

CITY OF TEGA CAY
AUDITED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

CITY OF TEGA CAY

AUDITED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council
City of Tega Cay
Tega Cay, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tega Cay, South Carolina, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Members
American Institute of Certified Public Accountants
S.C. Association of Certified Public Accountants



To the Honorable Mayor and Members of City Council
City of Tega Cay
January 21, 2022

Opinion

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 of Tega Cay, South Carolina as of September 30, 2021, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Tega Cay, South Carolina's basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mckinley, Cooper & Co., LLC

Greenville, South Carolina
January 21, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of City of Tega Cay's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2021. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$16,759,616 (*net position*). Of this amount, the unrestricted net position balance is \$(78,105).
- The City's total net position for governmental activities increased \$2,317,242 over the course of this year's operations. Net position of the business-type activity, which represents the water and sewer and stormwater funds, increased by \$1,157,558.
- The City issued new debt during the year consisting of \$13,446,500 in bond issues and capital leases.
- The City repaid \$6,160,476 of bonds, notes and capital lease payables during the year.
- During the year, the City's governmental activity expenses were \$14,112,588, program revenues were \$8,333,376 and general revenues were \$8,096,454. This resulted in an excess of revenues over expenses of \$2,317,242 in the governmental activities.
- In the City's business-type activities, operating revenues were \$6,998,488 while expenses were \$5,840,958. This resulted in an operating gain of \$1,157,530.
- The City's governmental capital assets, net of depreciation at September 30, 2021, totaled \$22,068,225 while business-type capital assets, net of depreciation, totaled \$20,236,800. The City's governmental capital assets decreased by \$133,633 during the year and the business-type capital assets decreased by \$321,456 during the year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,952,750, an increase of \$11,482,383 from the prior year. The increase is primarily due to debt proceeds. Approximately 43 percent of this total amount, \$6,857,040 is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,095,633 or 38 percent of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - *management's discussion and analysis* (this section), the *basic financial statements*, and *supplementary information*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like public safety were financed in the *short term* as well as what remains for future spending.

- o *Proprietary fund* statements offer *short-term* and *long-term* financial information about the activities the government operates *like businesses*.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *supplementary information* that further explains and supports the information in the financial statements.

Figure A-1 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure A-1
Major Features of City of Tega Cay’s Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenses, and changes in fund 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's *net position* and how they have changed. Net position - the difference between the City's assets and liabilities - is one way to measure the City's financial health, or *position*.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure.

The government-wide financial statements of the City are divided into two categories:

- *Governmental activities* - Most of the City's basic services are included here, such as the police, fire, public works, parks departments, and general administration. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* - The City charges fees to customers to help it cover the costs of certain services it provides.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes, bond revenue, contributions and grants.

The City has two kinds of funds:

- *Governmental funds* - Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* - Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.

GOVERNMENT- WIDE FINANCIAL ANALYSIS

Net Position

The City's combined net position increased \$3,474,800 or 26 percent between fiscal years 2021 and 2020. (See Table A-1.) The portion of the City's net position (44%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Tega Cay's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table A-1
City of Tega Cay's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other	\$ 17,052,972	\$ 5,348,803	\$ 2,961,314	\$ 2,281,588	\$ 20,014,286	\$ 7,630,391
Capital assets	22,068,225	22,201,858	20,236,800	20,558,256	42,305,025	42,760,114
Total assets	<u>39,121,197</u>	<u>27,550,661</u>	<u>23,198,114</u>	<u>22,839,844</u>	<u>62,319,311</u>	<u>50,390,505</u>
Deferred outflows of resources	2,159,512	1,718,525	387,005	290,831	2,546,517	2,009,356
Total deferred outflows of resources	<u>2,159,512</u>	<u>1,718,525</u>	<u>387,005</u>	<u>290,831</u>	<u>2,546,517</u>	<u>2,009,356</u>
Long-term debt	30,523,316	21,064,430	16,153,690	16,879,786	46,677,006	37,944,216
Other liabilities	1,003,195	747,575	380,044	351,786	1,383,239	1,099,361
Total liabilities	<u>31,526,511</u>	<u>21,812,005</u>	<u>16,533,734</u>	<u>17,231,572</u>	<u>48,060,245</u>	<u>39,043,577</u>
Deferred inflows of resources	38,107	58,332	7,860	13,136	45,967	71,468
Total deferred inflows of resources	<u>38,107</u>	<u>58,332</u>	<u>7,860</u>	<u>13,136</u>	<u>45,967</u>	<u>71,468</u>
Net position						
Net investment in capital assets	1,211,950	9,392,583	6,192,854	5,538,396	7,404,804	14,930,979
Restricted	8,672,130	-	760,787	1,313,843	9,432,917	1,313,843
Unrestricted (deficit)	(167,989)	(1,993,734)	89,884	(966,272)	(78,105)	(2,960,006)
Total net position	<u>\$ 9,716,091</u>	<u>\$ 7,398,849</u>	<u>\$ 7,043,525</u>	<u>\$ 5,885,967</u>	<u>\$ 16,759,616</u>	<u>\$ 13,284,816</u>

Changes in Net Position. The City's total reported revenues increased by \$ 3,800,000 to \$23.4 million. (See Table A-2.) About 29 percent of the City's revenue comes from property taxes. Fees charged for services account for about 64 percent.

The total cost of all programs and services decreased approximately \$247,000. The City's expenses cover a range of services, with about 26 percent related to public safety and 30 percent related to enterprise fund operations.

Table A-2 and the narrative that follows consider the operations of governmental and business-type activities separately.

Table A-2
Changes in City of Tega Cay's Net Position
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2021	2020	2021	2020	2021	2020	2021-2020
Revenues							
Program revenues							
Charges for services	\$ 8,069	\$ 6,119	\$ 6,998	\$ 5,912	\$ 15,067	\$ 12,031	25.23%
Grants and contributions	264	202	-	-	264	202	30.69%
General revenues							
Property taxes	6,767	5,967	-	-	6,767	5,967	13.41%
Other taxes	881	829	-	-	881	829	6.27%
Intergovernmental	224	195	-	-	224	195	14.87%
Other	224	387	-	3	224	390	-42.56%
Total revenues	16,429	13,699	6,998	5,915	23,427	19,614	19.44%
Expenses							
General government	2,159	1,947	-	-	2,159	1,947	10.89%
Building inspection	508	593	-	-	508	593	-14.33%
Public works	1,071	995	-	-	1,071	995	7.64%
Public safety	3,246	2,886	-	-	3,246	2,886	12.47%
Fire services	1,993	1,918	-	-	1,993	1,918	3.91%
Community events and services	257	1,361	-	-	257	1,361	-81.12%
Parks and recreation	740	581	-	-	740	581	27.37%
Non-departmental	1,812	1,704	-	-	1,812	1,704	6.34%
Beach and Swim Club	150	168	-	-	150	168	-10.71%
Golf course	1,814	1,587	-	-	1,814	1,587	14.30%
Interest and fiscal charges	362	330	-	-	362	330	9.70%
Water and sewer	-	-	5,348	5,544	5,348	5,544	-3.54%
Stormwater	-	-	493	586	493	586	-15.87%
Total expenses	14,112	14,070	5,841	6,130	19,953	20,200	-1.22%
Excess (deficiency) before transfers	2,317	(371)	1,157	(215)	3,474	(586)	-692.83%
Increase (decrease) in net position	\$ 2,317	\$ (371)	\$ 1,157	\$ (215)	\$ 3,474	\$ (586)	-692.83%

Governmental Activities

Revenues for the City's governmental activities increased \$2,730,000 or 20 percent, while total expenses increased \$42,000 or .3 percent.

- Property tax revenues increased approximately \$800 thousand from the prior year primarily due to a growing community.
- Charges for services were approximately \$3,036 higher than prior year due to an increase in general and developmental activities.

Business-Type Activities

Revenues of the City's business-type activities increased approximately \$1.1 million to \$7 million, while expenses decreased approximately \$289 thousand to 5.8 million. (Refer to Table A-2.)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, its governmental funds reported a combined fund balance of \$15,952,750, an increase of \$11,482,383 from the prior year. The reason for the governmental fund's change is primarily due to debt issuance.

General Fund Budgetary Highlights

Actual general fund expenditures were \$5 million above budgeted amounts. This is primarily due to debt payments.

Resources available for appropriation were \$2.1 million above the budgeted amount. The increases were due primarily to fines, fees, licenses and permits and other revenues in excess of budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021, the City had invested \$42 million in a broad range of capital assets, net of depreciation. (See Table A-3.)

Table A-3
City of Tega Cay's Capital Assets
(net of depreciation, in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2021	2020	2021	2020	2021	2020	2021-2020
Land and CIP	\$ 6,403	\$ 5,973	\$ -	\$ 1,200	\$ 6,403	\$ 7,173	-10.73%
Buildings and improvements	17,458	17,434	-	-	17,458	17,434	0.14%
Infrastructure	3,759	3,738	27,209	25,570	30,968	29,308	5.66%
Machinery and equipment	6,820	6,312	2,143	1,892	8,963	8,204	9.25%
Accumulated depreciation	(12,372)	(11,255)	(9,116)	(8,104)	(21,488)	(19,359)	11.00%
	<u>\$ 22,068</u>	<u>\$ 22,202</u>	<u>\$ 20,236</u>	<u>\$ 20,558</u>	<u>\$ 42,304</u>	<u>\$ 42,760</u>	

This year's major capital asset additions included:

- Purchase of vehicles, machinery and equipment, buildings and infrastructure.

More detailed information about the City's capital assets is presented in Notes 1 and 6 to the financial statements.

Long-term Debt

At yearend, the City had \$35.1 million in bonds, notes payable and capital lease obligations outstanding as shown in Table A-4. The City repaid principal of \$6.5 million on bonds, notes and capital leases payable during the year. The City also issued new bonds, notes payable and capital lease obligations totaling \$13.7 million.

More detailed information about the City's long-term debt is presented in Note 8 to the financial statements.

Table A-4
City of Tega Cay's Outstanding Debt
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2021	2020	2021	2020	2021	2020	2021-2020
Revenue bonds	\$ -	\$ -	\$ 12,878	\$ 13,609	\$ 12,878	\$ 13,609	-5.37%
Notes payable	188	249	-	-	188	249	-24.50%
General obligation bonds	19,693	11,185	-	-	19,693	11,185	76.07%
Capital lease obligations	1,167	1,375	1,166	1,411	2,333	2,786	-16.26%
	<u>\$ 21,048</u>	<u>\$ 12,809</u>	<u>\$ 14,044</u>	<u>\$ 15,020</u>	<u>\$ 35,092</u>	<u>\$ 27,829</u>	26.10%

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the finance department for information, at the City of Tega Cay, 7725 Tega Cay Drive, Tega Cay, South Carolina 29708.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF TEGA CAY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 7,643,296	\$ 1,573,917	\$ 9,217,213
Cash and cash equivalents, restricted	8,672,130	760,787	9,432,917
Receivables (net of allowances for uncollectibles)			
Taxes	240,637	-	240,637
Water and sewer	-	668,517	668,517
Intergovernmental	71,601	-	71,601
Other	179,719	-	179,719
Prepays	107,641	25,785	133,426
Inventory	70,256	-	70,256
Internal balances	67,692	(67,692)	-
Capital assets			
Non-depreciable	6,403,358	-	6,403,358
Depreciable, net	15,664,867	20,236,800	35,901,667
Total Assets	39,121,197	23,198,114	62,319,311
Deferred Outflows of Resources			
Deferred charge on refunding	30,465	-	30,465
Deferred outflows related to pensions	2,129,047	387,005	2,516,052
Total Deferred Outflows of Resources	2,159,512	387,005	2,546,517
Liabilities			
Accounts payable and other current liabilities	916,166	289,794	1,205,960
Customer water deposits	-	90,250	90,250
Bail bonds	3,385	-	3,385
Due to other governmental units	6,457	-	6,457
Unearned revenues	77,187	-	77,187
Long-term liabilities			
Due within one year			
General obligation bonds	1,152,000	-	1,152,000
Revenue bonds	-	740,234	740,234
Notes payable	53,366	-	53,366
Capital leases	412,997	307,621	720,618
Compensated absences	236,264	31,029	267,293
Due in more than one year			
General obligation bonds	18,349,000	-	18,349,000
Revenue bonds	-	12,137,334	12,137,334
Notes payable	134,688	-	134,688
Capital leases	754,224	858,757	1,612,981
Net pension liability	9,238,665	2,078,715	11,317,380
Unamortized bond premium	192,112	-	192,112
Total Liabilities	31,526,511	16,533,734	48,060,245
Deferred Inflows of Resources			
Deferred inflows related to pensions	38,107	7,860	45,967
Total Deferred Inflows of Resources	38,107	7,860	45,967
Net Position			
Net investment in capital assets	1,211,950	6,192,854	7,404,804
Restricted	8,672,130	760,787	9,432,917
Unrestricted	(167,989)	89,884	(78,105)
Total Net Position	\$ 9,716,091	\$ 7,043,525	\$ 16,759,616

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

CITY OF TEGA CAY
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government							
Governmental Activities:							
General government	\$ 2,159,695	\$ 1,675,334	\$ 264,356	\$ -	\$ (220,005)	\$ -	\$ (220,005)
Developmental services	508,225	2,513,879	-	-	2,005,654	-	2,005,654
Public works	1,070,958	903,331	-	-	(167,627)	-	(167,627)
Police	3,246,158	143,867	-	-	(3,102,291)	-	(3,102,291)
Fire services	1,992,988	-	-	-	(1,992,988)	-	(1,992,988)
Community events and services	257,227	24,640	-	-	(232,587)	-	(232,587)
Parks and recreation	739,719	486,892	-	-	(252,827)	-	(252,827)
Non-departmental	1,811,841	-	-	-	(1,811,841)	-	(1,811,841)
Beach and swim club	150,112	159,132	-	-	9,020	-	9,020
Golf course	1,813,984	2,161,945	-	-	347,961	-	347,961
Interest and fiscal charges	361,681	-	-	-	(361,681)	-	(361,681)
Total Governmental Activities	14,112,588	8,069,020	264,356	-	(5,779,212)	-	(5,779,212)
Business-type Activities:							
Water and sewer	5,348,065	6,422,387	-	-	-	1,074,322	1,074,322
Stormwater	492,893	576,101	-	-	-	83,208	83,208
Total Business-type Activities	5,840,958	6,998,488	-	-	-	1,157,530	1,157,530
Total Primary Government	\$ 19,953,546	\$ 15,067,508	\$ 264,356	\$ -	(5,779,212)	1,157,530	(4,621,682)
General Revenues							
Taxes							
Property taxes					6,767,668		6,767,668
Local hospitality taxes					352,705		352,705
Franchise taxes					528,190		528,190
Miscellaneous					221,611		221,611
Intergovernmental revenue					223,984		223,984
Interest revenue					2,255	28	2,283
Gain on sale of capital assets					41	-	41
Total General Revenues					8,096,454	28	8,096,482
Change in Net Position					2,317,242	1,157,558	3,474,800
Net Position, beginning					7,398,849	5,885,967	13,284,816
Net Position, ending					\$ 9,716,091	\$ 7,043,525	\$ 16,759,616

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

FUND FINANCIAL STATEMENTS

CITY OF TEGA CAY
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General	Other Governmental	Totals
Assets			
Cash and cash equivalents	\$ 6,353,481	\$ 1,289,815	\$ 7,643,296
Cash and cash equivalents, restricted	8,672,130	-	8,672,130
Receivables (net of allowances for uncollectibles)			
Taxes	240,637	-	240,637
Intergovernmental	71,601	-	71,601
Other	101,168	78,551	179,719
Prepays	85,378	22,263	107,641
Inventory	-	70,256	70,256
Total Assets	\$ 15,524,395	\$ 1,460,885	\$ 16,985,280
Liabilities			
Accounts payable	\$ 199,303	\$ 214,355	\$ 413,658
Other accrued liabilities	396,245	42,081	438,326
Bail bonds	3,385	-	3,385
Due to other funds	(95,345)	27,653	(67,692)
Due to other governmental units	6,457	-	6,457
Unearned revenue	-	77,187	77,187
Total Liabilities	510,045	361,276	871,321
Deferred Inflows of Resources			
Unavailable revenue - property taxes	161,209	-	161,209
Total Deferred Inflows of Resources	161,209	-	161,209
Fund Balances			
Nonspendable	85,378	92,519	177,897
Restricted	8,672,130	201,242	8,873,372
Committed	-	44,441	44,441
Unassigned	6,095,633	761,407	6,857,040
Total Fund Balances	14,853,141	1,099,609	15,952,750
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,524,395	\$ 1,460,885	\$ 16,985,280

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

CITY OF TEGA CAY
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE
SHEET WITH THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

Fund Balance - Governmental Funds		\$ 15,952,750
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</p> <p>Capital Assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.</p>		
The cost of capital assets	34,440,362	
Accumulated depreciation	<u>(12,372,137)</u>	22,068,225
<p>Deferred refunding charges in the Statement of Net Position are amortized over the lives of the refunding bonds; however, the costs are recognized in the year incurred in the governmental funds.</p>		
		30,465
<p>Accrued interest on debt in governmental accounting was not due and payable in the current period and, therefore, has not been reported as a liability in the funds.</p>		
		(64,182)
<p>Long-term liabilities, including bonds payable and capital lease obligations, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet. Long-term liabilities at yearend consist of:</p>		
Bonds payable	(19,501,000)	
Capital lease obligations	(1,167,221)	
Notes payable	(188,054)	
Bond premium	(192,112)	
Compensated absences payable	<u>(236,264)</u>	(21,284,651)
<p>Certain other long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.</p>		
Net pension liability		(9,238,665)
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions	2,129,047	
Deferred inflows of resources related to pensions	<u>(38,107)</u>	2,090,940
<p>Deferred revenue related to property tax is not a liability in governmental activities.</p>		
		<u>161,209</u>
Total Net Position - Governmental Activities		<u><u>\$ 9,716,091</u></u>

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

CITY OF TEGA CAY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 6,769,918	\$ 352,705	\$ 7,122,623
Fines, fees, licenses and permits	6,296,014	-	6,296,014
Intergovernmental	223,984	-	223,984
Golf	-	2,145,121	2,145,121
Event fees	-	24,640	24,640
Grants	264,356	-	264,356
Sponsorships	29,500	-	29,500
Membership dues	-	158,426	158,426
Rentals	68,942	-	68,942
Interest	2,227	28	2,255
Drug seizures	-	3,881	3,881
Pool and tennis	-	16,824	16,824
Club rentals	-	706	706
Other	65,571	9,196	74,767
Total Revenues	13,720,512	2,711,527	16,432,039
Expenditures			
General government	1,082,775	-	1,082,775
Developmental services	508,225	-	508,225
Public works	945,452	-	945,452
Police	3,078,254	3,161	3,081,415
Fire services	1,880,383	-	1,880,383
Community events and services	-	257,227	257,227
Parks and recreation	706,861	-	706,861
Non-departmental	1,811,841	-	1,811,841
Beach and swim club	-	115,172	115,172
Golf club management	-	1,479,717	1,479,717
Capital outlay	881,105	120,873	1,001,978
Debt service			
Principal	4,892,057	229,505	5,121,562
Interest	328,675	20,863	349,538
Total Expenditures	16,115,628	2,226,518	18,342,146
Excess (Deficiency) of Revenues Over Expenditures	(2,395,116)	485,009	(1,910,107)
Other Financing Sources (Uses)			
Proceeds from debt issuance	13,383,900	-	13,383,900
Sale of general capital assets	8,590	-	8,590
Transfers in/(out)			
Beach and Swim Club Fund	8,288	-	8,288
General Fund	-	(8,288)	(8,288)
Total Other Financing Sources (Uses)	13,400,778	(8,288)	13,392,490
Net Change in Fund Balances	11,005,662	476,721	11,482,383
Fund Balances, beginning	3,847,479	622,888	4,470,367
Fund Balances, ending	\$ 14,853,141	\$ 1,099,609	\$ 15,952,750

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

CITY OF TEGA CAY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 6,397,219	\$ 6,397,219	\$ 6,769,918	\$ 372,699
Fines, fees, licenses and permits	4,908,633	4,908,633	6,296,014	1,387,381
Intergovernmental	180,666	180,666	223,984	43,318
Other	127,757	127,757	430,596	302,839
Total Revenues	<u>11,614,275</u>	<u>11,614,275</u>	<u>13,720,512</u>	<u>2,106,237</u>
Expenditures				
General government	1,095,785	1,095,785	1,082,775	13,010
Development services	574,123	574,123	508,225	65,898
Public works	982,696	982,696	945,452	37,244
Police	2,959,392	2,959,392	3,078,254	(118,862)
Fire services	1,920,219	1,920,219	1,880,383	39,836
Parks and recreation	684,451	684,451	706,861	(22,410)
Non-departmental	1,852,286	1,852,286	1,811,841	40,445
Capital outlay	8,000	8,000	881,105	(873,105)
Debt service				
Principal	1,032,571	1,032,571	4,892,057	(3,859,486)
Interest	-	-	328,675	(328,675)
Total Expenditures	<u>11,109,523</u>	<u>11,109,523</u>	<u>16,115,628</u>	<u>(5,006,105)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>504,752</u>	<u>504,752</u>	<u>(2,395,116)</u>	<u>(2,899,868)</u>
Other Financing Sources				
Proceeds from debt issuance	-	-	13,383,900	13,383,900
Sale of general capital assets	5,000	5,000	8,590	3,590
Transfers in/(out)				
Catawba Park Fund	(518,040)	(518,040)	-	518,040
Beach and Swim Club fund	8,288	8,288	8,288	-
Total Other Financing Sources	<u>(504,752)</u>	<u>(504,752)</u>	<u>13,400,778</u>	<u>13,905,530</u>
Net Change in Fund Balances	-	-	11,005,662	11,005,662
Fund Balances, beginning	<u>3,847,479</u>	<u>3,847,479</u>	<u>3,847,479</u>	<u>-</u>
Fund Balances, ending	<u>\$ 3,847,479</u>	<u>\$ 3,847,479</u>	<u>\$ 14,853,141</u>	<u>\$ 11,005,662</u>

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

CITY OF TEGA CAY
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2021

Assets	Business-type Activities		Total Enterprise Funds
	Utility Fund	Stormwater Fund	
Current Assets			
Cash and cash equivalents	\$ 1,259,571	\$ 314,346	\$ 1,573,917
Receivables (net of allowance for doubtful accounts)			
Water and sewer	668,517	-	668,517
Prepaid expenses	20,146	5,639	25,785
Total Current Assets	1,948,234	319,985	2,268,219
Noncurrent Assets			
Restricted cash	760,787	-	760,787
Capital assets			
Depreciable, net	19,872,559	364,241	20,236,800
Total Noncurrent Assets	20,633,346	364,241	20,997,587
Total Assets	22,581,580	684,226	23,265,806
Deferred Outflows of Resources			
Deferred outflows related to pensions	311,914	75,091	387,005
Total Deferred Outflows of Resources	311,914	75,091	387,005
Liabilities			
Current Liabilities			
Accounts payable and accrued expenses	219,680	1,796	221,476
Accrued interest payable	68,318	-	68,318
Compensated absences	31,029	-	31,029
Customer deposits	90,250	-	90,250
Due to other funds	53,983	13,709	67,692
Capital leases - current	219,136	88,485	307,621
Revenue bonds - current	740,234	-	740,234
Total Current Liabilities	1,422,630	103,990	1,526,620
Noncurrent Liabilities			
Capital leases - noncurrent	820,446	38,311	858,757
Revenue bonds - noncurrent	12,137,334	-	12,137,334
Net pension liability	1,675,382	403,333	2,078,715
Total Noncurrent Liabilities	14,633,162	441,644	15,074,806
Total Liabilities	16,055,792	545,634	16,601,426
Deferred Inflows of Resources			
Deferred inflows related to pensions	6,335	1,525	7,860
Total Deferred Inflows of Resources	6,335	1,525	7,860
Net Position			
Net investment in capital assets	5,955,409	237,445	6,192,854
Restricted	760,787	-	760,787
Unrestricted (deficit)	115,171	(25,287)	89,884
Total Net Position	\$ 6,831,367	\$ 212,158	\$ 7,043,525

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

CITY OF TEGA CAY
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND
 NET POSITION
 YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities		Total Enterprise Funds
	Utility Fund	Stormwater Fund	
Operating Revenues			
Stormwater compliance fees	\$ -	\$ 576,101	\$ 576,101
Tap fees	611,932	-	611,932
Impact fees	323,521	-	323,521
Irrigation tap	28,750	-	28,750
Water fees	2,494,526	-	2,494,526
Sewer fees	2,888,875	-	2,888,875
Water activation fees	30,250	-	30,250
Reconnect fees	15,975	-	15,975
Penalties	10,043	-	10,043
Other	18,515	-	18,515
Total Operating Revenues	6,422,387	576,101	6,998,488
Operating Expenses			
Salaries	853,517	183,414	1,036,931
Employee benefits	477,817	104,115	581,932
Water purchased	908,849	-	908,849
Sewer treatment fees	787,313	-	787,313
Sewer clean-out	16,201	-	16,201
Water testing	4,137	-	4,137
Legal and professional services	92,594	7,180	99,774
Meters and supplies	163,782	-	163,782
Training and education	7,211	12	7,223
Auto expense	27,876	20,975	48,851
Cell phone	7,385	2,140	9,525
Billing	24,252	2,301	26,553
Chemicals	65,443	-	65,443
Sludge hauling	87,498	-	87,498
Treatment plant maintenance	129,228	-	129,228
Miscellaneous	-	2,000	2,000
Depreciation	945,296	66,796	1,012,092
Small Tools	10,792	-	10,792
Utilities	179,845	-	179,845
Supplies	941	-	941
Lift station maintenance	94,030	-	94,030
Vehicle maintenance	16,755	39,889	56,644
Vehicle Lease	-	-	-
Contingency	14,578	-	14,578
Software maintenance	45,853	-	45,853
Copier Lease	3,845	-	3,845
Dues and subscriptions	1,467	-	1,467
SDW act	15,286	-	15,286
Water tower maintenance	48,423	-	48,423
Drainage maintenance materials	-	47,614	47,614
Information technology	-	5,370	5,370
Insurance	31,679	5,280	36,959
Total Operating Expenses	5,061,893	487,086	5,548,979
Operating Income	1,360,494	89,015	1,449,509

(continued)

CITY OF TEGA CAY
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND
 NET POSITION (continued)
 YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities		Total Enterprise Funds
	Utility Fund 1	Stormwater Fund	
Nonoperating Revenues (Expenses)			
Interest revenue	\$ 28	\$ -	\$ 28
Interest expense and fiscal charges	(286,172)	(5,807)	(291,979)
Total Nonoperating Revenues (Expenses)	(286,144)	(5,807)	(291,951)
Change in Net Position	1,074,350	83,208	1,157,558
Net Position, beginning	5,757,017	128,950	5,885,967
Net Position, ending	\$ 6,831,367	\$ 212,158	\$ 7,043,525

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

CITY OF TEGA CAY
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities		Total Enterprise Funds
	Utility Fund	Stormwater Fund	
Cash Flows from Operating Activities			
Receipts from customers	\$ 6,422,387	\$ 576,101	\$ 6,998,488
Payments to suppliers	(2,741,181)	(97,188)	(2,838,369)
Payments to employees	(1,329,223)	(287,529)	(1,616,752)
Net Cash Provided by Operating Activities	<u>2,351,983</u>	<u>191,384</u>	<u>2,543,367</u>
Cash Flows from Noncapital Financing Activities			
Transfers in(out)	(55,083)	213,285	158,202
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(55,083)</u>	<u>213,285</u>	<u>158,202</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(690,635)	-	(690,635)
Capital lease proceeds	62,600	-	62,600
Principal payments on bonds	(731,409)	-	(731,409)
Principal payments on leases	(220,813)	(86,292)	(307,105)
Interest and fiscal charges paid	(291,509)	(5,807)	(297,316)
Net Cash (Used) by Capital and Related Financing Activities	<u>(1,871,766)</u>	<u>(92,099)</u>	<u>(1,963,865)</u>
Cash Flows from Investing Activities			
Interest on cash and cash equivalents	28	-	28
Net Cash Provided by Investing Activities	<u>28</u>	<u>-</u>	<u>28</u>
Net Increase in Cash	425,162	312,570	737,732
Cash and Cash Investments, Beginning	1,595,196	1,776	1,596,972
Cash and Cash Investments, Ending	<u>\$ 2,020,358</u>	<u>\$ 314,346</u>	<u>\$ 2,334,704</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	\$ 1,360,494	\$ 89,015	\$ 1,449,509
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation expense	945,296	66,796	1,012,092
Changes in assets and liabilities			
Receivables, net	(99,660)	-	(99,660)
Prepaid expenses	(5,639)	5,102	(537)
Accounts payable and accrued expenses	13,476	1,619	15,095
Deferred inflows/outflows related to pensions	(81,765)	(19,685)	(101,450)
Compensated absences	(335)	-	(335)
Customer deposits	18,500	-	18,500
Net pension liability	201,616	48,537	250,153
Net Cash Provided by Operating Activities	<u>\$ 2,351,983</u>	<u>\$ 191,384</u>	<u>\$ 2,543,367</u>

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

CITY OF TEGA CAY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Tega Cay (the "City") is a municipal corporation of the state of South Carolina located in York County, and as such possesses all the general powers granted by the Constitution and laws of South Carolina to municipal corporations.

The financial statements of the City of Tega Cay, South Carolina, have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

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

The City's combined financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity include whether: the City is able to impose its will on the organization, the organization has the potential to impose a financial benefit/burden on the City and there is fiscal dependency by the organization on the City. Based in these criteria, the City of Tega Cay has no component units.

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the City, except for any fiduciary funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to the external parties for goods and services.

The statement of activities presents a comparison between direct and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. *Direct expenses* are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect cost. *Program revenues* include charges paid by the recipients of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are reported as *general revenues*.

Fund Financial Statements

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

The funds of the City are described below:

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balances. The General Fund is the City's only major governmental fund.

General Fund

The General Fund accounts for and reports all financial resources of the general government except those required to be accounted for and reported in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for and report specific revenue sources that are restricted or committed to expenditures for specified current purposes other than debt service and capital projects. The City has seven Special Revenue Funds as described below:

Memorial Fund - The Memorial Fund is used to account for the receipt of memorial gifts and expenditures relating to planting of trees and beautification projects on city property.

Police Fund - The Police Fund is used to account for receipts relating to drug seizures.

Beach and Swim Club Fund - The Beach and Swim Club Fund is used to account for the membership dues and expenditures relating to the beach and swim club.

Golf Club Fund - The Golf Club Fund is used to account for the revenues and expenditures of the Tega Cay Golf and Conference Center.

Hospitality Tax Fund - The Hospitality Tax Fund is used to account for receipts from the hospitality tax collected from local businesses and expenditures relating to tourism promotion.

Events and Tourism Fund – The Events and Tourism Fund was established for purposes of providing for orderly administration and funding of Community Events and allocation of hospitality funds collected for tourism and related functions.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The following is the City's proprietary fund:

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on the net income measurement similar to the private sector. The City has two Enterprise Funds as described below:

Utility Funds - The Utility Funds are used to account for the financial transactions related to the water and sewer service provided to the residents of the City.

Stormwater Fund - The Stormwater Fund is used to account for the financial transactions related to the stormwater services provided to the residents of the City.

Measurement Focus and Basis of Accounting

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using a flow of *economic resources measurement focus*. All assets and liabilities associated with the operation of the City are included on the statement of net position.

Fund Financial Statements

All governmental fund financial statements are accounted for using the *current financial resources measurement focus*. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the proprietary fund is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases and decreases in total net position. The statement of cash flows reflects how the City finances and meets the cash flow of its proprietary fund.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after yearend. Items such as property taxes, business licenses, franchise fees, grants, and state-shared revenue are considered to be susceptible to accrual. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for the general obligation bond principal and interest which are reported when due.

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.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets used.

Cash, Cash Equivalents and Investments

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits, and restricted cash and short-term investments with original maturities of three months or less.

Investments

Investments are stated at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for Investment Pools. Investment policies of the City must operate within existing state statutes of the State of South Carolina, which authorizes what the City may and may not invest in.

Receivables

In the government-wide statements, receivables consist of all revenues earned at yearend and not yet received. Allowances for uncollectible taxes receivable are based upon historical trends and the aging of taxes receivable.

Nonexchange transactions collectible but not available such as property taxes are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" on the fund financial balance sheet. Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position.

Prepaid Items

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Certain proceeds of governmental and business-type activities revenue bonds, as well as certain resources set aside for their repayment and maintenance of capital assets, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

Capital Assets

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are reported at their estimated fair value at the date of donation. Estimated historical cost was used to value many of the assets acquired prior to October 1, 2003. The City maintains a capitalization policy of \$5,000 for its capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during construction is not capitalized for general capital assets.

Prior to October 1, 2003, governmental funds' infrastructure was not capitalized.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25-50 years
Improvements	10-50 years
Water and sewer system	40 years
Furniture and equipment	5-10 years
Vehicles	10 years
Infrastructure	40 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

The City of Tega Cay reports Compensated Absences in accordance with the provisions of GASB Statement No. 16 "Accounting for Compensated Absences." The City's policies regarding vacation and sick leave permit employees to accumulate earned but unused vacation leave. Upon termination of employment, an employee is reimbursed for accumulated vacation days. Employees, upon termination of employment, do not receive compensation for accumulated and unused sick leave.

The entire compensated absence liability is reported on the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. For the proprietary fund, the entire amount of compensated absences is reported as a fund liability.

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

Invested in capital assets, net of related debt – consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, capital leases or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position – consists of net position with constraints placed on the use by either external groups such as creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt" are classified as unrestricted.

Fund Equity

The City reports fund balance classifications in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"). GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds.

The City classifies governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

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

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the City Council, which is the highest level of decision making authority, 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 nor committed; in addition, such assignments are made by City Council or by the City Manager.

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.

Unless specifically designated otherwise, fund expenditures and encumbrances are from restricted fund balance to the extent of restricted fund balance revenue, followed by committed fund balance, assigned fund balance, and unassigned fund balance, respectively.

Interfund Transactions

Transactions between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in the governmental funds and nonoperating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. Bond issuance costs and bond premiums are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Amortization of bond issuance costs and premiums are included in interest expense. The long-term debt consists primarily of bonds payable, capital leases, installment loans and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Use of Estimates

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

Deferred Revenue

Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Federal, state and private program revenues received and not yet expended by the City are recorded as deferred revenue.

In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the program proceeds, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Restricted assets in the General Fund include funds set aside for the construction of a community center; and in the Utility Fund, primarily, include reserves for repaying long-term debt and water meter deposits.

Statement of Cash Flows

For purposes of the statement of cash flows, the City's Proprietary Fund type considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

As required by State statutes, prior to October 1 each year the City Council adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, certain Special Revenue Funds, and the Proprietary Fund. Annual budgets are not adopted for the Memorial and Police funds. There is also no operating budget adopted for the Capital Projects Fund, as funds are budgeted on a total project basis.

The City Manager is authorized to transfer budgeted amounts within any fund as necessary to achieve the goals of the budget provided, however, that no such transfers shall be used to increase the total appropriation of any fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgeted amounts are reported as originally adopted and as amended by the City Council.

The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund presents a comparison of budgetary data to actual results of operations. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

NOTE 3 – DEPOSITS AND INVESTMENTS

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

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

As of September 30, 2021, the City had deposits and investments as follows:

Deposits with financial institutions	<u>\$ 8,699,116</u>
--------------------------------------	---------------------

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

Concentration of credit risk. The City's investment policy currently does not involve investment in any individual issuers.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy is that all deposits in excess of federal insurance amounts be collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. As of September 30, 2021, deposits are fully collateralized.

NOTE 4 – PROPERTY TAXES

The City of Tega Cay assesses and levies property taxes in accordance with applicable laws of the State of South Carolina. Real property and personal property of every description owned and used in the City, except that which is exempt from taxation under the Constitution and Laws of the State, is subject to taxation. An annual ordinance establishing the millage rate associated with the levy is adopted each year as a part of the budget adoption process.

Real property and all personal property other than vehicles are assessed for property tax purposes on January 1 of each year. All taxable property is assessed in proportion to its value on that date. The basis for value of taxable property within the City is taken from the records of the York County Auditor and the assessment for City tax purposes is the same as that levied by the County Auditor. Taxes are payable between September 30 and January 15 following their assessment. Unpaid amounts after January 15 are considered to be delinquent and are subject to penalties for late payment. New vehicle property taxes are assessed and levied within 120 days of the registration date of the vehicle and payment is due upon receipt of the property tax notice. Other vehicle property taxes are assessed and levied in the month the vehicle is scheduled for license renewal with the South Carolina Highway Department, and payment is due before the end of the month of the scheduled renewal.

The millage rate was 89.0 for the 2020 tax year and the assessed valuation of real property was \$65,106,749. The purpose of the levies was for current expenditures and to defray public expenditures of the City as well as to meet current indebtedness contracted by the City for general corporate purposes.

NOTE 5 – RECEIVABLES

Property tax receivables and other receivables at September 30, 2021, consist of the following:

	<u>Governmental Funds</u>	<u>Proprietary Fund</u>
Property Tax Receivables:		
Real property	\$ 180,080	\$ -
Vehicle	67,557	-
Less: allowance for uncollectibles	(7,000)	-
Total Property Tax Receivables	<u>\$ 240,637</u>	<u>\$ -</u>
Other Receivables:		
Intergovernmental	\$ 71,601	\$ -
Water and sewer	-	668,517
Franchise fees	179,719	-
Total Other Receivables	<u>\$ 251,320</u>	<u>\$ 668,517</u>

In the fund statements, property taxes have been recorded as an asset, offset by deferred revenues for the amount of delinquent property taxes, which were not collected within 60 days after the fiscal yearend. The modified accrual method of accounting is used and does not recognize revenue, which is not measurable and available to finance expenditures of the fiscal period.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the City’s governmental activities for the year ended September 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 5,972,563	\$ -	\$ -	\$ 5,972,563
Construction in progress	-	430,795	-	430,795
Total Capital Assets, Not Being Depreciated	<u>5,972,563</u>	<u>430,795</u>	<u>-</u>	<u>6,403,358</u>
Capital assets, being depreciated				
Buildings, improvements and fixed structures	17,433,689	24,350	-	17,458,039
Infrastructure	3,738,361	20,259	-	3,758,620
Furniture and equipment	3,357,700	144,209	(18,455)	3,483,454
Vehicles	2,954,526	382,365	-	3,336,891
Total Capital Assets, Being Depreciated	<u>27,484,276</u>	<u>571,183</u>	<u>(18,455)</u>	<u>28,037,004</u>
Less: accumulated depreciation				
Buildings, improvements and fixed structures	(5,475,027)	(477,486)	-	(5,952,513)
Infrastructure	(1,235,137)	(121,468)	-	(1,356,605)
Furniture and equipment	(2,088,631)	(288,306)	9,906	(2,367,031)
Vehicles	(2,456,186)	(239,802)	-	(2,695,988)
Total Accumulated Depreciation	<u>(11,254,981)</u>	<u>(1,127,062)</u>	<u>9,906</u>	<u>(12,372,137)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,229,295</u>	<u>(555,879)</u>	<u>(8,549)</u>	<u>15,664,867</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,201,858</u>	<u>\$ (125,084)</u>	<u>\$ (8,549)</u>	<u>\$ 22,068,225</u>

Depreciation expense for governmental activities was charged to functions as follows:

General government	\$ 135,785
Public works	124,081
Fire services	110,019
Police	315,637
Parks and recreation	41,709
Beach and swim	33,719
Golf course	366,112
	<hr/>
Total depreciation	<u>\$ 1,127,062</u>

Capital asset activity for the City's business-type activities for the year ended September 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
	<hr/>	<hr/>	<hr/>	<hr/>
Business-type Activities				
Capital assets, not being depreciated				
Water system	\$ 1,200,170	\$ 541,471	\$ (1,741,641)	\$ -
Total Capital Assets, Not Being Depreciated	<hr/> 1,200,170	<hr/> 541,471	<hr/> (1,741,641)	<hr/> -
Capital assets, being depreciated				
Water system	25,419,862	1,789,273	-	27,209,135
Legal and engineering fees	150,289	-	-	150,289
Vehicles and equipment	1,855,818	101,533	-	1,957,351
Software	35,699	-	-	35,699
Total Capital Assets, Being Depreciated	<hr/> 27,461,668	<hr/> 1,890,806	<hr/> -	<hr/> 29,352,474
Less: accumulated depreciation				
Water system	(6,931,968)	(844,880)	-	(7,776,848)
Legal and engineering fees	(100,193)	(5,009)	-	(105,202)
Vehicles and equipment	(1,035,722)	(162,203)	-	(1,197,925)
Software	(35,699)	-	-	(35,699)
Total Accumulated Depreciation	<hr/> (8,103,582)	<hr/> (1,012,092)	<hr/> -	<hr/> (9,115,674)
Total Capital Assets, Being Depreciated, Net	<hr/> 19,358,086	<hr/> 878,714	<hr/> -	<hr/> 20,236,800
Business-type Activities Capital Assets, Net	<hr/> <u>\$ 20,558,256</u>	<hr/> <u>\$ 1,420,185</u>	<hr/> <u>\$ (1,741,641)</u>	<hr/> <u>\$ 20,236,800</u>

NOTE 7 – LONG-TERM DEBT

The City issues bonds and notes to provide funds for the acquisition and construction of major capital facilities. The City uses capital leases to provide funds for the purchase vehicles and equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Revenue bonds are obligations of the City that are secured by revenue from the water and sewer funds.

In March 2013, the City issued its General Obligation Refunding Bonds Series 2013 in the amount of \$7,180,000, with interest rates ranging between 2.00% and 3.00%, to provide resources to currently refund the outstanding General Obligation Bonds Series 2009, General Obligation Bonds Series 2008 and General Obligation Bonds Series 2006 in the amount of \$316,871, \$224,760 and \$407,141, respectively, and to advance refund a portion of the outstanding General Obligation Bonds Series 2005 in the amount of \$5,820,000. The City deposited \$6,382,178 of the net proceeds in an irrevocable trust with an escrow agent to purchase U.S. government securities to provide for all future debt service on the refunded portion of the Series 2005 Bonds.

As a result, the Series 2009, 2008, and 2006 Bonds were redeemed in March 2013. The refunded portion of the Series 2005 Bonds is considered to be defeased until redemption in April 2015. Accordingly, the liability for the refunded bonds has been removed from the governmental activities column in the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$83,957. This amount is being netted against the new debt and is being amortized over the life of the new debt, which has the same life as the old debt. This refunding was undertaken to reduce total debt service payments over the next 17 years by \$554,614 and will result in an economic gain of \$527,024 (the difference between the present values of the debt service payments on the old and new debt). The remaining outstanding balance of the debt considered defeased as of September 30, 2021 was \$4,349,000.

In June 2020, the City issued the Waterworks and Sewer System Revenue Refunding Bond, Series 2020, in the amount of \$7,619,000 to provide resources to refund the Series 2014 Waterworks and Sewer System Improvement and Refunding Revenue Bond and the 2018 Waterworks and Sewer System Revenue Parity Bond. The City redeemed the 2014 and 2018 Bonds immediately upon delivery of the 2021 Bond.

In May 2021, the City issued an Installment Purchase Revenue Bond, Series 2021, in the amount of \$13,183,000. Of this, \$4,000,000 was used for the refunding of Series 2018, Installment Purchase Revenue Bond and the remaining \$9,183,000 is to be used towards the construction of Catawba Park.

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Principal
Outstanding at
Yearend

General Obligation Bonds

\$850,000 General Obligation Bonds Series 2012 was issued in June 2012 to provide funds to finance the purchase of the new City Hall. Principal payments are due in annual installments ranging from \$45,000 to \$70,000 each June 1. The interest rate of the Series 2012 Bonds is 3.04% and is payable semi-annually on each June 1 and December 1. The bonds range in maturity dates from 2013 to 2027.

\$ 392,000

\$7,180,000 General Obligation Refunding Bonds Series 2013, issued in March 2013, refunded the Series 2006, 2008 and 2008 General Obligation Bonds and partially refunded the Series 2005 General Obligation Bonds. Principal payments are due in annual installments ranging from \$160,000 to \$495,000 each April 1. The interest rates range from 2.0% to 3.0% and are payable semi-annually on each April 1 and October 1. The bonds range in maturity dates from 2014 to 2030.

4,055,000

\$2,184,000 General Obligation Bonds Series 2016 was issued in July 2016 to provide funds to finance the construction of a new fire department. Principal payments are due in annual installments ranging from \$154,000 to \$213,000 each April 1. The interest rate of the Series 2016 Bonds is 2.010% and is payable semi-annually on each April 1 and October 1. The bonds mature in 2031.

1,871,000

Total

\$ 6,318,000

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Principal
Outstanding at
Yearend

Revenue Bonds

\$619,000 Revenue Refunding Bond Series 2020, issued in June 2020 used to refund the Series 2014 and 2018 Revenue Bonds in the amount of \$7,619,000. The bonds are payable from revenues of the purchased system operations. Principal payments are due in annual installments ranging from \$492,000 to \$517,000 through June 2034 with interest at 2.04%.

\$ 7,127,000

On December 17, 2015, the City closed on the Waterworks and Sewer System Revenue Parity Bond, Series 2015, a State Revolving Fund loan, with total available funding in the amount of \$6,757,377. Total drawn against this loan at September 30, 2017 is \$6,492,879. The purpose of the loan is sewer rehabilitation of purchased private utility. Repayment of the principal and interest is due in 120 quarterly installments, with the first payment made April 1, 2017. The loan carries interest at 2.00% per annum.

5,750,568

\$13,183,000 General Obligation Bond Series 2021 was issued in May 2021 to provide funds to finance the construction of Catawba Park and for the refunding of Series 2018, Installment Purchase Revenue Bond. Principal payments are due in annual installments ranging from \$479,000 to \$1,451,000 each April 1. The interest rate of the Series 2021 Bonds is 2.54% and is payable semi-annually on each October 1 and April 1. The bonds mature in 2041.

13,183,000

Total

\$ 26,060,568

The following is a schedule of annual debt service requirements to maturity for the City's Governmental Activities outstanding bonds:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	\$ 1,152,000	\$ 440,992	\$ 1,592,992
2023	1,131,000	463,243	1,594,243
2024	1,163,000	433,210	1,596,210
2025	1,188,000	406,557	1,594,557
2026	1,217,000	378,261	1,595,261
2027-2031	6,561,000	1,412,800	7,973,800
2032-2036	4,351,000	608,965	4,959,965
2037-2041	2,738,000	212,065	2,950,065
	<u>\$ 19,501,000</u>	<u>\$ 4,356,093</u>	<u>\$ 23,857,093</u>

The following is a schedule of annual debt service requirements to maturity for the City's Business-type

Activities outstanding bonds and notes payable:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	\$ 740,234	\$ 258,578	\$ 998,812
2023	752,155	243,538	995,693
2024	764,176	228,256	992,432
2025	778,297	212,731	991,028
2026	801,522	196,918	998,440
2027-2031	4,234,746	734,258	4,969,004
2032-2036	3,284,098	304,040	3,588,138
2037-2041	741,796	112,902	854,698
2042-2046	705,993	45,105	751,098
2047	74,551	560	75,111
	<u>\$ 12,877,568</u>	<u>\$ 2,336,886</u>	<u>\$ 15,214,454</u>

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of software, golf course equipment, police vehicles and equipment for the City's Governmental Activities. The lease agreements qualify as capital leases for accounting purposes. Amortization of assets under capital leases for the year ended September 30, 2021 was \$324,744 and is included in depreciation expense.

The assets acquired through capital leases are as follows:

Vehicles and equipment	\$ 1,718,513
Less: accumulated amortization	<u>(599,857)</u>
	<u>\$ 1,118,656</u>

The future minimum lease obligations and the net present value of these lease payments as of September 30, 2021, were as follows:

Fiscal Year Ending September 30,	General Long-term Debt
2022	\$ 436,911
2023	381,667
2024	345,127
2025	<u>52,370</u>
Total lease payments	1,216,075
Less: amount representing interest	<u>(48,854)</u>
Present value of minimum lease payments	<u>\$ 1,167,221</u>

The City has entered into lease agreements as lessee for financing of the proprietary funds' acquisition of vehicles and equipment. The lease agreements qualify as capital leases for accounting purposes. Amortization of assets under capital leases for the year ended September 30, 2021 was \$162,713 and is included in depreciation expense.

The assets acquired through capital leases are as follows:

Utility vehicles and equipment	\$ 2,179,327
Less accumulated amortization	<u>(664,193)</u>
	<u>\$ 1,515,134</u>

The future minimum lease obligations and the net present value of these lease payments as of September 30, 2021, are as follows:

Fiscal Year Ending September 30,	General Long-term Debt
2022	\$ 336,021
2023	253,955
2024	191,046
2025	176,421
2026	98,906
Thereafter	<u>197,813</u>
Total lease payments	1,254,162
Less: amount representing interest	<u>(87,784)</u>
Present value of minimum lease payments	<u>\$ 1,166,378</u>

Note Payable

The City has entered into note payable agreements for additions of improvements and fixed structures. The notes mature 2024 and 2025.

Annual debt requirements for the notes payable are as follows:

Year Ending September 30,	Principal	Interest	Total
2022	\$ 53,366	\$ 4,526	\$ 57,892
2023	54,651	3,241	57,892
2024	55,967	1,925	57,892
2025	24,070	531	24,601
	<u>\$ 188,054</u>	<u>\$ 10,223</u>	<u>\$ 198,277</u>

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in the City’s long-term obligations for the year ended September 30, 2021:

Long-term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds:					
Series 2012	\$ 450,000	\$ -	\$ 58,000	\$ 392,000	\$ 60,000
Series 2013	4,490,000	-	435,000	4,055,000	450,000
Series 2016	2,030,000	-	159,000	1,871,000	163,000
Series 2018	4,000,000	-	4,000,000	-	-
Installment Purchase Revenue Bonds:					
Series 2021	-	13,183,000	-	13,183,000	479,000
Bond Premium	214,938	-	22,826	192,112	22,825
Total Bonds Payable	11,184,938	13,183,000	4,674,826	19,693,112	1,174,825
Other Liabilities:					
Capital Leases	1,375,474	200,900	409,153	1,167,221	412,997
Notes Payable	248,863	-	60,809	188,054	53,366
Compensated Absences	260,939	236,264	260,939	236,264	236,264
Total Other Liabilities	1,885,276	437,164	730,901	1,591,539	702,627
	\$ 13,070,214	\$ 13,620,164	\$ 5,405,727	\$ 21,284,651	\$ 1,877,452

Long-term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:					
Revenue Bonds:					
Series 2015	\$ 5,989,977	\$ -	\$ 239,409	\$ 5,750,568	\$ 244,234
Series 2020	7,619,000	-	492,000	7,127,000	496,000
Total Bonds Payable	13,608,977	-	731,409	12,877,568	740,234
Other Liabilities:					
Capital Leases	1,410,883	62,600	307,105	1,166,378	307,621
Compenstated Absences	31,364	31,029	31,364	31,029	31,029
Total Other Liabilities	1,442,247	93,629	338,469	1,197,407	338,650
	\$ 15,051,224	\$ 93,629	\$ 1,069,878	\$ 14,074,975	\$ 1,078,884

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances at September 30, 2021, all of which are expected to be received or paid within one year, consisted of the following individual fund receivables and payables:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 95,345	\$ -
Special Revenue Funds		
Events and Tourism	-	25,294
Beach and Swim Club	-	2,156
Hospitality	-	203
Utility Fund	-	67,692
Total	<u>\$ 95,345</u>	<u>\$ 95,345</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended September 30, 2021 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 8,288	\$ -
Beach and Swim Club	-	8,288
Hospitality Tax	-	115,500
Events and Tourism	115,500	-
	<u>\$ 123,788</u>	<u>\$ 123,788</u>

Transfers are used to (1) move unrestricted general fund revenues to finance various programs that the government accounts for in other funds, (2) move revenues from the utility system to the general government to forestall need for tax increases and to finance various programs benefiting the utility system that the government accounts for in other funds, and (3) move other unrestricted revenues to the general fund.

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS – PENSION FUNDS

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

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

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

Plan Descriptions

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivision of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party record keepers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, the State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.
- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefits 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 fire fighters. PORS also covers peace officers, coroners, probate judges and magistrates.

Membership

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

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly

beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

- State ORP – As an alternative to membership SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; 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 service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

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

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

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

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

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

Contributions

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

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial values of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that

the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July first, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2021¹</u>	<u>Fiscal Year 2020¹</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP		
Employee	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2021¹</u>	<u>Fiscal Year 2020¹</u>
SCRS		
Employee Class Two	15.41%	15.41%
Employee Class Three	15.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution (2)	15.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	17.84%	17.84%
Employee Class Three	17.84%	17.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

- (1) Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.
- (2) Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019 for first use in the July 1, 2021 actuarial valuation.

The June 30, 2020, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles.

The following provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2020:

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) ¹	3.5% to 9.5% (varies by service) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
¹ Includes inflation at 2.25%		

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumption, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2020 TPL are as follows.

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

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2020, for SCRS and PORS are presented below.

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Position Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 51,844,187,763	\$ 26,292,418,682	\$25,551,769,081	50.7%
PORS	8,046,386,629	4,730,174,642	3,316,211,987	58.8%

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

Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity ^{1,2}	35.0%	7.81%	2.73%
Private Equity ^{2,3}	9.0%	8.91%	0.80%
Equity Options Strategies ¹	7.0%	5.09%	0.36%
Real Assets	12.0%		
Real Estate (Private) ^{2,3}	8.0%	5.55%	0.44%
Real Estate (REITs) ²	1.0%	7.78%	0.08%
Infrastructure (Private) ^{2,3}	2.0%	4.88%	0.10%
Infrastructure (Public) ²	1.0%	7.05%	0.07%
Opportunistic	8.0%		
Global Tactical Asset Allocation ¹	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
Credit	15.0%		
High Yield Bonds/Bank Loans ^{1,2}	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt ^{2,3}	7.0%	5.79%	0.40%
Rate Sensitivity	14.0%		
Core Fixed Income ¹	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
Total Expected Real Return ⁴	100.0%		5.80%
Inflation for Actuarial Purposes			2.25%
			8.05%

- (1) Portable Alpha Strategies will be capped at 12% of total assets; Hedge funds (including all hedge funds used in portable alpha implementation) capped at 20%
- (2) The target weights to Private Equity, Private Debt, Private Infrastructure and Private Real Estate will be equal to their actual weights as of prior month end. Private Equity and Public Equity combine for 44 percent of entire portfolio. Private Debt and High Yield/Bank Loans combine for 11 percent of the entire portfolio. Private Infrastructure combine for 3 percent of the entire portfolio. Private Real Estate and Real Estate (REITs) combine for 9 percent of entire portfolio.
- (3) RSIC staff and Consultant will notify the Commission if Private Markets assets exceed 25% of total assets.
- (4) The expected return for each of the Portable Alpha asset classes includes the expected return attributed to the Overlay Program. For benchmarking purposes there is a 10% weight assigned to Portable Alpha Hedge Funds in the Policy Benchmark.

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected

to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following table presents the City’s proportionate share of net pension liability of the plans calculated using the discount rate of 7.25 percent, as well as what the employer’s NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 7,690,485	\$ 6,205,120	\$ 4,964,822
PORS	\$ 6,767,771	\$ 5,112,260	\$ 3,782,990

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

At September 30, 2021, the City reported a liability of \$11,317,380 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

For the year ended September 30, 2021, the City recognized pension expense of \$1,827,741 which consisted of contributions to the System of \$899,186 and an increase in expense of \$928,555, as a result of the increase in the net pension liability related to GASB 68 requirements. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 71,599	\$ 23,464
Assumption changes	7,602	-
Net difference between projected and actual earnings on pension plan investments	456,438	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	164,498	-
City contributions subsequent to the measurement date	455,101	-
Total SCRS	<u>1,155,238</u>	<u>23,464</u>
PORS		
Differences between expected and actual experience	108,646	22,503
Assumption changes	62,386	-
Net difference between projected and actual earnings on pension plan investments	523,484	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	222,213	-
City contributions subsequent to the measurement date	444,085	-
Total PORS	<u>1,360,814</u>	<u>22,503</u>
Total SCRS and PORS	<u>\$ 2,516,052</u>	<u>\$ 45,967</u>

The amount of \$455,101 and \$444,085 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ending September 30,	SCRS	PORS	Total
2022	\$ 169,848	\$ 214,135	\$ 383,983
2023	169,848	214,135	383,983
2024	169,848	214,135	383,983
2025	167,129	214,135	381,264
2026	-	37,686	37,686
Net Balance of Deferred Outflow/(Inflow) of Resources	<u>\$ 676,673</u>	<u>\$ 894,226</u>	<u>\$ 1,570,899</u>

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2020, and the accounting and financial reporting actuarial valuation as of June 30, 2020. Additional financial information supporting the preparation of

the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' CAFR.

NOTE 11 – DEFERRED COMPENSATION PLANS

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401(k). The plan, available to all City employees, permits them to defer a portion of their salary until future years. The employer's plan, created under Internal Revenue Code Section 401(k) is administered by a third party and is included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the Section 401(k) plan is placed in trust for the contributing employee. Employees may also withdraw the current value of their contributions prior to termination if they meet requirements specified by the applicable plan. The City has no liability for losses under the plans.

NOTE 12 – RISK MANAGEMENT AND RETENTION

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered through participation in an insurance purchasing public entity risk pool sponsored by the South Carolina Municipal Association. The City pays an annual premium to the pool and may be subject to supplemental premium assessment should pool claims exceed certain levels. Pool claims have not exceeded those levels in any of the past four years.

There have been no significant reductions in insurance coverage during the fiscal year ended September 30, 2021.

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NOTE 13 – FUND BALANCE CLASSIFICATIONS

	Special Revenue Funds							Total Governmental Funds
	General Fund	Memorial	Police	Beach and Swim Club	Hospitality Tax	Golf Club	Events and Tourism	
Fund Balances								
Nonspendable								
Prepaid	\$ 85,378	\$ -	\$ -	\$ -	\$ -	\$ 22,263	\$ -	\$ 107,641
Inventory	-	-	-	-	-	70,256	-	70,256
Restricted								
In accordance with								
donor stipulations	8,672,130	1,616	-	-	-	-	-	8,673,746
Victims' rights	-	-	-	-	-	-	-	-
Hospitality	-	-	-	-	199,746	-	(120)	199,626
Committed								
Police	-	-	6,240	-	-	-	-	6,240
Beach and Swim	-	-	-	38,201	-	-	-	38,201
Unassigned	6,095,633	-	-	-	-	761,407	-	6,857,040
Total	<u>\$ 14,853,141</u>	<u>\$ 1,616</u>	<u>\$ 6,240</u>	<u>\$ 38,201</u>	<u>\$ 199,746</u>	<u>\$ 853,926</u>	<u>\$ (120)</u>	<u>\$ 15,952,750</u>

NOTE 14 – COMMITMENTS

The City has entered into various construction contracts for construction of Catawba Park Project. As of September 30, 2021, approximately \$10,863,000 remains on the commitments. The commitments are funded by bond issues obtained by the City.

NOTE 15 – TAX ABATEMENTS

Other Tax Abatements

The City's property tax revenues were reduced by approximately \$100,013 under agreements entered into by York County.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TEGA CAY

SCHEDULE OF PENSION PLAN CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM
LAST 7 FISCAL YEARS

	2021	2019	2018	2017	2016	2015
<u>SCRS</u>						
Contractually required contribution	\$ 455,101	\$ 381,034	\$ 337,284	\$ 284,612	\$ 234,049	\$ 199,908
Contributions in relation to the contractually required contribution	(455,101)	(381,034)	(337,284)	(284,612)	(234,049)	(199,908)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,907,401	\$ 2,594,356	\$ 2,464,905	\$ 2,380,264	\$ 2,118,082	\$ 1,852,173
Contributions as a percentage of covered-employee payroll	15.65%	14.69%	13.70%	11.96%	11.05%	10.79%
<u>PORS</u>						
Contractually required Contribution	\$ 444,085	\$ 389,694	\$ 349,421	\$ 279,516	\$ 221,755	\$ 206,535
Contributions in relation to the contractually required contribution	(444,085)	(389,694)	(349,421)	(279,516)	(221,755)	(206,535)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,458,933	\$ 2,247,744	\$ 2,168,612	\$ 1,941,511	\$ 1,645,502	\$ 1,577,034
Contributions as a percentage of covered-employee payroll	18.06%	17.34%	16.10%	14.40%	13.48%	13.1%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

CITY OF TEGA CAY

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM
LAST 7 FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015
<u>SCRS</u>							
City's proportion of the net pension liability	0.024%	0.024%	0.023%	0.023%	0.021%	0.018%	0.014%
City's proportionate share of the net pension liability	\$ 6,205,120	\$ 5,458,394	\$ 5,221,890	\$ 5,122,742	\$ 4,405,470	\$ 3,417,390	\$ 2,379,518
City's covered-employee payroll	\$ 2,797,715	\$ 2,594,356	\$ 2,464,905	\$ 2,380,264	\$ 2,118,082	\$ 1,852,173	\$ 1,367,972
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	221.8%	210.4%	211.9%	215.2%	207.9%	184.51%	173.9%
Plan fiduciary net position as a percentage of the total pension liability	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%

PORS

	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.154%	0.152%	0.149%	0.134%	0.123%	0.116%	0.109%
City's proportionate share of the net pension liability	\$ 5,112,260	\$ 4,364,384	\$ 4,228,756	\$ 3,657,834	\$ 3,108,906	\$ 2,531,529	\$ 2,083,223
City's covered-employee payroll	\$ 2,407,549	\$ 2,247,744	\$ 2,168,612	\$ 1,941,511	\$ 1,645,502	\$ 1,577,034	\$ 1,385,035
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	212.3%	194.2%	195.0%	188.4%	188.9%	160.5%	150.4%
Plan fiduciary net position as a percentage of the total pension liability	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%	67.5%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

CITY OF TEGA CAY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2021

Method and Assumptions Used in Calculations of Actuarially Determined Contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of September 30, 2020, one year prior to the end of the fiscal year in which contributions are reported. The actuarial methods and assumptions used to determine the contractually required contributions for the year ended September 30, 2021 reported in that schedule can be found in Note 10 of the basic financial statements.

OTHER SUPPLEMENTARY INFORMATION

GENERAL FUND

The General Fund is the City's main operating fund and is used to account for all financial resources traditionally associated with government except those required to be accounted for in another fund.

CITY OF TEGA CAY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (continued)
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Real property	\$ 5,772,905	\$ 5,772,905	\$ 6,059,760	\$ 286,855
Vehicle	614,314	614,314	694,020	79,706
Tax penalties	10,000	10,000	16,138	6,138
Totals	<u>6,397,219</u>	<u>6,397,219</u>	<u>6,769,918</u>	<u>372,699</u>
Fines, fees, licenses and permits				
Court fines and forfeitures	188,000	188,000	135,917	(52,083)
Parking tickets	3,000	3,000	7,950	4,950
Franchise fees	558,950	558,950	528,190	(30,760)
Inspection and permit fees	745,729	745,729	1,172,003	426,274
Business licenses	1,250,894	1,250,894	1,675,334	424,440
Recreation fees	437,510	437,510	486,892	49,382
Trash fees	890,630	890,630	903,331	12,701
Impact fees	801,120	801,120	1,341,876	540,756
Waste management fees	800	800	875	75
Security fees	32,000	32,000	43,646	11,646
Totals	<u>4,908,633</u>	<u>4,908,633</u>	<u>6,296,014</u>	<u>1,387,381</u>
Intergovernmental				
State shared	180,666	180,666	223,984	43,318
Totals	<u>180,666</u>	<u>180,666</u>	<u>223,984</u>	<u>43,318</u>
Other				
Interest	3,000	3,000	2,227	(773)
Sponsorships	21,000	21,000	29,500	8,500
Grants	-	-	264,356	264,356
Rentals	101,257	101,257	68,942	(32,315)
Other	2,500	2,500	65,571	63,071
Totals	<u>127,757</u>	<u>127,757</u>	<u>430,596</u>	<u>302,839</u>
Total Revenues	<u>\$ 11,614,275</u>	<u>\$ 11,614,275</u>	<u>\$ 13,720,512</u>	<u>\$ 2,106,237</u>

(continued)

CITY OF TEGA CAY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (continued)
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures				
General Government				
Municipal Council				
Salaries	\$ 20,400	\$ 20,400	\$ 20,400	\$ -
Employee benefits	3,113	3,113	16,881	(13,768)
Travel and training	7,500	7,500	3,700	3,800
Meeting expense	2,000	2,000	2,061	(61)
Flowers	500	500	502	(2)
Dues and subscriptions	150	150	-	150
Total Municipal Council	33,663	33,663	43,544	(9,881)
Municipal Court				
Salaries	113,313	113,313	117,617	(4,304)
Employee benefits	36,879	36,879	38,442	(1,563)
Jurors	300	300	160	140
Supplies	2,500	2,500	2,250	250
Travel and training	3,000	3,000	2,253	747
Video conferencing	5,000	5,000	4,403	597
Postage	50	50	17	33
Cell phone	480	480	527	(47)
Victim's assistance	15,040	15,040	18,352	(3,312)
Public defender	7,520	7,520	13,939	(6,419)
Reimbursement to other governments	90,240	90,240	57,460	32,780
Total Municipal Court	274,322	274,322	255,420	18,902
Administration				
Salaries	468,605	468,605	467,229	1,376
Employee benefits	156,445	156,445	165,867	(9,422)
Professional services	30,500	30,500	25,968	4,532
HR training and development	17,000	17,000	9,892	7,108
Data processing services	23,000	23,000	27,277	(4,277)
Codify ordinances	1,050	1,050	550	500
Contract services	8,800	8,800	8,970	(170)
Auto operation	1,200	1,200	1,292	(92)
Copier	10,000	10,000	10,584	(584)
IT expenses	5,000	5,000	4,712	288
Office supplies	19,000	19,000	26,925	(7,925)
Other	5,000	5,000	4,237	763
Travel and training	10,000	10,000	7,579	2,421
Cell phone	4,500	4,500	4,110	390
Postage	3,600	3,600	3,470	130
Repairs and maintenance	2,100	2,100	1,109	991
Software maintenance	11,000	11,000	3,963	7,037
Legal advertising	2,000	2,000	741	1,259
Dues and subscriptions	9,000	9,000	9,336	(336)
Total Administration	787,800	787,800	783,811	3,989
Total General Government	1,095,785	1,095,785	1,082,775	13,010

(continued)

CITY OF TEGA CAY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (continued)
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures				
Developmental Services				
Salaries	\$ 389,895	\$ 389,895	\$ 349,169	\$ 40,726
Employee benefits	137,078	137,078	112,701	24,377
Professional services	10,000	10,000	7,091	2,909
Copier	4,091	4,091	6,800	(2,709)
IT expenses	2,000	2,000	5,077	(3,077)
Software maintenance	9,649	9,649	10,657	(1,008)
Supplies	8,000	8,000	5,389	2,611
Travel and training	5,795	5,795	5,774	21
Cell phone	3,500	3,500	2,439	1,061
Auto operation	2,000	2,000	1,402	598
Vehicle maintenance	750	750	1,271	(521)
Dues and subscriptions	1,365	1,365	455	910
Total Developmental Services	574,123	574,123	508,225	65,898
Public Works				
Salaries	455,553	455,553	442,967	12,586
Employee benefits	196,523	196,523	221,505	(24,982)
Medical	500	500	1,432	(932)
Professional services	3,000	3,000	935	2,065
Uniforms	7,000	7,000	7,696	(696)
Auto operation	15,000	15,000	16,045	(1,045)
BCAC	9,500	9,500	-	9,500
Other	-	-	8,088	(8,088)
Tree care	9,000	9,000	6,900	2,100
Tree work	15,000	15,000	15,650	(650)
Landfill charges	1,000	1,000	-	1,000
Small tools	1,500	1,500	2,501	(1,001)
Supplies	22,000	22,000	23,685	(1,685)
Travel and training	2,500	2,500	1,051	1,449
Cell phone	7,000	7,000	6,480	520
Repairs - equipment	4,000	4,000	4,284	(284)
Building grounds/maintenance	15,000	15,000	12,218	2,782
Vehicle maintenance	12,000	12,000	14,448	(2,448)
Street maintenance	90,000	90,000	41,008	48,992
Equipment lease	35,920	35,920	36,235	(315)
Contract lawn care	53,000	53,000	51,812	1,188
Dues and subscriptions	300	300	297	3
IT expenses	2,400	2,400	3,637	(1,237)
Landscape Maintenance	25,000	25,000	26,578	(1,578)
Total Public Works	982,696	982,696	945,452	37,244

(continued)

CITY OF TEGA CAY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (continued)
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures				
Police Department				
Salaries	\$ 1,728,263	\$ 1,728,263	\$ 1,742,025	\$ (13,762)
Employee benefits	753,400	753,400	818,537	(65,137)
Medical	2,000	2,000	5,515	(3,515)
Uniforms	20,000	20,000	24,634	(4,634)
Auto operation	45,000	45,000	51,642	(6,642)
Boat operations	1,500	1,500	633	867
Postage	400	400	284	116
Software maintenance	51,095	51,095	45,162	5,933
Supplies	30,000	30,000	42,101	(12,101)
Office supplies	10,000	10,000	10,199	(199)
Travel and training	30,000	30,000	29,889	111
Cell phones	26,670	26,670	26,167	503
Board and lodge prisoners	12,500	12,500	7,953	4,547
Repairs - equipment	6,000	6,000	7,767	(1,767)
Building/grounds maintenance	5,000	5,000	13,599	(8,599)
Repairs - vehicle	22,000	22,000	18,666	3,334
Dues and subscription	2,500	2,500	2,916	(416)
Copier	16,714	16,714	23,550	(6,836)
Vehicle lease	173,850	173,850	181,164	(7,314)
IT expenses	15,000	15,000	18,884	(3,884)
Community relations	7,500	7,500	6,967	533
Capital Outlay	-	-	353,477	(353,477)
Total Police Department	2,959,392	2,959,392	3,431,731	(472,339)
Fire Services				
Salaries	1,102,050	1,102,050	1,092,071	9,979
Employee benefits	465,604	465,604	493,954	(28,350)
Medical	6,750	6,750	5,073	1,677
Uniforms	38,992	38,992	32,888	6,104
Fuel	15,000	15,000	14,291	709
Supplies	15,880	15,880	11,441	4,439
Travel and training	38,585	38,585	13,537	25,048
Cell phones	3,000	3,000	1,833	1,167
Utilities	16,000	16,000	16,627	(627)
Repairs - vehicle	33,300	33,300	53,250	(19,950)
Repairs - equipment	20,473	20,473	12,628	7,845
Contribution	20,650	20,650	20,650	-
Building and grounds maintenance	23,848	23,848	21,388	2,460
Apparatus and equipment	52,740	52,740	29,916	22,824
Volunteer response	6,000	6,000	60	5,940
EMS	4,200	4,200	3,930	270
IT expenses	14,940	14,940	15,922	(982)
Equipment lease	40,577	40,577	40,165	412
Dues and subscriptions	1,630	1,630	759	871
Capital outlay	-	-	72,211	(72,211)
Total Fire Services	1,920,219	1,920,219	1,952,594	(32,375)

(continued)

CITY OF TEGA CAY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (continued)
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures				
Parks and Recreation				
Salaries	\$ 274,701	\$ 274,701	\$ 275,377	\$ (676)
Employee benefits	112,525	112,525	118,962	(6,437)
Medical	250	250	299	(49)
Sports uniforms	82,575	82,575	91,927	(9,352)
Uniforms	900	900	757	143
Referees/extra help	45,000	45,000	40,874	4,126
Supplies	10,000	10,000	18,941	(8,941)
Travel and training	3,200	3,200	4,985	(1,785)
Auto operations	4,500	4,500	5,085	(585)
Vehicle maintenance	2,000	2,000	1,990	10
Cell phones	4,500	4,500	4,321	179
Equipment repairs and maintenance	2,500	2,500	4,868	(2,368)
Contract grounds maintenance	40,000	40,000	35,855	4,145
Athletic field supplies	3,500	3,500	3,028	472
Recreation equipment	14,000	14,000	12,843	1,157
Professional insurance	5,000	5,000	7,684	(2,684)
Dues and subscription	800	800	940	(140)
Entry fees	4,000	4,000	2,439	1,561
Park maintenance	55,000	55,000	62,858	(7,858)
Trail maintenance	2,500	2,500	5,780	(3,280)
Doggie stations	7,000	7,000	6,604	396
Field usage	10,000	10,000	-	10,000
IT expenses	-	-	444	(444)
Capital outlay	8,000	8,000	455,417	(447,417)
Total Parks and Recreation	692,451	692,451	1,162,278	(469,827)
Non-departmental				
Safety program	30,000	30,000	25,099	4,901
Flags	2,000	2,000	1,913	87
Employees program	2,250	2,250	2,045	205
Street lights	25,000	25,000	22,866	2,134
Median lighting	4,000	4,000	960	3,040
Computer repair	63,000	63,000	86,977	(23,977)
Operational contingency	215,518	215,518	-	215,518
C-Fund road work	-	-	64,229	(64,229)
Legal fees	85,000	85,000	67,191	17,809
Property insurance	220,000	220,000	233,456	(13,456)
Waste management services	940,608	940,608	968,762	(28,154)
Utilities	143,000	143,000	172,867	(29,867)
Stormwater fees	15,660	15,660	15,660	-
City Hall building expenses	20,000	20,000	8,094	11,906
RFATS	10,000	10,000	18,310	(8,310)

(continued)

CITY OF TEGA CAY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (continued)
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures				
Non-departmental (continued)				
Other	\$ -	\$ -	\$ 71,707	\$ (71,707)
Retail recruitment	71,250	71,250	46,705	24,545
Stonecrest HOA dues	5,000	5,000	5,000	-
Total Non-departmental	<u>1,852,286</u>	<u>1,852,286</u>	<u>1,811,841</u>	<u>40,445</u>
Debt Service				
Principal	1,032,571	1,032,571	4,892,057	(3,859,486)
Interest and fiscal charges	-	-	328,675	(328,675)
Total Debt Service	<u>1,032,571</u>	<u>1,032,571</u>	<u>5,220,732</u>	<u>(4,188,161)</u>
Total Expenditures	<u>11,109,523</u>	<u>11,109,523</u>	<u>16,115,628</u>	<u>(5,006,105)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>504,752</u>	<u>504,752</u>	<u>(2,395,116)</u>	<u>(2,899,868)</u>
Other Financing Sources (Uses)				
Proceeds from debt issuance	-	-	13,383,900	13,383,900
Sale of general capital assets	5,000	5,000	8,590	3,590
Transfers in/(out)				
Catawba Park Fund	(518,040)	(518,040)	-	518,040
Beach and Swim Club Fund	8,288	8,288	8,288	-
Total Other Financing Sources (Uses)	<u>(504,752)</u>	<u>(504,752)</u>	<u>13,400,778</u>	<u>13,905,530</u>
Net Change in Fund Balance	-	-	11,005,662	11,005,662
Fund Balance, beginning	<u>3,847,479</u>	<u>3,847,479</u>	<u>3,847,479</u>	<u>-</u>
Fund Balance, ending	<u>\$ 3,847,479</u>	<u>\$ 3,847,479</u>	<u>\$ 14,853,141</u>	<u>\$ 11,005,662</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the specific revenues that are legally restricted to expenditures for particular purposes. The City of Tega Cay utilizes Six Special Revenue Funds described below:

Memorial Fund - The Memorial Fund was established to account the receipt of memorial gifts and expenditures relating to planting of trees and beautification projects on city property.

Police Fund - The Police Fund was established to account for the receipt of drug-related seizures and the expenditures of those funds, which are used for drug-related crime prevention.

Beach and Swim Club Fund - The Beach and Swim Club Fund was established to account for member dues and the related expenditures associated with the operations of the club.

Golf Club Fund - The Golf Club Fund is used to account for the revenues and expenditures of Tega Cay Golf and Conference Center.

Hospitality Tax Fund - The Hospitality Tax Fund is used to account for receipts from the hospitality tax collected from local businesses and expenditures relating to tourism promotion.

Events and Tourism Fund - The Events and Tourism Fund was established for purposes of providing for orderly administration and funding of Community Events and allocation of hospitality funds collected for tourism and related functions.

CITY OF TEGA CAY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET SCHEDULE
SEPTEMBER 30, 2021

	Memorial	Police	Beach and Swim Club	Golf Club	Hospitality Tax	Events and Tourism	Total
Assets							
Cash and cash investments	\$ 1,616	\$ 6,240	\$ 40,358	\$ 1,048,956	\$ 167,471	\$ 25,174	\$ 1,289,815
Accounts receivable	-	-	-	46,074	32,477	-	78,551
Inventory	-	-	-	70,256	-	-	70,256
Prepaid expenses	-	-	-	22,263	-	-	22,263
Total Assets	\$ 1,616	\$ 6,240	\$ 40,358	\$ 1,187,549	\$ 199,948	\$ 25,174	\$ 1,460,885
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ 214,355	\$ -	\$ -	\$ 214,355
Accrued expenses	-	-	-	42,081	-	-	42,081
Unearned revenue	-	-	-	77,187	-	-	77,187
Due to other funds	-	-	2,157	-	202	25,294	27,653
Total Liabilities	-	-	2,157	333,623	202	25,294	361,276
Fund Balances							
Nonspendable	-	-	-	92,519	-	-	92,519
Restricted	1,616	-	-	-	199,746	(120)	201,242
Committed	-	6,240	38,201	-	-	-	44,441
Unassigned	-	-	-	761,407	-	-	761,407
Total Fund Balances	1,616	6,240	38,201	853,926	199,746	(120)	1,099,609
Total Liabilities and Fund Balances	\$ 1,616	\$ 6,240	\$ 40,358	\$ 1,187,549	\$ 199,948	\$ 25,174	\$ 1,460,885

CITY OF TEGA CAY
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2021

	Memorial	Police	Beach and Swim Club	Golf Club	Hospitality Tax	Events and Tourism	Total
Revenues							
Hospitality tax	\$ -	\$ -	\$ -	\$ -	\$ 352,705	\$ -	\$ 352,705
Event fees	-	-	-	-	-	24,640	24,640
Memberships	-	-	158,426	-	-	-	158,426
Golf	-	-	-	2,145,121	-	-	2,145,121
Pool and tennis	-	-	-	16,824	-	-	16,824
Club rentals	-	-	706	-	-	-	706
Drug seizures	-	3,881	-	-	-	-	3,881
Interest	-	-	3	25	-	-	28
Other	-	-	9,196	-	-	-	9,196
Total Revenues	-	3,881	168,331	2,161,970	352,705	24,640	2,711,527
Expenditures							
Salaries	-	-	6,595	-	-	-	6,595
Employee benefits	-	-	2,925	-	-	-	2,925
Pool management	-	-	46,400	-	-	-	46,400
Sanitation	-	-	1,800	-	-	-	1,800
Supplies	-	-	4,291	-	-	-	4,291
Advertising	-	-	107	-	7,903	-	8,010
Other	-	3,161	8,135	-	12,859	-	24,155
Utilities	-	-	25,486	-	-	-	25,486
Equipment repairs and maintenance	-	-	12,348	-	-	-	12,348
Building and grounds maintenance	-	-	5,580	-	108,646	-	114,226
Professional insurance	-	-	1,505	-	-	-	1,505
Golf club management	-	-	-	1,479,717	-	-	1,479,717
Community Events	-	-	-	-	-	127,819	127,819
Capital outlay	-	-	-	76,265	44,608	-	120,873
Debt service							
Principal	-	-	7,658	199,851	21,996	-	229,505
Interest	-	-	303	17,939	2,621	-	20,863
Total Expenditures	-	3,161	123,133	1,773,772	198,633	127,819	2,226,518
Excess of Revenues Over (Under) Expenditures	-	720	45,198	388,198	154,072	(103,179)	485,009
Other Financing Sources (Uses)							
Transfers in/(out)							
Special revenue fund	-	-	-	-	(115,500)	115,500	-
General fund	-	-	(8,288)	-	-	-	(8,288)
Total Other Financing Sources (Uses)	-	-	(8,288)	-	(115,500)	115,500	(8,288)
Net Change in Fund Balances	-	720	36,910	388,198	38,572	12,321	476,721
Fund Balances, beginning	1,616	5,520	1,291	465,728	161,174	(12,441)	622,888
Fund Balances, ending	\$ 1,616	\$ 6,240	\$ 38,201	\$ 853,926	\$ 199,746	\$ (120)	\$ 1,099,609

CITY OF TEGA CAY
SPECIAL REVENUE FUNDS - GOLF CLUB
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	Final Budgeted	Actual Amounts	Variance with Final Budget
Revenues			
Golf	\$ 1,438,417	\$ 2,145,121	\$ 706,704
Pool and tennis	10,296	16,824	6,528
Interest	-	25	25
Total Revenues	<u>1,448,713</u>	<u>2,161,970</u>	<u>713,257</u>
Expenditures			
Golf	318,124	369,029	(50,905)
Pool and tennis	10,940	44,407	(33,467)
Golf course maintenance	544,428	564,553	(20,125)
Property operations	19,325	23,985	(4,660)
Sales and marketing	14,150	11,647	2,503
Utilities	44,130	37,491	6,639
Insurance	17,700	16,395	1,305
PTEB	86,110	67,981	18,129
Depreciation	20,231	-	20,231
Equipment lease	-	199,851	(199,851)
Lease interest	7,774	7,760	14
General and administrative	140,922	230,822	(89,900)
Debt service			
Principal	-	193,285	(193,285)
Interest	-	6,566	(6,566)
Total Expenditures	<u>1,223,834</u>	<u>1,773,772</u>	<u>(549,938)</u>
Net Change in Fund Balances	224,879	388,198	163,319
Fund Balances, beginning	<u>465,728</u>	<u>465,728</u>	<u>-</u>
Fund Balances, ending	<u>\$ 690,607</u>	<u>\$ 853,926</u>	<u>\$ 163,319</u>

ENTERPRISE FUNDS

Enterprise 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 governing body is that the cost of providing goods and services to the general public be financed or recovered primarily through user charges. The City of Tega Cay has three Enterprise Funds described below:

Utility Fund - The Utility Fund accounts for the revenues and expenses relating to providing water and sewer to the residents of Tega Cay.

Stormwater Fund - The Stormwater Fund accounts for the revenues and expenses relating to providing stormwater services to the residents of Tega Cay.

CITY OF TEGA CAY
UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	Budget	Actual Amounts	Variance with Final Budget
Operating Revenues			
Tap fees	\$ 325,000	\$ 611,932	\$ 286,932
Impact fees	187,100	323,521	136,421
Irrigation taps	10,000	28,750	18,750
Water fees	2,508,789	2,494,526	(14,263)
Sewer fees	2,675,486	2,888,875	213,389
Water activation fees	20,000	30,250	10,250
Reconnect fees	20,000	15,975	(4,025)
Penalties	8,500	10,043	1,543
Fire Hydrant Rental	2,000	3,300	1,300
Miscellaneous	5,000	15,215	10,215
Total Operating Revenues	5,761,875	6,422,387	660,512
Operating Expenses			
Salaries	937,213	853,517	83,696
Employee benefits	345,937	477,817	(131,880)
Legal and professional services	125,000	92,594	32,406
Water purchased	1,058,026	908,849	149,177
Sewer treatment fees	709,842	787,313	(77,471)
Sewer clean-out	35,000	16,201	18,799
Water testing	6,000	4,137	1,863
Meters and supplies	155,000	163,782	(8,782)
Small tools	10,000	10,792	(792)
Training and education	12,000	7,211	4,789
Auto expense	22,500	27,876	(5,376)
Cell phone	8,000	7,385	615
Miscellaneous	9,200	-	9,200
Chemicals	75,000	65,443	9,557
Depreciation	-	945,296	(945,296)
Utilities	201,000	179,845	21,155
Sludge hauling	120,000	87,498	32,502
Treatment plant maintenance	150,000	129,228	20,772
Office supplies	500	941	(441)
Copier lease	3,000	3,845	(845)
Lift station maintenance	65,000	94,030	(29,030)
Billing	28,000	24,252	3,748
Lease payment	266,499	-	266,499
Vehicle maintenance	15,000	16,755	(1,755)
Contingency	287,431	14,578	272,853
Software maintenance	30,500	45,853	(15,353)
Insurance	30,000	31,679	(1,679)
Water tower maintenance	46,500	48,423	(1,923)
Dues and subscriptions	2,000	1,467	533
SDW act	20,000	15,286	4,714
Total Operating Expenses	4,774,148	5,061,893	(287,745)
Operating Income	987,727	1,360,494	372,767

(continued)

CITY OF TEGA CAY
UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL (continued)
YEAR ENDED SEPTEMBER 30, 2021

	Budget	Actual Amounts	Variance with Final Budget
Nonoperating Revenues (Expenses)			
Interest revenue	\$ 4,600	\$ 28	\$ (4,572)
Interest expense and fiscal charges	(992,327)	(286,172)	706,155
Total Nonoperating Revenues (Expenses)	(987,727)	(286,144)	701,583
Change in Net Position	-	1,074,350	1,074,350
Net Position, beginning	5,757,017	5,757,017	-
Net Position, ending	\$ 5,757,017	\$ 6,831,367	\$ 1,074,350

CITY OF TEGA CAY
STORMWATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Operating Revenues			
Stormwater compliance fees	\$ 569,000	\$ 576,101	\$ 7,101
Total Operating Revenues	<u>569,000</u>	<u>576,101</u>	<u>7,101</u>
Operating Expenses			
Salaries	191,897	183,414	8,483
Employee benefits	88,311	104,115	(15,804)
Professional services	22,000	7,180	14,820
Travel and training	1,000	12	988
Cell phone	2,000	2,140	(140)
Permits	2,200	2,000	200
Billing services	2,250	2,301	(51)
Vehicle maintenance	30,000	39,889	(9,889)
Insurance	5,000	5,280	(280)
Auto expense	20,000	20,975	(975)
Vehicle lease	76,231	-	76,231
Drainage maintenance materials	112,961	47,614	65,347
Information technology	15,000	5,370	9,630
Dues and subscriptions	150	-	150
Depreciation	-	66,796	(66,796)
Total Operating Expenses	<u>569,000</u>	<u>487,086</u>	<u>81,914</u>
Operating Income	<u>-</u>	<u>89,015</u>	<u>89,015</u>
Nonoperating Revenues (Expenses)			
Interest expense and fiscal charges	-	(5,807)	(5,807)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(5,807)</u>	<u>(5,807)</u>
Change in Net Position	<u>-</u>	<u>83,208</u>	<u>83,208</u>
Net Position, beginning	<u>128,950</u>	<u>128,950</u>	<u>-</u>
Net Position, ending	<u>\$ 128,950</u>	<u>\$ 212,158</u>	<u>\$ 83,208</u>

CITY OF TEGA CAY

UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS
AND SURCHARGES (per ACT 96)
YEAR ENDED SEPTEMBER 30, 2021

FOR THE STATE TREASURER'S OFFICE

COUNTY/MUNICIPAL FUNDS COLLECTED BY THE CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments				
Court fines and assessments collected	\$ -	\$ -	\$ 135,917	\$ 135,917
Court fines and assessments remitted to State Treasurer	-	-	(48,083)	(48,083)
Total Court Fines and Assessments Retained	\$ -	\$ -	\$ 87,834	\$ 87,834
Surcharges and Assessments Retained for Victim Services				
Surcharges collected and retained	\$ -	\$ -	\$ 5,872	\$ 5,872
Assessments retained	-	-	6,748	6,748
Total Surcharges and Assessments Retained for Victim Services	\$ -	\$ -	\$ 12,620	\$ 12,620

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year - Beginning Balance	\$ -	\$ -	\$ -
Victim Service Revenue			
Victim Service fines retained by City/County Treasurer	-	-	-
Victim Service assessments retained by City/County Treasurer	5,872	-	5,872
Victim Service surcharges retained by City/County Treasurer	6,748	-	6,748
Interest earned	-	-	-
Grant funds received	-	-	-
Grant from:	-	-	-
General funds transferred to Victim Service Fund	-	-	-
Contribution Received from Victim Service Contracts	-	-	-
(1) Town of	-	-	-
(2) Town of	-	-	-
(3) City of	-	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 12,620	\$ -	\$ 12,620

(continued)

CITY OF TEGA CAY

UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS
AND SURCHARGES (per ACT 96) - Continued
YEAR ENDED SEPTEMBER 30, 2021

	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Expenditures for Victim Service Program			
Salaries and benefits	\$ -	\$ -	\$ -
Operating expenditures	-	-	-
Victim Service Contract(s)	-	-	-
(1) York County	12,620	-	12,620
(2) Entity's name	-	-	-
Victim Service Donation(s)	-	-	-
(1) Domestic Violence Shelter	-	-	-
(2) Rape Crisis Center	-	-	-
(3) Other local direct crime victims service agency	-	-	-
Transferred to General Fund	-	-	-
Total Expenditures from Victim Service Fund/Program (B)	<u>12,620</u>	<u>-</u>	<u>12,620</u>
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	<u>-</u>	<u>-</u>	<u>-</u>
Carryforward Funds - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>