

**CITY OF TEGA CAY, SOUTH CAROLINA**

**AUDITED FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2024**

CITY OF TEGA CAY, SOUTH CAROLINA

AUDITED FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2024

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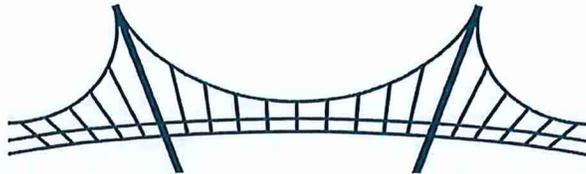
CITY OF TEGA CAY, SOUTH CAROLINA

AUDITED FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2024

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# Phillips CPAs and Advisors

## INDEPENDENT AUDITOR'S REPORT

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

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tega Cay, South Carolina (the "City") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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To the Honorable Mayor and Members of City Council  
City of Tega Cay, South Carolina  
January 24, 2025

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Required Supplementary Information**

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

To the Honorable Mayor and Members of City Council  
City of Tega Cay, South Carolina  
January 24, 2025

**Other Supplementary Information**

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

*Phillips CPAs and Advisors*

Greenville, South Carolina  
January 24, 2025

## 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, 2024. Please read it in conjunction with the City's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities at the close of the most recent fiscal year by \$33,750,600 (*net position*). Of this amount, the unrestricted net position balance is \$3,014,098.
- The City's total net position for governmental activities increased \$3,508,085 over the course of this year's operations. Net position of the business-type activity, which represents the water and sewer and stormwater funds, decreased by \$92,596.
- The City repaid \$2,554,610 of bond and note payables during the year.
- During the year, the City's governmental activity expenses were \$17,211,393, program revenues were \$9,280,249 and general revenues were \$11,439,229. This resulted in an excess of revenues over expenses of \$3,508,085 in governmental activities.
- In the City's business-type activities, operating revenues were \$7,770,135 while expenses were \$7,862,731. This resulted in an operating loss of \$92,596.
- The City's governmental capital assets, net of depreciation at September 30, 2024, totaled \$34,284,294 while business-type capital assets, net of depreciation, totaled \$18,596,753. The City's governmental capital assets increased by \$844,572 during the year and the business-type capital assets decreased by \$583,625 during the year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,348,930, an increase of \$1,215,610 from the prior year. This is primarily due to a decrease in capital expenditures and revenues in excess of expenditures. Approximately 72 percent of this total amount, \$10,945,551 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 \$8,517,682 or 52 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.
  - *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**

	<u>Government-wide Statements</u>	<u>Fund Statements</u>	
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>
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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenses, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of 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 \$3,415,489 or 11 percent between fiscal years 2024 and 2023. (See Table A-1.) The portion of the City's net position (73%) 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	
	2024	2023	2024	2023	2024	2023
Current and other	\$ 16,886,416	\$ 15,423,258	\$ 4,041,997	\$ 4,113,994	\$ 20,928,413	\$ 19,537,252
Capital assets	34,284,294	33,439,722	18,596,753	19,180,378	52,881,047	52,620,100
Total assets	<u>51,170,710</u>	<u>48,862,980</u>	<u>22,638,750</u>	<u>23,294,372</u>	<u>73,809,460</u>	<u>72,157,352</u>
Deferred outflows of resources	2,108,460	1,831,304	502,015	386,019	2,610,475	2,217,323
Total deferred outflows of resources	<u>2,108,460</u>	<u>1,831,304</u>	<u>502,015</u>	<u>386,019</u>	<u>2,610,475</u>	<u>2,217,323</u>
Long-term debt	24,601,412	27,595,943	12,448,805	14,264,006	37,050,217	41,859,949
Other liabilities	3,390,715	1,211,901	1,808,600	423,125	5,199,315	1,635,026
Total liabilities	<u>27,992,127</u>	<u>28,807,844</u>	<u>14,257,405</u>	<u>14,687,131</u>	<u>42,249,532</u>	<u>43,494,975</u>
Deferred inflows of resources	379,257	486,739	40,546	57,850	419,803	544,589
Total deferred inflows of resources	<u>379,257</u>	<u>486,739</u>	<u>40,546</u>	<u>57,850</u>	<u>419,803</u>	<u>544,589</u>
Net position						
Net investment in capital assets	17,348,210	14,931,311	7,395,408	6,996,750	24,743,618	21,928,061
Restricted	3,826,415	3,888,635	2,166,469	3,017,934	5,992,884	6,906,569
Unrestricted (deficit)	3,733,161	2,579,755	(719,063)	(1,079,274)	3,014,098	1,500,481
Total net position	<u>\$ 24,907,786</u>	<u>\$ 21,399,701</u>	<u>\$ 8,842,814</u>	<u>\$ 8,935,410</u>	<u>\$ 33,750,600</u>	<u>\$ 30,335,111</u>

### Changes in Net Position

The City's total reported revenues increased by \$270,000 to \$28.5 million. (See Table A-2) About 30 percent of the City's revenue comes from property taxes. Fees charged for services account for about 59 percent.

The total cost of all programs and services increased approximately \$2,169,000. The City's expenses cover a range of services, with about 18 percent related to public safety and 32 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
	2024	2023	2024	2023	2024	2023	2024-2023
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 9,091	\$ 8,353	\$ 7,665	\$ 6,896	\$ 16,756	\$ 15,249	9.88%
Grants and contributions	189	3,005	-	-	189	3,005	-93.71%
General revenues							
Property taxes	8,385	8,129	-	-	8,385	8,129	3.15%
Other taxes	1,394	577	-	-	1,394	577	141.59%
Intergovernmental	337	320	-	-	337	320	5.31%
Other	1,323	662	105	277	1,428	939	52.08%
<b>Total revenues</b>	<b>20,719</b>	<b>21,046</b>	<b>7,770</b>	<b>7,173</b>	<b>28,489</b>	<b>28,219</b>	<b>0.96%</b>
<b>Expenses</b>							
General government	1,398	1,328	-	-	1,398	1,328	5.27%
Developmental	613	594	-	-	613	594	3.20%
Public works	1,240	998	-	-	1,240	998	24.25%
Police	4,347	3,696	-	-	4,347	3,696	17.61%
Fire services	2,591	2,484	-	-	2,591	2,484	4.31%
Community events and services	367	396	-	-	367	396	-7.32%
Parks and recreation	1,656	1,420	-	-	1,656	1,420	16.62%
Non-departmental	2,225	2,419	-	-	2,225	2,419	-8.02%
Beach and Swim Club	158	185	-	-	158	185	-14.59%
Golf course	2,211	2,206	-	-	2,211	2,206	0.23%
Interest and fiscal charges	405	499	-	-	405	499	-18.84%
Water and sewer	-	-	6,951	6,175	6,951	6,175	12.57%
Stormwater	-	-	912	505	912	505	80.59%
<b>Total expenses</b>	<b>17,211</b>	<b>16,225</b>	<b>7,863</b>	<b>6,680</b>	<b>25,074</b>	<b>22,905</b>	<b>9.47%</b>
Excess (deficiency)	3,508	4,821	93	493	3,601	5,314	-32.24%
<b>Increase (decrease) in net position</b>	<b>\$ 3,508</b>	<b>\$ 4,821</b>	<b>\$ 93</b>	<b>\$ 493</b>	<b>\$ 3,601</b>	<b>\$ 5,314</b>	<b>-32.24%</b>

**Governmental Activities**

Revenues for the City's governmental activities decreased \$327,000 or 2 percent, while total expenses increased \$986,000 or 6 percent.

- Property tax revenues increased approximately \$256 thousand from the prior year primarily due to a growing community.
- Charges for services were approximately \$738 thousand lower than the prior year due to a decrease in general and developmental activities.

**Business-Type Activities**

Revenues of the City's business-type activities increased approximately \$597,000 to \$7.77 million, while expenses increased approximately \$1,183,000 to 7.86 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 \$15,348,930, an increase of \$1,215,610 from the prior year. The reason for the governmental funds' change is primarily due to a decrease in capital expenditures.

### General Fund Budgetary Highlights

Actual general fund expenditures were \$520 thousand over the budgeted amounts. This is primarily due to capital expenditures.

Resources available for appropriation were \$773 thousand above the budgeted amount. The increases were due primarily to interest income and contributions.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2024, the City had invested \$53 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 2024-2023
	2024	2023	2024	2023	2024	2023	
Land and CIP	\$ 19,088	\$ 18,361	\$ 390	\$ 390	\$ 19,478	\$ 18,751	3.88%
Buildings and improvements	18,239	17,779	-	-	18,239	17,779	2.59%
Infrastructure	3,759	3,759	27,562	27,517	31,321	31,276	0.14%
Machinery and equipment	8,798	7,990	3,053	2,509	11,851	10,499	12.88%
Accumulated depreciation	(15,600)	(14,449)	(12,408)	(11,236)	(28,008)	(25,685)	9.04%
	<u>\$ 34,284</u>	<u>\$ 33,440</u>	<u>\$ 18,597</u>	<u>\$ 19,180</u>	<u>\$ 52,881</u>	<u>\$ 52,620</u>	

This year's major capital asset additions included:

- Construction of Catawba Park Project as well as the 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 \$28.1 million in bonds and notes payable outstanding as shown in Table A-4. The City repaid principal of \$2.5 million on bonds and notes payable during the year.

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
	2024	2023	2024	2023	2024	2023	2024-2023
Revenue bonds	\$ 11,713	\$ 12,213	\$ 10,621	\$ 11,385	\$ 22,334	\$ 23,598	-5.36%
Notes payable	881	1,290	580	798	1,461	2,088	-30.03%
General obligation bonds	4,342	5,005	-	-	4,342	5,005	-13.25%
	<u>\$ 16,936</u>	<u>\$ 18,508</u>	<u>\$ 11,201</u>	<u>\$ 12,183</u>	<u>\$ 28,137</u>	<u>\$ 30,691</u>	-8.32%

### 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

CITY OF TEGA CAY, SOUTH CAROLINA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 12,400,455	\$ 908,779	\$ 13,309,234
Cash and cash equivalents, restricted	3,826,415	2,166,469	5,992,884
Receivables (net of allowances for uncollectibles)			
Property taxes	214,586	-	214,586
Water and sewer	-	866,672	866,672
Intergovernmental	82,888	-	82,888
Other	219,482	-	219,482
Prepays	39,797	48,627	88,424
Inventory	154,243	-	154,243
Internal balances	(51,450)	51,450	-
Capital assets			
Non-depreciable	19,087,787	389,574	19,477,361
Depreciable, net	15,196,507	18,207,179	33,403,686
<b>Total Assets</b>	<b>51,170,710</b>	<b>22,638,750</b>	<b>73,809,460</b>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	17,743	-	17,743
Deferred outflows related to pensions	2,090,717	502,015	2,592,732
<b>Total Deferred Outflows of Resources</b>	<b>2,108,460</b>	<b>502,015</b>	<b>2,610,475</b>
<b>Liabilities</b>			
Accounts payable and accrued expenses	1,398,909	711,680	2,110,589
Customer deposits	-	71,300	71,300
Bail bonds	3,385	-	3,385
Due to other governmental units	2,565	-	2,565
Unearned revenues	86,415	-	86,415
Long-term liabilities			
Due within one year			
General obligation bonds	678,000	-	678,000
Revenue bonds	510,000	778,297	1,288,297
Notes payable	316,028	224,653	540,681
Compensated absences	395,413	22,670	418,083
Due in more than one year			
General obligation bonds	3,664,000	-	3,664,000
Revenue bonds	11,203,000	9,842,707	21,045,707
Notes payable	565,056	355,688	920,744
Net pension liability	9,045,719	2,250,410	11,296,129
Unamortized bond premium	123,637	-	123,637
<b>Total Liabilities</b>	<b>27,992,127</b>	<b>14,257,405</b>	<b>42,249,532</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	379,257	40,546	419,803
<b>Total Deferred Inflows of Resources</b>	<b>379,257</b>	<b>40,546</b>	<b>419,803</b>
<b>Net Position</b>			
Net investment in capital assets	17,348,210	7,395,408	24,743,618
Restricted	3,826,415	2,166,469	5,992,884
Unrestricted	3,733,161	(719,063)	3,014,098
<b>Total Net Position</b>	<b>\$ 24,907,786</b>	<b>\$ 8,842,814</b>	<b>\$ 33,750,600</b>

CITY OF TEGA CAY, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Program Revenues			Primary Government Business-type			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary Government</b>							
Governmental Activities:							
General government	\$ 1,997,910	\$ 1,954,539	\$ 189,296	\$ -	\$ 745,925	\$ -	\$ 745,925
Developmental services	613,307	801,943	-	-	188,636	-	188,636
Public works	1,240,019	1,818,901	-	-	578,882	-	578,882
Police	4,346,774	196,610	-	-	(4,150,164)	-	(4,150,164)
Fire services	2,590,686	-	-	-	(2,590,686)	-	(2,590,686)
Community events and services	366,694	43,110	-	-	(323,584)	-	(323,584)
Parks and recreational	1,655,776	840,608	-	-	(815,168)	-	(815,168)
Non-departmental	2,225,632	-	-	-	(2,225,632)	-	(2,225,632)
Beach and swim club	157,744	187,631	-	-	29,887	-	29,887
Golf course	2,211,524	3,247,611	-	-	1,036,087	-	1,036,087
Interest and fiscal charges	405,327	-	-	-	(405,327)	-	(405,327)
<b>Total Governmental Activities</b>	<b>17,211,393</b>	<b>9,090,953</b>	<b>189,296</b>	<b>-</b>	<b>(7,931,144)</b>	<b>-</b>	<b>(7,931,144)</b>
<b>Business-type Activities:</b>							
Water and sewer	6,708,986	6,888,929	-	-	-	179,943	179,943
Stormwater	912,407	775,817	-	-	-	(136,590)	(136,590)
Interest and fiscal charges	241,338	-	-	-	-	(241,338)	(241,338)
<b>Total Business-type Activities</b>	<b>7,862,731</b>	<b>7,664,746</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(197,985)</b>	<b>(197,985)</b>
<b>Total Primary Government</b>	<b>\$ 25,074,124</b>	<b>\$ 16,755,699</b>	<b>\$ 189,296</b>	<b>\$ -</b>	<b>(7,931,144)</b>	<b>(197,985)</b>	<b>(8,129,129)</b>
<b>General Revenues</b>							
Taxes							
Property taxes					8,385,348	-	8,385,348
Local hospitality taxes					407,122	-	407,122
Franchise taxes					987,335	-	987,335
Miscellaneous					556,821	-	556,821
Intergovernmental revenue					337,431	-	337,431
Interest revenue					748,709	105,389	854,098
Gain on sale of capital assets					16,463	-	16,463
<b>Total General Revenues</b>					<b>11,439,229</b>	<b>105,389</b>	<b>11,544,618</b>
<b>Change in Net Position</b>					<b>3,508,085</b>	<b>(92,596)</b>	<b>3,415,489</b>
<b>Net Position, beginning</b>					<b>21,399,701</b>	<b>8,935,410</b>	<b>30,335,111</b>
<b>Net Position, ending</b>					<b>\$ 24,907,786</b>	<b>\$ 8,842,814</b>	<b>\$ 33,750,600</b>

CITY OF TEGA CAY, SOUTH CAROLINA  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024

	General	Other Governmental	Totals
<b>Assets</b>			
Cash and cash equivalents	\$ 9,233,677	\$ 3,166,778	\$ 12,400,455
Cash and cash equivalents, restricted	3,826,415	-	3,826,415
Receivables (net of allowances for uncollectibles)			
Taxes	214,586	-	214,586
Intergovernmental	82,888	-	82,888
Other	122,183	97,299	219,482
Prepaid expenses	17,902	21,895	39,797
Inventory	-	154,243	154,243
<b>Total Assets</b>	<u>\$ 13,497,651</u>	<u>\$ 3,440,215</u>	<u>\$ 16,937,866</u>
<b>Liabilities</b>			
Accounts payable	\$ 574,581	\$ 301,298	\$ 875,879
Accrued expenses	428,016	37,766	465,782
Bail bonds	3,385	-	3,385
Due to other funds	23,645	27,805	51,450
Due to other governmental units	2,565	-	2,565
Unearned revenue	-	86,415	86,415
<b>Total Liabilities</b>	<u>1,032,192</u>	<u>453,284</u>	<u>1,485,476</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	103,460	-	103,460
<b>Total Deferred Inflows of Resources</b>	<u>103,460</u>	<u>-</u>	<u>103,460</u>
<b>Fund Balances</b>			
Nonspendable	17,902	176,138	194,040
Restricted	3,826,415	289,388	4,115,803
Committed	-	93,536	93,536
Unassigned	8,517,682	2,427,869	10,945,551
<b>Total Fund Balances</b>	<u>12,361,999</u>	<u>2,986,931</u>	<u>15,348,930</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 13,497,651</u>	<u>\$ 3,440,215</u>	<u>\$ 16,937,866</u>

CITY OF TEGA CAY, SOUTH CAROLINA  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE  
SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024

<b>Fund Balance - Governmental Funds</b>		\$ 15,348,930
<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	49,884,549	
Accumulated depreciation	<u>(15,600,255)</u>	34,284,294
<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>		
		17,743
<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>		
		(57,248)
<p>Long-term liabilities, including bonds and notes payable, 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	(16,055,000)	
Notes payable	(881,084)	
Bond premium	(123,637)	
Compensated absences payable	<u>(395,413)</u>	(17,455,134)
<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		(9,045,719)
<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	2,090,717	
Deferred inflows of resources related to pensions	<u>(379,257)</u>	1,711,460
<p>Deferred revenue related to property tax is not a liability in governmental activities.</p>		
		<u>103,460</u>
<b>Total Net Position - Governmental Activities</b>		<u><u>\$ 24,907,786</u></u>

CITY OF TEGA CAY, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2024

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ 8,419,862	\$ 407,122	\$ 8,826,984
Fines, fees, licenses and permits	6,588,389	-	6,588,389
Intergovernmental	337,431	-	337,431
Golf	-	3,113,847	3,113,847
Event fees	-	43,110	43,110
Grants	189,296	-	189,296
Concessions	8,055	-	8,055
Contributions & donations	363,733	-	363,733
Sponsorships	54,750	-	54,750
Memberships	-	177,970	177,970
Rentals	62,959	-	62,959
Interest	659,408	89,301	748,709
Drug seizures	-	11,547	11,547
Pool and tennis	-	23,704	23,704
Other	33,564	119,721	153,285
<b>Total Revenues</b>	<u>16,717,447</u>	<u>3,986,322</u>	<u>20,703,769</u>
<b>Expenditures</b>			
General government	1,246,094	-	1,246,094
Developmental services	608,646	-	608,646
Public works	1,061,500	-	1,061,500
Police	3,904,887	11,951	3,916,838
Fire services	2,423,601	-	2,423,601
Community events and services	-	315,475	315,475
Parks and recreation	1,575,985	-	1,575,985
Non-departmental	2,225,632	-	2,225,632
Beach and swim club	-	146,216	146,216
Golf club management	-	1,882,424	1,882,424
Capital outlay	1,797,356	358,272	2,155,628
Debt service			
Principal	1,318,898	253,429	1,572,327
Interest	372,801	35,215	408,016
<b>Total Expenditures</b>	<u>16,535,400</u>	<u>3,002,982</u>	<u>19,538,382</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>182,047</u>	<u>983,340</u>	<u>1,165,387</u>
<b>Other Financing Sources (Uses)</b>			
Sale of capital assets	16,463	-	16,463
Insurance recoveries	33,760	-	33,760
Transfers in/(out)			
General Fund	-	(323,288)	(323,288)
Beach and Swim Club Fund	8,288	-	8,288
Golf Club Fund	250,000	-	250,000
Hospitality Tax Fund	65,000	-	65,000
<b>Total Other Financing Sources (Uses)</b>	<u>373,511</u>	<u>(323,288)</u>	<u>50,223</u>
<b>Net Change in Fund Balances</b>	555,558	660,052	1,215,610
<b>Fund Balances, beginning</b>	11,806,441	2,326,879	14,133,320
<b>Fund Balances, ending</b>	<u>\$ 12,361,999</u>	<u>\$ 2,986,931</u>	<u>\$ 15,348,930</u>

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

CITY OF TEGA CAY, SOUTH CAROLINA  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
 FUNDS TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED SEPTEMBER 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 1,215,610

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over the estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which capital outlay exceeded depreciation in the period.

Capital outlay	2,155,628	
Depreciation expense	<u>(1,311,056)</u>	844,572

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,572,327

In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for this item are measured by the amount of financial resources used. This is the change in compensated absences. (116,526)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 2,689

Governmental funds report the effects of premiums, discounts, deferred charges and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 19,600

Changes in the City's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year for its participation in the State Retirement Plans are not reported in the governmental funds but are reported in the Statement of Activities. 4,327

Deferred revenue is recorded in governmental funds as a reduction in revenue. Deferred revenue related to property tax is not recorded in the Statement of Activities. (34,514)

Change in Net Position of Governmental Activities \$ 3,508,085

CITY OF TEGA CAY, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 8,562,868	\$ 8,562,868	\$ 8,419,862	\$ (143,006)
Fines, fees, licenses and permits	6,625,004	6,625,004	6,588,389	(36,615)
Intergovernmental	325,000	325,000	337,431	12,431
Other	431,844	431,844	1,371,765	939,921
<b>Total Revenues</b>	<u>15,944,716</u>	<u>15,944,716</u>	<u>16,717,447</u>	<u>772,731</u>
<b>Expenditures</b>				
General government	1,325,916	1,325,916	1,246,094	79,822
Development services	628,482	628,482	608,646	19,836
Public works	1,116,673	1,116,673	1,061,500	55,173
Police	3,907,221	3,907,221	3,904,887	2,334
Fire services	2,739,785	2,739,785	2,423,601	316,184
Parks and recreation	1,580,640	1,580,640	1,575,985	4,655
Non-departmental	2,365,776	2,365,776	2,225,632	140,144
Capital outlay	1,022,302	1,022,302	1,797,356	(775,054)
Debt service				
Principal	1,596,209	1,596,209	1,318,898	277,311
Interest	-	-	372,801	(372,801)
<b>Total Expenditures</b>	<u>16,283,004</u>	<u>16,283,004</u>	<u>16,535,400</u>	<u>(252,396)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(338,288)</u>	<u>(338,288)</u>	<u>182,047</u>	<u>520,335</u>
<b>Other Financing Sources</b>				
Insurance recoveries	-	-	33,760	33,760
Sale of general capital assets	15,000	15,000	16,463	1,463
Transfers In/(out)				
Beach and Swim Club Fund	8,288	8,288	8,288	-
Golf Club Fund	250,000	250,000	250,000	-
Hospitality Tax Fund	65,000	65,000	65,000	-
<b>Total Other Financing Sources</b>	<u>338,288</u>	<u>338,288</u>	<u>373,511</u>	<u>35,223</u>
<b>Net Change in Fund Balances</b>	-	-	555,558	555,558
<b>Fund Balances, beginning</b>	<u>11,806,441</u>	<u>11,806,441</u>	<u>11,806,441</u>	-
<b>Fund Balances, ending</b>	<u>\$ 11,806,441</u>	<u>\$ 11,806,441</u>	<u>\$ 12,361,999</u>	<u>\$ 555,558</u>

CITY OF TEGA CAY, SOUTH CAROLINA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2024

Assets	Business-type Activities		Total Enterprise Funds
	Utility Fund	Stormwater Fund	
<b>Current Assets</b>			
Cash and cash equivalents	\$ 311,621	\$ 597,158	\$ 908,779
Receivables (net of allowance for doubtful accounts)			
Water and sewer	866,672	-	866,672
Prepaid expenses	48,627	-	48,627
Due from other funds	75,820	-	75,820
<b>Total Current Assets</b>	<u>1,302,740</u>	<u>597,158</u>	<u>1,899,898</u>
<b>Noncurrent Assets</b>			
Restricted cash	2,166,469	-	2,166,469
Capital assets			
Depreciable, net	18,196,732	400,021	18,596,753
<b>Total Noncurrent Assets</b>	<u>20,363,201</u>	<u>400,021</u>	<u>20,763,222</u>
<b>Total Assets</b>	<u>21,665,941</u>	<u>997,179</u>	<u>22,663,120</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pensions	404,609	97,406	502,015
<b>Total Deferred Outflows of Resources</b>	<u>404,609</u>	<u>97,406</u>	<u>502,015</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	391,624	283,257	674,881
Accrued interest payable	36,799	-	36,799
Compensated absences	22,670	-	22,670
Customer deposits	71,300	-	71,300
Due to other funds	-	24,370	24,370
Notes payable - current	167,374	57,279	224,653
Revenue bonds - current	778,297	-	778,297
<b>Total Current Liabilities</b>	<u>1,468,064</u>	<u>364,906</u>	<u>1,832,970</u>
<b>Noncurrent Liabilities</b>			
Notes payable - noncurrent	282,151	73,537	355,688
Revenue bonds - noncurrent	9,842,707	-	9,842,707
Net pension liability	1,813,763	436,647	2,250,410
<b>Total Noncurrent Liabilities</b>	<u>11,938,621</u>	<u>510,184</u>	<u>12,448,805</u>
<b>Total Liabilities</b>	<u>13,406,685</u>	<u>875,090</u>	<u>14,281,775</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	32,679	7,867	40,546
<b>Total Deferred Inflows of Resources</b>	<u>32,679</u>	<u>7,867</u>	<u>40,546</u>
<b>Net Position</b>			
Net investment in capital assets	7,126,203	269,205	7,395,408
Restricted	2,166,469	-	2,166,469
Unrestricted (deficit)	(661,486)	(57,577)	(719,063)
<b>Total Net Position</b>	<u>\$ 8,631,186</u>	<u>\$ 211,628</u>	<u>\$ 8,842,814</u>

CITY OF TEGA CAY, SOUTH CAROLINA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND  
 NET POSITION  
 YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities		Total
	Utility Fund	Stormwater Fund	Enterprise Funds
<b>Operating Revenues</b>			
Stormwater compliance fees	\$ -	\$ 775,817	\$ 775,817
Tap fees	342,750	-	342,750
Impact fees	246,516	-	246,516
Irrigation taps	84,000	-	84,000
Water fees	2,903,753	-	2,903,753
Sewer fees	3,262,953	-	3,262,953
Water activation fees	20,350	-	20,350
Penalties	12,452	-	12,452
Fire Hydrant Rental	10,287	-	10,287
Miscellaneous	5,868	-	5,868
<b>Total Operating Revenues</b>	<b>6,888,929</b>	<b>775,817</b>	<b>7,664,746</b>
<b>Operating Expenses</b>			
Salaries	1,062,889	295,832	1,358,721
Employee benefits	521,961	84,558	606,519
Water purchased	1,191,934	-	1,191,934
Sewer treatment fees	1,039,548	-	1,039,548
Sewer clean-out	30,152	-	30,152
Water testing	4,539	-	4,539
Legal and professional services	137,595	20,100	157,695
Meters and supplies	246,366	-	246,366
Training and education	14,566	-	14,566
Auto expense	36,947	30,709	67,656
Cell phone	10,010	2,077	12,087
Billing	34,785	2,588	37,373
Chemicals	140,196	-	140,196
Sludge hauling	91,588	-	91,588
Treatment plant maintenance	111,355	-	111,355
Miscellaneous	45,771	-	45,771
Depreciation	1,104,223	68,303	1,172,526
Capital outlay - equipment	527	-	527
Small tools	6,722	-	6,722
Utilities	205,598	-	205,598
Office supplies	8,241	-	8,241
Lift station maintenance	116,250	-	116,250
Vehicle maintenance	25,967	42,548	68,515
Software maintenance	42,882	-	42,882
Copier	5,596	-	5,596
Dues and subscriptions	1,143	-	1,143
SDW act	16,302	-	16,302
Water tower maintenance	53,406	-	53,406
Drainage maintenance materials	-	356,528	356,528
Information technology	-	5,650	5,650
Insurance	40,158	3,514	43,672
Franchise fee	361,769	-	361,769
<b>Total Operating Expenses</b>	<b>6,708,986</b>	<b>912,407</b>	<b>7,621,393</b>
<b>Operating Income (Loss)</b>	<b>179,943</b>	<b>(136,590)</b>	<b>43,353</b>

(continued)

CITY OF TEGA CAY, SOUTH CAROLINA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND  
 NET POSITION (continued)  
 YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities		Total Enterprise Funds
	Utility Fund	Stormwater Fund	
Nonoperating Revenues (Expenses)			
Interest revenue	\$ 105,389	\$ -	\$ 105,389
Interest expense and fiscal charges	(238,846)	(2,492)	(241,338)
Total Nonoperating Revenues (Expenses)	<u>(133,457)</u>	<u>(2,492)</u>	<u>(135,949)</u>
Change in Net Position	46,486	(139,082)	(92,596)
Net Position, beginning	8,584,700	350,710	8,935,410
Net Position, ending	<u>\$ 8,631,186</u>	<u>\$ 211,628</u>	<u>\$ 8,842,814</u>

CITY OF TEGA CAY, SOUTH CAROLINA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities		Total Enterprise Funds
	Utility Fund	Stormwater Fund	
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 6,744,896	\$ 775,817	\$ 7,520,713
Payments to suppliers	(4,454,080)	(176,308)	(4,630,388)
Payments to employees	(1,588,123)	(380,390)	(1,968,513)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>702,693</u>	<u>219,119</u>	<u>921,812</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	(588,901)	-	(588,901)
Principal payments on bonds	(764,175)	-	(764,175)
Principal payments on notes payable	(161,648)	(56,460)	(218,108)
Interest and fiscal charges paid	(238,846)	(2,492)	(241,338)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(1,753,570)</u>	<u>(58,952)</u>	<u>(1,812,522)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on cash and cash equivalents	105,389	-	105,389
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>105,389</u>	<u>-</u>	<u>105,389</u>
<b>Net Increase (Decrease) in Cash</b>	(945,488)	160,167	(785,321)
<b>Cash and Cash Investments, Beginning</b>	3,423,578	436,991	3,860,569
<b>Cash and Cash Investments, Ending</b>	<u>\$ 2,478,090</u>	<u>\$ 597,158</u>	<u>\$ 3,075,248</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating income (loss)	\$ 179,943	\$ (136,590)	\$ 43,353
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation expense	1,104,223	68,303	1,172,526
Receivables, net	(131,233)	-	(131,233)
Prepaid expenses	(33,619)	-	(33,619)
Accounts payable and accrued expenses	98,115	274,540	372,655
Deferred inflows/outflows related to pensions	(107,435)	(25,865)	(133,300)
Compensated absences	(3,273)	-	(3,273)
Customer deposits	(12,800)	-	(12,800)
Due to/from other funds	(549,178)	706	(548,472)
Net pension liability	157,950	38,025	195,975
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 702,693</u>	<u>\$ 219,119</u>	<u>\$ 921,812</u>

CITY OF TEGA CAY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Tega Cay, South Carolina (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, 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 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:

*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 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, 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, notes payable, 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 City's cash is maintained in demand deposits, savings accounts, certificates of deposits, repurchase agreements, and investments in the following types of financial instruments:

South Carolina Local Government Investment Pool ("LGIP" or "Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices for identical or similar investments or observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, South Carolina 29211-1960.

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, 2024, the City had deposits and investments as follows:

Deposits with financial institutions	\$ 2,344,488
Investments with S.C. Local Government Investment Pool	14,173,502
	<u>\$ 16,517,990</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.

*Credit risk.* As of September 30, 2024, the City's investment with the S.C. Local Government Investment Pool is overseen by the State, which invests in instruments allowed under state laws. The Investment Pool is not rated. It's a money market type pool, which is fully collateralized, and the underlying securities are held by a third-party bank for the pool.

*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, 2024, deposits are fully collateralized.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

In accordance with its investment policy, the City invests in the state investment pool which is not subject to custodial risk.

**NOTE 4 – PROPERTY TAXES**

The City 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 2023 tax year and the assessed valuation of real property was \$82,197,127. 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, 2024, consist of the following:

	<u>Governmental Fund</u>	<u>Proprietary Fund</u>
Property Tax Receivables:		
Real property	\$ 139,899	\$ -
Vehicle	81,687	-
Less: allowance for uncollectibles	<u>(7,000)</u>	-
Total Property Tax Receivables	<u>\$ 214,586</u>	<u>\$ -</u>
Other Receivables:		
Intergovernmental	\$ 82,888	\$ -
Water and sewer	-	866,672
Franchise fees	<u>219,482</u>	-
Total Other Receivables	<u>\$ 302,370</u>	<u>\$ 866,672</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, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated				
Land	\$ 5,972,563	\$ -	\$ -	\$ 5,972,563
Construction in progress	12,387,966	727,258	-	13,115,224
Total Capital Assets, Not Being Depreciated	<u>18,360,529</u>	<u>727,258</u>	<u>-</u>	<u>19,087,787</u>
Capital assets, being depreciated				
Buildings, improvements and fixed structures	17,778,557	460,183	-	18,238,740
Infrastructure	3,758,620	-	-	3,758,620
Furniture and equipment	4,059,554	466,673	-	4,526,227
Vehicles	3,931,060	501,514	(159,399)	4,273,175
Total Capital Assets, Being Depreciated	<u>29,527,791</u>	<u>1,428,370</u>	<u>(159,399)</u>	<u>30,796,762</u>
Less: accumulated depreciation				
Buildings, improvements and fixed structures	(6,910,463)	(472,205)	-	(7,382,668)
Infrastructure	(1,601,905)	(122,649)	-	(1,724,554)
Furniture and equipment	(2,764,205)	(404,069)	-	(3,168,274)
Vehicles	(3,172,025)	(312,133)	159,399	(3,324,759)
Total Accumulated Depreciation	<u>(14,448,598)</u>	<u>(1,311,056)</u>	<u>159,399</u>	<u>(15,600,255)</u>
Total Capital Assets, Being Depreciated, Net	<u>15,079,193</u>	<u>117,314</u>	<u>-</u>	<u>15,196,507</u>
<b>Governmental Activities</b>				
Capital Assets, Net	<u>\$ 33,439,722</u>	<u>\$ 844,572</u>	<u>\$ -</u>	<u>\$ 34,284,294</u>

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

General government	\$ 151,273
Public works	165,701
Fire services	136,788
Police	393,813
Parks and recreation	71,634
Beach and swim	11,528
Golf course	329,100
Hospitality	51,219
Total depreciation	<u>\$ 1,311,056</u>

Capital asset activity for the City's business-type activities for the year ended September 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
<b>Capital assets, not being depreciated</b>				
Water system	\$ 389,574	\$ -	\$ -	\$ 389,574
<b>Total Capital Assets,     Not Being Depreciated</b>	<b>389,574</b>	<b>-</b>	<b>-</b>	<b>389,574</b>
<b>Capital assets, being depreciated</b>				
Water system	27,367,278	44,875	-	27,412,153
Legal and engineering fees	150,289	-	-	150,289
Vehicles and equipment	2,473,372	544,026	-	3,017,398
Software	35,699	-	-	35,699
<b>Total Capital Assets,     Being Depreciated</b>	<b>30,026,638</b>	<b>588,901</b>	<b>-</b>	<b>30,615,539</b>
<b>Less: accumulated depreciation</b>				
Water system	(9,534,001)	(888,965)	-	(10,422,966)
Legal and engineering fees	(115,222)	(5,010)	-	(120,232)
Vehicles and equipment	(1,550,912)	(278,551)	-	(1,829,463)
Software	(35,699)	-	-	(35,699)
<b>Total Accumulated Depreciation</b>	<b>(11,235,834)</b>	<b>(1,172,526)</b>	<b>-</b>	<b>(12,408,360)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>18,790,804</b>	<b>(583,625)</b>	<b>-</b>	<b>18,207,179</b>
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 19,180,378</b>	<b>\$ (583,625)</b>	<b>\$ -</b>	<b>\$ 18,596,753</b>

**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 also uses notes payable to provide funds for the purchase of 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, 2024 was \$2,755,000.

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 was used towards the construction of Catawba Park.

	<u>Principal Outstanding at Yearend</u>
<b><i>General Obligation Bonds</i></b>	
\$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.	\$ 205,000
\$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.	2,770,000
\$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.	<u>1,367,000</u>
Total	<u><u>\$ 4,342,000</u></u>

Principal  
Outstanding at  
Yearend

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**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%.

\$ 5,618,000

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.

5,003,004

\$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.

11,713,000

Total

\$ 22,334,004

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
2025	\$ 1,188,000	\$ 406,557	\$ 1,594,557
2026	1,217,000	378,261	1,595,261
2027	1,245,000	348,152	1,593,152
2028	1,277,000	317,364	1,594,364
2029	1,310,000	283,822	1,593,822
2030-2034	6,077,000	894,958	6,971,958
2035-2039	2,605,000	346,075	2,951,075
2040-2041	1,136,000	43,459	1,179,459
	<u>\$ 16,055,000</u>	<u>\$ 3,018,648</u>	<u>\$ 19,073,648</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
2025	\$ 778,297	\$ 212,731	\$ 991,028
2026	801,522	196,918	998,440
2027	815,853	180,633	996,486
2028	831,290	164,057	995,347
2029	846,837	147,167	994,004
2030-2034	4,385,388	471,074	4,856,462
2035-2039	1,118,013	151,088	1,269,101
2040-2044	678,378	72,720	751,098
2045-2047	365,426	10,124	375,550
	<u>\$ 10,621,004</u>	<u>\$ 1,606,512</u>	<u>\$ 12,227,516</u>

*Note Payable*

The City has entered into agreements for the acquisition of equipment, vehicles, and improvements. The notes mature at various dates through June 2028.

Annual debt requirements for the notes payable are as follows:

Year Ending September 30,	Principal	Interest	Total
2025	\$ 540,680	\$ 45,787	\$ 586,467
2026	393,993	30,234	424,227
2027	230,314	19,538	249,852
2028	296,438	11,189	307,627
	<u>\$ 1,461,425</u>	<u>\$ 106,748</u>	<u>\$ 1,568,173</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, 2024:

Long-term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
<b>General Obligation Bonds:</b>					
Series 2012	\$ 270,000	\$ -	\$ 65,000	\$ 205,000	\$ 65,000
Series 2013	3,195,000	-	425,000	2,770,000	435,000
Series 2016	1,540,000	-	173,000	1,367,000	178,000
<b>Installment Purchase Revenue Bonds:</b>					
Series 2021	12,213,000	-	500,000	11,713,000	510,000
Bond Premium	146,462	-	22,825	123,637	22,825
<b>Total Bonds Payable</b>	<b>17,364,462</b>	<b>-</b>	<b>1,185,825</b>	<b>16,178,637</b>	<b>1,210,825</b>
<b>Other Liabilities:</b>					
Notes Payable	1,290,411	-	409,327	881,084	316,028
Compensated Absences	278,887	395,413	278,887	395,413	395,413
<b>Total Other Liabilities</b>	<b>1,569,298</b>	<b>395,413</b>	<b>688,214</b>	<b>1,276,497</b>	<b>711,441</b>
	<b>\$ 18,933,760</b>	<b>\$ 395,413</b>	<b>\$ 1,874,039</b>	<b>\$ 17,455,134</b>	<b>\$ 1,922,266</b>

Long-term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type Activities:</b>					
<b>Revenue Bonds:</b>					
Series 2015	\$ 5,257,179	\$ -	\$ 254,175	\$ 5,003,004	\$ 259,297
Series 2020	6,128,000	-	510,000	5,618,000	519,000
<b>Total Bonds Payable</b>	<b>11,385,179</b>	<b>-</b>	<b>764,175</b>	<b>10,621,004</b>	<b>778,297</b>
<b>Other Liabilities:</b>					
Notes Payable	798,449	-	218,108	580,341	224,653
Compenstated Absences	25,943	22,670	25,943	22,670	22,670
<b>Total Other Liabilities</b>	<b>824,392</b>	<b>22,670</b>	<b>244,051</b>	<b>603,011</b>	<b>247,323</b>
	<b>\$ 12,209,571</b>	<b>\$ 22,670</b>	<b>\$ 1,008,226</b>	<b>\$ 11,224,015</b>	<b>\$ 1,025,620</b>

**NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund balances at September 30, 2024, 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	\$ -	\$ 23,645
Special Revenue Funds		
Hospitality Tax	-	2,426
Events and Tourism	-	19,763
Beach and Swim Club	-	5,616
Stormwater Fund	-	24,370
Utility Fund	75,820	-
<b>Total</b>	<u>\$ 75,820</u>	<u>\$ 75,820</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, 2024 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 323,288	\$ -
Beach and Swim Club Fund	-	8,288
Hospitality Tax Fund	-	65,000
Golf Club Fund	-	250,000
	<u>\$ 323,288</u>	<u>\$ 323,288</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, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S. C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems’ five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds’ assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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

### **Plan 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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly at or after the general election in November 2012.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina 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 service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.
- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

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

### **Membership**

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

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

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

- State ORP – As an alternative to membership in SCRS, newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly 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 the 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 for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

## Benefits

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

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

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

- PORS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age.

A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

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

### Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates to meet the funding periods set for the applicable year.

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

Required employee contribution rates<sup>1</sup> are as follows:

	Fiscal Year 2024 <sup>1</sup>	Fiscal Year 2023 <sup>1</sup>
<b>SCRS</b>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<b>State ORP</b>		
Employee	9.00%	9.00%
<b>PORS</b>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates<sup>1</sup> are as follows:

	Fiscal Year 2024 <sup>1</sup>	Fiscal Year 2023 <sup>1</sup>
<b>SCRS</b>		
Employer Class Two	18.41%	17.41%
Employer Class Three	18.41%	17.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>State ORP</b>		
Employer Contribution <sup>2</sup>	18.41%	17.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>PORS</b>		
Employer Class Two	20.84%	19.84%
Employer Class Three	20.84%	19.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

<sup>1</sup> Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

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

### Actuarial Assumptions and Methods

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

The June 30, 2023, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023:

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment rate of return <sup>1</sup>	7.00%	7.00%
Projected salary increases	3.0% to 11% (varies by service) <sup>1</sup>	3.5% to 10.5% (varies by service) <sup>1</sup>
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
<sup>1</sup> Includes inflation at 2.25%		

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

Assumptions used in the determination of the June 30, 2023, TPL are as follows:

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

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

At September 30, 2024, the City reported a liability of \$11,296,129 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2024, the City recognized pension expense totaling \$1,497,752, which consisted of contributions to the System of \$1,439,404 and increases in expense of \$58,348, as a result of the increase in the net pension liability related to GASB 68 requirements.

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At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences between expected and actual experience	\$ 116,630	\$ 18,629
Assumption changes	102,924	-
Net difference between projected and actual earnings on pension plan investments	-	9,195
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	523,579	93,210
City contributions subsequent to the measurement date	755,417	-
<b>Total SCRS</b>	<b>1,498,550</b>	<b>121,034</b>
<b>PORS</b>		
Differences between expected and actual experience	215,468	56,443
Assumption changes	99,647	-
Net difference between projected and actual earnings on pension plan investments	-	7,857
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	95,080	234,469
City contributions subsequent to the measurement date	683,987	-
<b>Total PORS</b>	<b>1,094,182</b>	<b>298,769</b>
<b>Total SCRS and PORS</b>	<b>\$ 2,592,732</b>	<b>\$ 419,803</b>

The amount of \$755,417 and \$683,987 reported as deferred outflows of resources related to the City's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2025	\$ 329,945	\$ 96,764	\$ 426,709
2026	(8,171)	(187,907)	(196,078)
2027	304,265	207,358	511,623
2028	(3,940)	(4,789)	(8,729)
<b>Total</b>	<b>\$ 622,099</b>	<b>\$ 111,426</b>	<b>\$ 733,525</b>

## Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB 67 less that system's fiduciary net position. NPL totals, as of June 30, 2023, for SCRS and PORS are presented below.

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

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

## Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

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

<sup>1</sup> RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Estate exceeds 30 percent of total plan assets.

<sup>2</sup> Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 15% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

## Discount Rate

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

## Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

System	1.00% Decrease (6%)	Current Discount Rate (7%)	1.00% Increase (8%)
SCRS	\$ 8,679,832	\$ 6,717,640	\$ 5,086,734
PORS	\$ 6,458,651	\$ 4,578,489	\$ 3,038,402

## 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, 2022, and the accounting valuation report as of June 30, 2023. 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' ACFR.

### 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, 2024.

**NOTE 13 – FUND BALANCE CLASSIFICATIONS**

	<u>General Fund</u>	<u>Police</u>	<u>Beach and Swim Club</u>	<u>Hospitality Tax</u>	<u>Golf Club</u>	<u>Events and Tourism</u>	<u>Total Funds</u>
Fund Balances							
Nonspendable							
Prepaid	\$ 17,902	\$ -	\$ -	\$ -	\$ 21,895	\$ -	\$ 39,797
Inventory	-	-	-	-	154,243	-	154,243
Restricted							
In accordance with							
donor stipulations	3,826,415	-	-	-	-	-	3,826,415
Victims' rights	-	-	-	-	-	-	-
Hospitality	-	-	-	308,042	-	(18,654)	289,388
Committed							
Police	-	15,847	-	-	-	-	15,847
Beach and Swim	-	-	77,689	-	-	-	77,689
Unassigned	8,517,682	-	-	-	2,427,869	-	10,945,551
<b>Total</b>	<u>\$ 12,361,999</u>	<u>\$ 15,847</u>	<u>\$ 77,689</u>	<u>\$ 308,042</u>	<u>\$ 2,604,007</u>	<u>\$ (18,654)</u>	<u>\$ 15,348,930</u>

**NOTE 14 – TAX ABATEMENTS**

The City's property tax revenues were reduced by approximately \$61,592 under agreements entered into by York County.

**NOTE 15 – 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. Events after the date of the auditor's report have not been evaluated to determine whether a change in the financial statements would be required.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF TEGA CAY, SOUTH CAROLINA  
 SCHEDULE OF PENSION PLAN CONTRIBUTIONS  
 SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM  
 LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>SCRS</u>										
Contractually required contribution	\$ 755,417	\$ 657,834	\$ 507,701	\$ 455,101	\$ 431,128	\$ 381,034	\$ 337,284	\$ 284,612	\$ 234,049	\$ 199,908
Contributions in relation to the contractually required contribution	(755,417)	(657,834)	(507,701)	(455,101)	(431,128)	(381,034)	(337,284)	(284,612)	(234,049)	(199,908)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 4,103,298	\$ 3,726,739	\$ 3,050,142	\$ 2,907,401	\$ 2,797,715	\$ 2,594,356	\$ 2,464,905	\$ 2,380,264	\$ 2,118,082	\$ 1,852,173
Contributions as a percentage of covered-employee payroll	18.41%	17.65%	16.65%	15.65%	15.41%	14.69%	13.70%	11.96%	11.05%	10.79%
<u>PORS</u>										
Contractually required Contribution	\$ 683,987	\$ 569,163	\$ 475,145	\$ 444,085	\$ 429,507	\$ 389,694	\$ 349,421	\$ 279,516	\$ 221,755	\$ 206,535
Contributions in relation to the contractually required contribution	(683,987)	(569,163)	(475,145)	(444,085)	(429,507)	(389,694)	(349,421)	(279,516)	(221,755)	(206,535)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 3,282,088	\$ 2,833,102	\$ 2,492,128	\$ 2,458,933	\$ 2,407,549	\$ 2,247,744	\$ 2,168,612	\$ 1,941,511	\$ 1,645,502	\$ 1,577,034
Contributions as a percentage of covered-employee payroll	20.84%	20.09%	19.07%	18.06%	17.84%	17.34%	16.10%	14.40%	13.48%	13.1%

This schedule is presented to illustrate the requirement to show information for 10 years.

CITY OF TEGA CAY, SOUTH CAROLINA  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM  
 LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>SCRS</b>										
City's proportion of the net pension liability	0.028%	0.026%	0.024%	0.024%	0.024%	0.023%	0.023%	0.021%	0.018%	0.014%
City's proportionate share of the net pension liability	\$ 6,717,640	\$ 6,132,641	\$ 5,659,323	\$ 6,205,120	\$ 5,458,394	\$ 5,221,890	\$ 5,122,742	\$ 4,405,470	\$ 3,417,890	\$ 2,379,518
City's covered-employee payroll	\$ 3,726,759	\$ 3,050,142	\$ 2,907,401	\$ 2,797,715	\$ 2,594,356	\$ 2,464,905	\$ 2,380,164	\$ 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	180.3%	201.1%	194.7%	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	58.60%	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%
<b>POBS</b>										
City's proportion of the net pension liability	0.150%	0.153%	0.166%	0.154%	0.152%	0.149%	0.134%	0.123%	0.116%	0.109%
City's proportionate share of the net pension liability	\$ 4,578,489	\$ 4,583,977	\$ 4,271,064	\$ 5,112,260	\$ 4,364,384	\$ 4,228,756	\$ 3,657,834	\$ 3,106,906	\$ 2,531,529	\$ 2,083,223
City's covered-employee payroll	\$ 2,833,102	\$ 2,492,128	\$ 2,458,953	\$ 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	161.6%	183.9%	173.7%	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	67.80%	66.4%	70.4%	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.

CITY OF TEGA CAY, SOUTH CAROLINA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED SEPTEMBER 30, 2024

**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, 2023, 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, 2024 reported in that schedule can be found in Note 10 of the basic financial statements.

## **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, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
<b>Taxes</b>				
Real property	\$ 7,702,368	\$ 7,702,368	\$ 7,449,914	\$ (252,454)
Vehicle	845,500	845,500	954,750	109,250
Tax penalties	15,000	15,000	15,198	198
<b>Totals</b>	<u>8,562,868</u>	<u>8,562,868</u>	<u>8,419,862</u>	<u>(143,006)</u>
<b>Fines, fees, licenses and permits</b>				
Court fines and forfeitures	145,000	145,000	123,792	(21,208)
Parking tickets	3,500	3,500	10,045	6,545
Franchise fees	916,769	916,769	987,335	70,566
Inspection and permit fees	870,000	870,000	801,943	(68,057)
Business licenses	1,700,000	1,700,000	1,954,539	254,539
Recreation fees	798,490	798,490	840,608	42,118
Trash fees	1,007,946	1,007,946	983,115	(24,831)
Impact fees	1,141,056	1,141,056	835,353	(305,703)
Waste management fees	600	600	433	(167)
Security fees	41,643	41,643	51,226	9,583
<b>Totals</b>	<u>6,625,004</u>	<u>6,625,004</u>	<u>6,588,389</u>	<u>(36,615)</u>
<b>Intergovernmental</b>				
State shared	325,000	325,000	337,431	12,431
<b>Totals</b>	<u>325,000</u>	<u>325,000</u>	<u>337,431</u>	<u>12,431</u>
<b>Other</b>				
Interest	300,000	300,000	659,408	359,408
Sponsorships	54,500	54,500	54,750	250
Grants	-	-	189,296	189,296
Concessions	-	-	8,055	8,055
Contributions & donations	8,000	8,000	363,733	355,733
Rentals	61,744	61,744	62,959	1,215
Other	7,600	7,600	33,564	25,964
<b>Totals</b>	<u>431,844</u>	<u>431,844</u>	<u>1,371,765</u>	<u>939,921</u>
<b>Total Revenues</b>	<u>\$ 15,944,716</u>	<u>\$ 15,944,716</u>	<u>\$ 16,717,447</u>	<u>\$ 772,731</u>

(continued)

CITY OF TEGA CAY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (continued)  
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Expenditures</b>				
<b>General Government</b>				
<b>Municipal Council</b>				
Salaries	\$ 20,400	\$ 20,400	\$ 20,400	\$ -
Employee benefits	32,190	32,190	40,879	(8,689)
Election expense	8,500	8,500	7,883	617
Travel and training	5,000	5,000	1,531	3,469
Meeting expense	3,000	3,000	5,649	(2,649)
Flowers	500	500	495	5
Dues and subscriptions	2,250	2,250	2,300	(50)
<b>Total Municipal Council</b>	<b>71,840</b>	<b>71,840</b>	<b>79,137</b>	<b>(7,297)</b>
<b>Municipal Court</b>				
Salaries	163,615	163,615	161,664	1,951
Employee benefits	58,661	58,661	50,493	8,168
Supplies	7,500	7,500	3,398	4,102
Travel and training	8,000	8,000	4,675	3,325
Cell phone	1,200	1,200	1,113	87
Video conferencing	3,720	3,720	1,107	2,613
Dues and subscriptions	-	-	480	(480)
Postage	500	500	-	500
Victim's assistance	13,050	13,050	3,338	9,712
Public defender	13,050	13,050	15,494	(2,444)
Reimbursement to other governments	58,000	58,000	44,365	13,635
<b>Total Municipal Court</b>	<b>327,296</b>	<b>327,296</b>	<b>286,127</b>	<b>41,169</b>
<b>Administration</b>				
Salaries	516,672	516,672	482,341	34,331
Employee benefits	204,920	204,920	186,255	18,665
Medical expense	1,000	1,000	-	1,000
Professional services	29,000	29,000	31,500	(2,500)
HR training and development	13,400	13,400	6,188	7,212
Data processing services	25,333	25,333	35,924	(10,591)
Codify ordinances	2,000	2,000	883	1,117
Contract services	9,600	9,600	11,079	(1,479)
Auto operation	2,500	2,500	1,432	1,068
Copier	11,655	11,655	14,644	(2,989)
IT expenses	27,200	27,200	15,944	11,256
Office supplies	23,000	23,000	24,088	(1,088)
Other	10,000	10,000	13,102	(3,102)
Travel and training	22,000	22,000	17,206	4,794
Cell phone	6,500	6,500	5,853	647
Postage	3,600	3,600	3,554	46
Repairs and maintenance	2,200	2,200	3,123	(923)
Software maintenance	4,200	4,200	16,070	(11,870)
Legal advertising	2,000	2,000	505	1,495
Dues and subscriptions	10,000	10,000	11,139	(1,139)
<b>Total Administration</b>	<b>926,780</b>	<b>926,780</b>	<b>880,830</b>	<b>45,950</b>
<b>Total General Government</b>	<b>1,325,916</b>	<b>1,325,916</b>	<b>1,246,094</b>	<b>79,822</b>

(continued)

CITY OF TEGA CAY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (continued)  
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Expenditures</b>				
<b>Developmental Services</b>				
Salaries	\$ 323,047	\$ 323,047	\$ 303,503	\$ 19,544
Employee benefits	144,535	144,535	140,888	3,647
Professional services	110,000	110,000	118,581	(8,581)
Uniforms	1,000	1,000	680	320
Copier	6,000	6,000	7,245	(1,245)
IT expenses	2,500	2,500	1,468	1,032
Software maintenance	17,600	17,600	19,667	(2,067)
Supplies	9,500	9,500	5,645	3,855
Travel and training	7,500	7,500	4,061	3,439
Cell phone	2,500	2,500	2,357	143
Auto operation	1,800	1,800	3,009	(1,209)
Vehicle maintenance	1,000	1,000	1,045	(45)
Comprehensive and other	-	-	92	(92)
Dues and subscriptions	1,500	1,500	405	1,095
<b>Total Developmental Services</b>	<b>628,482</b>	<b>628,482</b>	<b>608,646</b>	<b>19,836</b>
<b>Public Works</b>				
Salaries	499,518	499,518	442,956	56,562
Employee benefits	233,310	233,310	254,702	(21,392)
Medical	2,000	2,000	1,669	331
Professional services	2,000	2,000	3,947	(1,947)
Uniforms	10,000	10,000	7,728	2,272
Auto operation	36,000	36,000	21,341	14,659
Tree care	17,000	17,000	12,210	4,790
Tree work	20,000	20,000	32,350	(12,350)
Landfill charges	1,000	1,000	-	1,000
Small tools	2,500	2,500	1,583	917
Supplies	25,000	25,000	28,863	(3,863)
Travel and training	6,000	6,000	5,567	433
Cell phone	6,000	6,000	6,401	(401)
Repairs - equipment	5,000	5,000	724	4,276
Building grounds/maintenance	16,500	16,500	17,334	(834)
Vehicle maintenance	14,000	14,000	29,299	(15,299)
Street maintenance	170,000	170,000	191,329	(21,329)
Equipment expenditure	48,845	48,845	-	48,845
Dues and subscriptions	500	500	215	285
IT expenses	1,500	1,500	3,282	(1,782)
Capital outlay	201,000	201,000	180,241	20,759
<b>Total Public Works</b>	<b>1,317,673</b>	<b>1,317,673</b>	<b>1,241,741</b>	<b>75,932</b>

(continued)

CITY OF TEGA CAY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (continued)  
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Police Department</b>				
Salaries	\$ 2,338,410	\$ 2,338,410	\$ 2,232,465	\$ 105,945
Employee benefits	955,336	955,336	976,750	(21,414)
Medical	4,785	4,785	7,187	(2,402)
Uniforms	38,400	38,400	39,802	(1,402)
Auto operation	87,426	87,426	74,363	13,063
Boat operations	7,575	7,575	5,936	1,639
Postage	400	400	469	(69)
Software maintenance	141,272	141,272	143,375	(2,103)
Supplies	21,430	21,430	19,308	2,122
Office supplies	12,500	12,500	9,016	3,484
Travel and training	55,200	55,200	35,088	20,112
Cell phones	30,000	30,000	30,689	(689)
Board and lodge prisoners	10,000	10,000	10,555	(555)
Repairs - equipment	6,000	6,000	13,752	(7,752)
Building/grounds maintenance	19,900	19,900	16,384	3,516
Repairs - vehicle	30,000	30,000	35,581	(5,581)
Dues and subscription	2,107	2,107	2,442	(335)
Copier	25,200	25,200	14,210	10,990
Vehicle expenditure	78,155	78,155	-	78,155
IT expenses	24,000	24,000	23,692	308
Community relations	13,000	13,000	14,566	(1,566)
K-9 Expense	6,125	6,125	4,782	1,343
Grant expense	-	-	194,475	(194,475)
Capital outlay	390,052	390,052	437,324	(47,272)
<b>Total Police Department</b>	<u>4,297,273</u>	<u>4,297,273</u>	<u>4,342,211</u>	<u>(44,938)</u>
<b>Fire Services</b>				
Salaries	1,579,945	1,579,945	1,425,527	154,418
Employee benefits	720,576	720,576	672,269	48,307
Medical	14,430	14,430	6,470	7,960
Uniforms	57,012	57,012	46,692	10,320
Auto operations	39,128	39,128	24,303	14,825
Supplies	17,950	17,950	15,242	2,708
Travel and training	38,099	38,099	17,113	20,986
Cell phones	4,532	4,532	4,768	(236)
Repairs - vehicle	44,200	44,200	64,070	(19,870)
Repairs - equipment	23,400	23,400	17,252	6,148
Contribution	16,000	16,000	16,000	-
Building and grounds maintenance	37,545	37,545	25,810	11,735
Apparatus and equipment	52,290	52,290	49,486	2,804
Software maintenance	33,200	33,200	11,675	21,525
Volunteer response	8,000	8,000	1,467	6,533
EMS	13,000	13,000	8,506	4,494
IT expenses	6,800	6,800	5,162	1,638
Equipment expenditure	16,323	16,323	-	16,323
Dues and subscriptions	17,355	17,355	11,789	5,566
Capital outlay	50,000	50,000	124,606	(74,606)
<b>Total Fire Services</b>	<u>2,789,785</u>	<u>2,789,785</u>	<u>2,548,207</u>	<u>241,578</u>

(continued)

CITY OF TEGA CAY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (continued)  
YEAR ENDED SEPTEMBER 30, 2024

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Parks and Recreation</b>				
Salaries	\$ 755,391	\$ 755,391	\$ 678,435	\$ 76,956
Employee benefits	295,646	295,646	313,169	(17,523)
Medical	2,000	2,000	1,923	77
Sports uniforms	72,000	72,000	76,898	(4,898)
Uniforms	6,000	6,000	8,201	(2,201)
Referees/extra help	58,000	58,000	60,660	(2,660)
Supplies	25,000	25,000	28,704	(3,704)
Travel and training	5,200	5,200	7,879	(2,679)
Auto operations	20,000	20,000	23,650	(3,650)
Vehicle maintenance	4,000	4,000	-	4,000
Cell phones	8,000	8,000	8,985	(985)
Equipment repairs and maintenance	5,000	5,000	6,422	(1,422)
Contract grounds maintenance	110,944	110,944	110,392	552
Athletic field supplies	4,000	4,000	4,500	(500)
Recreation equipment	17,000	17,000	17,169	(169)
Professional insurance	4,000	4,000	2,696	1,304
Dues and subscriptions	800	800	1,255	(455)
Entry fees	3,000	3,000	5,698	(2,698)
Park maintenance	133,000	133,000	185,229	(52,229)
Vehicle expenditure	15,159	15,159	6,616	8,543
Trail maintenance	17,500	17,500	9,979	7,521
Doggle stations	5,000	5,000	4,576	424
IT expenses	10,000	10,000	10,235	(235)
Copier	4,000	4,000	2,714	1,286
Capital outlay	381,250	381,250	1,055,185	(673,935)
<b>Total Parks and Recreation</b>	<b>1,961,890</b>	<b>1,961,890</b>	<b>2,631,170</b>	<b>(669,280)</b>
<b>Non-departmental</b>				
Safety program	40,000	40,000	36,378	3,622
Flags	3,000	3,000	1,801	1,199
Employees program	2,300	2,300	2,300	-
Employees retirement expense	-	-	2,022	(2,022)
Street lights	20,000	20,000	24,309	(4,309)
Median lighting	1,200	1,200	2,710	(1,510)
Computer repair	145,000	145,000	185,476	(40,476)
Cyber security	-	-	60,389	(60,389)
Operational contingency	224,053	224,053	53,938	170,115
Legal fees	65,000	65,000	64,970	30
Property insurance	300,000	300,000	298,381	1,619
Waste management services	1,087,083	1,087,083	1,080,883	6,200
Utilities	286,000	286,000	333,092	(47,092)
Stormwater fees	19,140	19,140	19,140	-
City Hall building expenses	7,000	7,000	8,174	(1,174)
RFATS	6,000	6,000	2,492	3,508
Stonecrest HOA dues	-	-	5,000	(5,000)
Wildlife management	160,000	160,000	44,177	115,823
<b>Total Non-departmental</b>	<b>2,365,776</b>	<b>2,365,776</b>	<b>2,225,632</b>	<b>140,144</b>

(continued)

CITY OF TEGA CAY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (continued)  
YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures				
Debt Service				
Principal	\$ 1,596,209	\$ 1,596,209	\$ 1,318,898	\$ 277,311
Interest and fiscal charges	-	-	372,801	(372,801)
Total Debt Service	<u>1,596,209</u>	<u>1,596,209</u>	<u>1,691,699</u>	<u>(95,490)</u>
<b>Total Expenditures</b>	<u>16,283,004</u>	<u>16,283,004</u>	<u>16,535,400</u>	<u>(252,396)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(338,288)</u>	<u>(338,288)</u>	<u>182,047</u>	<u>520,335</u>
Other Financing Sources (Uses)				
Insurance recoveries	-	-	33,760	33,760
Sale of general capital assets	15,000	15,000	16,463	1,463
Transfers In/(out)				
Beach and Swim Club Fund	8,288	8,288	8,288	-
Golf Club Fund	250,000	250,000	250,000	-
Hospitality Tax Fund	65,000	65,000	65,000	-
Total Other Financing Sources (Uses)	<u>338,288</u>	<u>338,288</u>	<u>373,511</u>	<u>35,223</u>
Net Change in Fund Balance	-	-	555,558	555,558
Fund Balance, beginning	<u>11,806,441</u>	<u>11,806,441</u>	<u>11,806,441</u>	-
Fund Balance, ending	<u>\$ 11,806,441</u>	<u>\$ 11,806,441</u>	<u>\$ 12,361,999</u>	<u>\$ 555,558</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:

*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, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET SCHEDULE  
SEPTEMBER 30, 2024

	Police	Beach and Swim Club	Golf Club	Hospitality Tax	Events and Tourism	Total
<b>Assets</b>						
Cash and cash investments	\$ 15,847	\$ 96,415	\$ 2,789,761	\$ 263,646	\$ 1,109	\$ 3,166,778
Accounts receivable	-	-	50,477	46,822	-	97,299
Inventory	-	-	154,243	-	-	154,243
Prepaid expenses	-	-	21,895	-	-	21,895
<b>Total Assets</b>	<u>\$ 15,847</u>	<u>\$ 96,415</u>	<u>\$ 3,016,376</u>	<u>\$ 310,468</u>	<u>\$ 1,109</u>	<u>\$ 3,440,215</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 13,110	\$ 288,188	\$ -	\$ -	\$ 301,298
Accrued expenses	-	-	37,766	-	-	37,766
Unearned revenue	-	-	86,415	-	-	86,415
Due to other funds	-	5,616	-	2,426	19,763	27,805
<b>Total Liabilities</b>	<u>-</u>	<u>18,726</u>	<u>412,369</u>	<u>2,426</u>	<u>19,763</u>	<u>453,284</u>
<b>Fund Balances</b>						
Nonspendable	-	-	176,138	-	-	176,138
Restricted	-	-	-	308,042	(18,654)	289,388
Committed	15,847	77,689	-	-	-	93,536
Unassigned	-	-	2,427,869	-	-	2,427,869
<b>Total Fund Balances</b>	<u>15,847</u>	<u>77,689</u>	<u>2,604,007</u>	<u>308,042</u>	<u>(18,654)</u>	<u>2,986,931</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 15,847</u>	<u>\$ 96,415</u>	<u>\$ 3,016,376</u>	<u>\$ 310,468</u>	<u>\$ 1,109</u>	<u>\$ 3,440,215</u>

CITY OF TEGA CAY, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2024

	Police	Beach and Swim Club	Golf Club	Hospitality Tax	Events and Tourism	Total
<b>Revenues</b>						
Hospitality tax	\$ -	\$ -	\$ -	\$ 407,122	\$ -	\$ 407,122
Event fees	-	-	-	-	43,110	43,110
Memberships	-	177,970	-	-	-	177,970
Golf	-	-	3,113,847	-	-	3,113,847
Pool and tennis	-	-	23,704	-	-	23,704
Drug seizures	11,547	-	-	-	-	11,547
Interest	-	349	88,952	-	-	89,301
Other	-	9,661	110,060	-	-	119,721
<b>Total Revenues</b>	<b>11,547</b>	<b>187,980</b>	<b>3,336,563</b>	<b>407,122</b>	<b>43,110</b>	<b>3,986,322</b>
<b>Expenditures</b>						
Salaries	-	11,074	-	-	-	11,074
Employee benefits	-	627	-	-	-	627
Pool management	-	69,230	-	-	-	69,230
Sanitation	-	2,040	-	-	-	2,040
Supplies	-	1,262	-	-	-	1,262
Advertising	-	175	-	11,313	-	11,488
Other	11,951	2,430	-	11,500	-	25,881
Utilities	-	28,512	-	-	-	28,512
Equipment repairs and maintenance	-	5,403	-	-	-	5,403
Building and grounds maintenance	-	23,355	-	71,163	-	94,518
Professional insurance	-	2,108	-	-	-	2,108
Golf club management	-	-	1,882,424	-	-	1,882,424
Community Events	-	-	-	-	221,499	221,499
Capital outlay	-	36,430	321,842	-	-	358,272
Debt service						
Principal	-	-	229,818	23,611	-	253,429
Interest	-	-	34,209	1,006	-	35,215
<b>Total Expenditures</b>	<b>11,951</b>	<b>182,646</b>	<b>2,468,293</b>	<b>118,593</b>	<b>221,499</b>	<b>3,002,982</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(404)</b>	<b>5,334</b>	<b>868,270</b>	<b>288,529</b>	<b>(178,389)</b>	<b>983,340</b>
<b>Other Financing Sources (Uses)</b>						
Special revenue fund	-	-	-	(176,746)	176,746	-
General fund	-	(8,288)	(250,000)	(65,000)	-	(323,288)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(8,288)</b>	<b>(250,000)</b>	<b>(241,746)</b>	<b>176,746</b>	<b>(323,288)</b>
<b>Net Change In Fund Balances</b>	<b>(404)</b>	<b>(2,954)</b>	<b>618,270</b>	<b>46,783</b>	<b>(1,643)</b>	<b>660,052</b>
<b>Fund Balances, beginning</b>	<b>16,251</b>	<b>80,643</b>	<b>1,985,737</b>	<b>261,259</b>	<b>(17,011)</b>	<b>2,326,879</b>
<b>Fund Balances, ending</b>	<b>\$ 15,847</b>	<b>\$ 77,689</b>	<b>\$ 2,604,007</b>	<b>\$ 308,042</b>	<b>\$ (18,654)</b>	<b>\$ 2,986,931</b>

CITY OF TEGA CAY, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS - GOLF CLUB  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2024

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Golf	\$ 2,080,612	\$ 3,113,847	\$ 1,033,235
Pool and tennis	28,880	23,704	(5,176)
Other	-	110,060	110,060
Interest	-	88,952	88,952
<b>Total Revenues</b>	<u>2,109,492</u>	<u>3,336,563</u>	<u>1,227,071</u>
<b>Expenditures</b>			
Golf	497,500	513,376	(15,876)
Pool and tennis	24,631	58,329	(33,698)
Golf course maintenance	778,298	750,849	27,449
Property operations	16,740	103,337	(86,597)
Sales and marketing	13,800	15,849	(2,049)
Utilities	42,250	42,087	163
Insurance	25,800	31,026	(5,226)
PTEB	-	110,058	(110,058)
General and administrative	162,380	257,513	(95,133)
Capital outlay	-	321,842	(321,842)
Debt service			
Principal	-	229,818	(229,818)
Interest	1,735	34,209	(32,474)
<b>Total Expenditures</b>	<u>1,563,134</u>	<u>2,468,293</u>	<u>(905,159)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in/(out)			
General fund	-	(250,000)	(250,000)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(250,000)</u>	<u>(250,000)</u>
<b>Net Change in Fund Balances</b>	546,358	618,270	71,912
<b>Fund Balances, beginning</b>	<u>1,985,737</u>	<u>1,985,737</u>	<u>-</u>
<b>Fund Balances, ending</b>	<u>\$ 2,532,095</u>	<u>\$ 2,604,007</u>	<u>\$ 71,912</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, SOUTH CAROLINA  
UTILITY FUND  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2024

	Budget	Actual Amounts	Variance with Final Budget
<b>Operating Revenues</b>			
Tap fees	\$ 468,000	\$ 342,750	\$ (125,250)
Impact fees	318,384	246,516	(71,868)
Irrigation taps	15,000	84,000	69,000
Water fees	2,972,594	2,903,753	(68,841)
Sewer fees	3,306,579	3,262,953	(43,626)
Water activation fees	25,510	20,350	(5,160)
Reconnect fees	11,325	-	(11,325)
Penalties	11,738	12,452	714
Fire Hydrant Rental	9,850	10,287	437
Miscellaneous	11,400	5,868	(5,532)
<b>Total Operating Revenues</b>	<b>7,150,380</b>	<b>6,888,929</b>	<b>(261,451)</b>
<b>Operating Expenses</b>			
Salaries	1,251,257	1,062,889	188,368
Employee benefits	515,615	521,961	(6,346)
Legal and professional services	140,000	137,595	2,405
Water purchased	1,177,242	1,191,934	(14,692)
Sewer treatment fees	974,466	1,039,548	(65,082)
Sewer clean-out	35,000	30,152	4,848
Water testing	5,000	4,539	461
Meters and supplies	250,000	246,366	3,634
Small tools	10,000	6,722	3,278
Training and education	20,000	14,566	5,434
Auto expense	30,000	36,947	(6,947)
Cell phone	9,000	10,010	(1,010)
Miscellaneous	22,200	45,771	(23,571)
Chemicals	100,000	140,196	(40,196)
Depreciation	-	1,104,223	(1,104,223)
Utilities	190,000	205,598	(15,598)
Capital outlay - equipment	140,000	527	139,473
Sludge hauling	75,000	91,588	(16,588)
Treatment plant maintenance	175,000	111,355	63,645
Office supplies	8,000	8,241	(241)
Copier	4,500	5,596	(1,096)
Lift station maintenance	125,000	116,250	8,750
Billing	26,000	34,785	(8,785)
Debt service payment	176,421	-	176,421
Vehicle maintenance	25,000	25,967	(967)
Contingency	241,480	-	241,480
Software maintenance	40,000	42,882	(2,882)
Insurance	40,000	40,158	(158)
Water tower maintenance	52,500	53,406	(906)
Dues and subscriptions	2,500	1,143	1,357
SDW act	20,000	16,302	3,698
Franchise fee	361,769	361,769	-
<b>Total Operating Expenses</b>	<b>6,242,950</b>	<b>6,708,986</b>	<b>(466,036)</b>
<b>Operating Income</b>	<b>907,430</b>	<b>179,943</b>	<b>(727,487)</b>

CITY OF TEGA CAY, SOUTH CAROLINA  
 UTILITY FUND  
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 BUDGET AND ACTUAL (continued)  
 YEAR ENDED SEPTEMBER 30, 2024

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest revenue	\$ 85,000	\$ 105,389	\$ 20,389
Interest expense and fiscal charges	(992,430)	(238,846)	753,584
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(907,430)</u>	<u>(133,457)</u>	<u>773,973</u>
<b>Change in Net Position</b>	-	46,486	46,486
<b>Net Position, beginning</b>	8,584,700	8,584,700	-
<b>Net Position, ending</b>	<u>\$ 8,584,700</u>	<u>\$ 8,631,186</u>	<u>\$ 46,486</u>

CITY OF TEGA CAY, SOUTH CAROLINA  
 STORMWATER FUND  
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 BUDGET AND ACTUAL  
 YEAR ENDED SEPTEMBER 30, 2024

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Operating Revenues</b>			
Stormwater compliance fees	\$ 776,727	\$ 775,817	\$ (910)
<b>Total Operating Revenues</b>	<u>776,727</u>	<u>775,817</u>	<u>(910)</u>
<b>Operating Expenses</b>			
Salaries	295,564	295,832	(268)
Employee benefits	106,896	84,558	22,338
Legal and professional services	10,000	20,100	(10,100)
Training and education	2,500	-	2,500
Cell phone	2,100	2,077	23
Permits	2,200	-	2,200
Billing	2,600	2,588	12
Vehicle maintenance	45,000	42,548	2,452
Property maintenance	3,500	-	3,500
Insurance	-	3,514	(3,514)
Auto expense	32,000	30,709	1,291
Vehicle expenditure	62,320	-	62,320
Drainage maintenance materials	194,547	356,528	(161,981)
Information technology	17,500	5,650	11,850
Depreciation	-	68,303	(68,303)
<b>Total Operating Expenses</b>	<u>776,727</u>	<u>912,407</u>	<u>(135,680)</u>
<b>Operating Income (Loss)</b>	<u>-</u>	<u>(136,590)</u>	<u>(136,590)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Interest expense and fiscal charges	-	(2,492)	(2,492)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>-</u>	<u>(2,492)</u>	<u>(2,492)</u>
<b>Change in Net Position</b>	<u>-</u>	<u>(139,082)</u>	<u>(139,082)</u>
<b>Net Position, beginning</b>	<u>350,710</u>	<u>350,710</u>	<u>-</u>
<b>Net Position, ending</b>	<u>\$ 350,710</u>	<u>\$ 211,628</u>	<u>\$ (139,082)</u>

CITY OF TEGA CAY, SOUTH CAROLINA  
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS,  
AND SURCHARGES (per ACT 96)  
YEAR ENDED SEPTEMBER 30, 2024

FOR THE STATE TREASURER'S OFFICE

COUNTY/MUNICIPAL FUNDS COLLECTED BY THE CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
<b>Court Fines and Assessments</b>				
Court fines and assessments collected	\$ -	\$ -	\$ 123,792	\$ 123,792
Court fines and assessments remitted to State Treasurer	-	-	(43,921)	(43,921)
<b>Total Court Fines and Assessments Retained</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,871</u>	<u>\$ 79,871</u>
<b>Surcharges and Assessments Retained for Victim Services</b>				
Surcharges collected and retained	\$ -	\$ -	\$ 3,933	\$ 3,933
Assessments retained	-	-	984	984
<b>Total Surcharges and Assessments Retained for Victim Services</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,917</u>	<u>\$ 4,917</u>

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

VICTIM SERVICE FUNDS COLLECTED	<u>Municipal</u>	<u>County</u>	<u>Total</u>
<b>Carryforward from Previous Year - Beginning Balance</b>	\$ -	\$ -	\$ -
<b>Victim Service Revenue</b>			
Victim Service fines retained by City/County Treasurer	-	-	-
Victim Service assessments retained by City/County Treasurer	3,933	-	3,933
Victim Service surcharges retained by City/County Treasurer	984	-	984
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	-	-	-
<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>	<u>\$ 4,917</u>	<u>\$ -</u>	<u>\$ 4,917</u>

(continued)

CITY OF TEGA CAY, SOUTH CAROLINA  
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS,  
AND SURCHARGES (per ACT 96) - Continued  
YEAR ENDED SEPTEMBER 30, 2024

	<u>Municipal</u>	<u>County</u>	<u>Total</u>
<b>Expenditures for Victim Service Program</b>			
Salaries and benefits	\$ -	\$ -	\$ -
Operating expenditures	-	-	-
<b>Victim Service Contract(s)</b>	-	-	-
(1) York County	4,917	-	4,917
(2) Entity's name	-	-	-
<b>Victim Service Donation(s)</b>	-	-	-
(1) Domestic Violence Shelter	-	-	-
(2) Rape Crisis Center	-	-	-
(3) Other local direct crime victims service agency	-	-	-
Transferred to General Fund	-	-	-
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	<u>4,917</u>	<u>-</u>	<u>4,917</u>
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	-	-
Carryforward Funds - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>