainage system	15,628,001	-	-	-	15,628,001
Total	<u>109,558,191</u>	<u>1,849,234</u>	<u>-</u>	<u>268,156</u>	<u>111,675,581</u>
Less accumulated depreciation for:					
Land improvements	(108,239)	(2,892)	-	-	(111,131)
Buildings and improvements	(431,827)	(7,853)	-	-	(439,680)
Vehicles, equipment and furnishings	(4,874,421)	(348,644)	-	-	(5,223,065)
Electric system	(8,281,535)	(607,319)	-	-	(8,888,854)
Fiber optics system	(912,116)	(231)	-	-	(912,347)
Water system	(13,312,804)	(695,401)	-	-	(14,008,205)
Wastewater system	(20,025,516)	(948,159)	-	-	(20,973,675)
Stormwater drainage system	(5,802,363)	(485,255)	-	-	(6,287,618)
Total	<u>(53,748,821)</u>	<u>(3,095,754)</u>	<u>-</u>	<u>-</u>	<u>(56,844,575)</u>
Total capital assets, being depreciated, net	<u>55,809,370</u>	<u>(1,246,520)</u>	<u>-</u>	<u>268,156</u>	<u>54,831,006</u>
Business-type activities capital assets, net	<u>\$ 56,852,839</u>	<u>\$ 1,419,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,271,922</u>

From time to time, the City receives water and wastewater infrastructure for new subdivisions/projects that are given/donated to the City from various developers. The City inspects and approves (verifying that the donated infrastructure meets federal, state and local building codes) donated infrastructure before the City takes over ownership. The City's utility manager reviews and certifies the construction costs related to the infrastructure and the donation is recorded in the City's capital asset system.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Construction in progress in the City's business-type activities primarily relates to stormwater drainage projects and a water tank rehabilitation project.

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

Business-type activities:

Electric utility	\$ 725,040
Water & wastewater utility	1,798,221
Stormwater drainage utility	518,101
Waste management	<u>54,392</u>

Total depreciation expense - business-type activities	<u><u>\$ 3,095,754</u></u>
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NOTE 7. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity of the City for the year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities:					
General obligation bonds	\$ 1,681,727	\$ -	\$ (85,112)	\$ 1,596,615	\$ 87,453
Revenue bonds	-	2,040,497	-	2,040,497	72,611
Financed purchases	38,421	109,064	(38,421)	109,064	-
Net pension liability	11,045,644	4,212,794	(3,017,304)	12,241,134	-
Total OPEB liability	3,503,820	224,857	(1,051,125)	2,677,552	-
Compensated absences	174,502	89,604	(59,592)	204,514	70,252
Governmental activities Long-term liabilities	<u><u>\$ 16,444,114</u></u>	<u><u>\$ 6,676,816</u></u>	<u><u>\$ (4,251,554)</u></u>	<u><u>\$ 18,869,376</u></u>	<u><u>\$ 230,316</u></u>
Business-type activities:					
Revenue bonds	\$ 9,584,000	\$ 1,809,503	\$ (1,444,000)	\$ 9,949,503	\$ 1,533,389
State revolving fund loans	4,270,767	-	(200,044)	4,070,723	253,850
Financed purchases	587,284	264,474	(129,053)	722,705	105,061
Net pension liability	2,510,499	526,424	(464,815)	2,572,108	-
Total OPEB liability	1,435,480	91,843	(433,675)	1,093,648	-
Compensated absences	105,208	12,051	(22,624)	94,635	30,673
Business-type activities Long-term liabilities	<u><u>\$ 18,493,238</u></u>	<u><u>\$ 2,704,295</u></u>	<u><u>\$ (2,694,211)</u></u>	<u><u>\$ 18,503,322</u></u>	<u><u>\$ 1,922,973</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

The City issues debt from time to time to provide funds for the acquisition and construction of major capital facilities. Revenue Bonds and the State Revolving Loan Funds are obligations of the City that are secured by revenue from a specific source. The full faith, credit, and taxing powers of the City are not pledged for the payment of Revenue Bonds or State Revolving Loan Funds obligations nor the interest thereon. Details on the City's outstanding debt obligations as of June 30, 2023 are as follows:

General Obligation Bonds	Principal Outstanding At Year-End
\$2,000,000 General Obligation Bonds, Series 2018 ("Series 2018 GO Bonds") which are due in annual installments of \$131,000 beginning May 7, 2019 through May 7, 2038, plus interest of 2.75%, due annually. The proceeds from the Series 2018 GO Bonds were used for the construction of Fire Station II.	\$ 1,596,615
Total General Obligation Bonds Outstanding at Year-End	<u>\$ 1,596,615</u>
Financed Purchase Agreements	Principal Outstanding At Year-End
\$235,000 Financed Purchase Agreement was entered into by the City in December 2019. The agreement is due in annual installments (including interest) of approximately \$50,307 beginning on December 4, 2020 through December 4, 2024, which includes interest at 2.31%. The proceeds from this agreement were used to purchase a streetsweeper.	\$ 97,231
\$235,000 Financed Purchase Agreement was entered into by the City in October 2021. The agreement is due in annual installments (including interest) ranging from approximately \$64,260 to \$64,920 beginning on December 1, 2022 through December 1, 2028, which includes interest at 2.00%. The proceeds from this	361,000
\$600,000 Financed Purchase Agreement was entered into by the City in October 2022. The agreement is due in annual installments (including interest) ranging from approximately \$131,800 to \$132,400 beginning on October 1, 2023 through October 1, 2027, which includes interest at 3.33%. The proceeds from this agreement were used to purchase various vehicles. This agreement is still in the drawdown phase as of	<u>373,538</u>
Total Financed Purchase Agreements Outstanding at Year-End	<u>\$ 458,231</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds	<u>Principal Outstanding At Year-End</u>
\$5,845,000 Combined Public Utility System Improvement and Refunding Revenue Bonds, Series 2015A ("Series 2015A Revenue Bonds") (Public Placement) which are due in annual installments ranging from \$240,000 to \$890,000 beginning May 23, 2023 through May 23, 2035, plus interest ranging from 3.0% - 4.0%, due semi-annually. The proceeds from the Series 2015A Revenue Bonds were used to: (a) provide funds for expansion, additions and improvements to the combined public utility system, (b) provide a portion of the funds necessary to redeem the City's Combined Public Utility System Improvement and Refunding Revenue Bonds Series 2011, and (c) pay the cost of issuance.	\$ 5,600,000
\$6,000,000 Combined Public Utility System Revenue Bonds, Series 2017 ("Series 2017 Revenue Bonds") (Direct Placement) which are due in annual installments ranging from \$552,000 to \$643,000 beginning December 15, 2017 through May 15, 2027, plus interest at 2.20%, due semi-annually. The proceeds from the Series 2017 Revenue Bonds were used to: provide funds for expansion, additions and improvements to the Electric Utility Project.	2,540,000
\$3,850,000 Installment Purchase Revenue Bonds, Series 2023 ("Series 2023 Revenue Bonds") which are due in annual installments ranging from \$289,000 to \$291,000 beginning March 1, 2024 through March 1, 2043, plus interest at 4.32%, due semi-annually. The proceeds from the Series 2023 Revenue Bonds were used to provide funds for consolidating the City's electric, fleet, and public works departments under one roof.	<u>3,850,000</u>
Total Revenue Bonds Outstanding at Year-End	<u>\$ 11,990,000</u>
	<u>Principal Outstanding At Year-End</u>
State Revolving Loan Funds	
\$437,398 South Carolina Drinking Water Revolving Loan Fund (Series 2013A) agreement was entered into by the City in September 2013. The loan is due in 80 equal quarterly installments of approximately \$6,585 beginning on March 14, 2014 through February 14, 2034, including interest at 1.90%. The proceeds of this loan were used for the Historic District manhole rehabilitation project.	\$ 255,554
\$1,486,451 South Carolina Drinking Water Revolving Loan Fund (Series 2013B) agreement was entered into by the City in September 2013. The loan is due in 80 equal quarterly installments of approximately \$22,378 beginning on December 1, 2014 through November 1, 2034, including interest at 1.90%. The proceeds of this loan were used for the Maryville water tank project.	922,713
\$1,650,488 South Carolina Drinking Water Revolving Loan Fund (Series 2018A) agreement was entered into by the City in November 2018. The loan is due in monthly installments of \$8,050 beginning January 23, 2019 through December 23, 2038, plus interest at 1.60%. The proceeds of the loan were used to provide funds for the Historic District Water Line Improvements.	1,310,506
\$2,462,206 South Carolina Drinking Water Revolving Loan Fund (Series 2018B) agreement was entered into by the City in November 2018. The loan is due in monthly installments of \$12,008 beginning July 23, 2019 through June 23, 2039, plus interest at 1.60%. The proceeds of the loan were used to provide funds for the West End Sewer Rehabilitation project.	<u>1,581,950</u>
Total Notes Payable Outstanding at Year-End	<u>\$ 4,070,723</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Resources from the General Fund and Local Accommodations Tax/Hospitality Tax Fund have been used to liquidate the governmental activities long-term obligations. Resources from the Water and Wastewater Utility Fund have been used to liquidate the Revenue Bonds and the SRLF debt. Resources from the Electric Fund, Water and Wastewater Utility Fund, Stormwater Drainage Utility Fund, and Waste Management Fund have been used to liquidate the other business-type activities long-term obligations.

The Revenue Bonds and the SRLFs (collectively "Revenue Debt") require the City to maintain user rates sufficient to generate net revenues (as defined by the agreements) of 120% and 110%, respectively, per any fiscal year of the combined annual principal and interest payments on all debt paid from or secured by the revenues of the Electric Utility Fund and the Water and Wastewater Utility Fund. The City is in compliance with the respective debt covenants as of June 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 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 35%. In 1976, the General Assembly reduced the general obligation debt limit without voter approval to 8% of assessed valuation; whereas, with a referendum any amount can be floated.

As of June 30, 2023, the City had legally bonded debt of approximately \$1,597,000 in GO Bonds. The City's 8% legal debt limit (on its assessed values of approximately \$45,850,000) was approximately \$3,668,000 and the unused legal debt margin was approximately \$2,071,000 at June 30, 2023.

Annual debt service requirements to maturity for the general obligation bonds as of June 30, 2023 are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 87,453	\$ 43,907	\$ 131,360
2025	89,858	41,502	131,360
2026	92,329	39,031	131,360
2027	94,868	36,492	131,360
2028	97,477	33,883	131,360
2029 – 2033	529,100	127,700	656,800
2034 – 2038	605,530	52,270	657,800
	<u>\$ 1,596,615</u>	<u>\$ 374,785</u>	<u>\$ 1,971,400</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Annual debt service requirements to maturity for the financed purchase agreements as of June 30, 2023 are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 105,061	\$ 9,466	\$ 114,527
2025	107,170	7,216	114,386
2026	60,000	4,920	64,920
2027	61,000	3,720	64,720
2028	62,000	2,500	64,500
2029	63,000	1,260	64,260
	<u>\$ 458,231</u>	<u>\$ 29,082</u>	<u>\$ 487,313</u>

The financed purchase agreement with a balance of \$373,538 is still in the drawdown phase as of June 30, 2023, and is, therefore, not included in the above maturity schedule.

Annual debt service requirements to maturity for the revenue bonds as of June 30, 2023 are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 1,606,000	\$ 425,552	\$ 2,031,552
2025	1,648,000	385,324	2,033,324
2026	1,308,000	333,292	1,641,292
2027	1,348,000	289,092	1,637,092
2028	723,000	246,526	969,526
2029 – 2033	2,415,000	877,860	3,292,860
2034 – 2038	1,661,000	453,763	2,114,763
2039 – 2043	1,281,000	170,683	1,451,683
	<u>\$ 11,990,000</u>	<u>\$ 3,182,092</u>	<u>\$ 15,172,092</u>

Annual debt service requirements to maturity for the state revolving loan funds as of June 30, 2023 are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 253,850	\$ 67,043	\$ 320,893
2025	258,222	62,671	320,893
2026	262,670	58,223	320,893
2027	267,195	53,698	320,893
2028	271,799	49,094	320,893
2029 – 2033	1,430,896	173,570	1,604,466
2034 – 2038	1,119,143	60,096	1,179,239
2039 and 2040	206,948	2,208	209,156
	<u>\$ 4,070,723</u>	<u>\$ 526,603</u>	<u>\$ 4,597,326</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Interest paid on the debt issued by the City is generally exempt from federal income tax. The City sometimes temporarily reinvests 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 an arbitrage liability at June 30, 2023.

NOTE 8. 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 June 30, 2023, the City made premium payments totaling approximately \$946,000. SCMIRF is self-sustaining through member premiums and reinsures through commercial companies. SCMIRF’s net assets/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.

The City pays an annual premium to SCMIT for its workers’ compensation insurance. For the year ended June 30, 2023, the City made premium payments totaling approximately \$454,000. The Trust uses reinsurance agreements to reduce its exposure to large workers’ compensation losses. SCMIT’s net assets/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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION 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 (the "Systems") five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

PEBA issues an Annual Comprehensive Financial Report ("ACFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is 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 for the state.

Plan Description

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Plan Description (Continued)

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

Membership

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

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

PORS – To be eligible for PORS membership, an employee must be required by the terms of his/her 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 PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the System with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

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 the benefit terms for each System is presented below.

SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65, or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

PORS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55, or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five- or eight-years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS and 9.75% for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by 2-percentage-points and further scheduled employer contribution rates to increase by a minimum of 1- percentage-point each year in accordance with state statute. The General Assembly postponed the 1% increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1- percentage-point each year until reaching 18.56% for SCRS and 21.24% for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of 1% 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 plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85% funded.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Contributions (Continued)

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:

South Carolina Retirement System

Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation

South Carolina Police Officers' Retirement System

Employee Class Two	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation

South Carolina Retirement System

Employer Class Two	17.41% of earnable compensation
Employer Class Three	17.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officer's Retirement System

Employer Class Two	19.84% of earnable compensation
Employer Class Three	19.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

The actual and required contributions to the SCRS and PORS were approximately \$846,000 and \$663,000, respectively, for the year ended June 30, 2023.

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing 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 ended June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The June 30, 2022 total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company ("GRS") and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the Systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022.

	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)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

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

Former Job Class	Males	Females
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%

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7% assumed annual investment rate of return used in the calculation of the TPL includes a 4.75% real rate of return and a 2.25% inflation component.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private equity	9.0%	8.75%	0.79%
Private debt	7.0%	6.00%	0.42%
Real assets	12.0%		
Real estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
	100%		
		Total expected real return	4.79%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	7.04%

Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources

The NPL is calculated separately for each System and represents that particular System's TPL determined in accordance with GASB 67 less that System's fiduciary net position. NPL totals, as of June 30, 2022, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	County's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 21,392,410	\$ 12,206,312	\$ 9,186,098	57.1%	0.037893%
PORS	\$ 16,770,229	\$ 11,143,085	\$ 5,627,144	66.4%	0.187635%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources (Continued)

At June 30, 2023, the City reported liabilities of approximately \$9,186,000 and \$5,627,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL was measured as of June 30, 2022, and the TPL for the plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2021 that was projected forward to the measurement date. The City's proportion of the NPL was 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, 2022 measurement date, the City's SCRS proportion was 0.03789%, which was a decrease of 0.00138% from its proportion measured as of June 30, 2021. At the June 30, 2022 measurement date, the City's PORS proportion was 0.18764%, which was a decrease of 0.00890% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of approximately \$1,016,000 including approximately \$631,000 and \$385,000 for the SCRS and PORS, respectively. At June 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:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,810	\$ 40,033
Changes of assumptions	294,620	-
Net difference between projected and actual earnings on pension plan investments	14,166	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	2,744	477,984
Employer contributions subsequent to the measurement date	845,855	-
Total SCRS	<u>\$ 1,237,195</u>	<u>\$ 518,017</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources (Continued)

<u>PORS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 94,412	\$ 111,239
Changes of assumptions	234,323	-
Net difference between projected and actual earnings on pension plan investments	16,993	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	356,929
Employer contributions subsequent to the measurement date	663,318	-
Total PORS	<u>\$ 1,009,046</u>	<u>\$ 468,168</u>
Total SCRS and PORS	<u>\$ 2,246,241</u>	<u>\$ 986,185</u>

The \$845,855 and \$663,318 amounts 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 ending June 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:

<u>Year ended June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2024	\$ (25,323)	\$ (31,171)
2025	(58,271)	(48,686)
2026	(282,651)	(261,309)
2027	239,568	218,726
Total	<u>\$ (126,677)</u>	<u>\$ (122,440)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Discount Rate

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

Sensitivity Analysis

The following table presents the 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%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.00%) or 1% point higher (8.00 %) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	\$ 11,777,711	\$ 9,186,098	\$ 7,031,508
PORS	\$ 7,846,713	\$ 5,627,144	\$ 3,810,217

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 Annual Comprehensive Financial Report is publicly available through the PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to:

PEBA
202 Arbor Lake Drive
Columbia, SC 29223

Payable to Plans

The City reported a payable of approximately \$173,000 to the PEBA as of June 30, 2023, representing required employer and employee contributions for the month of June 2023 for the SCRS and PORS. This amount is included in Accounts Payable on the financial statements and was paid in July 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POST-EMPLOYMENT BENEFIT PLAN

Plan Description

The City sponsors a single-employer defined benefit other post-employment benefit healthcare plan ("OPEB Plan") that provides medical insurance to eligible retirees. To be eligible, all participants must qualify for retirement benefits under the SCRS or PORS with 20 years of continuous services with the City under the Medicare eligible age of 65. Plan benefits include medical coverage for retirees and their eligible dependents. Retirees and spouses must pay a portion of the premium. Coverage is offered up to age 65 for the retiree and up to age 65 for the surviving spouse after the death of the retiree. No assets are accumulated in a trust as defined by GAAP.

Information regarding SCRS or PORS eligibility may be found in Note 9. The OPEB Plan is approved each year by Council; the benefit and contribution requirements of the City and plan members are established and amended by Council. These contributions are neither guaranteed nor mandatory. Council has retained the right to unilaterally modify its payments toward retiree healthcare benefits at any time.

Plan Membership

As of July 1, 2021, the valuation date, the following employees were covered by the OPEB Plan's benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefits	31
Active Members	<u>157</u>
Total Membership	<u><u>188</u></u>

Plan Benefits and Contributions

Benefit terms are established and amended by the Mayor and Council and are based on years of service. Full-time employees and elected officials who retire under a state retirement system (either the SCRS or PORS) after 20 years of service with the City are eligible to continue health benefits for themselves and their spouses. For those who retired prior to July 1, 2009, the service requirement was 15 years rather than 20 years. The years of service requirement is waived for eligible members who become disabled. The City pays a portion of the medical or dental premiums on behalf of eligible members based on the number of years of service as follows:

<u>Health Coverage</u>	<u>Total Premium</u>	<u>Retiree Contribution</u>	<u>City Contribution</u>
Retiree	\$ 500.38	\$ 97.68	\$ 402.70
Retiree & Children	769.34	143.86	625.48
Retiree & Spouse	1,057.42	253.36	804.06
Family	1,325.26	306.56	1,018.70
<u>Dental Coverage</u>	<u>Total Premium</u>	<u>Retiree Contribution</u>	<u>City Contribution</u>
Retiree	\$ 13.48	\$ -	\$ 13.48
Retiree & Children	27.20	13.72	13.48
Retiree & Spouse	21.12	7.64	13.48
Family	34.82	21.34	13.48

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Actuarial Assumptions and Method

Actuarial valuations of the OPEB Plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, inflation, healthcare cost trend rates, and future salary changes. Amounts determined regarding the total 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	July 1, 2021
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	3.69%
Healthcare Cost Trend Rate	6.00% for 2022 decreasing to an ultimate rate of 5.00%
Salary Increases	2.50% per year
Investment Rate of Return	N/A
Coverage Elections	90% of eligible retirees will elect coverage, 50% of those will elect to cover the spouse
Active Participation/Marriage	55% of all active employees are assumed to be married with female spouses assumed to be three years younger
Mortality Table	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources

The City's OPEB liability was measured as of July 1, 2022 and the total OPEB liability was determined by an actuarial valuation as of July 1, 2021.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2022	\$ 4,939,300	\$ -	\$ 4,939,300
Changes for the year:			
Service cost	220,300	-	220,300
Interest	96,400	-	96,400
Experience differences	(258,000)	-	(258,000)
Change of assumptions	(951,600)	-	(951,600)
Contributions - employer	-	275,200	(275,200)
Benefit payments	(275,200)	(275,200)	-
Net changes	(1,168,100)	-	(1,168,100)
Balances as of June 30, 2023	\$ 3,771,200	\$ -	\$ 3,771,200

For the year ended June 30, 2023, the City recognized OPEB credit of approximately \$87,000. At June 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	\$ -	\$ 1,165,100
Change of assumptions	486,200	778,800
Employer contributions subsequent to the measurement date	166,056	-
Total	\$ 652,256	\$ 1,943,900

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

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

The \$166,056 amount 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 total OPEB liability in the year ending June 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2024	\$ (411,800)
2025	(359,300)
2026	(326,900)
2027	(293,600)
2028	(66,100)
Total	<u><u>\$ (1,457,700)</u></u>

Discount Rate

The discount rate used to measure the total OPEB liability was 3.69% compared to a rate of 1.92% for the year ended June 30, 2022. Because the plan is not funded, a single discount rate that approximates the municipal bond rate was considered appropriate for this valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the sensitivity of the City's total OPEB liability to changes in the discount rate, calculated using the discount rate of 3.69%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (2.69%) or 1% point higher (4.69%) than the current rate:

	<u>1% Decrease (2.69%)</u>	<u>Current Discount Rate (3.69%)</u>	<u>1% Increase (4.69%)</u>
Total OPEB Liability	\$ 4,215,100	\$ 3,771,200	\$ 3,390,600

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following table presents the sensitivity of the City's total OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.00% decreasing to 5.00%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (5.00% decreasing to 4.00%) or 1% point higher (7.00% decreasing to 6.00%) than the current rate:

	<u>1% Decrease (5.00% decreasing to 4.00%)</u>	<u>Current Healthcare Cost Trend Rate (6.00% decreasing to 5.00%)</u>	<u>1% Increase (7.00% decreasing to 6.00%)</u>
Total OPEB Liability	\$ 3,313,900	\$ 3,771,200	\$ 4,321,400

NOTES TO FINANCIAL STATEMENTS

NOTE 11. CONTINGENT LIABILITIES AND COMMITMENTS

Litigation – General

The City is periodically subject of litigation by a variety of plaintiffs. The City's management believes that such amounts, net of the applicable insurance coverage and recoveries, 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 City. 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 June 30, 2023.

Contractual Commitment – Service Agreement

The City's Electric Utility Fund has a contractual commitment to purchase power for resale to City customers from the South Carolina Public Service Authority (the "Authority"). In November 2013, the City entered into a new ten-year service agreement for the supply of electric power and energy which replaced the December 29, 2000 agreement. Under the terms of the service agreement, the City shall pay for service in accordance with provisions of the Authority's published "Municipal Light and Power" Rate Schedule. Rates are subject to change from time to time, however, the City has the right to terminate the agreement early in the event that rate increases exceed certain thresholds established in the agreement.

Kaminski House

The City entered into an operations agreement ("Agreement") with the Friends of the Kaminski House ("FKH"), a charitable non-profit corporation on June 30, 2013 ("Effective Date"). This Agreement is entered into between the parties to facilitate operational support and maintenance for the Kaminski House Museum and the Stewart-Parker House. The lease between the City and the Stewart-Parker House was terminated on January 1, 2018. This is in keeping with the charitable purpose of the FKH and the Council of the City's desire to support the preservation, maintenance and management of these historic properties for benefit of the citizens of the City and in keeping with the City's legal structure and fiduciary obligations for these historic treasures. The mutual aim of the parties is for the FKH to assume the operation and management role for the Kaminski House Museum. Appropriations are negotiated on an annual basis as part of the City's annual budget process. The addendum shall remain in effect until the Agreement and Addendum is cancelled or modified per the applicable sections of the Agreement. Actual appropriations for the year ended June 30, 2023 were \$206,347. The City has budgeted \$325,769 for the year ending June 30, 2024.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

Wastewater Agreement

On October 30, 1997, the City, the Town of Andrews, the Georgetown County Water and Sewer District, and the County of Georgetown, all political subdivisions of the State of South Carolina, entered into a contract known as the “West Georgetown County Regional Wastewater Treatment System Service Agreement.” The parties to the agreement have determined that by joining together in a wastewater transportation, treatment, and disposal project for their mutual benefit, rather than each separately constructing its own new or improved system, economies of scale will result in long-term savings and other tangible and intangible benefits for their users and the community at large.

Under the terms of the agreement, the City will construct, own and maintain the West Georgetown County Regional Wastewater Treatment Facility. The facility is planned to have an initial capacity of 12.0 million gallons per day.

During the fiscal year ended June 30, 2008, the Town of Andrews sold a portion of its capacity to the City and the Georgetown County Water and Sewer District. The revised allocation of capacity due to this sale is as follows: City – 48.7%, Georgetown County Water and Sewer District – 33.7%, and Town of Andrews – 17.6%. Participants pay monthly costs for use of the system based on allocated capacity and usage volume.

Construction of the expanded wastewater treatment plant and effluent outfall force main was completed during the fiscal year ended June 30, 2004. Costs of the project, including engineering fees and capitalized interest of \$247,598, total approximately \$13,830,700. The project was initially financed with a loan from the South Carolina Water Pollution Control Revolving Loan Fund (“SC Revolving Loan”) in the amount of \$10,069,024 and grants from the Federal Environmental Protection Agency totaling \$2,811,100. The remainder of the project was funded internally. During 2012, the City refunded the SC Revolving Loan with the 2011 Revenue Bonds. The 2011 Revenue Bonds were refunded during fiscal year 2016 with the Series 2015A and B Refunding Revenue Bonds.

Construction Commitments

The City’s business-type activities have remaining construction commitments of approximately \$2,818,000. Most of the construction commitments in the Enterprise Funds related to the secondary sedimentation basin project.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RELATED PARTY TRANSACTIONS

By approval of Council, employees of the City are eligible for a loan in an amount up to \$1,500 to purchase computer equipment and related accessories for personal use at home. The loans are interest free and are repaid through payroll deduction over a period of up to two years. Loans, which are made from the Electric Utility Enterprise Fund, are payable in full should an employee voluntarily or involuntarily terminate employment. As of June 30, 2023, ten loans were outstanding in the total amount of approximately \$5,000.

NOTE 13. ECONOMIC DEPENDENCE ON MAJOR CUSTOMER

For the fiscal year ended June 30, 2023, the City's Proprietary Enterprise Funds recognized revenues of approximately \$844,000 from Georgetown Memorial Hospital, approximately 4.3% of total Proprietary Enterprise Fund operating revenues.

NOTE 14. SUBSEQUENT EVENTS

In October 2023, the City entered into a financed purchase agreement to purchase a new City-Wide ERP System and the completion of the Duke Street Laydown Yard for \$300,000.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

CITY OF GEORGETOWN, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 4,004,684	\$ 4,004,684	\$ 4,206,254	\$ 201,570
Licenses and permits	3,523,275	3,523,275	4,504,820	981,545
Fire impact fees	55,000	55,000	127,305	72,305
Fines and forfeitures	68,500	68,500	109,301	40,801
Intergovernmental	1,541,839	1,541,839	1,362,655	(179,184)
Investment earnings	15,000	15,000	341,594	326,594
Miscellaneous	105,675	105,675	82,389	(23,286)
Total revenues	9,313,973	9,313,973	10,734,318	1,420,345
Expenditures:				
Current:				
General government	3,216,967	3,216,967	2,294,339	922,628
Public safety	7,522,444	7,522,444	6,890,993	631,451
Public works	1,077,207	1,077,207	1,090,547	(13,340)
Debt service:				
Principal retirement	38,000	38,000	38,421	(421)
Interest	2,800	2,800	926	1,874
Total expenditures	11,857,418	11,857,418	10,315,226	1,542,192
Excess (deficiency) of revenues over (under) expenditures	(2,543,445)	(2,543,445)	419,092	2,962,537
Other financing sources (uses):				
Insurance proceeds	15,000	15,000	55,964	40,964
Sale of capital assets	5,000	5,000	-	(5,000)
Issuance of debt	-	-	2,040,497	2,040,497
Transfers in	3,302,724	3,302,724	1,503,823	(1,798,901)
Transfers out	(779,279)	(779,279)	(779,279)	-
Total other financing sources, net	2,543,445	2,543,445	2,821,005	277,560
Net change in fund balances	-	-	3,240,097	3,240,097
Fund balances, beginning of year	9,726,716	9,726,716	9,726,716	-

CITY OF GEORGETOWN, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - LOCAL ACCOMMODATIONS AND HOSPITALITY TAX FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Hospitality taxes	\$ 850,000	\$ 850,000	\$ 934,966	\$ 84,966
Accommodations taxes	160,000	160,000	194,426	34,426
Federal grants	536,378	536,378	190,598	(345,780)
Investment earnings	3,000	3,000	-	(3,000)
Miscellaneous	1,500	1,500	15,346	13,846
Total revenues	1,550,878	1,550,878	1,335,336	(215,542)
Expenditures:				
Current:				
Community development	1,110,127	1,110,127	799,372	310,755
Capital outlay	1,171,700	1,171,700	291,296	880,404
Total expenditures	2,281,827	2,281,827	1,090,668	1,191,159
Excess (deficiency) of revenues over (under) expenditures	(730,949)	(730,949)	244,668	975,617
Other financing sources (uses):				
Transfers in	855,949	855,949	-	(855,949)
Transfers out	(125,000)	(125,000)	(125,000)	-
Total other financing sources (uses)	730,949	730,949	(125,000)	(855,949)
Net change in fund balances	-	-	119,668	119,668
Fund balances, beginning of year	2,427,419	2,427,419	2,427,419	-
Fund balances, end of year	\$ 2,427,419	\$ 2,427,419	\$ 2,547,087	\$ 119,668

CITY OF GEORGETOWN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL - AMERICAN RESCUE PLAN ACT FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,176,075	\$ 2,176,075	\$ 1,040,199	\$ (1,135,876)
Investment earnings	5,000	5,000	116,315	111,315
Total revenues	2,181,075	2,181,075	1,156,514	(1,024,561)
Expenditures:				
Current:				
General government	-	-	14,696	(14,696)
Total expenditures	-	-	14,696	(14,696)
Excess of revenues over expenditures	2,181,075	2,181,075	1,141,818	(1,039,257)
Other financing uses:				
Transfers out	(2,181,075)	(2,181,075)	-	2,181,075
Total other financing uses	(2,181,075)	(2,181,075)	-	2,181,075
Net change in fund balances	-	-	1,141,818	1,141,818
Fund balances, beginning of year	4,872	4,872	4,872	-
Fund balances, end of year	\$ 4,872	\$ 4,872	\$ 1,146,690	\$ 1,141,818

CITY OF GEORGETOWN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL - CAPITAL RESERVE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 564,448	\$ 564,448	\$ 703,771	\$ 139,323
Total revenues	<u>564,448</u>	<u>564,448</u>	<u>703,771</u>	<u>139,323</u>
Expenditures:				
Capital outlay	1,221,027	1,221,027	2,896,530	(1,675,503)
Total expenditures	<u>1,221,027</u>	<u>1,221,027</u>	<u>2,896,530</u>	<u>(1,675,503)</u>
Deficiency of revenues under expenditures	<u>(656,579)</u>	<u>(656,579)</u>	<u>(2,192,759)</u>	<u>(1,536,180)</u>
Other financing sources				
Transfers in	656,579	656,579	575,880	(80,699)
Issuance of debt	-	-	109,064	109,064
Total other financing sources	<u>656,579</u>	<u>656,579</u>	<u>684,944</u>	<u>28,365</u>
Net change in fund balances	-	-	(1,507,815)	(1,507,815)
Fund balance, beginning of year	<u>464,872</u>	<u>464,872</u>	<u>464,872</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ 464,872</u></u>	<u><u>\$ 464,872</u></u>	<u><u>\$ (1,042,943)</u></u>	<u><u>\$ (1,507,815)</u></u>

CITY OF GEORGETOWN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEARS ENDED JUNE 30,

South Carolina Retirement System

Plan Year Ended June 30,	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.03789%	\$ 9,186,098	\$ 4,512,177	203.6%	57.1%
2021	0.03927%	8,499,229	4,452,740	190.9%	60.7%
2020	0.04101%	10,478,729	4,572,886	229.1%	50.7%
2019	0.04178%	9,539,755	4,411,691	216.2%	54.4%
2018	0.03959%	8,912,610	4,137,818	215.4%	54.1%
2017	0.04282%	9,638,795	4,259,737	226.3%	53.3%
2016	0.04096%	8,748,568	3,966,235	220.6%	52.9%
2015	0.04172%	7,911,451	3,911,245	202.3%	57.0%
2014	0.04243%	7,304,350	3,851,742	189.6%	59.9%

South Carolina Police Officers' Retirement System

Plan Year Ended June 30,	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.18764%	\$ 5,627,144	\$ 2,969,508	189.5%	66.4%
2021	0.19654%	5,056,914	2,955,414	171.1%	70.4%
2020	0.20549%	6,814,418	3,104,199	219.5%	58.8%
2019	0.20961%	6,007,345	3,040,332	197.6%	62.7%
2018	0.21788%	5,968,985	2,899,892	205.8%	61.7%
2017	0.21122%	5,786,391	2,896,891	199.7%	60.9%
2016	0.20557%	5,214,333	2,621,094	198.9%	60.4%
2015	0.20603%	4,490,416	2,552,427	175.9%	64.6%
2014	0.20698%	3,962,539	2,489,483	159.2%	67.5%

Notes to the schedule:

The above schedules will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedules are disclosed in Note 9 to the financial statements

CITY OF GEORGETOWN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF THE CITY'S CONTRIBUTIONS FOR THE FISCAL YEARS ENDED JUNE 30,

South Carolina Retirement System						
Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll	
2023	\$ 845,855	\$ 845,855	\$ -	\$ 4,816,945	17.56%	
2022	747,217	747,217	-	4,512,177	16.56%	
2021	692,846	692,846	-	4,452,740	15.56%	
2020	711,541	711,541	-	4,572,886	15.56%	
2019	642,342	642,342	-	4,411,691	14.56%	
2018	561,088	561,088	-	4,137,818	13.56%	
2017	492,426	492,426	-	4,259,737	11.56%	
2016	438,666	438,666	-	3,966,235	11.06%	
2015	426,326	426,326	-	3,911,245	10.90%	

South Carolina Police Officers' Retirement System						
Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll	
2023	\$ 663,318	\$ 663,318	\$ -	\$ 3,277,264	20.24%	
2022	571,333	571,333	-	2,969,508	19.24%	
2021	539,067	539,067	-	2,955,414	18.24%	
2020	566,206	566,206	-	3,104,199	18.24%	
2019	524,153	524,153	-	3,040,332	17.24%	
2018	470,942	470,942	-	2,899,892	16.24%	
2017	412,517	412,517	-	2,896,891	14.24%	
2016	360,138	360,138	-	2,621,094	13.74%	
2015	342,280	342,280	-	2,552,427	13.41%	

Notes to the schedule:

The above schedules will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedules are disclosed in Note 9 to the financial statements.

CITY OF GEORGETOWN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS FISCAL YEAR ENDED JUNE 30,

	Fiscal Year					
	2023	2022	2021	2020	2019	2018
Total OPEB liability:						
Service cost	\$ 220,300	\$ 234,900	\$ 217,600	\$ 207,701	\$ 216,399	\$ 211,100
Interest	96,400	133,600	170,400	200,400	203,100	197,800
Differences between expected and actual experience	(258,000)	(794,500)	(517,500)	(490,100)	(242,000)	-
Change of assumptions	(951,600)	294,100	428,900	295,100	(40,000)	-
Benefit payment, including refunds of member contributions	(275,200)	(294,300)	(318,900)	(307,900)	(292,700)	(235,100)
Net changes in total OPEB liability	(1,168,100)	(426,200)	(19,500)	(94,799)	(155,201)	173,800
Total OPEB liability - beginning of year	4,939,300	5,365,500	5,385,000	5,479,799	5,635,000	5,461,200
Total OPEB liability - end of year	\$ 3,771,200	\$ 4,939,300	\$ 5,365,500	\$ 5,385,000	\$ 5,479,799	\$ 5,635,000
Covered employee payroll	\$ 6,574,000	\$ 6,574,000	\$ 7,188,000	\$ 7,188,000	\$ 6,570,400	\$ 6,582,741
Total OPEB liability as a percentage of covered employee payroll	57.37%	75.13%	74.65%	74.92%	83.40%	85.60%

Notes to the schedule:

The above schedules will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedules are disclosed in Note 10 to the financial statements.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND SCHEDULES

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Property Taxes:				
Real and personal other than vehicles	\$ 3,637,037	\$ 3,637,037	\$ 3,780,296	\$ 143,259
Vehicles	335,647	335,647	391,412	55,765
Penalties and interest	32,000	32,000	34,546	2,546
Total property taxes	4,004,684	4,004,684	4,206,254	201,570
Licenses and Permits:				
Business licenses	3,103,000	3,103,000	3,876,654	773,654
Franchise fees	177,500	177,500	234,026	56,526
Fees in lieu of taxes	50,000	50,000	62,596	12,596
Permits	192,775	192,775	331,544	138,769
Total licenses and permits	3,523,275	3,523,275	4,504,820	981,545
Fire Impact fees:				
Fire impact fees	55,000	55,000	127,305	72,305
Total fire impact fees	55,000	55,000	127,305	72,305
Fines and Forfeitures:				
Court and police fines	60,500	60,500	95,458	34,958
Victim's assistance assessments	8,000	8,000	13,843	5,843
Total fines and forfeitures	68,500	68,500	109,301	40,801
Intergovernmental Revenue:				
Accommodations taxes	808,839	808,839	257,814	(551,025)
Local government fund	230,000	230,000	199,394	(30,606)
Homestead exemption	150,000	150,000	156,322	6,322
Merchants inventory tax	133,000	133,000	99,734	(33,266)
Manufacturers tax replacement	40,000	40,000	171,444	131,444
Motor carriers tax	15,000	15,000	22,891	7,891
Road user fees	-	-	85,752	85,752
Sunday liquor permits	15,000	15,000	13,200	(1,800)
School resource officer reimbursement	150,000	150,000	176,249	26,249
Boat and motor taxes	-	-	179,855	179,855
Total intergovernmental revenue	1,541,839	1,541,839	1,362,655	(179,184)
Investment Earnings:				
Investment earnings	15,000	15,000	341,594	326,594
Total investment earnings	15,000	15,000	341,594	326,594
Miscellaneous Revenues:				
Rents and royalties	15,000	15,000	14,617	(383)
Other	90,675	90,675	67,772	(22,903)
Total miscellaneous revenues	105,675	105,675	82,389	(23,286)
Total Revenues	\$ 9,313,973	\$ 9,313,973	\$ 10,734,318	\$ 1,420,345

(Continued)

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Expenditures:

General Government:

Administration:

Personnel services	\$ 739,912	\$ 739,912	\$ 736,133	\$ 3,779
Supplies	9,525	9,525	13,741	(4,216)
Other services and charges	146,959	146,959	95,641	51,318
Admin expenses allocated to other funds	(238,640)	(238,640)	(181,929)	(56,711)
Total Administration	657,756	657,756	663,586	(5,830)

Housing and Community Development:

Personnel services	704,439	704,439	476,963	227,476
Supplies	9,560	9,560	7,080	2,480
Other services and charges	448,143	448,143	225,772	222,371
Total Housing and Community Development	1,162,142	1,162,142	709,815	452,327

Finance:

Personnel services	832,333	832,333	657,230	175,103
Supplies	9,400	9,400	7,105	2,295
Other services and charges	80,825	80,825	48,449	32,376
Admin expenses allocated to other funds	(351,023)	(351,023)	(348,068)	(2,955)
Total Finance	571,535	571,535	364,716	206,819

Information Technology:

Personnel services	133,161	133,161	126,678	6,483
Supplies	92,325	92,325	10,425	81,900
Other services and charges	258,423	258,423	242,012	16,411
Admin expenses allocated to other funds	(325,000)	(325,000)	(372,697)	47,697
Total Information Technology	158,909	158,909	6,418	152,491

Fleet:

Personnel services	234,327	234,327	233,457	870
Supplies	14,100	14,100	15,119	(1,019)
Other services and charges	41,705	41,705	49,131	(7,426)
Admin expenses allocated to other funds	(249,500)	(249,500)	(283,312)	33,812
Total Fleet	40,632	40,632	14,395	26,237

Total General Government

2,590,974	2,590,974	1,758,930	832,044
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Public Safety:

Police:

Personnel services	3,227,162	3,227,162	2,876,520	350,642
Supplies	102,105	102,105	99,142	2,963
Other services and charges	673,735	673,735	749,409	(75,674)
Admin expenses allocated to other funds	25,000	25,000	30,763	(5,763)
Total Police	4,028,002	4,028,002	3,755,834	272,168

Municipal Court:

Personnel services	219,517	219,517	204,367	15,150
Supplies	4,000	4,000	3,449	551
Other services and charges	122,750	122,750	73,443	49,307
Total Municipal Court	346,267	346,267	281,259	65,008

Fire:

Personnel services	2,567,390	2,567,390	2,366,834	200,556
Supplies	141,140	141,140	106,008	35,132
Other services and charges	439,645	439,645	381,058	58,587
Total Fire	3,148,175	3,148,175	2,853,900	294,275

Total Public Safety

7,522,444	7,522,444	6,890,993	631,451
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(Continued)

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Expenditures (Continued):				
Public Works:				
Street:				
Personnel services	\$ 670,162	\$ 670,162	\$ 720,847	\$ (50,685)
Supplies	115,500	115,500	75,728	39,772
Other services and charges	291,545	291,545	293,972	(2,427)
Total Street	<u>1,077,207</u>	<u>1,077,207</u>	<u>1,090,547</u>	<u>(13,340)</u>
Total Public Works	<u>1,077,207</u>	<u>1,077,207</u>	<u>1,090,547</u>	<u>(13,340)</u>
Nondepartmental:				
Personnel services	27,295	27,295	10,379	16,916
Supplies	2,500	2,500	1,721	779
Other services and charges	917,124	917,124	844,235	72,889
Admin expenses allocated to other funds	(320,926)	(320,926)	(320,926)	-
Debt service:				
Principal	38,000	38,000	38,421	(421)
Interest	2,800	2,800	926	1,874
Total Nondepartmental	<u>666,793</u>	<u>666,793</u>	<u>574,756</u>	<u>92,037</u>
Total Expenditures	<u>11,857,418</u>	<u>11,857,418</u>	<u>10,315,226</u>	<u>1,542,192</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,543,445)</u>	<u>(2,543,445)</u>	<u>419,092</u>	<u>2,962,537</u>
Other financing sources (uses):				
Insurance proceeds	15,000	15,000	55,964	40,964
Sale of capital assets	5,000	5,000	-	(5,000)
Issuance of debt	-	-	2,040,497	2,040,497
Transfers in	3,302,724	3,302,724	1,503,823	(1,798,901)
Transfers out	(779,279)	(779,279)	(779,279)	-
Total other financing sources, net	<u>2,543,445</u>	<u>2,543,445</u>	<u>2,821,005</u>	<u>277,560</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>3,240,097</u>	<u>3,240,097</u>
Fund balances, beginning of year	<u>9,726,716</u>	<u>9,726,716</u>	<u>9,726,716</u>	<u>-</u>
Fund balances, end of year	<u>\$ 9,726,716</u>	<u>\$ 9,726,716</u>	<u>\$ 12,966,813</u>	<u>\$ 3,240,097</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The City uses the following Special Revenue Funds:

Federal, State and Local Grants Fund – is used to account for various projects and initiatives funded wholly or in part by federal, state or local grants and expended in accordance with objectives and provisions of the related grant agreements.

State Accommodations Tax Fund – is used to account for revenues received from the State. The first \$25,000 and 5% of amounts in excess of \$25,000 are, by statute, allocated to the City's General Fund. All other accommodation tax receipts must be used for tourism related activities.

Community Development Fund – is used to account for various community development projects funded by federal and state grants and expended in accordance with objectives and provisions of the related grant agreements.

Seized & Forfeited Property Fund – is used to account for property seized and forfeited to the City in conjunction with the police department's drug enforcement activities. Expenditures of these resources are restricted by federal and state laws, which require that they be used specifically for certain law enforcement purposes.

Firefighters' 1% Fund – is used to account for funds relating to the Firemen's Insurance and Inspection Fund as defined by SC Code of Laws Section(s) 23-9-310 to 23-9-470.

Utilities Round Up Fund – is used to account for the funds received from the Utilities Round Up Program in which utility customers can elect to round up their utility bill to the next whole dollar each month in order to help those in need.

Capital Projects Funds

Tax Increment Financing District ("TIF") Fund – Is used to account for the revenues of the Tax Increment Financing District and the expenditures on projects included in the Council-approved TIF Redevelopment Plan within the approximately 282 acres near the center of the City. The Redevelopment Plan provides for the issuance of TIF bonds in one or more series. TIF bonds proceeds, when issued, are intended to finance all or a portion of the costs of the redevelopment projects. In addition to TIF bonds, pay as you go financing from TIF funds and other appropriated funds by the Council may be necessary to fully implement the successful Redevelopment Plan.

Debt Service Fund

Debt Service Fund – is used to account for the revenue collected to retire certain debt of the City and the expenditures related to the retirement of this debt.

CITY OF GEORGETOWN, SOUTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

Special Revenue Funds				
	Federal, State & Local Grants Fund	State Accommodations Tax Fund	Community Development Fund	Seized & Forfeited Property Fund
ASSETS				
Cash and cash equivalents, restricted	\$ -	\$ 179,092	\$ 12,150	\$ 41,380
Accounts receivable, net of allowances	-	-	-	-
Intergovernmental receivable	19,550	76,983	-	-
Due from other funds	-	-	-	-
	-	-	-	-
Total assets	\$ 19,550	\$ 256,075	\$ 12,150	\$ 41,380
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ 55,827	\$ -	\$ -
Due to other funds	4,374	5,113	-	-
Unearned revenue	-	-	-	33,755
	-	-	-	33,755
Total liabilities	4,374	60,940	-	33,755
FUND BALANCES				
Restricted:				
Debt service	-	-	-	-
TIF district	-	-	-	-
Tourism related costs	-	195,135	-	-
Public safety programs	-	-	-	7,625
Community development programs	-	-	12,150	-
Assigned:				
Grants	15,176	-	-	-
	15,176	-	-	-
Total fund balances	15,176	195,135	12,150	7,625
Total liabilities and fund balances	\$ 19,550	\$ 256,075	\$ 12,150	\$ 41,380

Special Revenue Funds		Capital Projects Fund	Debt Service Fund	
Firefighters' 1% Fund	Utilities Round Up Fund	TIF District Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ 7,381	\$ 12,123	\$ 117,440	\$ 75,660	\$ 445,226
-	38	-	-	38
-	-	-	693	97,226
-	-	-	725,000	725,000
<u>\$ 7,381</u>	<u>\$ 12,161</u>	<u>\$ 117,440</u>	<u>\$ 801,353</u>	<u>\$ 1,267,490</u>
\$ -	\$ 1,597	\$ -	\$ -	\$ 57,424
-	-	-	-	9,487
-	-	-	-	33,755
-	1,597	-	-	100,666
-	-	-	801,353	801,353
-	-	117,440	-	117,440
-	-	-	-	195,135
7,381	-	-	-	15,006
-	10,564	-	-	22,714
-	-	-	-	15,176
<u>7,381</u>	<u>10,564</u>	<u>117,440</u>	<u>801,353</u>	<u>1,166,824</u>
<u>\$ 7,381</u>	<u>\$ 12,161</u>	<u>\$ 117,440</u>	<u>\$ 801,353</u>	<u>\$ 1,267,490</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	Federal, State & Local Grants Fund	State Accommodations Tax Fund	Community Development Fund	Seized & Forfeited Property Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	31,760	186,986	-	-
Miscellaneous	-	-	-	-
Total revenues	31,760	186,986	-	-
Expenditures:				
Current:				
Public safety	2,932	-	-	800
Public works	13,911	-	-	-
Community development	-	207,845	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	16,843	207,845	-	800
Excess (deficiency) of revenues over (under) expenditures	14,917	(20,859)	-	(800)
Other financing uses				
Transfers out	-	(33,099)	-	-
Total other financing uses	-	(33,099)	-	-
Net change in fund balances	14,917	(53,958)	-	(800)
Fund balances, beginning of year	259	249,093	12,150	8,425
Fund balances, end of year	\$ 15,176	\$ 195,135	\$ 12,150	\$ 7,625

Special Revenue Funds		Capital Projects Fund	Debt Service Fund	
Firefighters' 1% Fund	Utilities Round Up Fund	TIF District Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 185,785	\$ 185,785
34,145	-	85,791	-	338,682
-	10,564	-	-	10,564
34,145	10,564	85,791	185,785	535,031
32,848	-	-	-	36,580
-	-	-	-	13,911
-	-	-	-	207,845
-	-	-	85,112	85,112
-	-	-	46,248	46,248
32,848	-	-	131,360	389,696
1,297	10,564	85,791	54,425	145,335
-	-	-	-	(33,099)
-	-	-	-	(33,099)
1,297	10,564	85,791	54,425	112,236
6,084	-	31,649	746,928	1,054,588
\$ 7,381	\$ 10,564	\$ 117,440	\$ 801,353	\$ 1,166,824

CITY OF GEORGETOWN, SOUTH CAROLINA

**FEDERAL, STATE & LOCAL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 31,760	\$ (68,240)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>31,760</u>	<u>(68,240)</u>
Expenditures:				
Current:				
Public safety	-	-	2,932	(2,932)
Public works	-	-	13,911	(13,911)
Total expenditures	<u>-</u>	<u>-</u>	<u>16,843</u>	<u>(16,843)</u>
Excess of revenues over expenditures	<u>100,000</u>	<u>100,000</u>	<u>14,917</u>	<u>(85,083)</u>
Other financing uses				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	-	100,000
Total other financing uses	<u>(100,000)</u>	<u>(100,000)</u>	-	100,000
Net change in fund balances	-	-	14,917	14,917
Fund balance, beginning of year	<u>259</u>	<u>259</u>	<u>259</u>	<u>-</u>
Fund balance, end of year	<u>\$ 259</u>	<u>\$ 259</u>	<u>\$ 15,176</u>	<u>\$ 14,917</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

STATE ACCOMMODATIONS TAX FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental - accommodations taxes	\$ 130,000	\$ 130,000	\$ 186,986	\$ 56,986
Investment earnings	250	250	-	(250)
Total revenues	<u>130,250</u>	<u>130,250</u>	<u>186,986</u>	<u>56,736</u>
Expenditures:				
Current:				
Community development	100,250	100,250	207,845	(107,595)
Total expenditures	<u>100,250</u>	<u>100,250</u>	<u>207,845</u>	<u>(107,595)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,000</u>	<u>30,000</u>	<u>(20,859)</u>	<u>(50,859)</u>
Other financing uses				
Transfers out	(30,000)	(30,000)	(33,099)	(3,099)
Total other financing uses	<u>(30,000)</u>	<u>(30,000)</u>	<u>(33,099)</u>	<u>(3,099)</u>
Net change in fund balances	-	-	(53,958)	(53,958)
Fund balance, beginning of year	<u>249,093</u>	<u>249,093</u>	<u>249,093</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 249,093</u></u>	<u><u>\$ 249,093</u></u>	<u><u>\$ 195,135</u></u>	<u><u>\$ (53,958)</u></u>

CITY OF GEORGETOWN, SOUTH CAROLINA

COMMUNITY DEVELOPMENT GRANT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Community development	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	12,150	12,150	12,150	-
Fund balance, end of year	\$ 12,150	\$ 12,150	\$ 12,150	\$ -

CITY OF GEORGETOWN, SOUTH CAROLINA

**SEIZED AND FORFEITED PROPERTY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures:				
Current:	\$	\$	\$	\$
Public safety	19,750	19,750	800	18,950
Capital outlay	5,700	5,700	-	5,700
Total expenditures	<u>25,450</u>	<u>25,450</u>	<u>800</u>	<u>24,650</u>
Deficiency of revenues under expenditures	<u>(25,450)</u>	<u>(25,450)</u>	<u>(800)</u>	<u>24,650</u>
Other financing sources				
Transfers in	<u>25,450</u>	<u>25,450</u>	<u>-</u>	<u>(25,450)</u>
Total other financing sources	<u>25,450</u>	<u>25,450</u>	<u>-</u>	<u>(25,450)</u>
Net change in fund balances	-	-	(800)	(800)
Fund balance, beginning of year	<u>8,425</u>	<u>8,425</u>	<u>8,425</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8,425</u>	<u>\$ 8,425</u>	<u>\$ 7,625</u>	<u>\$ (800)</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

FIREFIGHTERS' 1% FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 34,145	\$ 34,145
Total revenues	-	-	34,145	34,145
Expenditures:				
Current:				
Public safety	-	-	32,848	(32,848)
Total expenditures	-	-	32,848	(32,848)
Net change in fund balances	-	-	1,297	1,297
Fund balance, beginning of year	6,084	6,084	6,084	-
Fund balance, end of year	\$ 6,084	\$ 6,084	\$ 7,381	\$ 1,297

CITY OF GEORGETOWN, SOUTH CAROLINA

UTILITIES ROUND UP FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 10,564	\$ 10,564
Total revenues	-	-	10,564	10,564
Expenditures:				
Current:				
Public works	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	10,564	10,564
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 10,564	\$ 10,564

CITY OF GEORGETOWN, SOUTH CAROLINA

TIF DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 85,791	\$ 45,791
Total revenues	40,000	40,000	85,791	45,791
Other financing uses				
Transfers out	(40,000)	(40,000)	-	40,000
Total other financing uses	(40,000)	(40,000)	-	40,000
Net change in fund balances	-	-	85,791	85,791
Fund balance, beginning of year	31,649	31,649	31,649	-
Fund balance, end of year	\$ 31,649	\$ 31,649	\$ 117,440	\$ 85,791

CITY OF GEORGETOWN, SOUTH CAROLINA

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 145,000	\$ 145,000	\$ 185,785	\$ 40,785
Total revenues	<u>145,000</u>	<u>145,000</u>	<u>185,785</u>	<u>40,785</u>
Expenditures:				
Debt service:				
Principal retirement	85,112	85,112	85,112	-
Interest	<u>46,248</u>	<u>46,248</u>	<u>46,248</u>	<u>-</u>
Total expenditures	<u>131,360</u>	<u>131,360</u>	<u>131,360</u>	<u>-</u>
Excess of revenues over expenditures	<u>13,640</u>	<u>13,640</u>	<u>54,425</u>	<u>40,785</u>
Other financing uses				
Transfers out	<u>(13,640)</u>	<u>(13,640)</u>	<u>-</u>	<u>13,640</u>
Total other financing uses	<u>(13,640)</u>	<u>(13,640)</u>	<u>-</u>	<u>13,640</u>
Net change in fund balances	-	-	54,425	54,425
Fund balance, beginning of year	<u>746,928</u>	<u>746,928</u>	<u>746,928</u>	<u>-</u>
Fund balance, end of year	<u>\$ 746,928</u>	<u>\$ 746,928</u>	<u>\$ 801,353</u>	<u>\$ 54,425</u>

PROPRIETARY FUNDS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes. The City has the following Proprietary Funds:

Electric Utility Fund – is used to account for the operations of the City's electricity utility. Electrical power is provided to all residents and commercial entities of the City.

Water Utility Fund – is used to account for the operations of the City's water filtration and distribution systems. Services are provided to all residents of the City. Water service is only provided to a limited area outside the City limits. This fund is combined with the Wastewater Utility Fund for financial statements reporting purposes.

Wastewater Utility Fund – is used to account for the operations of the City's wastewater collection and treatment systems. Services are provided to all residents of the City. This fund is combined with the Water Utility Fund for financial statements reporting purposes.

Stormwater Drainage Utility Fund – is used to account for the operation and maintenance of the City's stormwater drainage system.

Waste Management Fund – is used to account for the operation and maintenance of the City's waste collection and disposal systems, including community education and awareness regarding recycling and litter control.

CITY OF GEORGETOWN, SOUTH CAROLINA

**SUPPLEMENTARY INFORMATION
WATER AND WASTEWATER UTILITY FUNDS
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2023**

	Water Utility Fund	Wastewater Utility Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,958,611	\$ 2,394,199	\$ 4,352,810
Cash and cash equivalents, restricted	91,846	73,296	165,142
Investments, restricted	61,815	84,616	146,431
Accounts receivable, net of allowances	448,138	403,411	851,549
Other receivables	16,080	10,397	26,477
Intergovernmental receivables	133,085	234,841	367,926
Prepays	10,079	22,621	32,700
Inventories	133,135	15,243	148,378
Total current assets	<u>2,852,789</u>	<u>3,238,624</u>	<u>6,091,413</u>
NONCURRENT ASSETS			
Capital assets:			
Non-depreciable	602,988	971,532	1,574,520
Depreciable, net of accumulated depreciation	14,690,223	17,653,875	32,344,098
Total noncurrent assets	<u>15,293,211</u>	<u>18,625,407</u>	<u>33,918,618</u>
Total assets	<u>18,146,000</u>	<u>21,864,031</u>	<u>40,010,031</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	92,858	67,977	160,835
Other post-employment benefits	49,030	35,763	84,793
Total deferred outflows of resources	<u>141,888</u>	<u>103,740</u>	<u>245,628</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	187,981	216,112	404,093
Accrued interest payable	13,183	24,589	37,772
Accrued salaries and benefits	20,175	24,661	44,836
Due to other funds	215,000	2,136,287	2,351,287
Customer deposits	86,979	72,920	159,899
Current portion of compensated absences	3,881	7,730	11,611
Current portion of debt	395,495	770,355	1,165,850
Total current liabilities	<u>922,694</u>	<u>3,252,654</u>	<u>4,175,348</u>
NONCURRENT LIABILITIES			
Compensated absences, net of current portion	10,726	9,850	20,576
Debt, net of current portion	3,460,807	5,405,067	8,865,874
Net pension liability	690,274	503,919	1,194,193
Total other post-employment benefits liability	283,483	206,773	490,256
Total noncurrent liabilities	<u>4,445,290</u>	<u>6,125,609</u>	<u>10,570,899</u>
Total liabilities	<u>5,367,984</u>	<u>9,378,263</u>	<u>14,746,247</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	38,925	28,417	67,342
Other post-employment benefits	146,123	106,584	252,707
Total deferred inflows of resources	<u>185,048</u>	<u>135,001</u>	<u>320,049</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	11,366,941	12,382,985	23,749,926
Restricted for regional wastewater treatment plant	-	1,697,854	1,697,854
Unrestricted	1,367,915	(1,626,332)	(258,417)
Total net position	<u>\$ 12,734,856</u>	<u>\$ 12,454,507</u>	<u>\$ 25,189,363</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION WATER AND WASTEWATER UTILITY FUNDS COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Water Utility Fund	Wastewater Utility Fund	Total
OPERATING REVENUE			
Charges for service	\$ 3,629,139	\$ 4,148,367	\$ 7,777,506
Total operating revenues	3,629,139	4,148,367	7,777,506
OPERATING EXPENSES			
Purchased water	83,319	-	83,319
Provision for bad debts	21,604	22,588	44,192
Personnel services	984,178	777,449	1,761,627
Supplies	488,262	347,432	835,694
Other charges and services	582,662	1,326,631	1,909,293
Depreciation expense	758,788	1,039,433	1,798,221
Total operating expenses	2,918,813	3,513,533	6,432,346
Operating income	710,326	634,834	1,345,160
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental grant revenues	143,480	403,178	546,658
Interest earned on investments	43,915	12,545	56,460
Interest expense	(122,818)	(239,031)	(361,849)
Miscellaneous income	46,768	1,266	48,034
Total nonoperating revenues, net	111,345	177,958	289,303
Income before capital contributions and transfers	821,671	812,792	1,634,463
CAPITAL CONTRIBUTIONS	233,034	509,918	742,952
TRANSFERS			
Transfers in	51,710	1,627	53,337
Transfers out	(295,280)	(319,816)	(615,096)
Total transfers	(243,570)	(318,189)	(561,759)
Change in net position	811,135	1,004,521	1,815,656
Total net position, beginning of year,	11,923,721	11,449,986	23,373,707
Total net position, end of year	<u>\$ 12,734,856</u>	<u>\$ 12,454,507</u>	<u>\$ 25,189,363</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION WATER AND WASTEWATER UTILITY FUNDS COMBINING SCHEDULE OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Water Utility Fund	Wastewater Utility Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 3,439,018	\$ 3,914,850	\$ 7,353,868
Other receipts	46,768	1,266	48,034
Payments to suppliers	(1,062,995)	(640,789)	(1,703,784)
Payments to employees	(1,035,397)	(781,628)	(1,817,025)
Net cash provided by operating activities	<u>1,387,394</u>	<u>2,493,699</u>	<u>3,881,093</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	51,710	1,627	53,337
Transfers out	(295,280)	(319,816)	(615,096)
Net cash provided by (used in) noncapital financing activities	<u>(100,090)</u>	<u>84,989</u>	<u>(15,101)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from the sale of capital assets	-	-	-
Principal paid on debt	(379,307)	(719,736)	(1,099,043)
Interest and agent fees paid	(109,635)	(214,442)	(324,077)
Net cash (used in) capital and related financing activities	<u>(776,605)</u>	<u>(2,625,796)</u>	<u>(3,402,401)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	43,915	12,545	56,460
Sale of investments	5,413	10,258	15,671
Net cash provided by investing activities	<u>49,328</u>	<u>22,803</u>	<u>72,131</u>
Net change in cash	560,027	(24,305)	535,722
Cash and cash equivalents, beginning of year	1,490,430	2,491,800	3,982,230
Cash and cash equivalents, end of year	<u><u>\$ 2,050,457</u></u>	<u><u>\$ 2,467,495</u></u>	<u><u>\$ 4,517,952</u></u>
Classified as:			
Cash and cash equivalents	\$ 1,958,611	\$ 2,394,199	\$ 4,352,810
Cash and cash equivalents, restricted	91,846	73,296	165,142
	<u><u>\$ 2,050,457</u></u>	<u><u>\$ 2,467,495</u></u>	<u><u>\$ 4,517,952</u></u>

(Continued)

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION WATER AND WASTEWATER UTILITY FUNDS COMBINING SCHEDULE OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Water Utility Fund	Wastewater Utility Fund	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 710,326	\$ 634,834	\$ 1,345,160
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	758,788	1,039,433	1,798,221
Other miscellaneous receipts	46,768	1,266	48,034
Changes in assets and liabilities:			
Increase in accounts receivable	(57,036)	1,324	(55,712)
Increase in inventory	(1,328)	(3,614)	(4,942)
Increase in due from other governments	(133,085)	(234,841)	(367,926)
Decrease in deferred outflow of resources	78,498	57,888	136,386
Increase in accounts payable	115,294	34,922	150,216
Increase (decrease) in accrued liabilities	(10,492)	6,327	(4,165)
Decrease in other liabilities	(21,583)	2,716	(18,867)
Decrease in due to other funds	-	1,025,503	1,025,503
Increase in net pension liability	41,747	30,477	72,224
Decrease in deferred inflows or resources	(42,805)	(31,274)	(74,079)
Decrease in net other post-employment benefits liability	(97,698)	(71,262)	(168,960)
Net cash provided by operating activities	<u>\$ 1,387,394</u>	<u>\$ 2,493,699</u>	<u>\$ 3,881,093</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets through developer contributions	<u>\$ 233,034</u>	<u>\$ 509,918</u>	<u>\$ 742,952</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION BUDGET (GAAP BASIS) AND ACTUAL ELECTRIC UTILITY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
Operating Revenues:				
Sale of electricity	\$ 11,810,126	\$ 11,810,126	\$ 11,131,488	\$ (678,638)
Security light rental fees	290,000	290,000	293,149	3,149
Penalties	120,000	120,000	128,817	8,817
Other fees	399,250	399,250	302,115	(97,135)
Total operating revenues	12,619,376	12,619,376	11,855,569	(763,807)
Operating Expenses:				
Purchase of electricity	7,320,000	7,320,000	6,976,171	343,829
Personnel services	1,989,022	1,989,022	1,741,218	247,804
Supplies	316,300	316,300	370,146	(53,846)
Other services and charges	1,369,866	1,369,866	1,355,566	14,300
Provision for bad debts	40,000	40,000	59,857	(19,857)
Depreciation	900,000	900,000	725,040	174,960
Total operating expenses	11,935,188	11,935,188	11,227,998	707,190
Total operating income	684,188	684,188	627,571	(56,617)
Nonoperating Revenues (Expenses):				
Intergovernmental grant revenues	-	-	519,386	519,386
Interest earned on investments	5,000	5,000	211,694	206,694
Interest expense	(70,000)	(70,000)	(86,444)	(16,444)
Miscellaneous income	4,500	4,500	2,583	(1,917)
Total nonoperating revenues (expenses), net	(60,500)	(60,500)	647,219	707,719
Income Before Transfers	623,688	623,688	1,274,790	651,102
Transfers in	106,940	106,940	106,940	-
Transfers out	(730,628)	(730,628)	(730,628)	-
Total transfers	(623,688)	(623,688)	(623,688)	-
Change in Net Position	-	-	651,102	651,102
Net position, beginning of year	11,594,890	11,594,890	11,594,890	-
Net position, end of year	\$ 11,594,890	\$ 11,594,890	\$ 12,245,992	\$ 651,102

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION BUDGET (GAAP BASIS) AND ACTUAL WATER UTILITY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Operating Revenues:				
Sale of water	\$ 3,484,165	\$ 3,484,165	\$ 3,499,031	\$ 14,866
Connection fees	35,000	35,000	42,014	7,014
Penalties	27,000	27,000	42,075	15,075
Other fees	21,000	21,000	46,019	25,019
Total operating revenues	3,567,165	3,567,165	3,629,139	61,974
Operating Expenses:				
Purchase of water	94,968	94,968	83,319	11,649
Personnel services	1,143,867	1,143,867	984,178	159,689
Supplies	507,700	507,700	488,262	19,438
Other services and charges	677,560	677,560	582,662	94,898
Provision for bad debts	9,000	9,000	21,604	(12,604)
Depreciation	785,500	785,500	758,788	26,712
Total operating expenses	3,218,595	3,218,595	2,918,813	299,782
Total operating income	348,570	348,570	710,326	361,756
Nonoperating Revenues (Expenses)				
Intergovernmental grant revenues	-	-	143,480	143,480
Interest earned on investments	1,500	1,500	43,915	42,415
Interest expense	(115,000)	(115,000)	(122,818)	(7,818)
Miscellaneous income	8,500	8,500	46,768	38,268
Total nonoperating revenues (expenses)	(105,000)	(105,000)	111,345	216,345
Income Before Transfers and Contributions	243,570	243,570	821,671	578,101
Capital Contributions	-	-	233,034	233,034
Transfers				
Transfers in	51,710	51,710	51,710	-
Transfers out	(295,280)	(295,280)	(295,280)	-
Total transfers	(243,570)	(243,570)	(243,570)	-
Change in Net Position	-	-	811,135	811,135
Net position, beginning of year	11,923,721	11,923,721	11,923,721	-
Net position, end of year	\$ 11,923,721	\$ 11,923,721	\$ 12,734,856	\$ 811,135

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION BUDGET (GAAP BASIS) AND ACTUAL WASTEWATER UTILITY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
Operating Revenues:				
Wastewater service fees	\$ 4,065,332	\$ 4,065,332	\$ 3,987,062	\$ (78,270)
Connection fees	12,500	12,500	16,485	3,985
Penalties	35,000	35,000	40,922	5,922
Other fees	62,000	62,000	103,898	41,898
Total operating revenues	4,174,832	4,174,832	4,148,367	(26,465)
Operating Expenses:				
Personnel services	802,672	802,672	777,449	25,223
Supplies	471,382	471,382	347,432	123,950
Other services and charges	1,320,789	1,320,789	1,326,631	(5,842)
Provision for bad debts	8,000	8,000	22,588	(14,588)
Depreciation	1,052,800	1,052,800	1,039,433	13,367
Total operating expenses	3,655,643	3,655,643	3,513,533	142,110
Total operating income	519,189	519,189	634,834	115,645
Nonoperating Revenues (Expenses):				
Intergovernmental grant revenues	-	-	403,178	403,178
Interest earned on investments	1,000	1,000	12,545	11,545
Interest expense	(204,000)	(204,000)	(239,031)	(35,031)
Miscellaneous income	2,000	2,000	1,266	(734)
Total nonoperating revenues (expenses), net	(201,000)	(201,000)	177,958	378,958
Income Before Transfers and Contributions	318,189	318,189	812,792	494,603
Capital Contributions	-	-	509,918	509,918
Transfers				
Transfers in	1,627	1,627	1,627	-
Transfers out	(319,816)	(319,816)	(319,816)	-
Total transfers	(318,189)	(318,189)	(318,189)	-
Change in Net Position	-	-	1,004,521	1,004,521
Net position, beginning of year	11,449,986	11,449,986	11,449,986	-
Net position, end of year	\$ 11,449,986	\$ 11,449,986	\$ 12,454,507	\$ 1,004,521

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION BUDGET (GAAP BASIS) AND ACTUAL STORMWATER DRAINAGE UTILITY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Operating Revenues:				
Stormwater drainage fees	\$ 1,177,600	\$ 1,177,600	\$ 1,136,549	\$ (41,051)
Penalties	8,500	8,500	12,692	4,192
Total operating revenues	1,186,100	1,186,100	1,149,241	(36,859)
Operating Expenses:				
Personnel services	331,000	331,000	188,906	142,094
Supplies	29,850	29,850	14,178	15,672
Other services and charges	630,487	630,487	373,585	256,902
Provision for bad debts	2,000	2,000	5,962	(3,962)
Depreciation	525,000	525,000	518,101	6,899
Total operating expenses	1,518,337	1,518,337	1,100,732	417,605
Total operating income (loss)	(332,237)	(332,237)	48,509	380,746
Nonoperating Revenues (Expenses):				
Intergovernmental grant revenues	300,000	300,000	273,760	(26,240)
Interest expense	(5,250)	(5,250)	(4,638)	612
Miscellaneous income	-	-	40,654	40,654
Total nonoperating revenues, net	294,750	294,750	309,776	15,026
Income (Loss) Before Transfers	(37,487)	(37,487)	358,285	395,772
Transfers in	37,487	37,487	37,487	-
Change in Net Position	-	-	395,772	395,772
Net position, beginning of year	9,621,646	9,621,646	9,621,646	-
Net position, end of year	<u>\$ 9,621,646</u>	<u>\$ 9,621,646</u>	<u>\$ 10,017,418</u>	<u>\$ 395,772</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

**SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL
WASTE MANAGEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Operating Revenues:				
Sanitation fees - residential	\$ 867,661	\$ 867,661	\$ 851,728	\$ (15,933)
Sanitation fees - commercial	155,000	155,000	152,293	(2,707)
Penalties	15,000	15,000	16,722	1,722
Total operating revenues	1,037,661	1,037,661	1,020,743	(16,918)
Operating Expenses:				
Personnel services	423,271	423,271	407,083	16,188
Supplies	28,100	28,100	16,973	11,127
Other services and charges	527,175	527,175	586,307	(59,132)
Provision for bad debts	1,500	1,500	11,672	(10,172)
Depreciation	55,000	55,000	54,392	608
Total operating expenses	1,035,046	1,035,046	1,076,427	(41,381)
Total operating income (loss)	2,615	2,615	(55,684)	(58,299)
Nonoperating Revenues (Expenses):				
Interest earned on investments	-	-	1,362	1,362
Interest expense	(8,250)	(8,250)	(5,096)	3,154
Miscellaneous income	-	-	1,050	1,050
Total nonoperating expenses, net	(8,250)	(8,250)	(2,684)	5,566
Loss Before Transfers	(5,635)	(5,635)	(58,368)	(52,733)
Transfers in	5,635	5,635	5,635	-
Change in Net Position	-	-	(52,733)	(52,733)
Net position (deficit), beginning of year	(146,529)	(146,529)	(146,529)	-
Net position (deficit), end of year	<u>\$ (146,529)</u>	<u>\$ (146,529)</u>	<u>\$ (199,262)</u>	<u>\$ (52,733)</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (PER ACT 96) FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FOR THE STATE TREASURER'S OFFICE:

COUNTY/MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	N/A	N/A	\$ 170,411	\$ 170,411
Court fines and assessments remitted to State Treasurer	N/A	N/A	86,026	86,026
Total Court Fines and Assessments retained	N/A	N/A	\$ 84,385	\$ 84,385
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	N/A	N/A	\$ 3,439	\$ 3,439
Assessments retained	N/A	N/A	10,405	10,405
Total Surcharges and Assessments retained for victim services	N/A	N/A	\$ 13,844	\$ 13,844

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	\$ (509,339)	N/A	\$ (509,339)
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	-	N/A	-
Victim Service Assessments Retained by City/County Treasurer	10,405	N/A	10,405
Victim Service Surcharges Retained by City/County Treasurer	3,439	N/A	3,439
Interest Earned	-	N/A	-
Grant Funds Received			
Grant from:	-	N/A	-
General Funds Transferred to Victim Service Fund	-	N/A	-
Contribution Received from Victim Service Contracts:			
(1) Town of	-	N/A	-
(2) Town of	-	N/A	-
(3) City of	-	N/A	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ (495,495)	N/A	\$ (495,495)

(Continued)

CITY OF GEORGETOWN, SOUTH CAROLINA

UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (PER ACT 96) FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ (34,720)	N/A	\$ (34,720)
Operating Expenditures	(10,504)	N/A	(10,504)
Victim Service Contract(s):			
(1) Entity's Name	-	N/A	-
(2) Entity's Name	-	N/A	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter	-	N/A	-
(2) Rape Crisis Center	-	N/A	-
(3) Other local direct crime victims service agency	-	N/A	-
Transferred to General Fund	-	N/A	-
Total Expenditures from Victim Service Fund/Program (B)	(45,224)	N/A	(45,224)
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	N/A	-
Less: Prior Year Fund Deficit Repayment	-	N/A	-
Carryforward Funds – End of Year	\$ (540,719)	N/A	\$ (540,719)

OTHER INFORMATION

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE OF VOLUME CHARGE TRUE-UP CALCULATION REGIONAL WASTEWATER TREATMENT PLANT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
WWTP Operating Expenses				
Personnel services	\$ 408,247	\$ 408,247	\$ 431,550	\$ (23,303)
Supplies	167,200	167,200	135,910	31,290
Services	967,740	967,740	803,730	164,010
Other charges	195,017	195,017	291,248	(96,231)
Capital outlay	290,000	290,000	88,275	201,725
Total Operating Expenses to be Allocated	<u>\$ 2,028,204</u>	<u>\$ 2,028,204</u>	<u>\$ 1,750,713</u>	<u>\$ 277,491</u>

	Flows (Actual MGs)	Volume Charge Billed	Actual	Adjustment Refund (Charge)
Allocation to Participants				
Town of Andrews	182.3	\$ 185,462	\$ 149,506	\$ (35,956)
Georgetown County Water & Sewer District	421.7	428,970	345,805	(83,165)
City of Georgetown	1,117.1	1,136,280	915,986	(220,294)
Total Operating Expenses Allocated	<u>1,721.1</u>	<u>\$ 1,750,712</u>	<u>\$ 1,411,297</u>	<u>\$ (339,415)</u>

Note: The Volume Charge Billed represents actual consumption charges based on the actual expenses for the year. The Volume Charge Actual represents actual billings to each participant during the year ended June 30, 2023. Negative amounts in the Adjustment Column represent amounts owed to the City by each participant.

STATISTICAL SECTION

This part of the City of Georgetown's Annual Comprehensive Financial Report ("ACFR") presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents

Pages

Financial Trends Information

114 – 120

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity Information

121 – 126

These schedules contain information to help the reader assess the City's most significant local revenue sources – property tax and electric utility charges.

Debt Capacity Information

127 – 131

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

132 and 133

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

134 – 136

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 1 NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2014 ^	2015 *	2016	2017	2018 #	2019 ^	2020 ^	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 13,606,903	\$ 13,293,391	\$ 12,875,904	\$ 14,184,783	\$ 13,812,542	\$ 14,306,854	\$ 13,395,512	\$ 12,636,269	\$ 11,858,250	\$ 12,574,578
Restricted	1,438,630	1,713,228	1,976,018	2,114,356	1,603,283	2,057,702	2,330,547	3,078,377	3,499,363	4,845,425
Unrestricted	5,660,753	(3,885,744)	(4,285,308)	(4,899,677)	(5,660,817)	(5,956,486)	(5,510,102)	(5,007,076)	(5,274,182)	(3,319,480)
Total Governmental Activities										
Net Position	<u>\$ 20,706,286</u>	<u>\$ 11,120,875</u>	<u>\$ 10,566,614</u>	<u>\$ 11,399,462</u>	<u>\$ 9,755,008</u>	<u>\$ 10,408,070</u>	<u>\$ 10,215,957</u>	<u>\$ 10,707,570</u>	<u>\$ 10,083,431</u>	<u>\$ 14,100,523</u>
Business-type Activities										
Net investment in capital assets	\$ 34,620,604	\$ 35,985,104	\$ 33,350,201	\$ 39,321,724	\$ 38,917,476	\$ 41,649,187	\$ 43,633,288	\$ 43,159,581	\$ 42,410,788	\$ 44,157,974
Restricted	741,224	905,763	5,215,252	693,608	185,745	1,545,520	1,695,462	1,736,495	1,697,854	1,697,854
Unrestricted	12,515,325	10,509,371	8,437,321	6,364,930	7,380,473	1,763,669	(1,547,609)	(2,156,758)	335,072	1,397,683
Total Business-type Activities										
Net Position	<u>\$ 47,877,153</u>	<u>\$ 47,400,238</u>	<u>\$ 47,002,774</u>	<u>\$ 46,380,262</u>	<u>\$ 46,483,694</u>	<u>\$ 44,958,376</u>	<u>\$ 43,781,141</u>	<u>\$ 42,739,318</u>	<u>\$ 44,443,714</u>	<u>\$ 47,253,511</u>
Primary Government										
Net Investment in capital assets	\$ 48,227,507	\$ 49,278,495	\$ 46,226,105	\$ 53,506,507	\$ 52,730,018	\$ 55,956,041	\$ 57,028,800	\$ 55,795,850	\$ 54,269,038	\$ 56,732,552
Restricted	2,179,854	2,618,991	7,191,270	2,807,964	1,789,028	3,603,222	4,026,009	4,814,872	5,197,217	6,543,279
Unrestricted	18,176,078	6,623,627	4,152,013	1,465,253	1,719,656	(4,192,817)	(7,057,711)	(7,163,834)	(4,939,110)	(1,921,797)
Total Primary Government Net Position	<u>\$ 68,583,439</u>	<u>\$ 58,521,113</u>	<u>\$ 57,569,388</u>	<u>\$ 57,779,724</u>	<u>\$ 56,238,702</u>	<u>\$ 55,366,446</u>	<u>\$ 53,997,098</u>	<u>\$ 53,446,888</u>	<u>\$ 54,527,145</u>	<u>\$ 61,354,034</u>

* The City implemented GASB #68/71 in 2015 which significantly reduced unrestricted net position.

The City implemented GASB #75 in 2018 which significantly reduced unrestricted net position.

^ Certain amounts have been restated due to a prior period adjustment.

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 2 CHANGES IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2014 ^{*A}	2015	2016	2017	2018 [^]	2019	2020 [^]	2021	2022	2023
Expenses										
Governmental Activities:										
General government	\$ 2,141,067	\$ 2,172,076	\$ 2,224,337	\$ 2,456,534	\$ 2,795,597	\$ 2,458,842	\$ 2,601,933	\$ 2,284,338	\$ 2,413,691	\$ 2,592,586
Public safety	5,768,785	6,052,864	5,866,265	5,867,497	6,810,676	6,153,616	7,073,787	7,089,046	6,732,128	6,899,081
Public works	1,313,992	1,273,253	1,531,928	1,372,410	292,928	2,050,001	1,525,526	1,244,118	1,573,673	1,097,212
Community development	533,118	505,996	753,245	1,046,468	1,803,545	890,553	936,983	602,007	888,288	1,094,696
Interest on long-term debt	-	-	-	-	-	55,000	52,900	53,455	51,751	76,596
Total Governmental Activities Expenses	9,756,962	10,004,189	10,375,775	10,742,909	11,702,746	11,608,012	12,191,129	11,272,964	11,659,531	11,760,171
Business-type Activities:										
Electric utility	11,729,314	11,264,073	10,484,682	10,723,252	11,438,765	11,552,876	11,413,820	11,685,617	11,265,547	11,314,442
Water utility	2,067,440	2,053,392	2,216,904	2,269,474	2,499,587	2,867,063	3,126,144	2,624,185	2,588,512	3,041,631
Wastewater utility	3,204,677	3,164,181	2,893,679	3,326,254	3,375,530	3,233,769	3,131,812	3,323,170	3,613,794	3,752,564
Stormwater utility	862,513	884,294	904,830	956,443	1,101,568	1,527,774	1,135,086	1,202,472	1,283,495	1,105,370
Waste management	817,975	931,671	867,855	953,147	896,080	947,084	976,824	1,046,384	1,012,253	1,081,523
Total Business-type Activities Expenses	18,681,919	18,297,611	17,367,950	18,228,570	19,311,530	20,128,566	19,783,686	19,881,828	19,763,601	20,295,530
Total Primary Government Expenses	<u>\$ 28,438,881</u>	<u>\$ 28,301,800</u>	<u>\$ 27,743,725</u>	<u>\$ 28,971,479</u>	<u>\$ 31,014,276</u>	<u>\$ 31,736,578</u>	<u>\$ 31,974,815</u>	<u>\$ 31,154,792</u>	<u>\$ 31,423,132</u>	<u>\$ 32,055,701</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General government	\$ 208,681	\$ 282,202	\$ 224,854	\$ 456,228	\$ 260,023	\$ 331,781	\$ 321,004	\$ 451,391	\$ 602,055	\$ 565,570
Public safety	339,222	346,140	312,173	478,377	271,775	303,074	270,318	337,864	317,246	413,538
Community development	128	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	123,168	126,612	117,020	228,374	174,453	611,880	212,101	178,355	800,465	1,329,773
Capital Grants and Contributions	101,200	13,671	16,200	887,790	149,391	72,095	165,307	51,054	70,712	894,369
Total Governmental Activities Program Revenues	772,399	768,625	670,247	2,050,769	855,642	1,318,830	968,730	1,018,664	1,790,478	3,203,250
Business-type Activities:										
Charges for Services:										
Electric utility	13,299,420	13,269,795	11,875,033	11,414,208	12,273,113	11,995,113	11,746,009	11,741,984	11,342,990	11,855,569
Water utility	1,897,678	1,947,304	1,861,498	2,099,923	2,908,257	1,945,609	2,339,001	2,314,236	2,881,546	3,629,139
Wastewater utility	3,114,746	3,127,636	3,104,975	3,383,255	3,632,869	3,418,211	3,708,483	3,546,366	3,868,004	4,148,367
Stormwater utility	499,755	500,957	497,877	509,044	878,018	873,153	861,695	867,210	992,157	1,149,241
Waste management	913,522	904,992	903,500	927,978	932,144	926,410	938,362	925,852	939,241	1,020,743
Operating Grants and Contributions	-	-	19,800	201,748	979,088	279,359	233,456	44,027	27,541	1,339,804
Capital Grants and Contributions	-	1,257,709	147	350,000	8,100	300,427	-	509,843	-	742,952
Total Business-type Activities Program Revenues	19,725,121	21,008,393	18,262,830	18,886,156	21,611,589	19,738,282	19,827,006	19,949,518	20,051,479	23,885,815
Total Primary Government Program Revenues	<u>\$ 20,497,520</u>	<u>\$ 21,777,018</u>	<u>\$ 18,933,077</u>	<u>\$ 20,936,925</u>	<u>\$ 22,467,231</u>	<u>\$ 21,057,112</u>	<u>\$ 20,795,736</u>	<u>\$ 20,968,182</u>	<u>\$ 21,841,957</u>	<u>\$ 27,089,065</u>

(Continued)

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 2 CHANGES IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2014 *^	2015	2016	2017	2018 ^	2019	2020 ^	2021	2022	2023
Net (Expense)/Revenue										
Governmental Activities	\$ (8,984,563)	\$ (9,235,564)	\$ (9,705,528)	\$ (8,692,140)	\$ (10,847,104)	\$ (10,289,182)	\$ (11,222,399)	\$ (10,254,300)	\$ (9,869,053)	\$ (8,556,921)
Business-type Activities	1,043,202	2,710,782	894,880	657,586	2,300,059	(390,284)	43,320	67,690	287,878	3,590,285
Total Primary Government Net Expense	<u>\$ (7,941,361)</u>	<u>\$ (6,524,782)</u>	<u>\$ (8,810,648)</u>	<u>\$ (8,034,554)</u>	<u>\$ (8,547,045)</u>	<u>\$ (10,679,466)</u>	<u>\$ (11,179,079)</u>	<u>\$ (10,186,610)</u>	<u>\$ (9,581,175)</u>	<u>\$ (4,966,636)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
General Revenues:										
Property taxes, levied for general purposes	\$ 3,115,879	\$ 3,140,521	\$ 3,388,381	\$ 3,427,210	\$ 3,381,323	\$ 3,297,897	\$ 3,757,748	\$ 3,984,998	\$ 4,193,572	\$ 4,355,148
Property taxes, levied for debt service	299	1,504	19	133,867	139,636	137,802	143,995	163,387	151,249	185,785
Local accommodations and hospitality tax	842,189	982,136	1,003,863	1,046,801	1,093,310	1,130,097	1,064,837	1,162,383	1,299,223	1,316,378
Business license fees	2,443,102	2,688,901	2,672,438	2,736,021	2,809,069	2,718,360	3,452,405	3,018,880	3,221,543	3,903,677
Shared revenue from other governments	496,547	486,462	512,600	499,000	510,475	126,527	537,783	817,122	691,802	1,048,528
Unrestricted investment earnings	65,869	17,888	25,539	53,489	69,876	128,774	96,521	16,059	30,604	457,909
Gain (loss) on disposal of assets	18,239	13,313	810	7,559	-	-	158,605	5,685	6,966	-
Miscellaneous	108,613	112,080	147,617	221,041	2,460,463	2,080,324	416,651	169,486	182,638	164,263
Transfers	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,370,125	1,401,741	1,405,494	(532,683)	1,142,325
Total Governmental Activities	<u>8,490,737</u>	<u>8,842,805</u>	<u>9,151,267</u>	<u>9,524,988</u>	<u>11,864,152</u>	<u>10,989,906</u>	<u>11,030,286</u>	<u>10,743,494</u>	<u>9,244,914</u>	<u>12,574,013</u>
Business-type Activities:										
Unrestricted investment earnings	18,935	27,849	65,702	89,121	111,143	185,762	111,408	(7,722)	23,152	269,516
Gain (loss) on disposal of assets	1,255	11,272	56	9,063	87	7,818	19,153	53,787	817,920	-
Miscellaneous	110,668	153,006	41,898	21,718	67,741	57,467	50,625	249,916	42,763	92,321
Transfers	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,370,125)	(1,401,741)	(1,405,494)	532,683	(1,142,325)
Total Business-type Activities	<u>(1,269,142)</u>	<u>(1,207,873)</u>	<u>(1,292,344)</u>	<u>(1,280,098)</u>	<u>(1,221,029)</u>	<u>(1,119,078)</u>	<u>(1,220,555)</u>	<u>(1,109,513)</u>	<u>1,416,518</u>	<u>(780,488)</u>
Total Primary Government	<u>\$ 7,221,595</u>	<u>\$ 7,634,932</u>	<u>\$ 7,858,923</u>	<u>\$ 8,244,890</u>	<u>\$ 10,643,123</u>	<u>\$ 9,870,828</u>	<u>\$ 9,809,731</u>	<u>\$ 9,633,981</u>	<u>\$ 10,661,432</u>	<u>\$ 11,793,525</u>
Changes in Net Position										
Governmental Activities	\$ (493,826)	\$ (392,759)	\$ (554,261)	\$ 832,848	\$ 1,017,048	\$ 700,724	\$ (192,113)	\$ 489,194	\$ (624,139)	\$ 4,017,092
Business-type Activities	(225,940)	1,502,909	(397,464)	(622,512)	1,079,030	(1,509,362)	(1,177,235)	(1,041,823)	1,704,396	2,809,797
Total Primary Government	<u>\$ (719,766)</u>	<u>\$ 1,110,150</u>	<u>\$ (951,725)</u>	<u>\$ 210,336</u>	<u>\$ 2,096,078</u>	<u>\$ (808,638)</u>	<u>\$ (1,369,348)</u>	<u>\$ (552,629)</u>	<u>\$ 1,080,257</u>	<u>\$ 6,826,889</u>

* Certain amounts have been reclassified to agree to the current year presentation.

^ Certain amounts have been restated due to a prior period adjustment.

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 3 FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019 ^	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 90,636	\$ 103,239	\$ 100,488	\$ 93,611	\$ 77,911	\$ 89,006	\$ 64,246	\$ 178,575	\$ 174,535	\$ 194,564
Restricted	56,332	-	-	-	-	-	-	-	-	-
Committed	-	-	1,500,000	1,100,000	1,100,000	1,100,000	4,600,000	4,600,000	4,600,000	4,600,000
Assigned	-	-	-	86,864	166,717	4,069,324	-	1,684,643	1,800,000	1,517,819
Unassigned	6,596,444	3,106,450	3,506,800	2,869,562	5,503,368	2,770,785	4,485,666	4,087,535	3,152,181	6,654,430
Total General Fund	<u>\$ 6,743,412</u>	<u>\$ 3,209,689</u>	<u>\$ 5,107,288</u>	<u>\$ 4,150,037</u>	<u>\$ 6,847,996</u>	<u>\$ 8,029,115</u>	<u>\$ 9,149,912</u>	<u>\$ 10,550,753</u>	<u>\$ 9,726,716</u>	<u>\$ 12,966,813</u>
All Other Governmental Funds										
Nonspendable	\$ 369	\$ 369	\$ 369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,360,886	1,693,016	1,957,006	2,096,813	1,603,283	2,042,559	2,316,604	3,065,634	3,486,620	4,845,425
Assigned	-	3,298,222	2,817,372	2,058,694	1,825,290	834,941	514,033	380,720	465,131	15,176
Unassigned	-	(46,858)	-	-	-	(1,130)	-	-	-	(1,042,943)
Total All Other Governmental Funds	<u>\$ 1,361,255</u>	<u>\$ 4,944,749</u>	<u>\$ 4,774,747</u>	<u>\$ 4,155,507</u>	<u>\$ 3,428,573</u>	<u>\$ 2,876,370</u>	<u>\$ 2,830,637</u>	<u>\$ 3,446,354</u>	<u>\$ 3,951,751</u>	<u>\$ 3,817,658</u>

^ Certain amounts have been restated due to a prior period adjustment.

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 4 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 3,837,258	\$ 3,943,224	\$ 4,219,638	\$ 4,402,651	\$ 4,389,419	\$ 4,393,050	\$ 4,619,788	\$ 5,275,597	\$ 5,385,141	\$ 5,521,431
Licenses and Permits	2,767,319	3,019,608	2,961,029	3,223,050	3,121,304	3,101,984	3,826,312	3,461,969	3,898,311	4,504,820
Fire Impact Fees	25,792	66,552	44,761	205,904	42,365	41,554	53,475	124,722	113,567	127,305
Fines and Forfeitures	242,583	217,674	212,127	196,709	130,975	114,717	80,913	63,738	83,890	109,301
Sales and Service Fees	128	-	-	-	-	-	-	-	-	-
Intergovernmental	787,300	763,678	720,710	1,033,529	1,052,447	1,107,060	1,272,215	1,330,941	1,906,698	3,635,905
Investment Earnings	65,869	17,888	25,539	53,489	69,876	128,774	96,521	16,059	30,604	457,909
Miscellaneous	76,226	103,505	219,606	145,467	212,392	710,695	182,837	155,331	154,861	108,299
Grants	1,650	1,175	-	-	-	-	-	-	-	-
Total Revenues	7,804,125	8,133,304	8,403,410	9,260,799	9,018,778	9,597,834	10,132,061	10,428,357	11,573,072	14,464,970
Expenditures										
General Government	1,753,297	1,741,349	1,747,248	1,920,229	2,028,641	1,947,597	2,162,177	1,920,042	2,311,732	2,309,035
Public Safety	5,325,676	5,538,981	5,517,465	5,821,270	5,988,690	6,263,593	6,450,158	6,139,250	6,617,335	6,927,573
Public Works	1,180,150	1,128,553	1,589,076	1,806,003	1,177,419	992,353	950,880	950,755	1,248,758	1,104,458
Community Development	481,870	457,337	712,250	842,069	623,486	681,451	668,860	462,445	722,170	1,007,217
Capital Outlay	1,322,489	691,722	55,615	432,554	2,878,221	1,654,542	779,278	198,909	301,241	3,187,826
Debt Service:										
Principal	-	-	-	-	-	76,360	78,460	117,252	120,352	123,533
Interest	-	-	-	-	-	55,000	52,900	53,455	51,751	47,174
Total Expenditures	10,063,482	9,557,942	9,621,654	10,822,125	12,696,457	11,670,896	11,142,713	9,842,108	11,373,339	14,706,816
Excess (Deficiency) of										
Revenues Over (Under)										
Expenditures	(2,259,357)	(1,424,638)	(1,218,244)	(1,561,326)	(3,677,679)	(2,073,062)	(1,010,652)	586,249	199,733	(241,846)

(Continued)

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 4 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing Sources (Uses)										
Sale of Capital Assets	\$ 18,239	\$ 16,825	\$ 810	\$ 9,261	\$ 633	\$ 9,886	\$ 271,122	\$ 5,685	\$ 6,966	\$ -
Transfers in	1,612,179	4,851,326	1,586,733	1,539,715	1,543,191	1,513,606	1,563,598	1,567,456	2,825,313	2,079,703
Transfers out	(212,179)	(3,451,326)	(186,733)	(139,715)	(143,191)	(143,481)	(158,391)	(159,406)	(3,357,996)	(937,378)
Debt proceeds	-	-	-	-	2,000,000	-	255,572	-	-	2,149,561
Insurance proceeds	83,954	57,584	45,031	75,574	2,248,071	1,369,629	153,815	14,155	27,777	55,964
Cost of issuance of debt	-	-	-	-	-	-	-	-	(20,433)	-
Total Other Financing Sources (Uses)	1,502,193	1,474,409	1,445,841	1,484,835	5,648,704	2,749,640	2,085,716	1,427,890	(518,373)	3,347,850
Net Change In Fund Balances	<u>\$ (757,164)</u>	<u>\$ 49,771</u>	<u>\$ 227,597</u>	<u>\$ (76,491)</u>	<u>\$ 1,971,025</u>	<u>\$ 676,578</u>	<u>\$ 1,075,064</u>	<u>\$ 2,014,139</u>	<u>\$ (318,640)</u>	<u>\$ 3,106,004</u>
 Debt Service As a Percentage of Noncapital Expenditures	 0.0%	 0.0%	 0.0%	 0.0%	 0.0%	 1.3%	 1.3%	 1.8%	 1.6%	 1.5%

CITY OF GEORGETOWN, SOUTH CAROLINA

**SCHEDULE 5
TAX REVENUES BY SOURCE
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

Fiscal Year	Property Tax	Accommodations/ Hospitality Tax	Total
2014	\$ 3,045,887	\$ 791,371	\$ 3,837,258
2015	3,081,129	862,095	3,943,224
2016	3,283,768	935,870	4,219,638
2017	3,364,976	1,037,675	4,402,651
2018	3,441,240	1,094,510	4,535,750
2019	3,416,381	976,669	4,393,050
2020	3,683,556	936,232	4,619,788
2021	4,245,570	1,030,027	5,275,597
2022	4,130,262	1,254,879	5,385,141
2023	4,206,254	1,315,177	5,521,431

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 6 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	Real Property		Personal Property		Total Taxable Property		Taxable Assessed Value as a Percentage of Actual Taxable Value
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Taxable Value	
2014	2013	\$ 26,822,045	\$ 510,896,095	\$ 9,977,247	\$ 100,173,163	\$ 36,799,292	\$ 611,069,258	6.02%
2015	2014	26,403,540	502,924,571	10,457,808	104,998,072	36,861,348	607,922,643	6.06%
2016	2015	26,457,120	503,945,143	10,997,618	110,417,851	37,454,738	614,362,994	6.10%
2017	2016	26,573,080	506,153,905	11,219,522	112,645,803	37,792,602	618,799,708	6.11%
2018	2017	26,985,135	514,002,571	11,263,990	113,092,269	38,249,125	627,094,840	6.10%
2019	2018	27,607,952	525,865,752	10,240,745	102,818,725	37,848,697	628,684,477	6.02%
2020	2019	28,073,507	534,733,467	12,260,650	123,098,896	40,334,157	657,832,363	6.13%
2021	2020	29,686,987	565,466,419	12,756,816	128,080,482	42,443,803	693,546,901	6.12%
2022	2021	30,711,127	584,973,848	12,916,875	129,687,500	43,628,002	714,661,348	6.10%
2023	2022	32,240,533	614,105,390	13,609,850	136,645,080	45,850,383	750,750,470	6.11%

Source: Georgetown County Auditor's Office

CITY OF GEORGETOWN, SOUTH CAROLINA

**SCHEDULE 7
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO**

Taxpayer	Type of Business	2023			2014		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
International Paper Company	Paper Products	\$ 5,816,139	1	13.33%	\$ 11,107,446	1	28.28%
Santee Electric Coop, Inc	Utility	4,798,800	2	11.00%	3,980,940	2	10.14%
Waterleaf @ Murrells Inlet Apartments	Real Estate	1,572,912	3	3.61%	–	–	–
Liberty Steel Georgetown, Inc	Steel Wire	1,397,806	4	3.20%	–	–	–
NHI-REIT of Seaside, LLC	Real Estate	1,390,638	5	3.19%	–	–	–
DFE Litchfield LP	Lumber Products	1,361,380	6	3.12%	–	–	–
Brixmor Pawleys Island Plaza, LLC	Real Estate	1,153,921	7	2.64%	–	–	–
Spectrum Southeast LLC	Communications	1,046,650	8	2.40%	–	–	–
R L Causey Inc	Utility	1,101,820	9	2.53%	–	–	–
Dominion Energy South Carolina	Utility	776,220	10	1.78%	–	–	–
Arcelor-Mittal Georgetown, Inc	Steel Wire	–	–	–	2,016,510	3	5.13%
Frontier Communications	Telecommunications	–	–	–	1,586,650	4	4.04%
Wal-Mart Real Estate Business Trust	Real Estate/Timber	–	–	–	851,260	5	2.17%
Red Mountain Timber Co. III, LLC	Real Estate/Timber	–	–	–	985,461	6	2.51%
Health Care REIT, Inc	Financial Services	–	–	–	930,786	7	2.37%
Ponderosa, Inc	Real Estate/Timber	–	–	–	867,107	8	2.21%
Time Warner Cable Southeast LLC	Telecommunications	–	–	–	787,210	9	2.00%
South Carolina Electric & Gas Co	Utility	–	–	–	663,172	10	1.69%
Total		<u>\$ 20,416,286</u>		<u>46.80%</u>	<u>\$ 23,776,542</u>		<u>60.54%</u>

Source: Georgetown County Auditor's Office

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 8 PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 2,867,525	\$ 2,721,979	0.95	\$ 124,668	\$ 2,846,647	99.27%
2015	2,845,277	2,703,713	0.95	114,328	2,818,041	99.04%
2016	3,084,021	2,952,442	0.96	82,693	3,035,135	98.41%
2017	3,130,593	2,998,553	0.96	70,154	3,068,707	98.02%
2018	3,110,790	2,943,544	0.95	71,504	3,015,048	96.92%
2019	3,090,055	2,956,677	0.96	60,021	3,016,698	97.63%
2020	3,479,953	3,047,623	0.88	343,385	3,391,008	97.44%
2021	4,154,556	3,728,010	0.90	396,984	4,124,994	99.29%
2022	3,855,596	3,734,641	0.97	104,468	3,839,109	99.57%
2023	3,869,546	3,835,364	0.99	30,179	3,865,543	99.90%

Source: Georgetown County Treasurer and Auditor

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 9 ELECTRIC SALES AND BASE RATES LAST TEN FISCAL YEARS

Fiscal Period Ended	Kwh (1,000'S) Billed	Commercial Base Rate	Commercial Rate per Kwh	Residential Base Rate	Residential Rate per Kwh	Residential Customers	Commercial Customers
06/30/23	\$ 119,814	\$ 12.88	\$ 0.08992	\$ 8.59	\$ 0.09276	\$ 4,182	\$ 1,147
06/30/22	127,533	12.00	0.08375	8.40	0.09072	4,178	1,140
06/30/21	126,255	12.00	0.08442	8.00	0.08640	3,973	1,144
06/30/20	125,692	12.00	0.08442	8.00	0.08640	3,895	1,152
06/30/19	129,687	12.00	0.08442	8.00	0.08640	3,852	1,152
06/30/18	130,166	12.00	0.08442	8.00	0.08640	3,845	1,161
06/30/17	127,974	12.00	0.08442	8.00	0.08640	3,878	1,149
06/30/16	128,901	12.00	0.08442	8.00	0.08640	3,867	1,151
06/30/15	131,188	12.00	0.08442	8.00	0.08640	3,855	1,191
06/30/14	134,785	12.00	0.08442	8.00	0.08640	3,802	1,155

Source: City of Georgetown electric services billing records.

Note: The rates above are not inclusive of all charges. See the schedule of Electric Rates on the next page for full disclosure.

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 10 ELECTRIC RATES LAST TEN FISCAL YEARS

Fiscal Year	Commercial					Residential		
	Base Rate	Usage Rate Per Kwh (<2800)	Usage Rate Per Kwh (>2800)	Demand Rate per Kwh	Fuel Adjustment Rate (per Kwh)	Base Rate	Usage Rate Per Kwh	Fuel Adjustment Rate (per Kwh)
06/30/23	\$ 12.88	\$ 0.08992	\$ 0.08455	\$ 7.09	\$ (0.00580)	\$ 8.59	0.09276	\$ (0.00580)
06/30/22	12.00	0.08375	0.07875	6.60	(0.00513)	8.40	0.09072	(0.00513)
06/30/21	12.00	0.08442	0.07942	6.60	(0.00468)	8.00	0.08640	(0.00468)
06/30/20	12.00	0.08442	0.07942	6.60	(0.00298)	8.00	0.08640	(0.00298)
06/30/19	12.00	0.08442	0.07942	6.60	(0.00294)	8.00	0.08640	(0.00294)
06/30/18	12.00	0.08442	0.07942	6.60	(0.00310)	8.00	0.08640	(0.00310)
06/30/17	12.00	0.08442	0.07942	6.60	(0.00700)	8.00	0.08640	(0.00700)
06/30/16	12.00	0.08442	0.07942	6.60	(0.00492)	8.00	0.08640	(0.00492)
06/30/15	12.00	0.08442	0.07942	6.60	0.00406	8.00	0.08640	0.00406
06/30/14	12.00	0.08442	0.07942	6.60	0.00356	8.00	0.08640	0.00356

Source: City of Georgetown electric services billing records.

Note: The fuel adjustment rate is also referred to as the Purchase Price Cost Adjustment, which is used to charge customers the difference between the fixed rate per Kwh and the actual cost of purchased power.

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 11 PRINCIPAL ELECTRIC CUSTOMERS CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

Customer	2023			2014		
	Total Electric Consumption	Rank	Percentage of Total Electric Consumption	Total Electric Consumption	Rank	Percentage of Total Electric Consumption
Georgetown Memorial Hospital	\$ 695,048	1	5.86%	\$ 831,595	1	6.55%
Walmart Inc.	283,573	2	2.39%	476,157	2	3.75%
Wastewater Treatment Plant	265,640	3	2.24%	–		–
Food Lion #456	145,430	4	1.23%	139,292	7	1.10%
Food Lion #706	142,125	5	1.20%	129,626	8	1.02%
Piggly Wiggly	128,379	6	1.08%	169,367	6	1.33%
Georgetown High School	123,734	7	1.04%	171,715	4	1.35%
Georgetown Middle School	116,432	8	0.98%	171,715	5	1.35%
Georgetown County Judicial Center	99,483	9	0.84%	–		–
Prince George Village	89,246	10	0.75%	115,392	10	0.91%
Holcim, Inc	–		–	210,948	3	1.66%
Georgetown Memorial Data Center	–		–	126,691	9	1.00%
	<u>\$ 2,089,090</u>		<u>17.61%</u>	<u>\$ 2,542,498</u>		<u>20.02%</u>
All Consumers	<u>\$ 11,855,569</u>		<u>100.00%</u>	<u>\$ 12,696,188</u>		<u>100.00%</u>

Source: City of Georgetown electric services billing records

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 12 RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)
	General Obligation Bonds	Financed Purchase Agreements	Revenue Bonds	Revenue Debt	Financed Purchase Agreements			
2014	\$ -	\$ -	\$ -	\$ 9,295	\$ 36	\$ 9,331	5.87%	\$ 1,025
2015	-	-	-	8,759	-	8,759	5.51%	963
2016	-	-	-	19,488	-	19,488	11.49%	2,142
2017	-	-	-	12,138	-	12,138	7.09%	1,339
2018	2,000	-	-	16,654	-	18,654	12.11%	2,036
2019	1,924	-	-	19,268	-	21,192	13.43%	2,336
2020	1,845	113	-	17,147	378	19,483	12.82%	2,254
2021	1,765	76	-	15,516	287	17,644	11.62%	2,100
2022	1,682	38	-	13,855	587	16,162	10.64%	1,959
2023	1,597	109	2,040	14,020	723	18,489	12.18%	2,219

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^(a) See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF GEORGETOWN, SOUTH CAROLINA

**SCHEDULE 13
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita ^(b)
	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net		
2014	\$ -	\$ 8	\$ (8)	0.00%	\$ (0.00)
2015	-	10	(10)	0.00%	(0.00)
2016	-	10	(10)	0.00%	(0.00)
2017	-	143	(143)	0.00%	-
2018	2,000	285	1,715	0.27%	187.00
2019	1,924	421	1,503	0.24%	166.00
2020	1,845	565	1,280	0.19%	148.00
2021	1,765	728	1,037	0.15%	123.00
2022	1,682	747	935	0.13%	112.00
2023	1,597	801	796	0.11%	93.03

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^(b) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 14 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes: County	\$ 55,690	6.77%	\$ 3,770
Debt repaid with property taxes: School District	175,410	6.77%	11,875
Debt repaid with property taxes: Town of Andrews	3,071	6.77%	208
Subtotal, Overlapping Debt			<u>15,853</u>
City of Georgetown direct debt			1,597
Total Direct and Overlapping Debt			<u><u>\$ 17,450</u></u>

Source: Assessed value data used to estimate applicable percentages provided by the Georgetown County Auditor's Office. Debt outstanding provided by the Finance Departments of Georgetown County, Georgetown County School District, and the Town of Andrews.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Georgetown. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

⁽¹⁾ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 15 LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 3,141,854	\$ 3,118,266	\$ 3,176,092	\$ 3,168,207	\$ 3,059,930	\$ 3,027,896	\$ 3,226,733	\$ 3,395,504	\$ 3,490,240	\$ 3,668,031
Total Net Debt Applicable to Limit	-	-	-	-	2,000,000	1,923,640	1,845,180	1,764,562	1,681,728	1,596,615
Legal Debt Margin	<u>\$ 3,141,854</u>	<u>\$ 3,118,266</u>	<u>\$ 3,176,092</u>	<u>\$ 3,168,207</u>	<u>\$ 1,059,930</u>	<u>\$ 1,104,256</u>	<u>\$ 1,381,553</u>	<u>\$ 1,630,942</u>	<u>\$ 1,808,512</u>	<u>\$ 2,071,416</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	65.36%	63.53%	57.18%	51.97%	48.18%	43.53%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed Value	\$ 45,850,383
Debt Limit (8% of assessed value)	3,668,031
Debt Applicable to Limit	1,596,615
Legal Debt Margin	<u>\$ 2,071,416</u>

Note: Under state finance law, the City's outstanding general obligation debt must not exceed 8% of total assessed property value.
The general obligation debt subject to the limitation may be offset by amounts set aside for repayment of general obligation bonds.

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 16 PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS

Fiscal Year Ended	Gross Revenue ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
06/30/23	\$ 22,205,407	\$ 15,828,960.00	\$ 6,376,447.00	\$ 1,741,107.00	\$ 376,469.00	\$ 2,117,576	3.01
06/30/22	20,638,313	14,344,353	6,293,960	1,662,201	389,231	2,051,432	3.07
06/30/21	17,900,049	14,671,183	3,228,866	1,631,034	431,377	2,062,411	1.57
06/30/20	18,456,710	15,127,060	3,329,650	1,668,935	455,470	2,124,405	1.57
06/30/19	17,722,051	15,014,224	2,707,827	1,459,023	454,921	1,913,944	1.41
06/30/18	19,042,985	14,437,708	4,605,277	1,484,163	435,618	1,919,781	2.40
06/30/17	17,190,459	14,037,332	3,153,127	842,664	351,333	1,193,997	2.64
06/30/16	16,841,303	13,683,592	3,157,711	888,404	313,617	1,202,021	2.63
06/30/15	18,527,111	14,666,110	3,861,001	829,504	244,793	1,074,297	3.59
06/30/14	18,439,814	15,245,081	3,194,733	874,419	255,948	1,130,367	2.83

Note: The Water and Sewer Utility activities were originally a part of The Combined Public Utility System, comprised of the Electric Utility, Water Utility, and Wastewater Utility enterprise funds. By ordinance in June 2001, the Water and Sewer System, comprised of the Water Utility and Wastewater Utility Enterprise Funds, was uncombined from the Electric Utility. The Water and Sewer Utility System ("System") was established to provide adequate revenue pledges for and in conjunction with various revenue bond issues under the System. The City, in a July 2011 bond ordinance, changed the structure of the System to include once again the Electric Utility and authorized the issuance of the 2011 Combined Public Utility System Improvement and Refunding Revenue Bonds, and established a new rate covenant for the System. Details regarding the government's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ Gross revenues, as presented, include all receipts and revenues derived from the operation of the System. Such revenues are calculated in accordance with provisions of applicable bond ordinances, and includes proceeds from the sale or disposition of property, interest and other investment income and all other unencumbered money to which the City, in conjunction with its operation of the System, may become entitled from any source whatsoever.

⁽²⁾ Operating expenses (Operation and Maintenance Expenses), as presented, are calculated in accordance with provisions of applicable bond ordinances and exclude losses from the sale or disposal of capital assets not in the ordinary course of business, depreciation expense, and interest expense on revenue bonds.

⁽³⁾ Debt service requirements for 2014 and 2013 include lease purchase principal and interest of \$118,804 and \$3,386 for 2014 and \$115,512 and \$6,678 for 2013.

⁽⁴⁾ Coverage for FY 2019 affected by one-time billing adjustments for a commercial customer in the amount of \$339,678.

CITY OF GEORGETOWN, SOUTH CAROLINA

**SCHEDULE 17
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	9,099	\$ 159,096,015	\$ 17,485	6.70%
2015	9,100	169,605,800	18,638	7.90%
2016	9,062	171,289,924	18,902	6.90%
2017	9,062	159,219,340	17,570	6.45%
2018	9,163	154,091,581	16,817	4.40%
2019	9,071	157,844,471	17,401	4.20%
2020	8,643	151,926,654	17,578	4.70%
2021	8,403	158,833,506	18,902	5.10%
2022	8,333	203,558,524	24,428	4.80%
2023	8,556	247,653,420	28,945	3.60%

Source: Data extracted from the U.S. Department of Commerce, Bureau of Census official 2010 census, with updated 2018 information, and the S.C. Unemployment Security Commission.

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 18 PRINCIPAL EMPLOYERS CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

Employer	2023		2014	
	Employees	Rank	Employees	Rank
Georgetown Hospital System/Tidelands	2,500	1	907	1
Georgetown County School District	1,398	2	842	2
International Paper	860	3	-	
Georgetown County	704	4	582	3
Wal-Mart Associates	294	5	325	4
City of Georgetown	170	6	200	5
Prince George Village	164	7	237	6
Food Lion	105	8	185	7
Liberty Steel	105	9	162	8
Envirosep	105	10	-	
Total	6,405		3,440	

Note: Only the top eight employers are available for 2014.

Source: County Department of Economic Development and each employer.

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 19 FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Administration	5	5	5	5	5	4	4	4	4	5
Housing & Community Dev.	5	4	4	4	5	7	6	6	6	7
Finance	9	11	11	11	11	10	10	10	11	11
Information Technology	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Police-Staff Services	32	39	38	38	38	38	38	39	41	47
Police-Victim/Witness Advocate	1	1	1	1	1	1	1	1	1	1
Municipal Court	3	3	3	3	3	3	3	4	4	1
Fire	32	31	31	31	31	32	34	32	27	28
Public Works:										
Streets	14	15	15	15	14	14	14	12	4	12
Streets-Ground Maintenance	0	0	0	0	0	0	0	0	6	0
Fleet Services	3	3	3	3	3	3	3	3	2	3
Public Utilities:										
Electric Utility	14	14	14	14	16	16	16	14	14	15
Water Utility	10	7	13	12	14	13	12	8	8	8
Engineering Services	0	0	1	2	2	2	1	1	2	2
Wastewater Utility	10	12	12	13	13	13	13	12	11	11
Stormwater Utility	5	5	6	5	5	5	5	5	5	5
Sanitation/Recycling:										
Waste Management	6	8	9	9	8	8	8	8	7	7
Total	150	159	167	167	170	170	169	160	154	164

Source: The City's Office of Human Resources

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 20 OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Physical arrests	1,167	1,190	1,280	1,247	1,100	758	868	486	623	761
Parking violation	134	145	71	155	113	142	296	232	548	967
Traffic Violations	3,457	3,363	2,341	2,093	2,242	1,238	1,352	1,038	2,544	2,149
Fire:										
Number of calls answered	2,008	2,148	2,850	3,727	3,783	3,827	3,787	3,781	3,487	3,436
Sanitation:										
Refuse collected (tons)	8,202	9,589	7,298	7,260	7,670	7,352	7,937	6,738	6,968	8,131
Recyclables collected	185	195	197	204	160	179	166	142	128	173
Culture:										
Museum admissions	2,977	3,149	3,140	3,727	4,220	3,689	2,781	535	-	-
Electric:										
New connections	2	31	15	-	21	27	22	126	156	138
Average daily usage (Kwh/day)	391,573	392,046	406,223	372,458	388,171	379,128	363,717	363,612	359,675	359,675
Water:										
New connections	13	10	10	10	6	26	25	19	53	67
Average daily consumption (million gallons/day)	1.63	1.16	1.03	1.31	1.57	1.57	1.45	1.49	1.40	1.40
Wastewater:										
Average daily sewage treatment (million gallons/day)	4.12	4.21	4.67	4.04	3.87	4.45	4.35	4.63	3.43	3.43

Source: Various government departments

Note: Indicators are not available for the general government function

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE 21 CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	40	40	40	40	43	41	42	41	36	36
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Sanitation:										
Collection trucks	9	9	7	7	12	9	9	9	9	9
Streets:										
Street mileage	11	11	11	11	11	11	11	11	11	11
Streetlights	2,539	2,539	2,539	2,539	2,539	1,789	1,789	1,789	1,792	1792
Culture:										
Number of parks	5	5	5	5	5	5	5	5	5	5
Number of museums	1	1	1	1	1	1	1	1	1	1
Electric:										
Number of distribution stations	2	2	2	2	2	2	2	2	2	2
Miles of service lines	72	72	72	72.5	72.5	72.5	73	73.5	75	75
Water:										
Water mains (miles)	103	105	105	105	105	105	105	105	105	105
Fire hydrants	492	530	530	534	535	557	557	557	557	557
Wastewater:										
Sewer lines (miles)	79	81	81	81	81	81	81	81	81	81
Treatment plan capacity (million gallons/day)	11.9	11.9	11.9	12	12	12	12	12	12	12

Source: Various government departments.

Note: No capital asset indicators are not available for the general government function.

COMPLIANCE SECTION

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

**The Honorable Mayor and Members
of the Council
Georgetown, 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 Georgetown, South Carolina** (the "City"), as of and for the year ended June 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 March 13, 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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.

Mauldin & Jenkins, LLC

Savannah, Georgia

March 13, 2024



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

**The Honorable Mayor and Members
of the Council
Georgetown, South Carolina**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **City of Georgetown, 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 June 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 types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). 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 Responsibility 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 generally accepted auditing standards, *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 generally accepted auditing standards, *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.

Mauldin & Jenkins, LLC

Savannah, Georgia
March 13, 2024

CITY OF GEORGETOWN, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Grant Identification Number	Expenditures	Passed through to Subrecipients
U.S. Department of Agriculture				
Direct:				
Community Facilities Loans and Grants	10.766	N/A	\$ 24,331	\$ -
Total U.S. Department of Agriculture			<u>24,331</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
Passed through from South Carolina Department of Commerce				
Community Development Block Grants/Entitlement Grants	14.218	CDBG-CV1	51,738	-
Community Development Block Grants/State's Grants	14.228	CDBG 4-CE-20-007	5,749	-
Community Development Block Grants/State's Grants	14.228	CDBG 4-CI-21-008	172,770	-
U.S. Department of Housing and Urban Development			<u>230,257</u>	<u>-</u>
U.S. Department of Justice				
Direct:				
Bulletproof Vest Partnership Program	16.607	N/A	2,932	-
Equitable Sharing Program	16.922	N/A	800	-
Total U.S. Department of Justice			<u>3,732</u>	<u>-</u>
U.S. Department of Homeland Security				
Passed through from the South Carolina Emergency Management Division				
Disaster Grants - Public Assistance ("FEMA")	97.036	043-28870-00	154,570	-
Total U.S. Department of Homeland Security			<u>154,570</u>	<u>-</u>
U.S. Department of Treasury				
Passed through from South Carolina Department of Administration				
COVID-19 State and Local Fiscal Recovery Fund	21.027	N/A	1,040,199	-
Total U.S. Department of Treasury			<u>1,040,199</u>	<u>-</u>
U.S. Department of Commerce				
Direct:				
Economic Adjustment Assistance	11.307	EDA 04-79-07494	422,416	-
Economic Adjustment Assistance	11.307	EDA 04-79-07777	9,198	-
Total U.S. Department of Commerce			<u>431,614</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,884,703</u>	<u>\$ -</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Georgetown, South Carolina (the "City"), and is presented on the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for the proprietary fund types. The City reporting entity is described in Note 1 to the City's basic financial statements.

The information in this Schedule is presented in accordance with the 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"). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose not to use the 10% de Minimis indirect cost rate for the year ended June 30, 2023.

NOTE 3. NON-CASH AWARDS AND LOANS

There were no federal awards expended in the form of noncash assistance during the fiscal year. There were also no loans or loan guarantees outstanding at year-end.

CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial
statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

___ Yes X No

Significant deficiencies?

___ Yes X No

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal control over major programs:

Material weaknesses identified?

___ Yes X No

Significant deficiencies?

___ Yes X No

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(a)?

___ Yes X No

Identification of major programs:

Assistance Listing Number

21.027

Name of Federal Program or Cluster

U.S. Department of the Treasury

Coronavirus State and Local Fiscal Recovery Funds

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 GEORGETOWN, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION II FINANCIAL STATEMENT FINDINGS

None Reported.

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported.

SECTION IV PRIOR YEAR FINDINGS AND QUESTIONED COSTS

2022-001. Utility Billing Rates

Criteria: The City should have internal controls in place to ensure that customer utility bills are accurately calculated in accordance with the City's approved billing rate schedule.

Condition: The City did not bill customers in accordance with approved utility billing rates for the first nine months of the fiscal year.

Status: Resolved.