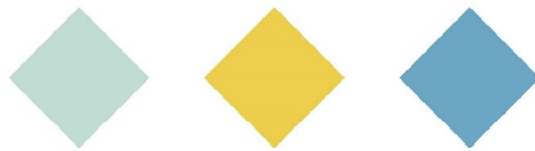




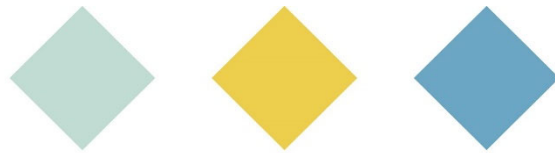
CITY OF SIMPSONVILLE,
SOUTH CAROLINA



Annual Comprehensive Financial Report
Year Ended June 30, 2024



CITY OF SIMPSONVILLE, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024



Prepared By: Finance Department
Dianna Gracely, City Administrator
Christine Furino, Finance Director

INTRODUCTORY SECTION

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CITY OF SIMPSONVILLE, SOUTH CAROLINA

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December 12, 2024

The Honorable Mayor Paul Shewmaker
Members of the Simpsonville City Council
Citizens of the City
Simpsonville, South Carolina

Dear Mayor Shewmaker, City Council Members, and Citizens:

State law requires that all general-purpose local governments, at the close of each fiscal year, publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Simpsonville, South Carolina ("City") for the year ended June 30, 2024.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Greene Finney Cauley, LLP, a firm of licensed public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Population. The City is located in the Upstate Region of South Carolina and has an estimated population of 27,500. Simpsonville has experienced a high rate of growth in the past twenty years, and has become the retail hub of southern Greenville County as stores follow residential rooftops. Originally founded around the Woodside textile mill, Simpsonville is now a diverse economic market with the highest average per-capita income in Greenville County.

Form of Government. The City was originally incorporated in 1901. The City adopted the Council form of government pursuant to the Home Rule Act of 1975. The current governing body is comprised of a mayor elected at-large and six council members, all of whom are elected at-large but must reside in specific wards. As contained in Section 2-31 of the Code of Ordinances of the City, the City Council shall fix the policies of City government, and as contained in Section 2-161 the City Administrator shall execute and administer such policies. Section 2-164 of the Code of Ordinances provides the City Administrator with the necessary authority to appoint administrative employees. Four department heads currently report to the City Administrator and are responsible for the following functions: Police, Fire, Public Works, and Recreation. The City Administrator is also department head of the Administration Department where the finance and human resources officers report directly to her, along with planning and court staff.

Services Provided. The City provides a range of services to its citizens ranging from upkeep and extension of sewers and roads to senior activities and recreation. Our police and fire departments are continually recognized in the state for their exemplary service provision. The City's progressive leadership and focus on quality of life issues for its citizens will continue to make Simpsonville one of the most desirable locations in the state to locate a business or family.

Budget Process. The budget process begins in February of each year for the upcoming fiscal year which runs from July 1 to June 30. The Finance Director's office projects fixed operating costs, vehicle replacement, and salary and fringe benefits costs for currently budgeted staffing and service levels. Departments develop objectives, performance measures, and funding requests for new services and capital needs. This information is assimilated by the Finance Director's office in March with current financial results. In March, the Finance Director's office projects revenues for all funds based on current tax rates and fee structures. Certain growth assumptions are made based on analysis of local and regional economic trends. In March, the City Administrator meets with department heads to review funding requests, prioritize program needs, and establish consensus on objectives and performance measures. Based on the most recent revenue estimates available, the City Administrator and the Finance Director modify funding requests according to prioritized service levels.

A preliminary budget document is then prepared and submitted to Council for review in late April. City Council has the first reading in the first council meeting in May, with a second reading of the budget ordinance in the first meeting of June.

Factors Affecting Economic Condition

Local Economy. The City continues to benefit from a strong local economy relative to other areas of the country and state. Building permits have remained steady despite the market conditions of cost escalations, supply chain and higher interest rates. In turn, tax receipts and other revenues are expected to continue to grow. New residential growth and commercial occupancy also remain strong.

Long-Term Financial Planning. The Capital Improvement Program (“CIP”) is a five-year fiscal planning instrument that is used to identify needed capital purchases and projects, and to coordinate the financing and timing of those projects. The capital improvement budget is revised annually. It identifies funding sources and structures necessary to implement the improvements. Capital projects in the plan require subsequent appropriation as funds become available in the five-year term. Projects included in the CIP represent major facility construction, infrastructure renovation, capital equipment purchases, and economic development projects. The City has also established a Capital Projects Fund.

Financial Policies. The City’s Finance Director is responsible for cash management and prepares monthly cash flow projections for the General Fund. The City adopted a comprehensive procurement policy in April 2011 that meets all state procurement standards. To facilitate improved planning of cash flow, City departments are regularly contacted to identify major expenditures and major receipts of reimbursements from state and federal grant programs. These and other efforts ensure that the cash position of the General Fund remains positive and adequate to meet current and future requirements.

Risk Management. The purpose of the Risk Management program is to ensure that an action or event will not adversely affect the City’s ability to successfully achieve its goals and objectives. Possible occurrences include, but are not limited to, incurring unnecessary liabilities, negative publicity, unintentional errors and misstatements, noncompliance with laws and regulations, and fraud. Risk assessment is an ongoing and dynamic process. City services are constantly modified to reflect changes in organizational structure, federal and state mandates, and demands from citizens. Such realities require risk assessment to be a continuous course of action.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Simpsonville, South Carolina for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and it will be submitted to the Government Finance Officers Association to determine its eligibility for another certificate.

The timely and accurate preparation of the Annual Comprehensive Financial Report could not be accomplished without the diligent efforts of our Department Heads and Finance Director. We express appreciation to the fine employees of this City who contributed in the completion of the report.

Respectfully Submitted,



Dianna Gracely
City Administrator



Christine Furino
Finance Director

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CITY OF SIMPSONVILLE, SOUTH CAROLINA

LISTING OF PRINCIPAL OFFICIALS

AS OF JUNE 30, 2024

Established

1901

MAYOR

Paul Shewmaker

CITY COUNCIL MEMBERS

Chad O’Rear
Aaron Rupe
Shannon Williams
Sherry Roche
Tim Pinkerton
Lou Hutchings

CITY ADMINISTRATOR

Dianna Gracely

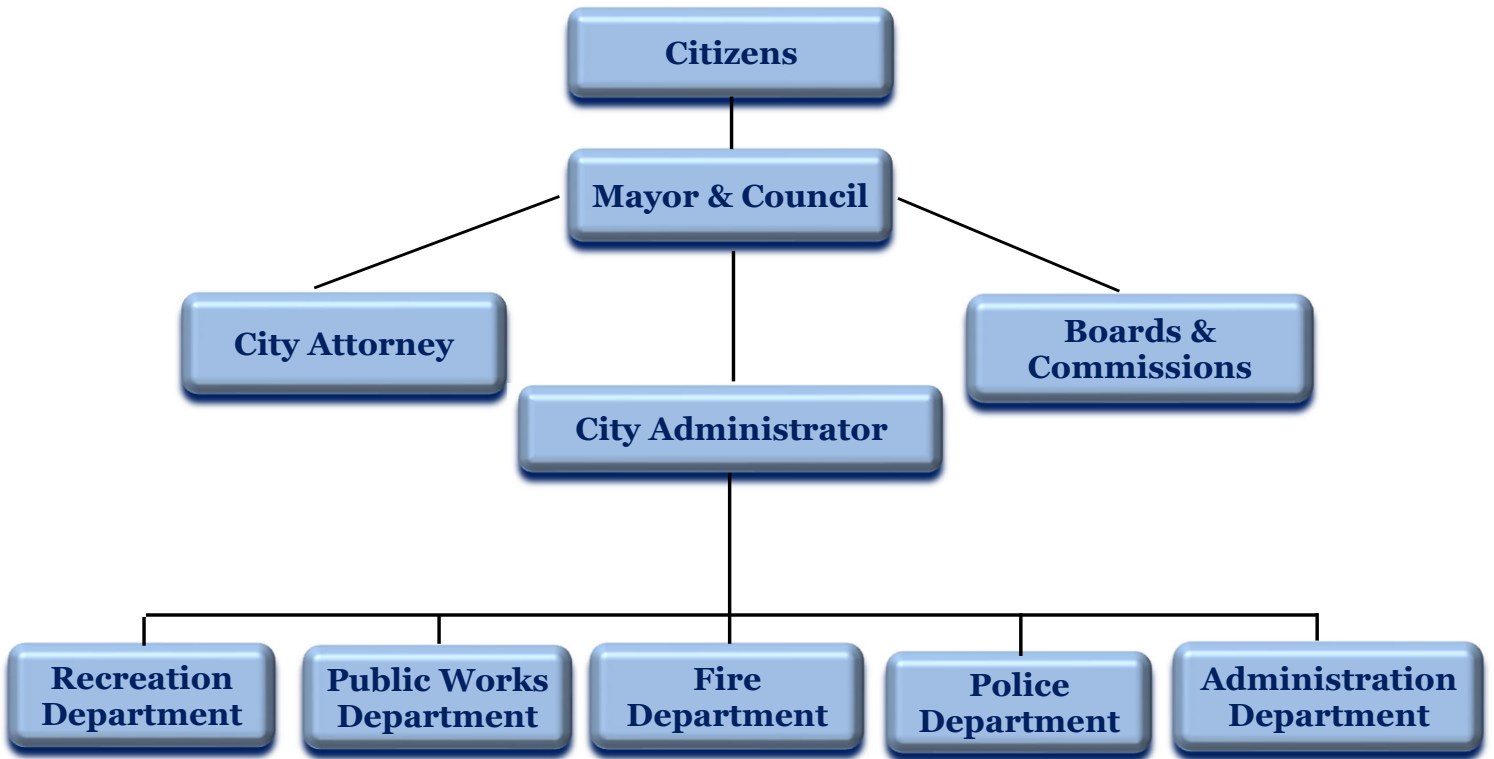
FINANCE DIRECTOR

Christine Furino

CITY ATTORNEY

Daniel R. Hughes

CITY OF SIMPSONVILLE





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Simpsonville
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simpsonville, South Carolina (the "City"), as of and for the year ended June 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("*Government Auditing Standards*"), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 12, 2024

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CITY OF SIMPSONVILLE, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

As management of the City of Simpsonville ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended June 30, 2024 ("FY 2024" or "2024") compared to year ended June 30, 2023 ("FY 2023" or "2023"). The intent of this discussion and analysis is to look at the City's financial performance as a whole. We would encourage readers to not only consider the information presented here, but also the information provided in letter of transmittal, the financial statements, and the notes to the financial statements to enhance their understanding the City's overall financial performance.

FINANCIAL HIGHLIGHTS

- In the Statement of Net Position, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent year by approximately \$111,144,000. Unrestricted net position was approximately \$20,780,000.
- The City's total net position increased by approximately \$25,117,000 compared to the prior year, as revenues of approximately \$52,492,000 exceeded expenses of approximately \$27,375,000.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of approximately \$50,313,000, a decrease of approximately \$4,047,000 over the prior year ending fund balances.
- At the end of the current year, unassigned fund balance for the General Fund was approximately \$21,804,000, which was approximately 99% of total FY 2024 General Fund expenditures.
- The City's capital assets increased by approximately \$27,072,000 to approximately \$104,476,000. The increase in capital assets was primarily due to capital asset additions of approximately \$30,798,000, partially offset by depreciation expense of approximately \$3,726,000.
- The City's total debt decreased by approximately \$1,995,000 to approximately \$34,415,000. This decrease was due to regularly scheduled principal payments of approximately \$1,672,000 and amortization of premiums of approximately \$323,000.

OVERVIEW OF FINANCIAL STATEMENTS

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

Financial Statements

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

Government-Wide Financial Statements – The financial statements include two kinds of statements that present different views of the City. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the differences between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes, business licenses and permits, and state and federal grant funds (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, public works, and recreation and parks. The business-type activities include the City's sewer and public works (sanitation and road improvements) operations for which it charges its customers a fee to provide these services. The government-wide financial statements can be found as listed in the table of contents.

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

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

The City maintains five major governmental funds and a number of nonmajor governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, the Accommodations and Hospitality Tax Fund, the Simpsonville Municipal Facilities Corporation Fund, the American Rescue Plan Fund, and the Capital Projects Fund. The governmental fund financial statements can be found as listed in the table of contents.

Proprietary Funds – The City maintains one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer and public works (sanitation and road improvements) operations. Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail; therefore, the enterprise fund financial statements provide more detailed information for the sewer and public works operations, which are considered major funds of the City. The financial statements of the enterprise funds can be found as listed in the table of contents.

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

Other Information – In addition to the financial statements and accompanying notes, this report includes certain required supplementary information. The City adopts an annual budget for its General Fund and Accommodations and Hospitality Tax Fund, as required by General Statutes. A required budgetary comparison schedule has been provided for the General Fund and Accommodations and Hospitality Tax Fund to demonstrate compliance with these budgets.

The City has also provided the required schedules for the pension plans as required by generally accepted accounting principles ("GAAP") for its participation in the State retirement plans. Required supplementary information can be found as listed in the table of contents.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Other supplementary information, referred to in the table of contents, is presented immediately following the required supplementary information. This information can be found as listed in the table of contents.

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The following table provides a summary of the City’s net position as of June 30, 2024 compared to June 30, 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and Other Assets	\$ 54,258,930	69,232,173	6,409,885	5,980,864	60,668,815	\$ 75,213,037
Capital Assets, Net	76,279,615	50,885,529	28,196,303	26,517,982	104,475,918	77,403,511
Total Assets	130,538,545	120,117,702	34,606,188	32,498,846	165,144,733	152,616,548
Deferred Outflows of Resources	3,630,823	3,795,283	131,539	137,774	3,762,362	3,933,057
Liabilities						
Other Liabilities	4,173,516	15,087,437	233,863	216,461	4,407,379	15,303,898
Net Pension Liabilities	17,278,622	17,255,531	819,858	809,269	18,098,480	18,064,800
Long-Term Liabilities	26,784,302	28,220,384	8,145,433	8,626,133	34,929,735	36,846,517
Total Liabilities	48,236,440	60,563,352	9,199,154	9,651,863	57,435,594	70,215,215
Deferred Inflows of Resources	306,755	298,056	20,486	9,357	327,241	307,413
Net Position						
Net Investment in Capital Assets	62,275,771	46,647,741	19,824,067	17,565,511	82,099,838	64,213,252
Restricted	8,054,520	6,044,506	210,225	196,279	8,264,745	6,240,785
Unrestricted	15,295,882	10,359,330	5,483,795	5,213,610	20,779,677	15,572,940
Total Net Position	\$ 85,626,173	63,051,577	25,518,087	22,975,400	111,144,260	\$ 86,026,977

The City’s total assets increased approximately \$12,528,000 from the prior year. Current and other assets decreased approximately \$14,544,000 primarily due to a decrease in cash and cash equivalents and investments due to spending down bond proceeds and American Rescue Plan (“ARP”) funds on the new Municipal Complex. Capital assets increased approximately \$27,072,000 from the prior year primarily due to capital asset additions exceeding depreciation expense. Total liabilities decreased approximately \$12,780,000 from the prior year primarily due to recognizing revenue (incurring expenditures) on previous unearned ARP grants of approximately \$11,613,000 and a decrease in long term obligations due to regularly scheduled principal payments and amortization of premiums of approximately \$1,995,000. The changes in net pension liabilities, deferred outflows of resources, and deferred inflows of resources were primarily due to service costs, contributions, differences between expected and actual liability/investment experience, changes in assumptions, and changes in the percentage of the City’s share of the net pension liabilities in the State retirement plans.

The City’s net investment in capital assets (i.e., land, buildings, machinery, equipment, infrastructure, vehicles, etc.) less any related outstanding debt or leases used to acquire those assets was approximately \$82,100,000 at June 30, 2024. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City’s net position of approximately \$8,265,000 represents resources that are subject to external restrictions on how they may be used. This portion of net position is restricted primarily for debt service or special revenue programs which are restricted by the revenue source (i.e. hospitality fees, accommodations taxes, etc.). The remaining portion of the City’s net position of approximately \$20,780,000 is unrestricted.

CITY OF SIMPSONVILLE, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table shows the changes in the City’s net position for 2024 compared to 2023.

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,361,010	1,961,011	3,743,901	3,612,435	6,104,911	\$ 5,573,446
Operating Grants and Contributions	10,180,688	489,533	-	-	10,180,688	489,533
Capital Grants and Contributions	4,691,653	1,507,233	2,134,284	456,125	6,825,937	1,963,358
General Revenues:						
Taxes	25,814,201	23,413,823	-	-	25,814,201	23,413,823
Other	3,295,704	2,342,971	270,437	196,362	3,566,141	2,539,333
Total Revenues	<u>46,343,256</u>	<u>29,714,571</u>	<u>6,148,622</u>	<u>4,264,922</u>	<u>52,491,878</u>	<u>33,979,493</u>
Expenses:						
General Government	814,927	2,492,288	-	-	814,927	2,492,288
Public Safety	15,378,648	13,924,075	-	-	15,378,648	13,924,075
Public Works	2,197,460	2,208,397	-	-	2,197,460	2,208,397
Recreation and Parks	5,193,362	3,381,962	-	-	5,193,362	3,381,962
Interest and Other Charges	673,962	709,250	-	-	673,962	709,250
Sewer	-	-	1,697,059	1,515,594	1,697,059	1,515,594
Public Works	-	-	1,419,177	1,464,063	1,419,177	1,464,063
Total Expenses	<u>24,258,359</u>	<u>22,715,972</u>	<u>3,116,236</u>	<u>2,979,657</u>	<u>27,374,595</u>	<u>25,695,629</u>
Change in Net Position Before Transfers	22,084,897	6,998,599	3,032,386	1,285,265	25,117,283	8,283,864
Transfers In (Out)	489,699	500,000	(489,699)	(500,000)	-	-
Change in Net Position	22,574,596	7,498,599	2,542,687	785,265	25,117,283	8,283,864
Net Position, Beginning of Year	<u>63,051,577</u>	<u>55,552,978</u>	<u>22,975,400</u>	<u>22,190,135</u>	<u>86,026,977</u>	<u>77,743,113</u>
Net Position, End of Year	<u>\$ 85,626,173</u>	<u>63,051,577</u>	<u>25,518,087</u>	<u>22,975,400</u>	<u>111,144,260</u>	<u>\$ 86,026,977</u>

Governmental Activities. Governmental activities increased the City’s net position by approximately \$22,575,000 in the current year. Key changes in governmental activities revenues and expenses compared to the prior year were as follows:

- Total governmental activities revenues increased approximately \$16,629,000 (56%) from the prior year primarily due to an increase in operating and capital grants and contributions of approximately \$12,876,000 (primarily related to ARP grant revenues recognized in the current year) and higher taxes of approximately \$2,400,000 (primarily related to higher assessed values).
- Total governmental activities expenses increased by approximately \$1,542,000 (7%) from the prior year primarily due to increases in salaries and benefits.

Business-Type Activities. Net position for business-type activities (sewer and public works) increased by approximately \$2,543,000. Please see “Proprietary Funds” discussion in the following section for details.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of the end of the current year, the City's governmental funds reported combined ending fund balances of approximately \$50,313,000, a decrease of approximately \$4,047,000 over the prior year fund balances. Please see below and discussion in the General Fund Budgetary Highlights section for more information on this decrease.

Approximately \$21,804,000 (43%) of the total governmental fund balances of approximately \$50,313,000 constitutes unassigned fund balance. The remainder of the fund balance is nonspendable, restricted, or assigned to indicate that it is not available for new spending because it has already been set aside/constrained for (1) prepaids (\$1,330,000; nonspendable), (2) public safety (\$165,000; restricted), (3) tourism related expenditures (\$7,055,000; restricted), (4) unspent debt proceeds (\$13,788,000; restricted), (5) municipal court (\$388,000; restricted), (6) debt service (\$682,000; restricted), (7) capital projects (\$5,073,000; assigned), and (8) cultural arts and other items (\$28,000; restricted).

The General Fund is the chief operating fund of the City. At the end of the current year, the total fund balance was approximately \$23,261,000. As a measure of the General Fund's liquidity, it may be useful to compare total unassigned fund balance to total General Fund expenditures. Total unassigned fund balance of the General Fund (\$21,804,000) represents approximately 99% of total General Fund expenditures for the current year.

The fund balance for the General Fund increased by approximately \$4,009,000 as revenues exceeded expenditures and net other financing uses in the current year. Revenues were approximately \$26,273,000, an increase of approximately \$2,808,000 over the prior year. This increase was primarily driven by higher property tax revenues (higher assessed values).

The fund balance for the Accommodations and Hospitality Tax Fund increased by approximately \$2,176,000 to approximately \$21,783,000, as revenues exceeded expenditures in the current year. Revenues were approximately \$5,916,000, an increase of approximately \$1,840,000 over the prior year. This increase was primarily due to higher grant revenue and interest income.

The fund balance for the Simpsonville Municipal Facilities Corporation Fund decreased approximately \$9,716,000 as expenditures exceeded revenues and other financing sources in the current year. This decrease is primarily due to approximately \$9,931,000 in capital outlay related to the Municipal Complex. The Simpsonville Municipal Facilities Corporation Fund reported an ending fund balance of approximately \$3,000 – all of which is restricted for future capital projects (unspent debt proceeds).

The fund balance for the American Rescue Plan Fund decreased by approximately \$337,000 as expenditures exceeded revenues (interest income) in the current year. At the end of the current fiscal year, the American Rescue Plan Fund reported no ending fund balance.

The fund balance for the Capital Projects Fund decreased by approximately \$191,000 as expenditures exceeded revenues and other financing sources in the current year. At the end of the current fiscal year, the Capital Projects Fund reported an ending fund balance of \$4,985,000 – which is assigned for future capital projects.

In addition, the fund balances of the other governmental funds increased by approximately \$11,000 from the prior year, primarily due to revenues and other financing sources exceeding expenditures.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE CITY’S FUNDS (CONTINUED)

Net position of the Sewer Enterprise Fund at the end of the year amounted to approximately \$23,283,000. Details on changes in the City’s Sewer Fund were as follows:

- Total sewer operating revenues of approximately \$2,146,000 increased approximately \$72,000 from the prior year. Sewer operating expenses of approximately \$1,435,000 increased approximately \$198,000 from the prior year primarily due to higher operating costs. The City received approximately \$1,929,000 in grants in the current year for ongoing capital projects. Capital contributions related to infrastructure donations of approximately \$205,000 decreased approximately \$251,000 from the prior year. The City also transferred approximately \$240,000 to the General Fund to cover administrative costs. Net position increased approximately \$2,581,000 from the prior year.

Net position of the Public Works Enterprise Fund at the end of the year was approximately \$2,235,000. Details on changes in the City’s Public Works Fund were as follows:

- Total operating revenues of approximately \$1,598,000 increased by approximately \$60,000 from the prior year. Operating expenses of approximately \$1,419,000 decreased approximately \$45,000 from the prior year. The City transferred \$250,000 to the General Fund to cover administrative costs (consistent with the prior year). Net position decreased approximately \$39,000 from the prior year.

General Fund Budgetary Highlights: General Fund actual revenues of approximately \$26,273,000 exceeded budgeted revenues by approximately \$3,517,000 for the year ended June 30, 2024. This was primarily due to property taxes, MASC telecommunications and insurance taxes, licenses, permits, and fees, and interest being over budget by approximately \$1,505,000, \$682,000, \$293,000 and \$455,000, respectively. General Fund expenditures of approximately \$21,920,000 were under budget by approximately \$1,660,000 due to not being fully staffed in the current year and conservative budgeting among the City’s various functions.

If budget amendments are made, they generally fall into one of three categories: amendments made to adjust the estimates used to prepare the original budget ordinance once exact information is available; amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and increases in appropriations that become necessary to maintain services. The City did not make any budget amendments during 2024.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City’s capital assets as of June 30, 2024 and June 30, 2023, amounted to approximately \$104,476,000 and \$77,404,000 (net of accumulated depreciation), respectively. This investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure, machinery and equipment, and vehicles. The City’s capital assets (net of depreciation) as of June 30, 2024 and 2023 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 7,220,458	7,220,458	-	-	7,220,458	\$ 7,220,458
Construction in Progress	29,762,097	4,293,666	14,354,817	12,225,866	44,116,914	16,519,532
Buildings and Improvements	30,990,062	30,878,451	-	-	30,990,062	30,878,451
Machinery and Equipment	7,264,704	6,145,322	2,686,091	2,559,741	9,950,795	8,705,063
Infrastructure	31,394,727	29,973,948	21,019,193	20,812,298	52,413,920	50,786,246
Vehicles	12,679,969	12,946,800	767,280	767,280	13,447,249	13,714,080
Capital Assets	119,312,017	91,458,645	38,827,381	36,365,185	158,139,398	127,823,830
Accumulated Depreciation	43,032,402	40,573,116	10,631,078	9,847,203	53,663,480	50,420,319
Capital Assets, Net	\$ 76,279,615	50,885,529	28,196,303	26,517,982	104,475,918	\$ 77,403,511

CITY OF SIMPSONVILLE, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

The total increase in the City’s capital assets for the current year was approximately \$27,072,000. Major capital asset events during the current year included the following:

- Capital asset additions of approximately \$28,336,000 for governmental activities which consisted primarily of the following:
 - Additions to construction in progress of approximately \$25,468,000 related primarily to improvements at the Municipal Complex, Simpsonville Arts Center Gym, CCNB Additional Parking, and the Streetscape project.
 - Infrastructure additions of approximately \$1,421,000.
 - Purchases of various machinery and equipment of approximately \$1,142,000.
 - Purchases of various vehicles of approximately \$194,000.
 - Building and improvement additions of approximately \$112,000.
- Capital asset additions of approximately \$2,462,000 for business-type activities which consisted primarily of the following:
 - Additions to construction in progress of approximately \$2,129,000 related to sewer rehabilitation projects.
 - Infrastructure additions of approximately \$207,000 donated by developers.
 - Purchases of various equipment of approximately \$126,000.
- Depreciation expense of approximately \$2,942,000 for governmental activities and approximately \$784,000 for business-type activities.

More detailed information about the City’s capital assets is included in Note III.D in the notes to the financial statements.

Debt Administration

As of June 30, 2024 and June 30, 2023, the City had total outstanding debt of approximately \$34,415,000 and \$36,410,000, respectively. Of the City’s total long-term obligations at June 30, 2024, \$229,000 was general obligation debt which is backed by the full faith and credit of the City. The City’s total debt as of June 30, 2024 and 2023 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Debt:						
General Obligation Bonds	\$ 229,000	341,000	-	-	229,000	\$ 341,000
Revenue Bonds	10,515,000	10,915,000	7,520,000	7,955,000	18,035,000	18,870,000
Tax Revenue Bonds	11,795,000	12,520,000	-	-	11,795,000	12,520,000
Premiums on Revenue Bonds	3,756,889	4,032,947	599,088	646,087	4,355,977	4,679,034
Total Debt	\$ 26,295,889	27,808,947	8,119,088	8,601,087	34,414,977	\$ 36,410,034

The total decrease in the City’s debt for the current year was approximately \$1,995,000. Major 2024 events for the City’s governmental and business-type activities were as follows:

- The City’s governmental activities total debt decreased by approximately \$1,513,000 due to regularly scheduled principal payments and premium amortization.
- The City’s business-type activities total debt decreased by approximately \$482,000 during the current year due to regularly scheduled principal payments and premium amortization.

CITY OF SIMPSONVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration (Continued)

The State of South Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. As of June 30, 2024, the City had approximately \$229,000 of bonded debt subject to the 8% debt limit of approximately \$11,691,000 resulting in an unused legal debt margin of approximately \$11,462,000.

Other long-term obligations include the City's accrued compensated absence liability. More detailed information about the City's long-term obligations is included in Note III.E in the notes to the financial statements.

ECONOMIC FACTORS AND FY 25 BUDGET FOR THE CITY

The City's elected officials and staff considered many factors when setting the budget for the year ended June 30, 2025 ("FY 25") budget. The state of the economy, tourism activity, anticipated building activity, future capital needs, and the best interests of the City's residents were all taken into account. The General Fund's budgeted expenditures are projected to be approximately \$24,584,000. Economic factors and key budget highlights that were considered in preparing the FY 25 budget were as follows:

- The City continues to benefit from a strong local economy relative to other areas of the country and state. In turn, tax receipts and other revenues are expected to continue to grow as well. Commercial occupancy rates also appear to be steadily improving.
- The FY 25 budget includes a significant increase over the prior year's budget for real property taxes which is the result of growth due to new developments.

REQUESTS FOR INFORMATION

This financial report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, City of Simpsonville, 425 E. Curtis Street, Simpsonville, South Carolina 29681 or visit our website at www.simpsonville.com.

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BASIC FINANCIAL STATEMENTS

CITY OF SIMPSONVILLE, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 26,074,894	7,203,311	\$ 33,278,205
Cash and Cash Equivalents, Restricted	22,578,987	210,225	22,789,212
Investments, Restricted	954,418	-	954,418
Property Taxes Receivable, Net	145,516	-	145,516
Accounts Receivable	1,755,025	415,717	2,170,742
Internal Balances	1,419,951	(1,419,951)	-
Prepays	1,330,139	583	1,330,722
Capital Assets, Net:			
Non-Depreciable	36,982,555	14,354,817	51,337,372
Depreciable, Net	39,297,060	13,841,486	53,138,546
TOTAL ASSETS	130,538,545	34,606,188	165,144,733
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	3,630,823	131,539	3,762,362
LIABILITIES			
Accounts Payable	2,280,725	-	2,280,725
Accrued Salaries and Fringe Benefits	903,285	-	903,285
Accrued Expenses	418,273	158,780	577,053
Developers' Escrow Liability	201,703	-	201,703
Accrued Interest Payable	361,580	74,053	435,633
Unearned Revenue	7,950	1,030	8,980
Non-Current Liabilities:			
Long-Term Obligations - Due Within One Year	1,523,507	463,172	1,986,679
Long-Term Obligations - Due in More Than One Year	25,260,795	7,682,261	32,943,056
Net Pension Liabilities - Due in More Than One Year	17,278,622	819,858	18,098,480
TOTAL LIABILITIES	48,236,440	9,199,154	57,435,594
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits	306,755	20,486	327,241
NET POSITION			
Net Investment in Capital Assets	62,275,771	19,824,067	82,099,838
Restricted For:			
Tourism and Related Costs	7,054,769	-	7,054,769
Debt Service	418,819	210,225	629,044
Court	388,370	-	388,370
Public Safety	165,285	-	165,285
Cultural Arts	5,262	-	5,262
Other	22,015	-	22,015
Unrestricted	15,295,882	5,483,795	20,779,677
TOTAL NET POSITION	\$ 85,626,173	25,518,087	\$ 111,144,260

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Totals
PRIMARY GOVERNMENT:							
Governmental Activities:							
General Government	\$ 814,927	818,631	-	2,058,279	2,061,983	-	\$ 2,061,983
Public Safety	15,378,648	560,331	10,144,424	-	(4,673,893)	-	(4,673,893)
Public Works	2,197,460	772	4,856	1,477,396	(714,436)	-	(714,436)
Recreation and Parks	5,193,362	981,276	31,408	1,155,978	(3,024,700)	-	(3,024,700)
Interest and Other Charges	673,962	-	-	-	(673,962)	-	(673,962)
Total Governmental Activities	<u>24,258,359</u>	<u>2,361,010</u>	<u>10,180,688</u>	<u>4,691,653</u>	<u>(7,025,008)</u>	<u>-</u>	<u>(7,025,008)</u>
Business-Type Activities:							
Sewer	1,697,059	2,146,231	-	2,134,284	-	2,583,456	2,583,456
Public Works	1,419,177	1,597,670	-	-	-	178,493	178,493
Total Business-Type Activities	<u>3,116,236</u>	<u>3,743,901</u>	<u>-</u>	<u>2,134,284</u>	<u>-</u>	<u>2,761,949</u>	<u>2,761,949</u>
TOTAL - PRIMARY GOVERNMENT	\$ 27,374,595	6,104,911	10,180,688	6,825,937	(7,025,008)	2,761,949	(4,263,059)
General Revenues and Transfers:							
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					14,092,162	-	14,092,162
Hospitality and Accommodations Taxes					4,011,257	-	4,011,257
Business Licenses and MASC Taxes					5,947,358	-	5,947,358
Franchise Fees					1,763,424	-	1,763,424
Unrestricted Intergovernmental Revenue					650,589	-	650,589
Unrestricted Investment Earnings					2,486,547	270,437	2,756,984
Gain on Disposal of Capital Assets					59,170	-	59,170
Miscellaneous					99,398	-	99,398
Transfers In (Out)					489,699	(489,699)	-
Total General Revenues and Transfers					<u>29,599,604</u>	<u>(219,262)</u>	<u>29,380,342</u>
CHANGE IN NET POSITION					22,574,596	2,542,687	25,117,283
NET POSITION, Beginning of Year					<u>63,051,577</u>	<u>22,975,400</u>	<u>86,026,977</u>
NET POSITION, End of Year					85,626,173	25,518,087	\$ 111,144,260

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

	GENERAL FUND	ACCOMMODATIONS AND HOSPITALITY TAX FUND
ASSETS		
Cash and Cash Equivalents	\$ 20,713,319	-
Cash and Cash Equivalents, Restricted	428,953	20,584,724
Investments, Restricted	-	954,418
Receivables, Net:		
Taxes	145,516	-
Accounts	1,425,064	329,961
Interfund Receivables	3,404,023	-
Prepays	1,027,894	302,245
TOTAL ASSETS	\$ 27,144,769	22,171,348
LIABILITIES		
Accounts Payable	\$ 2,280,725	-
Accrued Salaries and Fringe Benefits	903,285	-
Accrued Expenses	395,179	21,894
Interfund Payables	162,085	366,613
Developers' Escrow Liability	-	-
Unearned Revenue	7,950	-
TOTAL LIABILITIES	3,749,224	388,507
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	134,331	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	3,883,555	388,507
FUND BALANCES		
Nonspendable - Prepays	1,027,894	302,245
Restricted For:		
Tourism Related Costs	-	7,054,769
Debt Service	-	681,419
Capital Improvements (Unspent Debt Proceeds)	40,584	13,744,408
Court	388,370	-
Public Safety	-	-
Cultural Arts	-	-
Other	-	-
Assigned For:		
Capital Projects	-	-
Unassigned	21,804,366	-
TOTAL FUND BALANCES	23,261,214	21,782,841
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 27,144,769	22,171,348

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

SIMPSONVILLE MUNICIPAL FACILITIES CORPORATION FUND	AMERICAN RESCUE PLAN FUND	CAPITAL PROJECTS FUND	NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
-	415,850	4,826,763	118,962	\$ 26,074,894
2,549	1,165,841	-	396,920	22,578,987
-	-	-	-	954,418
-	-	-	-	145,516
-	-	-	-	1,755,025
-	-	158,619	3,466	3,566,108
-	-	-	-	1,330,139
2,549	1,581,691	4,985,382	519,348	\$ 56,405,087
-	-	-	-	\$ 2,280,725
-	-	-	-	903,285
-	-	-	1,200	418,273
-	1,581,691	-	35,768	2,146,157
-	-	-	201,703	201,703
-	-	-	-	7,950
-	1,581,691	-	238,671	5,958,093
-	-	-	-	134,331
-	1,581,691	-	238,671	6,092,424
-	-	-	-	1,330,139
-	-	-	-	7,054,769
-	-	-	-	681,419
2,549	-	-	-	13,787,541
-	-	-	-	388,370
-	-	-	165,285	165,285
-	-	-	5,262	5,262
-	-	-	22,015	22,015
-	-	4,985,382	88,115	5,073,497
-	-	-	-	21,804,366
2,549	-	4,985,382	280,677	50,312,663
2,549	1,581,691	4,985,382	519,348	\$ 56,405,087

CITY OF SIMPSONVILLE, SOUTH CAROLINA

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

JUNE 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 50,312,663**

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

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore have been deferred in the funds. 134,331

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets was \$119,312,017 and the accumulated depreciation was \$43,032,402. 76,279,615

Interest is recorded as an expenditure when paid in the governmental funds. Interest is recorded in the government-wide statements when it is due. This amount represents the amount of interest due but unpaid at year-end. (361,580)

The City's proportionate shares of the net pension liabilities, deferred outflows of resources, and deferred inflows of resources related to its participation in the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position. (13,954,554)

Long-term liabilities, including debt and compensated absences, are not due or payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of the following:

Long-Term Debt and Premiums	(26,295,889)
Compensated Absences (Annual Leave)	(488,413)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 85,626,173**

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

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CITY OF SIMPSONVILLE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

	GENERAL FUND	ACCOMMODATIONS AND HOSPITALITY TAX FUND
REVENUES		
Taxes:		
Property	\$ 14,122,364	-
Hospitality and Accommodations	-	3,763,630
MASC Telecommunications and Insurance	3,787,809	-
Franchise	1,763,424	-
Licenses, Permits, and Fees	3,207,165	-
Grants	346,124	1,000,000
Fines and Forfeitures	153,652	-
One Percent Income	-	-
Shared Revenue:		
County	306,617	-
State	898,217	-
Interest	705,380	814,618
Other	981,943	174,415
Gain on Investments	-	163,082
TOTAL REVENUES	26,272,695	5,915,745
EXPENDITURES		
Current:		
General Government	2,505,389	120,056
Public Safety	13,373,076	-
Public Works	1,502,695	-
Recreation and Parks	2,393,639	-
Capital Outlay	2,026,237	2,336,540
Debt Service:		
Principal	112,000	725,000
Interest and Other Fiscal Charges	6,790	554,200
Bond Issuance Costs	-	3,634
TOTAL EXPENDITURES	21,919,826	3,739,430
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,352,869	2,176,315
OTHER FINANCING SOURCES (USES)		
Transfers In	489,699	-
Transfers Out	(923,945)	-
Insurance Proceeds	37,879	-
Sale of Capital Assets	52,970	-
TOTAL OTHER FINANCING SOURCES (USES)	(343,397)	-
NET CHANGES IN FUND BALANCES	4,009,472	2,176,315
Fund Balances, Beginning of Year	19,251,742	19,606,526
FUND BALANCES, End of Year	\$ 23,261,214	21,782,841

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

SIMPSONVILLE MUNICIPAL FACILITIES CORPORATION FUND	AMERICAN RESCUE PLAN FUND	CAPITAL PROJECTS FUND	NON MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
-	-	-	-	\$ 14,122,364
-	-	-	-	3,763,630
-	-	-	-	3,787,809
-	-	-	-	1,763,424
-	-	-	-	3,207,165
-	11,613,279	-	-	12,959,403
-	-	-	25,091	178,743
-	-	-	270,381	270,381
-	-	-	-	306,617
-	-	-	-	898,217
154,921	461,852	110,270	14,725	2,261,766
-	-	-	48,994	1,205,352
61,699	-	-	-	224,781
216,620	12,075,131	110,270	359,191	44,949,652
2,000	-	-	55,282	2,682,727
-	-	-	281,533	13,654,609
-	-	-	-	1,502,695
-	-	-	-	2,393,639
9,930,674	12,058,279	775,895	17,205	27,144,830
400,000	-	-	-	1,237,000
403,444	-	-	-	964,434
-	-	-	-	3,634
10,736,118	12,058,279	775,895	354,020	49,583,568
(10,519,498)	16,852	(665,625)	5,171	(4,633,916)
803,444	-	474,365	-	1,767,508
-	(353,864)	-	-	(1,277,809)
-	-	-	-	37,879
-	-	-	6,200	59,170
803,444	(353,864)	474,365	6,200	586,748
(9,716,054)	(337,012)	(191,260)	11,371	(4,047,168)
9,718,603	337,012	5,176,642	269,306	54,359,831
2,549	-	4,985,382	280,677	\$ 50,312,663

CITY OF SIMPSONVILLE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (4,047,168)

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

Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenues in the Statement of Activities. (30,202)

Changes in the City's proportionate share of the net pension liabilities, deferred outflows of resources, and deferred inflows of resources related to the State retirement plans for the current year are not reported in the governmental funds but are reported in the Statement of Activities. (196,250)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 1,237,000

Premiums on issuance of debt must be deferred and amortized over the life of the respective debt in the Statement of Activities. These proceeds were reported as an other financing source in the year they were received in the governmental funds. 276,058

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. 18,048

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (76,976)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, capital outlay expenditures that qualify as capital assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which capital asset additions of \$28,336,251 (which includes donated capital assets of \$1,326,757) exceeded depreciation expense of \$2,942,165 in the current period. 25,394,086

TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 22,574,596

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

STATEMENT OF NET POSITION - ENTERPRISE FUNDS

JUNE 30, 2024

	<u>SEWER FUND</u>	<u>PUBLIC WORKS FUND</u>	<u>TOTAL ENTERPRISE FUNDS</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 5,610,158	1,593,153	\$ 7,203,311
Cash and Cash Equivalents, Restricted	210,225	-	210,225
Trade Receivables, Net	235,828	-	235,828
Grant Receivable	179,889	-	179,889
Prepays	583	-	583
Total Current Assets	<u>6,236,683</u>	<u>1,593,153</u>	<u>7,829,836</u>
Noncurrent Assets:			
Capital Assets, Net:			
Non-Depreciable	14,354,817	-	14,354,817
Depreciable, Net	12,768,234	1,073,252	13,841,486
Total Noncurrent Assets	<u>27,123,051</u>	<u>1,073,252</u>	<u>28,196,303</u>
TOTAL ASSETS	<u>33,359,734</u>	<u>2,666,405</u>	<u>36,026,139</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	<u>74,492</u>	<u>57,047</u>	<u>131,539</u>
LIABILITIES			
Current Liabilities:			
Accrued Interest Payable	74,053	-	74,053
Accrued Expenses	158,780	-	158,780
Interfund Payables	1,306,065	113,886	1,419,951
Unearned Revenue	1,030	-	1,030
Current Portion of Compensated Absences	8,214	4,958	13,172
Current Portion of Revenue Bond	450,000	-	450,000
Total Current Liabilities	<u>1,998,142</u>	<u>118,844</u>	<u>2,116,986</u>
Noncurrent Liabilities:			
Compensated Absences, Less Current Portion	8,216	4,957	13,173
Net Pension Liability	464,297	355,561	819,858
Revenue Bond, Less Current Portion	7,669,088	-	7,669,088
Total Noncurrent Liabilities	<u>8,141,601</u>	<u>360,518</u>	<u>8,502,119</u>
TOTAL LIABILITIES	<u>10,139,743</u>	<u>479,362</u>	<u>10,619,105</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits	<u>11,602</u>	<u>8,884</u>	<u>20,486</u>
NET POSITION			
Net Investment in Capital Assets	18,750,815	1,073,252	19,824,067
Restricted for Debt Service	210,225	-	210,225
Unrestricted	4,321,841	1,161,954	5,483,795
TOTAL NET POSITION	<u>\$ 23,282,881</u>	<u>2,235,206</u>	<u>\$ 25,518,087</u>

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2024

	SEWER FUND	PUBLIC WORKS FUND	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES			
Sewer Maintenance Fees	\$ 2,146,231	-	\$ 2,146,231
Public Works Fees	-	1,597,670	1,597,670
TOTAL OPERATING REVENUES	2,146,231	1,597,670	3,743,901
OPERATING EXPENSES			
Personnel	457,477	468,954	926,431
Contractual Services	3,630	-	3,630
Materials and Supplies	8,451	-	8,451
Repair and Maintenance	-	159,752	159,752
Other Operating	532,491	439,343	971,834
Depreciation	432,747	351,128	783,875
TOTAL OPERATING EXPENSES	1,434,796	1,419,177	2,853,973
OPERATING INCOME	711,435	178,493	889,928
NON-OPERATING REVENUES (EXPENSES)			
Grants	1,929,034	-	1,929,034
Interest Income	237,438	32,999	270,437
Interest Expense	(262,263)	-	(262,263)
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,904,209	32,999	1,937,208
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	2,615,644	211,492	2,827,136
Transfers Out	(239,699)	(250,000)	(489,699)
Capital Contributions - Infrastructure	205,250	-	205,250
CHANGE IN NET POSITION	2,581,195	(38,508)	2,542,687
NET POSITION, BEGINNING OF YEAR	20,701,686	2,273,714	22,975,400
NET POSITION, END OF YEAR	\$ 23,282,881	2,235,206	\$ 25,518,087

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2024

	SEWER FUND	PUBLIC WORKS FUND	TOTAL ENTERPRISE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 2,148,432	1,597,670	\$ 3,746,102
Cash Paid to Vendors	(544,572)	(599,095)	(1,143,667)
Payments to Employees	(417,409)	(479,770)	(897,179)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,186,451	518,805	1,705,256
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers to Other Funds	568,910	(206,515)	362,395
NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES	568,910	(206,515)	362,395
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(2,337,433)	(17,749)	(2,355,182)
Capital Grants and Contributions	1,749,145	-	1,749,145
Principal Paid on Revenue Bond	(435,000)	-	(435,000)
Interest and Fees Paid on Revenue Bond	(313,612)	-	(313,612)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(1,336,900)	(17,749)	(1,354,649)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	237,438	32,999	270,437
NET CASH PROVIDED BY INVESTING ACTIVITIES	237,438	32,999	270,437
NET INCREASE IN UNRESTRICTED AND RESTRICTED CASH AND CASH EQUIVALENTS	655,899	327,540	983,439
UNRESTRICTED AND RESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,164,484	1,265,613	6,430,097
UNRESTRICTED AND RESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,820,383	1,593,153	\$ 7,413,536
Reconciliation of Operating Income to Net Cash from Operating Activities:			
Operating Income	\$ 711,435	178,493	\$ 889,928
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities			
Depreciation	432,747	351,128	783,875
Change in Accounts Representing Operating Activities:			
Accounts Receivable	2,199	-	2,199
Unearned Revenue	2	-	2
Accrued Compensated Absences	(734)	2,033	1,299
Deferred Pension Charges	(1,521)	7,756	6,235
Net Pension Liability	35,677	(25,088)	10,589
Deferred Pension Credits	6,646	4,483	11,129
Net Cash Provided by Operating Activities	\$ 1,186,451	518,805	\$ 1,705,256
Noncash Capital and Related Financing Items:			
Donated Capital Assets	\$ 205,250	-	\$ 205,250
Change in Accrued Payables Related to Capital Assets	\$ (98,236)	-	\$ (98,236)

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

The City of Simpsonville ("City") was incorporated in 1901 under the laws of the State of South Carolina. Section 47-26 of the 1962 Code of Laws, as amended (Home Rule Act), requires that municipalities adopt a specific form of government. The City operates under the Council form of government. City Council ("Council") is composed of a Mayor and six Council members. The six Council members are elected at-large for four-year, staggered terms and the Mayor is elected at-large for a four year term. The Mayor and Council are vested with the legislative and policymaking powers of the City. The Council appoints a City Administrator who serves as the chief executive officer of the City and is responsible to Council for proper administration of all affairs of the City.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

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

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

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

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City. Based on the criteria above, the City has one blended component unit.

- The Simpsonville Municipal Facilities Corporation ("SMFC" or "Corporation") is a blended component unit of the City. The Corporation has been organized and shall be operated exclusively for the exercise of essential governmental functions (within the meaning of Section 115 of the Internal Revenue Code of 1986, as amended (the "Code") for the benefit of, to perform the functions of, and to carry out the purposes of the City. Rental income to the Corporation is excludable under Code because the Corporation exercises an essential governmental function, and the Corporation will not be required to file an annual federal information return (Form 990) under current federal law. The Corporation issued Installment Purchase Revenue Bonds in June 2021, which will primarily be used to (a) finance the costs of constructing, acquiring, and equipping a new municipal complex consisting of a new City Hall, police department headquarters, fire station, municipal court facilities and related parking and for the construction and acquisition of additional parking lots near and adjacent to the project facilities and other costs and for renovations to the project facilities and (b) to defray the costs of issuing the bonds.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

The Corporation and the City have entered into a Municipal Facilities Purchase and Occupancy Agreement and a Base Lease Agreement whereby the City will occupy and use the facilities and the City, subject to annual appropriation by City Council, will make semi-annual acquisition payments to the Corporation in amounts sufficient to enable the Corporation to pay the debt service owed on the debt. The Corporation is governed by a board of directors ("Board") which consists of three members – all of which are appointed by City Council. City Council has the power at any time to remove a director with or without cause and to appoint a successor for such director. The Corporation is included as a major special revenue fund in the City's governmental fund financial statements. Separate financial statements for the Corporation are not issued.

Potential Component Unit

The Simpsonville Industrial Development Corporation, (the "SIDC") is a nonprofit organization whose purpose is to assist the City in promoting the economic development of the City for the benefit and welfare of the citizens of the City by providing and organizing (i) new business attraction, (ii) assisting current business retention, (iii) prospect response and follow-up, (iv) marketing and advertising, (v) data collection and research, (vi) prospect field trips, (vii) public relations, (viii) incentive negotiations, (ix) infrastructure development, and (x) fundraising. The City has financial accountability for SIDC but the activity and the balances of SIDC are not significant to the City and thus it has not been included in these financial statements.

Major Operations

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

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

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

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

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non major funds are aggregated and presented in a single column.

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

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

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

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

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Accommodations and Hospitality Tax Fund, a major fund* and a budgeted fund, and accounts for the City's specific revenue sources that are legally restricted to tourism related expenditures.

The *Simpsonville Municipal Facilities Corporation Fund, a major fund* and an unbudgeted fund, and accounts for all of the activity of this blended component unit (see Note I.A for more details).

The *American Rescue Plan Fund, a major fund* and an unbudgeted fund, accounts for the activity related to the American Rescue Plan Act of 2021.

The City has the following non major special revenue funds:

Veteran's Monument Fund	Firefighters' 1% Fund
Animals of Simpsonville Fund	Victims' Advocate Fund
Economic Development Fund	Seized Funds Fund
Fire Prevention Fund	Narcotics Fund
Fire Safety House Fund	Enforcing Underage Drinking Laws Fund
Simpsonville Arts Center Foundation Fund	

Capital Projects Funds are used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the acquisition of capital assets or construction of major capital facilities for the City. The City has the following major and non major capital projects funds:

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

The City has the following non major capital projects funds:

Bryson Meadows Project	Fowler Chase Project
Stewart Park Project	Heritage Pointe Project
Knightsbridge Project	Fox Trace Project

Proprietary Fund Types are accounted for based on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds are made up of two classes: enterprise funds and internal service funds. The City does not have any internal service funds and has two enterprise funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are primarily charges for services/fees. Operating expenses for enterprise funds include the expense for providing goods and services, administrative expenses, maintenance, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The City's proprietary fund type and major funds are as follows:

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has the following Enterprise Funds:

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **Sewer Fund, a major fund** and a budgeted fund, is generally used to account for assets and activities of the City's sewer operations. Generally, all costs are financed through charges to utility customers.

The **Public Works Fund, a major fund** and a budgeted fund, is generally used to account for assets and activities of the City's sanitation and road improvement operations. All costs are financed through charges to citizens.

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

1. *Cash, Cash Equivalents, and Investments*

The City considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased (which includes money market mutual funds) and investments in the South Carolina Local Government Investment Pool to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) are reported as investments.

The City's operating cash and investment policy is designed to operate within existing statutes (which are identical for all non-fiduciary funds, fund types, and component units within the State of South Carolina). The statutes of the State of South Carolina authorize the City to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

- South Carolina Local Government Investment Pool ("LGIP" or "Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" and GASB Statement No. 72 "*Fair Value Measurement and Application*", investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.
- Money market mutual funds ("MMMF") are generally open-ended funds that invest primarily in short term government debt securities that generally have a weighted average maturity of 60 days or less and do not invest more than 5% in any one issuer, except for government securities and repurchase agreements.
- U.S. securities are generally treasury notes, treasury bonds, treasury bills, and related securities which are debt obligations of the U.S. government (lending money to the federal government for a specified period of time). These debt obligations are backed by the "full faith and credit" of the government, and thus by its ability to raise tax revenues and print currency, U.S. Treasury securities are considered the safest of all investments.

2. Receivables and Payables

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

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts. Trade receivables are comprised of amounts due from entities and individuals for a variety of types of fees, charges and services, including franchise fees, hospitality fees, sewer, and other fees and charges.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method (if material). A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets

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

The City defines capital assets as assets that exceed its capitalization thresholds with an estimated useful life in excess of one year. The City maintains an individual capitalization threshold of \$5,000 for all activities. The City maintains group purchase capitalization thresholds of \$125,000, \$25,000, and \$5,000 for its governmental activities, Sewer Fund, and Public Works Fund, respectively. Such assets are recorded at historical cost or estimated historical cost if not purchased or constructed. Donated capital assets are recorded at estimated acquisition value (as estimated by the City) at the date of donation.

Public domain (“infrastructure”) general capital assets, consist of the road network (i.e. roads, curbs, gutters, sidewalks, etc.) and sewer system assets that were acquired or that received substantial improvements. These assets are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. Capital assets are depreciated on the straight-line method using the following estimated useful lives:

Buildings and Improvements	10 - 50 years
Infrastructure	40 - 50 years
Vehicles	5 - 20 years
Machinery, Equipment, and Furnishings	5 - 15 years

5. Compensated Absences

It is the policy of the City to provide paid annual leave (commonly referred to as vacation leave or paid time off) which is earned on a monthly basis in varying amounts based on years of service to a maximum amount per scheduled work hour classification. The annual leave year runs from January 1st to December 31st. Annual leave is depleted on the first-in, first-out basis. A maximum of 40 hours of accrued annual leave will be paid upon voluntary termination as long as the six month introductory period has been completed and proper notice has been satisfied. Sick leave is earned on a monthly basis. Sick leave can only be used for a valid illness and will not be paid at termination or retirement.

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16 “Accounting for Compensated Absences”. The entire compensated absence liability and expense is reported in the government-wide financial statements. The portion applicable to the City’s enterprise activities is also recorded in the Enterprise Fund financial statements, if material. Governmental funds will only recognize compensated absences liability if they have matured, for example, as a result of employee resignations or retirements.

6. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method (as it approximates the effective interest method) if material. Debt is reported net of applicable premiums and discounts. Issuance costs are expensed when incurred.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. *Accrued Liabilities and Long-Term Obligations (Continued)*

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

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

7. *Deferred Outflows/Inflows of Resources*

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

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

8. *Fund Balance*

In accordance with GASB Statement No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*,” the City classifies its governmental fund balances as follows:

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

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Fund Balance (Continued)

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

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

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The City generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the City generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City's Council has set a General Fund unassigned fund balance target at 25% of current operating expenditures and a minimum unassigned fund balance target of 20% of current operating expenditures.

9. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

10. Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.B and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for its participation in the Plans, which represents the City's proportionate share of the total pension liability over the fiduciary net position of the Plans, measured as of the City's preceding fiscal year-end.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Pensions (Continued)

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

11. Fair Value

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

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The City believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

12. Encumbrances

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Accounting Estimates

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

14. Comparative Data

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City has elected to present its budgetary comparison information for the General Fund and Accommodations and Hospitality Tax Fund as separate schedules (required supplementary information) and not as basic financial statements. The General Fund and the Accommodations and Hospitality Tax Fund were the only major governmental funds for which the City had a legally adopted budget. See the notes to the budgetary comparison schedule – General Fund and Accommodations and Hospitality Tax Fund (following the notes to the financial statements) for details regarding the City’s budgetary information and process.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City’s deposits might not be recovered. The City does not have a formal deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2024, none of the City’s bank balances of approximately \$43,157,000 (with a carrying value of approximately \$42,382,000) were exposed to custodial credit risk.

Investments

As of June 30, 2024, the City had the following investments:

Investment Type	Fair Value Level (1)	Credit Rating ^	Fair Value	WAM < 1 Year
Governmental MMMF	Level 1	AAAm, Aaa-mf, AAAMmf	\$ 13,684,183	\$ 13,684,183
LGIP	N/A	Unrated	1,027	1,027
United States Securities	Level 1	NR	954,418	954,418
Total			\$ 14,639,628	\$ 14,639,628

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

^ If available, credit ratings are for Standard & Poor’s, Moody’s Investors Service, and Fitch Ratings.

WAM - Weighted Average Maturity.

N/A or NR - Not Applicable or Not Required.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

A. Deposits and Investments (Continued)

Investments (Continued)

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

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2024, approximately \$954,000 of the City’s investments are exposed to custodial credit risk because the securities are uninsured, unregistered, and are being held by the counterparty’s agent but not in the government’s name.

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

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

Certain deposits and investments of the City are legally restricted for specified purposes. The major types of restrictions at June 30, 2024 were those imposed by the revenue source (i.e. accommodation taxes, hospitality fees, etc.), unspent debt proceeds, and debt service reserve funds.

Reconciliation to the Financial Statements

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

Description	Amount
Carrying Amount of Deposits	\$ 42,382,207
Fair Value of Investments	14,639,628
Total Deposits and Investments	\$ 57,021,835
Statement of Net Position:	
Cash and Cash Equivalents	\$ 33,278,205
Cash and Cash Equivalents, Restricted	22,789,212
Investments, Restricted	954,418
Total Cash and Cash Equivalents	\$ 57,021,835

B. Receivables and Unavailable/Unearned Revenues

Property Taxes

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

B. Receivables and Unavailable/Unearned Revenues (Continued)

Property Taxes (Continued)

Property taxes are assessed and collected by Greenville County. The County levies its real property taxes each September based upon current assessed valuation. Assessed values are established by the County Assessor, the County Auditor, and the South Carolina Department of Revenue and Taxation at various rates of 4 to 10.5 percent of the estimated market value.

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

January 16 through February 1	-	3% of tax
February 2 through March 15	-	10% of tax
After March 15	-	15% of tax plus collection cost

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

The City's fiscal year 2024 real and business personal property taxes (which was for tax year 2023) were levied in October 2023 based on a millage rate of 59.8 mills (same as the prior year) for the City and 36.5 mills (36.6 mills in the prior year) for the Fire Service Area, of which 5.1 mills (same as the prior year) is retained by Greenville County for debt service payments. The City's assessed value of real and personal property (including vehicles) was approximately \$146.1 million (\$129.4 million in the prior year).

Other Receivables

Accounts receivable and other receivables represent amounts due to the City for grants, derived tax revenues, security services, charges for services, etc. All receivables are shown net of an allowance for uncollectibles of approximately \$8,000. The City's net receivables at June 30, 2024 consisted of the following:

Description	General Fund	Accommodations and Hospitality Tax Fund	Sewer Fund	Totals
Property Taxes	\$ 145,516	-	-	\$ 145,516
Utilities	-	-	235,828	235,828
Accommodations Taxes	91,005	36,380	-	127,385
Hospitality Fees	-	293,130	-	293,130
MASC Insurance	252,536	-	-	252,536
Franchise Fees	408,037	-	-	408,037
Aid to Subdivisions	150,856	-	-	150,856
Grants	-	-	179,889	179,889
Other	522,630	451	-	523,081
Net Receivables	\$ 1,570,580	329,961	415,717	\$ 2,316,258

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

B. Receivables and Unavailable/Unearned Revenues (Continued)

Unavailable and Unearned Revenues

Governmental funds report as a component of deferred inflows of resources revenues that are not considered to be available to liquidate liabilities (unavailable revenue) of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). As of June 30, 2024, the City’s governmental funds had the following unavailable and unearned revenues:

Description	Fund	Unavailable	Unearned	Total
Property Taxes	General Fund	\$ 134,331	-	\$ 134,331
Other	General Fund	-	7,950	7,950
Total		<u>\$ 134,331</u>	<u>7,950</u>	<u>\$ 142,281</u>

C. Interfund Receivables, Payables and Transfers

Interfund Receivables and Payables

Interfund balances at June 30, 2024, consisted of the following individual fund receivables and payables (all of which are expected to be repaid within one year):

Fund	Receivables	Payables
General Fund	\$ 3,404,023	\$ 162,085
Accommodations and Hospitality Tax Fund	-	366,613
American Rescue Plan Fund	-	1,581,691
Capital Projects Fund	158,619	-
Non Major Governmental Funds	3,466	35,768
Sewer Fund	-	1,306,065
Public Works Fund	-	113,886
Totals	<u>\$ 3,566,108</u>	<u>\$ 3,566,108</u>

Generally, the interfund receivable and payable are a result of the General Fund handling the cash activities of the Sewer Fund, Sanitation Fund, American Rescue Plan Fund, Accommodations and Hospitality Tax Fund, Capital Projects Fund, and Other Governmental Funds. The General Fund (a) finances the salaries and other operating expenses for the Sewer Fund and Sanitation Fund, and (b) processes vendor payments and payroll transactions for the Sewer Fund, Accommodations and Hospitality Tax Fund, Capital Projects Fund, and Other Governmental Funds. As these cash activities occur, the General Fund records this activity in the interfund account with the actual income or expenditure/expense being recorded in the appropriate fund (i.e. Sewer Fund, Sanitation Fund, A&H Tax Fund, Capital Projects Fund, American Rescue Plan Fund, and Other Governmental Funds). Amounts to be paid between the funds are accounted for in the interfund receivable/payable accounts.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

C. Interfund Receivables, Payables and Transfers (Continued)

Interfund Transfers

Interfund transfers for the year ended June 30, 2024, consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 489,699	\$ 923,945
Simpsonville Municipal Facilities Corp. Fund	803,444	-
Capital Projects Fund	474,365	-
American Rescue Plan Fund		353,864
Sewer Fund	-	239,699
Public Works Fund	-	250,000
Totals	\$ 1,767,508	\$ 1,767,508

During the course of normal operations and in order to support the numerous functions of the City, transactions between funds may occur. The City uses transfers to move unrestricted receipts so that they may be used for various programs in other funds. Transfers from the General Fund to Capital Projects Fund were made for future capital needs. Transfers from the American Rescue Plan Fund to the Capital Projects Fund were made to fund ongoing projects. Transfers from the General Fund to the Simpsonville Municipal Facilities Corporation Fund were made to fund debt service expenditures. Transfers from the Sewer Fund and Public Works Fund to the General Fund were for indirect/administrative costs incurred in the General Fund related to these funds.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

D. Capital Assets

Capital asset activity for the City’s governmental activities for the year ended June 30, 2024, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	\$ 7,220,458		-	-	\$ 7,220,458
Construction In Progress	4,293,666	25,468,431	-	-	29,762,097
Total Capital Assets, Non-Depreciable	<u>11,514,124</u>	<u>25,468,431</u>	<u>-</u>	<u>-</u>	<u>36,982,555</u>
Capital Assets, Depreciable:					
Buildings and Improvements	30,878,451	111,611	-	-	30,990,062
Machinery and Equipment	6,145,322	1,141,768	22,386	-	7,264,704
Infrastructure	29,973,948	1,420,779	-	-	31,394,727
Vehicles	12,946,800	193,662	460,493	-	12,679,969
Total Capital Assets, Depreciable	<u>79,944,521</u>	<u>2,867,820</u>	<u>482,879</u>	<u>-</u>	<u>82,329,462</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	11,186,758	824,716	-	-	12,011,474
Machinery and Equipment	4,136,728	563,948	22,386	-	4,678,290
Infrastructure	15,210,967	517,439	-	-	15,728,406
Vehicles	10,038,663	1,036,062	460,493	-	10,614,232
Total Accumulated Depreciation	<u>40,573,116</u>	<u>2,942,165</u>	<u>482,879</u>	<u>-</u>	<u>43,032,402</u>
Total Capital Assets, Depreciable, Net	<u>39,371,405</u>	<u>(74,345)</u>	<u>-</u>	<u>-</u>	<u>39,297,060</u>
Governmental Activities Capital Assets, Net	<u>\$ 50,885,529</u>	<u>25,394,086</u>	<u>-</u>	<u>-</u>	<u>\$ 76,279,615</u>

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

Functions/Programs	Capital Asset Additions	Depreciation Expense
General Government	\$ 25,417,968	\$ 197,503
Public Safety	1,285,667	1,431,081
Public Works	1,445,693	702,929
Recreation and Parks	186,923	610,652
Total - Governmental Activities	<u>\$ 28,336,251</u>	<u>\$ 2,942,165</u>

During the year ended June 30, 2024, the City received donated streets/streetscape and donated amounts paid by the County for a fire truck of approximately \$1,327,000. These amounts were included in Public Works and Public Safety capital asset additions noted above.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

D. Capital Assets (Continued)

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

Business-Type Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Construction In Progress	\$ 12,225,866	2,128,951	-	-	\$ 14,354,817
Total Capital Assets, Non-Depreciable	<u>12,225,866</u>	<u>2,128,951</u>	<u>-</u>	<u>-</u>	<u>14,354,817</u>
Capital Assets, Depreciable:					
Infrastructure	20,812,298	206,895	-	-	21,019,193
Equipment	2,559,741	126,350	-	-	2,686,091
Vehicles	767,280	-	-	-	767,280
Total Capital Assets, Depreciable	<u>24,139,319</u>	<u>333,245</u>	<u>-</u>	<u>-</u>	<u>24,472,564</u>
Less: Accumulated Depreciation for:					
Infrastructure	8,196,386	354,435	-	-	8,550,821
Equipment	1,045,214	373,230	-	-	1,418,444
Vehicles	605,603	56,210	-	-	661,813
Total Accumulated Depreciation	<u>9,847,203</u>	<u>783,875</u>	<u>-</u>	<u>-</u>	<u>10,631,078</u>
Total Capital Assets, Depreciable, Net	<u>14,292,116</u>	<u>(450,630)</u>	<u>-</u>	<u>-</u>	<u>13,841,486</u>
Business-Type Activities Capital Assets, Net	<u>\$ 26,517,982</u>	<u>1,678,321</u>	<u>-</u>	<u>-</u>	<u>\$ 28,196,303</u>

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

Functions/Programs	Capital Asset Additions	Depreciation Expense
Sewer	\$ 2,444,447	\$ 432,747
Public Works	17,749	351,128
Total - Business-Type Activities	<u>\$ 2,462,196</u>	<u>\$ 783,875</u>

The City’s Sewer Fund receive from time to time donated capital assets (generally sewer infrastructure) from subdivisions/projects that are given to the City from developers. In 2024, the City received sewer infrastructure donations of approximately \$205,000 which are included in the above totals.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

E. Long-Term Obligations

The City issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds (“GOB”) and General Obligation Refunding Bonds (“GORB”) are direct obligations and pledge the full faith and credit of the City and are subject to the 8% debt limit requirement if not issued under a bond referendum. Accommodations and Hospitality Tax Revenue Refunding Bonds (“AHTRRB”) and Accommodations and Hospitality Tax Revenue Refunding and Improvement Bonds (“AHTRRIB”) are considered a special obligation of the City and are payable solely from a pledge of accommodation and hospitality taxes. Installment Purchase Revenue Bonds (“IPRB”) are issued by the SMFC, a blended component unit of the City (see Note I.A for more details). Sewer Revenue Bonds (“RB”) are obligations of the City that are secured by revenue from the sewer operations of the City. The full faith, credit, and taxing powers of the City are not pledged for the payment of AHTRRB, AHTRRIB, IPRB, and RB obligations nor the interest thereon.

Each of the City’s outstanding debt issues are either direct borrowings/placements (“DBP”) or publicly traded (“PT”). The City’s DBP debt are generally collateralized by the underlying capital assets and contain provisions that in an event of default, (a) outstanding amounts can become immediately due if the City is unable to make payment (acceleration clauses) and (b) lender could exercise its option to demand return of the financed assets.

Details on the City’s outstanding debt as of year-end are as follows:

	Balance at June 30, 2024
<i>General Obligation Bonds</i>	
\$772,000 Series 2019 General Obligation Bond issued in August 2019 (“GOB – Series 2019”), which is due in annual principal payments of \$105,000 - \$115,000 beginning April 1, 2020 and running through April 1, 2026. Interest is payable semi-annually on April 1 st and October 1 st with interest at 1.955%. The proceeds from this bond were used to finance a new fire truck.	\$ 229,000
<i>Installment Purchase Revenue Bonds</i>	
\$11,300,000 Installment Purchase Revenue Bonds were issued in June 2021 (“IPRB – Series 2021”), which is due in annual principal installments of \$385,000 – \$785,000 beginning on April 1, 2023 through April 1, 2042. Interest is payable semi-annually on April 1 st and October 1 st with interest ranging from 2.125% to 4.000%. The proceeds from these bonds will be used for various capital projects for the City.	10,515,000
<i>Accommodations and Hospitality Tax Revenue Refunding and Improvement Bonds</i>	
\$14,155,000 Series 2021 Accommodations and Hospitality Tax Revenue Refunding and Improvement Bonds issued in June 2021 (“AHTRRIB – Series 2021”), which is due in annual principal installments of \$705,000 to \$1,230,000 beginning January 1, 2022 and ending January 1, 2036. Interest is payable semi-annually on January 1 st and July 1 st with interest from 3.0% to 5.0%. The proceeds from the AHTRRIB – Series 2021 were used to currently refund the AHTRRB – Series 2016 and fund future capital projects.	11,795,000
<i>Revenue Bonds</i>	
\$10,270,000 Series 2016 Revenue Bonds were issued in November of 2016 (“Series 2016 Revenue Bonds”), which is due in annual principal installments of \$360,000 – \$725,000 beginning on April 1, 2018 through April 1, 2037. Interest is payable semi-annually on April 1 st and October 1 st with interest ranging from 2.0% to 5.0%. The proceeds from these bonds will be used for various capital improvements in the Sewer Fund.	\$ 7,520,000

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

E. Long-Term Obligations (Continued)

Presented below is a summary of changes in long-term obligations for the City’s governmental activities for the year ended June 30, 2024:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Debt:					
GOB - Series 2019 - DBP	\$ 341,000	-	112,000	229,000	\$ 114,000
IPRB - Series 2021 - PT	10,915,000	-	400,000	10,515,000	410,000
AHTRRIB - Series 2021 - PT	12,520,000	-	725,000	11,795,000	755,000
Premium on IPRB - Series 2021	1,676,442	-	88,952	1,587,490	-
Premium on AHTRRIB - Series 2021	2,356,505	-	187,106	2,169,399	-
Total Debt	27,808,947	-	1,513,058	26,295,889	1,279,000
Compensated Absences	411,437	446,864	369,888	488,413	244,507
Total Governmental Activities	\$ 28,220,384	446,864	1,882,946	26,784,302	\$ 1,523,507

Presented below is a summary of changes in long-term obligations for the City’s business-type activities for the year ended June 30, 2024:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Debt:					
RB - Series 2016 - Publicly Traded	\$ 7,955,000	-	435,000	7,520,000	\$ 450,000
Premium on RB - Series 2016	646,087	-	46,999	599,088	-
Total Debt	8,601,087	-	481,999	8,119,088	450,000
Compensated Absences	25,046	13,800	12,501	26,345	13,172
Total Business-Type Activities	\$ 8,626,133	13,800	494,500	8,145,433	\$ 463,172

Resources from the General Fund have been utilized to liquidate the governmental activities GOB, IPRB, and compensated absences liability. Resources from the Accommodations and Hospitality Tax Fund have been used to liquidate the AHTRRIB. Resources from the Sewer Fund have been utilized to liquidate all of the business-type activities long-term obligations. Payments for the City’s other long-term liabilities associated with its participation in the State retirement plans (see Note IV.B) are paid from the various funds for which the employees’ salaries are charged.

Article Eight, Section Seven of the South Carolina Constitution of 1895, as amended, provides that no City or Town shall incur any bonded debt which shall exceed eight percent (8%) of the assessed value of the property therein and no such debt shall be created without the electors of such City or Town voting in favor of such further bonded debt. Prior to Home Rule Act of July 1, 1976, the bonded debt exemption was thirty five percent (35%). In 1976, the General Assembly reduced the general obligation debt limit without voter approval to eight percent (8%) of assessed valuation; whereas, with a referendum any amount can be floated. As of June 30, 2024, the City had approximately \$229,000 of general obligation debt. The City’s 8% legal debt limit was approximately \$11,691,000 and the unused legal debt margin was approximately \$11,462,000 at June 30, 2024.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

E. Long-Term Obligations (Continued)

Presented below is a summary of debt service requirements to maturity by year for the City’s governmental and business-type activities as of June 30, 2024:

Year Ended June 30,	Bonds - DBP		Bonds - Publicly Traded		Total
	Principal	Interest	Principal	Interest	
Governmental Activities:					
2025	\$ 114,000	4,477	1,165,000	916,644	\$ 2,200,121
2026	115,000	2,248	1,210,000	870,044	2,197,292
2027	-	-	1,270,000	813,794	2,083,794
2028	-	-	1,325,000	754,744	2,079,744
2029	-	-	1,390,000	693,094	2,083,094
2030-2034	-	-	7,945,000	2,464,970	10,409,970
2035-2039	-	-	5,710,000	864,620	6,574,620
2040-2042	-	-	2,295,000	112,365	2,407,365
Totals	\$ 229,000	6,725	22,310,000	7,490,275	\$ 30,036,000

Year Ended June 30,	Bonds - Publicly Traded		Total
	Principal	Interest	
Business-Type Activities			
2025	\$ 450,000	296,212	\$ 746,212
2026	470,000	278,213	748,213
2027	480,000	264,112	744,112
2028	500,000	244,913	744,913
2029	520,000	224,912	744,912
2030-2034	2,995,000	735,813	3,730,813
2035-2037	2,105,000	137,437	2,242,437
Totals	\$ 7,520,000	2,181,612	\$ 9,701,612

The RB – Series 2016 require the City to maintain user rates sufficient to generate net revenues (as defined by the agreement) of 125% per any fiscal year of the combined annual principal and interest payments on all debt paid from or secured by the revenues of the Sewer Fund. The City is in compliance with all such significant financial covenants and restrictions at June 30, 2024.

Interest paid on the debt issued by the City is generally exempt from federal income tax. The City sometimes temporarily reinvests the proceeds of such tax-exempt debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government. The City does not believe it has an arbitrage liability at June 30, 2024.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION

A. Risk Management

Participation in Public Entity Risk Pools for Property and Casualty Insurance

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

The City pays an annual premium to SCMIRF for its general risk insurance. For the year ended June 30, 2024, the City made premium payments totaling approximately \$594,000. SCMIRF is self-sustaining through member premiums and reinsures through commercial companies. SCMIRF’s net position from its most recently issued audited financial statements at December 31, 2023, totaled approximately \$8,550,000. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

The City pays an annual premium to SCMIT for its workers compensation insurance. For the year ended June 30, 2024, the City made premium payments totaling approximately \$162,000. The Trust uses reinsurance agreements to reduce its exposure to large workers’ compensation losses. SCMIT’s net position from its most recently issued audited financial statements at December 31, 2023, totaled approximately \$43,867,000. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

B. Retirement Plans

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

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

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Description

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

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

Plan Membership

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

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

Plan Benefits

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

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Benefits (Continued)

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.

Plan Contributions

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

Pension reform legislation modified the statute such that the employer contribution rates for the 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 the SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the Plans. Finally, under the revised statute, the contribution rates for the SCRS and PORS may not be decreased until the Plans are at least 85 percent funded.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Contributions (Continued)

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

	SCRS Rates	PORS Rates
	2024	2024
Employer Contribution Rate: ^		
Retirement	18.41%	20.84%
Incidental Death Benefit	0.15%	0.20%
Accidental Death Contributions	0.00%	0.20%
	<u>18.56%</u>	<u>21.24%</u>
Employee Contribution Rate ^	<u>9.00%</u>	<u>9.75%</u>

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

The actual and required contributions to the SCRS and PORS were approximately \$698,000 and \$1,458,000, respectively, for the year ended June 30, 2024 and include the nonemployer contributions noted below.

Nonemployer Contributions

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly (“State”) funded 1 percent of the SCRS and PORS contribution increases for the year ended June 30, 2024. The State’s budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2024 were approximately \$27,000 and \$42,000 for the SCRS and PORS, respectively. These contributions (on-behalf benefits) from the State were recognized as intergovernmental revenues and pension expenditures in the City’s governmental fund financial statements.

Actuarial Assumptions and Methods

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

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

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

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

* Includes inflation at 2.25%.

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

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

Long-Term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

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

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

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

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

The TPL is calculated by the Systems’ actuary, and each Plans’ fiduciary net position is reported in the Systems’ financial statements. The NPL is disclosed in accordance with the requirements of GASB No. 67 in the Systems’ notes to the financial statements and required supplementary information. Liability calculations performed by the Systems’ actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the Plans’ funding requirements.

At June 30, 2024, the City reported liabilities of approximately \$6,594,000 and \$11,505,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2023, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2022 that was projected forward to the measurement date. The City’s proportion of the NPL were based on a projection of the City’s long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2023 measurement date, the City’s SCRS proportion was 0.027272 percent, which was a decrease of 0.000807 from its proportion measured as of June 30, 2022. At the June 30, 2023 measurement date, the City’s PORS proportion was 0.377940 percent, which was an increase of 0.002549 from its proportion measured as of June 30, 2022.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

For the year ended June 30, 2024, the City recognized pension expense of approximately \$671,000 and \$1,709,000 for the SCRS and PORS, respectively. At June 30, 2024, the City reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 114,477	\$ 18,285
Change in Assumptions	101,024	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	9,025
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	171,793	137,434
Employer Contributions Subsequent to the Measurement Date	670,591	-
Total SCRS	1,057,885	164,744
PORS		
Differences Between Expected and Actual Experience	541,428	141,830
Change in Assumptions	250,393	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	19,745
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	496,481	922
Employer Contributions Subsequent to the Measurement Date	1,416,175	-
Total PORS	2,704,477	162,497
Total SCRS and PORS	\$ 3,762,362	\$ 327,241

Approximately \$671,000 and \$1,416,000 that were reported as deferred outflows of resources related to the City's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2025	\$ 184,042	677,259	\$ 861,301
2026	(116,622)	(111,974)	(228,596)
2027	158,997	572,556	731,553
2028	(3,867)	(12,036)	(15,903)
Total	\$ 222,550	1,125,805	\$ 1,348,355

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Discount Rate

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

Sensitivity Analysis

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

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City’s proportionate share of the net pension liability of the SCRS	\$ 8,519,606	6,593,636	\$ 4,992,836
City’s proportionate share of the net pension liability of the PORS	16,229,322	11,504,844	7,634,907
Total	\$ 24,748,928	18,098,480	\$ 12,627,743

Plans Fiduciary Net Position

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

Payable to Plans

The City reported a payable of approximately \$659,000 to the PEBA as of June 30, 2024, representing required employer and employee contributions for the months of May and June 2024 for the SCRS and PORS. This amount is included in Accrued Salaries and Fringe Benefits on the financial statements and was paid in July and August 2024, respectively.

Pension Plans – Reconciliation to the Financial Statements

The City’s pension plans are reflected in the financial statements as follows:

	Net Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
SCRS	\$ 6,593,636	1,057,885	164,744	\$ 671,412
PORS	11,504,844	2,704,477	162,497	1,708,743
Total	\$ 18,098,480	3,762,362	327,241	\$ 2,380,155

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

C. Deferred Compensation Plan

The City offers its employees the option to participate in the South Carolina 401 (k), Roth 401 (k), and 457 Deferred Compensation plans (collectively the “Deferred Compensation Plans”). The Deferred Compensation Plans are administered by the PEBA. All amounts of compensation contributed under the Deferred Compensation Plans, all income, and rights attributed to such amounts remain the sole property of the participating employee. Current year payroll covered under the Deferred Compensation Plans was approximately \$1,534,000. Employees can contribute a minimum of \$10 of gross salary per paycheck, up to a maximum limits as prescribed by the Internal Revenue Service, with additional amounts allowed for participants who are over age 50 or will be turning 50 during the year.

Contributions are not available to employees until termination of employment, retirement, death, or foreseeable emergency, with the exceptions of education and purchase or improvement of a primary residence. There is no eligibility or vesting requirements. The City has no obligation to contribute to the Deferred Compensation Plans and has made no contributions during the year. Employee contributions were approximately \$79,000 for the year ended June 30, 2024. There were no significant changes in plan provisions during the current year.

D. Postemployment Benefits Other Than Pensions

In 2015, the GASB issued Statement No. 75 “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” (“GASB #75”). GASB #75 establishes standards for the measurement, recognition and display of Other Postemployment Benefits (“OPEB”) expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. The City adopted GASB #75 in the year ended June 30, 2018 and its implementation had no impact, as the City does not provide any OPEB benefits (i.e. retiree health benefits, etc.) to its retirees.

E. Contingent Liabilities and Commitments

Litigation

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

Grants

The City receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the City. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the City at June 30, 2024.

Fire Protection Services

In July 2005, the City entered into an agreement with Greenville County whereby the City will provide fire protection services to the unincorporated area of Greenville County known as the Simpsonville Fire Service Area (“FSA”). The County will pay the City operating fees based on millage (presently 36.5 mills of which 5.1 mills are held by the County to pay debt service payments). This agreement expired in June 2017 but has been automatically renewed each year thereafter for one-year terms; however, either party may terminate the agreement subject to a 90 day written notice to the other party prior to the annual June 30 expiration date. The City received approximately \$5,238,000 in tax revenues related to the FSA during the year ended June 30, 2024.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

E. Contingent Liabilities and Commitments (Continued)

Construction Contracts

In August 2021, the City entered into an agreement with the Greenville Legislative Delegation Transportation Committee (“GLDTC”) for services related to the Simpsonville Streetscape Construction Project (“the Project”). GLDTC will pay CoTransCo up to \$2,000,000 for engineering services related to the Project. GLDTC has paid approximately \$507,000 through fiscal year 2024 toward this commitment and the City has paid approximately \$398,000.

The City began a Sewer Rehabilitation project in March 2016 and has recognized approximately \$12,356,000 as of June 30, 2024 (in Construction in Progress). The City’s remaining construction commitment for this project is approximately \$5,468,000 as of June 30, 2024.

The City began the Municipal Complex/Park Improvement project in August 2021 and has recognized costs of approximately \$27,348,000 as of June 30, 2024 (in Construction in Progress). The City’s remaining construction commitment for this project is approximately \$12,762,000 as of June 30, 2024.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SIMPSONVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULES

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

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES				
Taxes:				
Property	\$ 12,617,770	12,617,770	14,122,364	\$ 1,504,594
MASC Telecommunications and Insurance	3,105,330	3,105,330	3,787,809	682,479
Franchise	1,699,500	1,699,500	1,763,424	63,924
Licenses, Permits, and Fees	2,914,500	2,914,500	3,207,165	292,665
Grants	216,095	216,095	346,124	130,029
Fines	125,500	125,500	153,652	28,152
Shared Revenue:				
County	240,711	240,711	306,617	65,906
State	756,000	756,000	898,217	142,217
Interest	250,000	250,000	705,380	455,380
Other	830,632	830,632	981,943	151,311
TOTAL REVENUES	22,756,038	22,756,038	26,272,695	3,516,657
EXPENDITURES				
Current:				
General Government				
Mayor and City Council	138,365	138,365	132,540	5,825
City Administration	2,474,512	2,474,512	2,372,849	101,663
Public Safety				
Police Department	6,496,680	6,496,680	5,993,886	502,794
Fire Department	7,458,434	7,458,434	7,379,190	79,244
Public Works	1,679,567	1,679,567	1,502,695	176,872
Recreation and Parks	2,589,511	2,589,511	2,393,639	195,872
Capital Outlay	1,820,552	1,820,552	2,026,237	(205,685)
Debt Service:				
Principal	512,000	512,000	112,000	400,000
Interest	410,114	410,114	6,790	403,324
TOTAL EXPENDITURES	23,579,735	23,579,735	21,919,826	1,659,909
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(823,697)	(823,697)	4,352,869	5,176,566
Transfers In	1,073,697	1,073,697	489,699	(583,998)
Transfers Out	(250,000)	(250,000)	(923,945)	(673,945)
Insurance Proceeds	-	-	37,879	37,879
Sale of Capital Assets	-	-	52,970	52,970
TOTAL OTHER FINANCING SOURCES (USES)	823,697	823,697	(343,397)	(1,167,094)
NET CHANGE IN FUND BALANCE	-	-	4,009,472	4,009,472
FUND BALANCES, Beginning of Year	19,251,742	19,251,742	19,251,742	-
FUND BALANCES, End of Year	\$ 19,251,742	19,251,742	23,261,214	\$ 4,009,472

Note: The notes to the budgetary comparison schedules are an integral part of this schedule.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULES

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL ACCOMMODATIONS AND HOSPITALITY TAX FUND

YEAR ENDED JUNE 30, 2024

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Hospitality Tax	\$ 3,205,798	3,205,798	3,387,988	\$ 182,190
Accommodations Tax	340,000	340,000	375,642	35,642
Interest	150,000	150,000	814,618	664,618
Grants	-	-	1,000,000	1,000,000
Other Revenue	-	-	174,415	174,415
Gain (Loss) on Investments	-	-	163,082	163,082
TOTAL REVENUES	<u>3,695,798</u>	<u>3,695,798</u>	<u>5,915,745</u>	<u>2,219,947</u>
EXPENDITURES				
Current:				
General Government	94,000	94,000	120,056	(26,056)
Capital Outlay	1,728,600	1,728,600	2,336,540	(607,940)
Debt Service:				
Principal	725,000	725,000	725,000	-
Interest and Other Fiscal Charges	554,200	554,200	554,200	-
Bond Issuance Costs	10,000	10,000	3,634	6,366
TOTAL EXPENDITURES	<u>3,111,800</u>	<u>3,111,800</u>	<u>3,739,430</u>	<u>(627,630)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>583,998</u>	<u>583,998</u>	<u>2,176,315</u>	<u>2,847,577</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(583,998)	(583,998)	-	583,998
TOTAL OTHER FINANCING SOURCES (USES)	<u>(583,998)</u>	<u>(583,998)</u>	<u>-</u>	<u>583,998</u>
NET CHANGE IN FUND BALANCE	-	-	2,176,315	2,176,315
FUND BALANCES, Beginning of Year	19,606,526	19,606,526	19,606,526	-
FUND BALANCES, End of Year	<u><u>\$ 19,606,526</u></u>	<u><u>19,606,526</u></u>	<u><u>21,782,841</u></u>	<u><u>\$ 2,176,315</u></u>

Note: The notes to the budgetary comparison schedules are an integral part of this schedule.

Note: The amount spent above the budget were primarily related to capital projects approved by City Council - but for which the Council elected to not amend the budget.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE BUDGETARY COMPARISON SCHEDULES

YEAR ENDED JUNE 30, 2024

A. BASIS OF ACCOUNTING

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

B. BUDGETARY INFORMATION

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

1. During the months of February and March, the City department heads develop operating budgets while the management and finance departments develop revenue forecasts.
2. During March and April, the City Administrator reviews the department budgets and revenue forecasts. After various refinements and reviews, a proposed budget is presented to the City Council.
3. After two readings during May and June, for which public notices have been announced, the City Council adopts an annual budget ordinance for the General Fund, Accommodations and Hospitality Tax Fund, Simpsonville Arts Center Foundation Fund, Victims' Advocate Fund, Sewer Fund, and Public Works Fund.
4. During the year, accountability for the budget for each department is primarily the responsibility of the department head. The City Administrator has the authority to transfer funds within departments but funds can only be transferred between departments by approval of the City Council. The legal level of budgetary control is at the department level, as reflected in the required supplementary information.
5. The presented budgetary information is as originally adopted or as amended by the City Council. During the year, the City Council did not revise the budget.
6. At the year-end, unencumbered balances of appropriations lapse into the unappropriated fund balance.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

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

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability (Asset)	0.02727%	0.02808%	0.02686%	0.02614%	0.02703%	0.02506%	0.02540%	0.02741%	0.02757%	0.02831%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,593,636	6,806,888	5,812,865	6,679,861	6,172,387	5,614,255	5,716,823	5,854,522	5,227,835	\$ 4,873,355
City's Covered Payroll	\$ 3,448,062	3,336,297	3,036,286	2,920,508	2,854,442	2,596,500	2,562,239	2,654,218	2,584,532	\$ 2,569,820
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	191.23%	204.03%	191.45%	228.72%	216.24%	216.22%	223.12%	220.57%	202.27%	189.64%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.65%	57.06%	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.
The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

CITY OF SIMPSONVILLE, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES
SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 697,665	605,480	552,491	472,446	454,431	415,607	352,085	296,195	293,557	\$ 281,714
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the City	670,591	578,406	525,417	445,372	427,357	388,533	325,011	296,195	293,557	281,714
Contributions from the State	27,074	27,074	27,074	27,074	27,074	27,074	27,074	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	\$ -
City's Covered Payroll	\$ 3,758,971	3,448,062	3,336,297	3,036,286	2,920,508	2,854,442	2,596,500	2,562,239	2,654,218	\$ 2,584,532
Contributions as a Percentage of Covered Payroll	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%

CITY OF SIMPSONVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

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

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability (Asset)	0.37794%	0.37539%	0.36277%	0.32852%	0.32933%	0.32283%	0.30851%	0.32128%	0.30849%	0.31038%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 11,504,844	11,257,912	9,333,662	10,894,326	9,438,292	9,147,526	8,451,819	8,149,237	6,723,507	\$ 5,941,962
City's Covered Payroll	\$ 6,621,851	5,948,149	5,454,876	4,962,735	4,776,743	4,468,453	4,154,634	4,095,919	3,783,716	\$ 3,738,171
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	173.74%	189.27%	171.11%	219.52%	197.59%	204.71%	203.43%	198.96%	177.70%	158.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.79%	66.45%	70.37%	58.79%	62.69%	61.73%	60.94%	60.44%	64.57%	67.55%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.
The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

CITY OF SIMPSONVILLE, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 1,458,287	1,340,263	1,144,424	994,969	905,203	823,511	725,677	591,620	562,779	\$ 507,396
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the City	1,416,175	1,298,151	1,102,312	952,857	863,091	781,399	683,565	591,620	562,779	507,396
Contributions from the State	42,112	42,112	42,112	42,112	42,112	42,112	42,112	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	\$ -
City's Covered Payroll	\$ 6,865,759	6,621,851	5,948,149	5,454,876	4,962,735	4,776,743	4,468,453	4,154,634	4,095,919	\$ 3,783,716
Contributions as a Percentage of Covered Payroll	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%

SUPPLEMENTARY INFORMATION

CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
General Government			
Mayor and City Council:			
Current:			
Salaries	\$ 46,600	46,085	\$ 515
FICA	3,565	2,602	963
Retirement	5,400	4,713	687
Insurance - Group	52,300	60,210	(7,910)
Insurance - Worker's Compensation	1,000	667	333
Insurance - Liability	2,400	2,868	(468)
Discretionary Funds	20,125	10,352	9,773
Dues, Subscriptions, and Memberships	300	-	300
Office and Printing	6,150	4,531	1,619
Telephone, Modem, and Fax	525	512	13
Total Mayor and City Council	<u>138,365</u>	<u>132,540</u>	<u>5,825</u>
City Administration: General			
Current:			
Salaries	844,150	798,278	45,872
Overtime	500	-	500
Extra Duties - Overtime	5,800	-	5,800
FICA	63,728	57,723	6,005
Retirement	154,614	147,084	7,530
Insurance - Group	115,681	75,725	39,956
Insurance - Worker's Compensation	3,000	2,463	537
Insurance - Liability	12,000	13,500	(1,500)
Fuel Usage	5,000	5,026	(26)
Tires	2,000	-	2,000
Professional Training	24,750	13,257	11,493
Contractual Services - Professional	112,600	105,929	6,671
Dues, Subscriptions, and Memberships	15,000	13,956	1,044
Supplies	10,000	5,347	4,653
Telephone, Fax, Cell and Pagers	11,500	11,038	462
IT Communications	12,000	7,236	4,764
Computer Software and Support	105,232	67,320	37,912
Non-Capital Equipment	8,650	6,978	1,672
Utilities	183,000	175,040	7,960
Local Meetings and Meals	7,500	3,559	3,941
Equipment Rent	17,800	13,611	4,189
Bank Fees	1,000	2,238	(1,238)
Building Inspection Fees	140,000	139,422	578
Advertising	1,500	2,369	(869)
Community Relations	127,200	137,068	(9,868)
Employee Recognition	12,000	7,071	4,929
Memorials and Awards	1,500	1,257	243
Miscellaneous	6,000	4,920	1,080
Postage	4,000	2,139	1,861
Business Service	70,000	205,123	(135,123)
Printing	13,000	12,672	328
Repairs and Maintenance - Buildings	11,750	9,442	2,308
Repairs and Maintenance - Equipment	4,700	2,524	2,176
Repairs and Maintenance - Routine	1,000	635	365
Repairs and Maintenance - Drive Train	1,500	-	1,500
Repairs and Maintenance - Vehicle Body Work	\$ 1,000	2,583	\$ (1,583)

(Continued)

CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
General Government (Continued)			
City Administration: General (Continued)			
Current (Continued):			
County Stormwater Fees	\$ 6,000	5,483	\$ 517
Contingency	15,000	-	15,000
Total City Administration: General	<u>2,131,655</u>	<u>2,058,016</u>	<u>73,639</u>
City Administration: Court Division			
Current:			
Salaries	157,500	160,587	(3,087)
Overtime	2,500	-	2,500
FICA	11,896	10,729	1,167
Retirement	28,861	25,733	3,128
Insurance - Group	34,400	30,028	4,372
Insurance - Worker's Compensation	600	323	277
Insurance - Liability	2,500	2,922	(422)
Professional Training	6,000	5,590	410
Dues, Subscriptions, and Memberships	500	226	274
Supplies	1,500	651	849
Telephone, Fax, Cell and Pagers	1,300	-	1,300
IT Communications	5,200	4,873	327
Computer Software and Support	8,100	11,275	(3,175)
Printing	2,500	567	1,933
Repairs and Maintenance - Equipment	500	-	500
Postage	3,500	2,375	1,125
Professional Fees	50,000	37,311	12,689
Jurors, Bailiffs, and Witnesses	15,000	14,920	80
Non-Capital Equipment	2,500	1,318	1,182
Rental Expense	5,500	5,405	95
Miscellaneous	2,500	-	2,500
Total City Administration: Court Division	<u>342,857</u>	<u>314,833</u>	<u>28,024</u>
Total City Administration	<u>2,474,512</u>	<u>2,372,849</u>	<u>101,663</u>
Total General Government	<u>2,612,877</u>	<u>2,505,389</u>	<u>107,488</u>
Public Safety			
Police Department: Operations			
Current:			
Salaries	3,119,287	2,612,758	506,529
Overtime	47,000	153,430	(106,430)
Extra Duties-Overtime	125,000	194,842	(69,842)
FICA	219,364	219,967	(603)
Retirement	609,057	606,124	2,933
Insurance - Group	613,521	524,407	89,114
Insurance - Worker's Compensation	90,000	60,737	29,263
Insurance - Liability	170,000	218,207	(48,207)
Fuel Usage	140,000	138,087	1,913
Tires	16,500	18,215	(1,715)
Professional Training	23,625	24,733	(1,108)
Dues and Subscriptions	3,990	3,615	375
Supplies	19,500	16,851	2,649
Telephone, Fax, Cell and Pagers	\$ 34,650	48,976	\$ (14,326)

(Continued)

CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
Public Safety (Continued)			
Police Department: Operations (Continued)			
Current (Continued):			
Computer Software and Support	\$ 101,871	103,964	\$ (2,093)
IT Communications	13,500	14,540	(1,040)
Utilities	16,000	22,666	(6,666)
Local Meetings and Meals	5,800	6,794	(994)
Leases-Equipment	14,850	14,301	549
Advertising	3,000	2,563	437
Non-Capital Equipment	31,850	15,085	16,765
Community Relations	10,250	9,881	369
Vehicle License Fees	150	52	98
Postage	3,000	1,294	1,706
Uniforms	45,475	36,147	9,328
Employee Uniform Allowance	9,750	7,855	1,895
Printing	2,500	3,317	(817)
Animal Control	3,000	3,030	(30)
Repairs and Maintenance - Buildings	8,000	6,192	1,808
Repairs and Maintenance - Equipment	14,200	9,864	4,336
Repairs and Maintenance - Radios	5,000	1,148	3,852
Repairs and Maintenance - Drive Train	15,800	25,508	(9,708)
Repairs and Maintenance - Routine	40,000	44,587	(4,587)
Repairs and Maintenance - Vehicle Body Work	16,500	19,558	(3,058)
Tools and Small Equipment	-	3,092	(3,092)
Contingency	7,500	6,477	1,023
Firearms/Ammunition	25,470	14,966	10,504
Chemicals	500	315	185
Informant Fees	5,000	3,222	1,778
Housing - Inmate	60,000	87,081	(27,081)
Housing - Juvenile	15,000	3,975	11,025
Radio User Fees	59,780	26,968	32,812
Tuition Reimbursements	2,000	2,000	-
Police Services	8,415	5,537	2,878
Vending	1,000	1,113	(113)
Miscellaneous	3,000	507	2,493
Total Police Department: Operations	5,779,655	5,344,548	435,107
Police Department: Dispatch			
Current:			
Salaries	425,000	393,032	31,968
Overtime	50,000	61,691	(11,691)
FICA	31,748	34,406	(2,658)
Retirement	77,024	85,272	(8,248)
Insurance - Group	106,197	67,082	39,115
Insurance - Workers' Compensation	1,150	490	660
Insurance - Liability	4,500	5,214	(714)
Professional Training	7,700	826	6,874
Dues, Subscriptions, and Memberships	1,006	-	1,006
Supplies - Other	700	-	700
Computer Software and Support	1,000	-	1,000
IT Communications	4,500	-	4,500
Repairs and Maintenance - Equipment	\$ 1,500	78	\$ 1,422

(Continued)

CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Public Safety (Continued)			
Police Department: Dispatch (Continued)			
Current (Continued):			
Repairs and Maintenance - Radios	\$ 1,000	-	\$ 1,000
Uniforms	4,000	1,247	2,753
Total Police Department: Dispatch	<u>717,025</u>	<u>649,338</u>	<u>67,687</u>
Total Police Department	<u>6,496,680</u>	<u>5,993,886</u>	<u>502,794</u>
Fire Department:			
Current:			
Salaries	4,260,600	4,315,105	(54,505)
Extra Duties - Overtime	30,000	41,139	(11,139)
FICA	315,754	321,130	(5,376)
Retirement	876,681	902,561	(25,880)
Insurance - Group	1,063,561	927,683	135,878
Insurance - Workers' Compensation	110,000	76,131	33,869
Insurance - Liability	85,000	105,813	(20,813)
Insurance - Claims	-	3,817	(3,817)
Professional Training	62,000	57,126	4,874
Dues, Subscriptions, and Memberships	5,950	4,530	1,420
Supplies	24,500	20,998	3,502
Supplies - Safety	105,748	96,075	9,673
Landscaping	2,500	283	2,217
Telephone, Fax, Cell and Pagers	22,100	13,220	8,880
Computer Software and Support	35,140	34,020	1,120
IT Communications	25,250	29,559	(4,309)
Utilities	65,000	73,279	(8,279)
Equipment Rent	2,000	1,082	918
Fuel Usage	85,000	84,861	139
Tires Expenditures	40,000	36,065	3,935
Local Meetings and Meals	8,500	4,939	3,561
Community Relations	3,000	1,956	1,044
Non-Capital Equipment	42,500	27,477	15,023
Postage	500	981	(481)
Uniforms	45,000	42,391	2,609
Printing	500	101	399
Repairs and Maintenance - Buildings	37,500	44,773	(7,273)
Repairs and Maintenance - Equipment	35,500	27,988	7,512
Repairs and Maintenance - Radios	3,500	2,198	1,302
Repairs and Maintenance - Drive Train	22,500	24,545	(2,045)
Repairs and Maintenance - Routine	25,000	25,901	(901)
Repairs and Maintenance - Vehicle Body Work	3,000	3,642	(642)
Radio User Fees	-	1,138	(1,138)
Contingency	5,000	1,368	3,632
Chemicals	1,650	433	1,217
Safety Equipment Grant	4,000	20,109	(16,109)
Miscellaneous	4,000	4,773	(773)
Total Fire Department	<u>7,458,434</u>	<u>7,379,190</u>	<u>79,244</u>
Total Public Safety	<u>\$ 13,955,114</u>	<u>13,373,076</u>	<u>\$ 582,038</u>

(Continued)

CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
Public Works			
Sanitation, Maintenance, and Administration:			
Current:			
Salaries	\$ 514,000	498,112	\$ 15,888
Overtime	15,000	4,992	10,008
FICA	38,824	42,871	(4,047)
Retirement	91,872	103,155	(11,283)
Insurance - Group	144,404	168,739	(24,335)
Insurance - Workers' Compensation	55,000	21,630	33,370
Insurance - Liability	70,000	77,655	(7,655)
Temporary Employees	40,000	26,890	13,110
Professional Fees	7,000	430	6,570
Professional Training	6,500	4,205	2,295
Equipment Rent	31,400	17,267	14,133
Supplies - Cement and Masonry	7,000	4,819	2,181
Supplies - Asphalt and Paving	16,000	14,938	1,062
Supplies - Electric and Lighting	6,000	3,013	2,987
Supplies - Other	8,000	7,841	159
Supplies - Safety	2,500	1,848	652
Chemicals	6,800	2,913	3,887
Landscaping	12,000	10,859	1,141
Printing	750	707	43
Utilities	20,000	24,018	(4,018)
Dues, Subscriptions, and Memberships	3,000	1,809	1,191
Telephone, Fax, Cell and Pagers	13,000	5,058	7,942
Computer Software and Support	15,050	20,020	(4,970)
IT Communications	13,000	12,135	865
Employee Recognition	1,500	1,377	123
Non-Capital Equipment	18,650	16,598	2,052
Postage	500	5	495
Uniforms	14,500	12,494	2,006
Repairs and Maintenance - Buildings	6,000	2,550	3,450
Repairs and Maintenance - Equipment	10,400	11,433	(1,033)
Repairs and Maintenance - Facilities	2,500	1,534	966
Repairs and Maintenance - Street, Buildings, and Parks	10,000	9,667	333
Repairs and Maintenance - Routine	10,400	5,996	4,404
Repairs and Maintenance - Vehicles	46,000	38,913	7,087
Fuel Usage	70,000	70,353	(353)
Tires Expenditures	25,000	12,803	12,197
Safety Grant Expenditures	4,000	3,655	345
Stormwater R.O.W.	3,000	2,168	832
Contingency	5,000	800	4,200
Miscellaneous	1,000	4	996
Total Sanitation, Maintenance, and Administration	<u>1,365,550</u>	<u>1,266,274</u>	<u>99,276</u>
Fleet Division:			
Current:			
Salaries	160,000	116,640	43,360
Overtime	1,500	-	1,500
FICA	11,896	9,013	2,883
Retirement	28,861	21,780	7,081
Insurance - Group	30,800	16,046	14,754
Insurance - Workers' Compensation	\$ 3,700	1,922	\$ 1,778

(Continued)

CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
Public Works (Continued)			
Fleet Division (Continued):			
Current (Continued):			
Insurance - Liability	\$ 3,000	3,126	\$ (126)
Professional Training	2,500	592	1,908
Utilities	12,000	15,839	(3,839)
Supplies - Other	6,760	6,048	712
Supplies - Safety	1,100	239	861
Supplies - Garage Stock	1,300	311	989
Telephone, Fax, Cell and Pagers	1,400	950	450
Computer Software and Support	6,450	4,501	1,949
Repairs and Maintenance - Buildings	5,000	4,130	870
Repairs and Maintenance - Equipment	2,000	364	1,636
Repairs and Maintenance - Facilities	3,000	8,123	(5,123)
Uniforms	3,450	2,692	758
Equipment Rent	1,500	606	894
Postage	300	-	300
Chemicals	3,000	2,576	424
Oils and Lubricants	16,000	15,607	393
Non-Capital Equipment	8,500	5,316	3,184
Total Fleet Division	<u>314,017</u>	<u>236,421</u>	<u>77,596</u>
Total Public Works	<u>1,679,567</u>	<u>1,502,695</u>	<u>176,872</u>
Recreation and Parks			
Recreation:			
Current:			
Salaries	711,000	692,713	18,287
Overtime	-	12,957	(12,957)
Extra Duties - Overtime	500	-	500
FICA	52,785	50,241	2,544
Retirement	128,064	117,352	10,712
Insurance - Group	208,770	160,900	47,870
Insurance - Liability	43,000	50,717	(7,717)
Insurance - Worker's Comp.	16,000	8,786	7,214
Insurance - General	5,706	3,413	2,293
Professional Training	4,000	842	3,158
Contractual Services - Recreation	50,000	48,062	1,938
Dues, Subscriptions, and Memberships	1,000	991	9
Supplies - Cement and Masonry	1,500	748	752
Supplies - Electric and Lighting	3,500	2,727	773
Supplies - Office	3,000	3,246	(246)
Supplies - Other	7,500	7,299	201
Supplies - Safety	500	354	146
Landscaping	11,500	6,435	5,065
Telephone, Fax, Cell and Pagers	13,600	4,887	8,713
Computer Software and Support	6,119	3,084	3,035
IT Communications	4,000	5,210	(1,210)
Utilities	75,000	64,733	10,267
Advertising	1,000	602	398
Postage	588	396	192
Uniforms	7,000	6,326	674
Non-Capital Equipment	5,900	2,584	3,316
Employee Uniform Allowance	\$ 1,200	105	\$ 1,095

(Continued)

CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Recreation and Parks (Continued)			
Recreation (Continued):			
Current (Continued):			
Printing	\$ 1,000	697	\$ 303
Repairs and Maintenance - Buildings	29,443	20,593	8,850
Repairs and Maintenance - Equipment	7,570	2,509	5,061
Repairs and Maintenance - Facilities	20,700	7,790	12,910
Repairs and Maintenance - Drive Train	5,000	1,925	3,075
Repairs and Maintenance - Routine	1,500	711	789
Repairs and Maintenance - Vehicle Body Work	1,000	-	1,000
Fuel Usage	25,000	24,558	442
Tires Expenditures	2,200	1,478	722
Contingency	7,500	69	7,431
Grant Fund Expenditures	10,000	9,985	15
PARD Grant Expenditures	34,135	32,154	1,981
Chemicals	7,500	3,185	4,315
Equipment Rent	4,000	3,002	998
Miscellaneous	2,450	4,104	(1,654)
Total Recreation Department	<u>1,521,730</u>	<u>1,368,470</u>	<u>153,260</u>
Heritage Park:			
Current:			
Salaries	285,650	229,145	56,505
Overtime	3,000	2,447	553
FICA	21,229	16,693	4,536
Retirement	51,504	30,862	20,642
Insurance - Group	50,000	62,351	(12,351)
Insurance - Liability	16,000	19,704	(3,704)
Insurance - Worker's Comp.	3,500	1,922	1,578
Professional Training	3,000	300	2,700
Dues, Subscriptions, and Memberships	880	387	493
Supplies - Cement and Masonry	2,500	928	1,572
Supplies - Electric and Lighting	3,000	1,441	1,559
Supplies - Office	2,500	2,538	(38)
Supplies - Other	8,000	7,671	329
Supplies - Safety	1,000	435	565
Supplies - Recreation	30,500	15,545	14,955
Landscaping	26,000	24,924	1,076
Telephone, Fax, Cell and Pagers	5,000	5,882	(882)
Computer Software and Support	4,600	5,479	(879)
IT Communications	2,385	3,367	(982)
Utilities	153,608	193,116	(39,508)
Advertising	1,500	419	1,081
Postage	588	408	180
Bank Fees	6,000	7,109	(1,109)
Non-Capital Equipment	5,700	5,715	(15)
Employee Uniform Allowance	1,600	-	1,600
Printing	1,000	859	141
Repairs and Maintenance - Buildings	17,318	8,349	8,969
Repairs and Maintenance - Equipment	15,750	7,305	8,445
Repairs and Maintenance - Facilities	7,500	7,821	(321)
Repairs and Maintenance - Drive Train	5,100	2,388	2,712
Repairs and Maintenance - Routine	1,200	237	963
Repairs and Maintenance - Vehicle Body Work	\$ 1,000	519	\$ 481

(Continued)

CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
Recreation and Parks (Continued)			
Heritage Park (Continued):			
Current (Continued):			
Fuel Usage	\$ 12,000	11,799	\$ 201
Tires	2,200	1,937	263
Train Repairs and Maintenance - Drive Train	7,200	7,622	(422)
Train Repairs and Maintenance - Routine	650	42	608
Train Wheels	8,400	5,468	2,932
Contingency	7,500	-	7,500
Equipment Rent	9,500	1,054	8,446
Recreation Services	210,000	274,418	(64,418)
Chemicals	18,000	14,786	3,214
Little League All Stars	1,000	822	178
Cost of Concession Goods Sold	2,500	2,512	(12)
Total Heritage Park	1,017,062	986,726	30,336
Amphitheatre:			
Current:			
Insurance - Liability	6,300	8,340	(2,040)
Telephone, Modem, and Fax	5,500	11,913	(6,413)
IT Communications	7,000	3,640	3,360
Repairs and Maintenance	21,108	7,390	13,718
Landscaping	1,000	516	484
Supplies	5,000	4,228	772
Equipment Rental	1,000	1,508	(508)
Electric and Lighting Supplies	2,000	35	1,965
Miscellaneous	1,811	873	938
Total Amphitheatre	50,719	38,443	12,276
Total Recreation and Parks	2,589,511	2,393,639	195,872
Total Current Expenditures	20,837,069	19,774,799	1,062,270
Capital Outlay	1,820,552	2,026,237	(205,685)
Debt Service:			
Principal	512,000	112,000	400,000
Interest	410,114	6,790	403,324
Total Debt Service	922,114	118,790	803,324
TOTAL GENERAL FUND EXPENDITURES	\$ 23,579,735	21,919,826	\$ 1,659,909

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CITY OF SIMPSONVILLE, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

	Non Major Special Revenue Funds	Non Major Capital Projects Funds	Total Non Major Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 118,962	-	\$ 118,962
Cash and Cash Equivalents, Restricted	182,205	214,715	396,920
Interfund Receivables	1,640	1,826	3,466
Total Assets	\$ 302,807	216,541	\$ 519,348
Liabilities and Fund Balances			
Interfund Payables	\$ 35,768	-	\$ 35,768
Accrued Expenses	1,200	-	1,200
Developers' Escrow Liability	-	201,703	201,703
Total Liabilities	36,968	201,703	238,671
Fund Balances:			
Restricted:			
Public Safety	165,285	-	165,285
Cultural Arts	5,262	-	5,262
Other	7,177	14,838	22,015
Assigned - Capital Projects	88,115	-	88,115
Total Fund Balances	265,839	14,838	280,677
Total Liabilities and Fund Balances	\$ 302,807	216,541	\$ 519,348

CITY OF SIMPSONVILLE, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON MAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2024

	Veteran's Monument Fund	Animals of Simpsonville Fund	Economic Development Fund	Fire Prevention Fund	Fire Safety House Fund
Assets					
Cash and Cash Equivalents	\$ -	-	-	-	-
Cash and Cash Equivalents, Restricted	5,392	5,975	1,287	156	-
Interfund Receivables	-	-	-	10	296
Total Assets	\$ 5,392	5,975	1,287	166	296
Liabilities and Fund Balances					
Interfund Payables	\$ 130	-	85	-	-
Accrued Expenses	-	-	-	-	-
Total Liabilities	130	-	85	-	-
Fund Balances:					
Restricted:					
Public Safety	-	-	-	166	296
Cultural Arts	5,262	-	-	-	-
Other	-	5,975	1,202	-	-
Assigned - Capital Projects	-	-	-	-	-
Total Fund Balances	5,262	5,975	1,202	166	296
Total Liabilities and Fund Balances	\$ 5,392	5,975	1,287	166	296

Simpsonville Arts Center Foundation Fund	Firefighters' 1% Fund	Victims' Advocate Fund	Seized Funds Fund	Narcotics Fund	Enforcing Underage Drinking Laws Fund	Total Non Major Special Revenue Funds
118,962	-	-	-	-	-	\$ 118,962
-	25,051	77,780	10,556	43,890	12,118	182,205
-	-	-	-	1,334	-	1,640
118,962	25,051	77,780	10,556	45,224	12,118	\$ 302,807
29,647	-	5,906	-	-	-	\$ 35,768
1,200	-	-	-	-	-	1,200
30,847	-	5,906	-	-	-	36,968
-	25,051	71,874	10,556	45,224	12,118	165,285
-	-	-	-	-	-	5,262
-	-	-	-	-	-	7,177
88,115	-	-	-	-	-	88,115
88,115	25,051	71,874	10,556	45,224	12,118	265,839
118,962	25,051	77,780	10,556	45,224	12,118	\$ 302,807

CITY OF SIMPSONVILLE, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON MAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2024

	Bryson Meadows Project	Stewart Park Project
Assets		
Cash and Cash Equivalents, Restricted	\$ 20,648	33,465
Interfund Receivables	-	-
Total Assets	\$ 20,648	33,465
Liabilities and Fund Balances		
Developers' Escrow Liability	\$ 19,231	31,144
Total Liabilities	19,231	31,144
Fund Balances:		
Restricted	1,417	2,321
Total Fund Balances	1,417	2,321
Total Liabilities and Fund Balances	\$ 20,648	33,465

Knightsbridge Project	Fowler Chase Project	Heritage Pointe Project	Fox Trace Project	Total Non Major Capital Projects Funds
119,744	-	1,499	39,359	\$ 214,715
-	1,826	-	-	1,826
119,744	1,826	1,499	39,359	\$ 216,541
111,170	1,810	1,398	36,950	\$ 201,703
111,170	1,810	1,398	36,950	201,703
8,574	16	101	2,409	14,838
8,574	16	101	2,409	14,838
119,744	1,826	1,499	39,359	\$ 216,541

CITY OF SIMPSONVILLE, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2024

	Non Major Special Revenue Funds	Non Major Capital Projects Funds	Total Non Major Governmental Funds
REVENUES			
Fines	\$ 25,091	-	\$ 25,091
One Percent Income	270,381	-	270,381
Other Income	48,994	-	48,994
Interest	8,019	6,706	14,725
TOTAL REVENUES	352,485	6,706	359,191
EXPENDITURES			
Current:			
General Government	55,282	-	55,282
Public Safety	281,533	-	281,533
Capital Outlay	17,205	-	17,205
TOTAL EXPENDITURES	354,020	-	354,020
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,535)	6,706	5,171
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	6,200	-	6,200
TOTAL OTHER FINANCING SOURCES (USES)	6,200	-	6,200
NET CHANGES IN FUND BALANCES	4,665	6,706	11,371
Fund Balances, Beginning of Year	261,174	8,132	269,306
FUND BALANCES, End of Year	\$ 265,839	14,838	\$ 280,677

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CITY OF SIMPSONVILLE, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2024

	Veteran's Monument Fund	Animals of Simpsonville Fund	Economic Development Fund	Fire Prevention Fund
REVENUES				
Fines	\$ -	-	-	-
One Percent Income	-	-	-	-
Other Income	900	-	-	-
Interest	160	187	40	5
TOTAL REVENUES	1,060	187	40	5
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,060	187	40	5
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGES IN FUND BALANCES	1,060	187	40	5
FUND BALANCES, Beginning of Year	4,202	5,788	1,162	161
FUND BALANCES, End of Year	\$ 5,262	5,975	1,202	166

Fire Safety House Fund	Simpsonville Arts Center Foundation Fund	Firefighters' 1% Fund	Victims' Advocate Fund	Seized Funds Fund	Narcotics Fund	Enforcing Underage Drinking Laws Fund	Total Non Major Special Revenue Funds
-	-	-	25,091	-	-	-	\$ 25,091
-	-	270,381	-	-	-	-	270,381
-	42,109	-	-	-	2,485	3,500	48,994
-	3,071	-	2,429	330	1,467	330	8,019
-	45,180	270,381	27,520	330	3,952	3,830	352,485
-	31,544	-	23,738	-	-	-	55,282
-	-	281,333	-	-	-	200	281,533
-	705	-	-	-	16,500	-	17,205
-	32,249	281,333	23,738	-	16,500	200	354,020
-	12,931	(10,952)	3,782	330	(12,548)	3,630	(1,535)
-	-	-	-	-	6,200	-	6,200
-	-	-	-	-	6,200	-	6,200
-	12,931	(10,952)	3,782	330	(6,348)	3,630	4,665
296	75,184	36,003	68,092	10,226	51,572	8,488	261,174
296	88,115	25,051	71,874	10,556	45,224	12,118	\$ 265,839

CITY OF SIMPSONVILLE, SOUTH CAROLINA

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR CAPITAL PROJECTS FUNDS**

YEAR ENDED JUNE 30, 2024

	Bryson Meadows Project	Stewart Park Project
REVENUES		
Interest	\$ 645	1,045
TOTAL REVENUES	645	1,045
EXPENDITURES		
TOTAL EXPENDITURES	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	645	1,045
NET CHANGES IN FUND BALANCES	645	1,045
FUND BALANCES, Beginning of Year	772	1,276
FUND BALANCES, End of Year	\$ 1,417	2,321

Knightsbridge Project	Fowler Chase Project	Heritage Pointe Project	Fox Trace Project	Total Non Major Capital Projects Funds
3,741	-	46	1,229	\$ 6,706
3,741	-	46	1,229	6,706
-	-	-	-	-
3,741	-	46	1,229	6,706
3,741	-	46	1,229	6,706
4,833	16	55	1,180	8,132
8,574	16	101	2,409	\$ 14,838

CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL
 SIMPSONVILLE ARTS CENTER FOUNDATION FUND

YEAR ENDED JUNE 30, 2024

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Other Income	\$ 50,000	50,000	42,109	\$ (7,891)
Interest	325	325	3,071	2,746
TOTAL REVENUES	<u>50,325</u>	<u>50,325</u>	<u>45,180</u>	<u>(5,145)</u>
EXPENDITURES				
Current:				
General Government	39,000	39,000	32,249	6,751
TOTAL EXPENDITURES	<u>39,000</u>	<u>39,000</u>	<u>32,249</u>	<u>6,751</u>
NET CHANGE IN FUND BALANCE	11,325	11,325	12,931	1,606
FUND BALANCES, Beginning of Year	<u>75,184</u>	<u>75,184</u>	<u>75,184</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ 86,509</u>	<u>86,509</u>	<u>88,115</u>	<u>\$ 1,606</u>

CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL
VICTIMS' ADVOCATE FUND

YEAR ENDED JUNE 30, 2024

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Fines	\$ 21,000	21,000	25,091	\$ 4,091
Interest	500	500	2,429	1,929
TOTAL REVENUES	<u>21,500</u>	<u>21,500</u>	<u>27,520</u>	<u>6,020</u>
EXPENDITURES				
Current:				
General Government	20,165	20,165	23,738	(3,573)
TOTAL EXPENDITURES	<u>20,165</u>	<u>20,165</u>	<u>23,738</u>	<u>(3,573)</u>
NET CHANGE IN FUND BALANCE	1,335	1,335	3,782	2,447
FUND BALANCES, Beginning of Year	68,092	68,092	68,092	-
FUND BALANCES, End of Year	<u><u>\$ 69,427</u></u>	<u><u>69,427</u></u>	<u><u>71,874</u></u>	<u><u>\$ 2,447</u></u>

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CITY OF SIMPSONVILLE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected			\$ 384,960	\$ 384,960
Court fines and assessments remitted to State Treasurer			(207,200)	(207,200)
Total Court Fines and Assessments retained			177,760	177,760
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			6,469	6,469
Assessments retained			18,622	18,622
Total Surcharges and Assessments retained for victim services			\$ 25,091	\$ 25,091

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	\$ 68,092		\$ 68,092
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	18,622		18,622
Victim Service Surcharges Retained by City/County Treasurer	6,469		6,469
Interest Earned	2,429		2,429
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
Contribution Received from Victim Service Contracts:			
(1) Town of			
(2) Town of			
(3) City of			
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 95,612		\$ 95,612
Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	\$ 19,875		\$ 19,875
Operating Expenditures	3,863		3,863
Victim Service Contract(s):			
(1) Entity's Name			
(2) Entity's Name			
Victim Service Donation(s):			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
Total Expenditures from Victim Service Fund/Program (B)	\$ 23,738		\$ 23,738
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)			
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year	\$ 71,874		\$ 71,874

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STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Simpsonville’s (“City”) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents	Page
Financial Trends Information <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	107
Revenue Capacity Information <i>These schedules contain information to help the reader assess the City’s most significant local revenue source.</i>	114
Debt Capacity Information <i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i>	118
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	123
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</i>	125

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

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CITY OF SIMPSONVILLE, SOUTH CAROLINA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 25,386,868	27,193,768	29,760,910	30,553,710	33,093,999	36,091,957	37,323,078	43,820,346	46,647,741	\$ 62,275,771
Restricted	2,475,710	2,013,994	2,921,779	3,339,797	3,957,154	3,860,620	4,741,261	4,600,462	6,044,506	8,054,520
Unrestricted	(4,813,221)	(2,979,408)	(1,727,728)	(392,319)	1,974,856	3,027,552	3,745,399	7,132,170	10,359,330	15,295,882
Total Governmental Activities Net Position	\$ 23,049,357	26,228,354	30,954,961	33,501,188	39,026,009	42,980,129	45,809,738	55,552,978	63,051,577	\$ 85,626,173
Business-Type Activities										
Net Investment in Capital Assets	\$ 8,591,110	10,825,894	11,278,595	11,784,103	11,426,949	11,860,613	11,922,765	15,800,469	17,565,511	\$ 19,824,067
Restricted	-	-	-	186,384	186,786	186,272	187,114	186,582	196,279	210,225
Unrestricted	422,006	777,098	524,907	203,778	1,112,639	3,220,029	6,064,016	6,203,084	5,213,610	5,483,795
Total Business-Type Activities Net Position	\$ 9,013,116	11,602,992	11,803,502	12,174,265	12,726,374	15,266,914	18,173,895	22,190,135	22,975,400	\$ 25,518,087
Primary Government										
Net Investment in Capital Assets	\$ 33,977,978	38,019,662	41,039,505	42,337,813	44,520,948	47,952,570	49,245,843	59,620,815	64,213,252	\$ 82,099,838
Restricted	2,475,710	2,013,994	2,921,779	3,526,181	4,143,940	4,046,892	4,928,375	4,787,044	6,240,785	8,264,745
Unrestricted	(4,391,215)	(2,202,310)	(1,202,821)	(188,541)	3,087,495	6,247,581	9,809,415	13,335,254	15,572,940	20,779,677
Total Primary Government Net Position	\$ 32,062,473	37,831,346	42,758,463	45,675,453	51,752,383	58,247,043	63,983,633	77,743,113	86,026,977	\$ 111,144,260

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
General Government	\$ 1,701,247	1,886,308	2,008,607	1,869,082	2,031,474	2,292,004	2,554,241	1,915,631	2,492,288	\$ 814,927
Public Safety	7,665,770	8,362,290	9,506,408	9,857,761	10,404,863	11,402,360	13,091,901	13,135,059	13,924,075	15,378,648
Public Works	2,322,940	2,389,424	2,814,137	3,043,757	3,337,616	3,360,969	3,359,106	2,391,531	2,208,397	2,197,460
Recreation and Parks	2,422,580	2,411,881	2,655,560	2,667,757	2,573,468	2,561,335	2,650,800	3,508,938	3,381,962	5,193,362
Interest and Fiscal Charges	334,404	431,374	198,482	184,162	133,907	129,724	939,520	743,299	709,250	673,962
Total Governmental Activities Expenses	14,446,941	15,481,277	17,183,194	17,622,519	18,481,328	19,746,392	22,595,568	21,694,458	22,715,972	24,258,359
Business-Type Activities:										
Sewer	780,293	820,130	1,531,164	1,668,451	1,583,036	1,510,394	1,524,342	1,419,026	1,515,594	1,697,059
Public Works						692,284	50,082	950,569	1,464,063	1,419,177
Total Business-Type Activities Expenses	780,293	820,130	1,531,164	1,668,451	1,583,036	2,202,678	1,574,424	2,369,595	2,979,657	3,116,236
Total Primary Government Expenses	\$ 15,227,234	16,301,407	18,714,358	19,290,970	20,064,364	21,949,070	24,169,992	24,064,053	25,695,629	\$ 27,374,595
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 669,777	831,858	743,636	803,535	1,106,806	706,533	1,379,250	1,513,182	668,368	\$ 818,631
Public Safety	417,364	370,742	385,648	475,329	416,065	309,462	393,711	417,923	514,913	560,331
Public Works	203,702	206,634	174,378	264,384	278,345	5,989	-	-	125	772
Recreation and Parks	479,762	429,671	359,375	383,359	472,337	356,134	400,979	713,898	777,605	981,276
Operating Grants and Contributions	49,191	138,979	187,586	130,201	69,519	189,794	359,163	308,868	489,533	10,180,688
Capital Grants and Contributions	338,588	1,143,307	3,104,844	208,145	2,611,512	2,611,936	1,419,386	4,341,381	1,507,233	4,691,653
Total Governmental Activities Program Revenues	2,158,384	3,121,191	4,955,467	2,264,953	4,954,584	4,179,848	3,952,489	7,295,252	3,957,777	17,233,351
Business-Type Activities:										
Charges for Services	1,604,692	1,657,735	1,706,102	1,947,686	2,011,390	3,300,739	3,630,432	3,849,919	3,612,435	3,743,901
Capital Grants and Contributions	507,850	1,700,210	-	-	-	1,379,531	990,950	3,232,386	456,125	2,134,284
Total Business-Type Activities Program Revenues	2,112,542	3,357,945	1,706,102	1,947,686	2,011,390	4,680,270	4,621,382	7,082,305	4,068,560	5,878,185
Total Primary Government Program Revenues	\$ 4,270,926	6,479,136	6,661,569	4,212,639	6,965,974	8,860,118	8,573,871	14,377,557	8,026,337	\$ 23,111,536
Net (Expense)/Revenue										
Governmental Activities	\$ (12,288,557)	(12,360,086)	(12,227,727)	(15,357,566)	(13,526,744)	(15,566,544)	(18,643,079)	(14,399,206)	(18,758,195)	\$ (7,025,008)
Business-Type Activities	1,332,249	2,537,815	1,749,938	279,235	428,354	2,477,592	3,046,958	4,712,710	1,088,903	2,761,949
Total Primary Government Net (Expense)/Revenue	\$ (10,956,308)	(9,822,271)	(12,052,789)	(15,078,331)	(13,098,390)	(13,088,952)	(15,596,121)	(9,686,496)	(17,669,292)	\$ (4,263,059)

(Continued)

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 7,441,317	8,583,366	8,975,602	9,517,849	9,943,275	10,705,976	11,566,880	12,037,860	12,767,249	\$ 14,092,162
Hospitality and Accommodations Tax	2,001,682	2,082,167	2,264,750	2,475,732	2,576,876	2,434,320	2,806,249	3,347,691	3,718,018	4,011,257
MASC Telecommunications and Insurance Tax	1,833,985	1,994,342	2,101,552	2,313,859	2,649,703	2,783,846	2,769,050	3,443,325	3,354,413	3,787,809
Business Licenses	1,204,963	1,255,961	1,322,763	1,358,682	1,515,570	1,360,614	1,770,287	1,947,252	1,892,387	2,159,549
Franchise Fees	1,445,108	1,414,408	1,419,668	1,499,218	1,558,842	1,550,696	1,546,901	1,622,169	1,681,756	1,763,424
Unrestricted Intergovernmental Revenue	399,222	410,435	414,058	496,024	486,192	506,595	510,906	1,043,286	623,349	650,589
Unrestricted Investment Earnings	17,845	25,917	32,136	64,165	108,856	109,774	61,442	(146,404)	1,525,497	2,486,547
Gains on Disposal/Sale of Capital Assets	38,218	98,674	119,508	83,848	23,399	11,559	53,971	5,197	100,216	59,170
Miscellaneous Revenues	38,909	14,819	304,297	94,416	188,852	57,284	191,104	127,244	93,909	99,398
Transfers	-	-	-	-	-	-	158,420	714,826	500,000	489,699
Total Governmental Activities	14,421,249	15,880,089	16,954,334	17,903,793	19,051,565	19,520,664	21,435,210	24,142,446	26,256,794	29,599,604
Business-Type activities:										
Unrestricted Investment Earnings	3,443	4,730	18,317	91,528	123,755	62,948	18,443	18,356	192,112	270,437
Gain/(Loss) on Disposal/Sale of Capital Assets	-	47,331	-	-	-	-	-	-	4,250	-
Miscellaneous Revenues	-	-	7,255	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	(158,420)	(714,826)	(500,000)	(489,699)
Total Business-Type Activities	3,443	52,061	25,572	91,528	123,755	62,948	(139,977)	(696,470)	(303,638)	(219,262)
Total Primary Government	\$ 14,424,692	15,932,150	16,979,906	17,995,321	19,175,320	19,583,612	21,295,233	23,445,976	25,953,156	\$ 29,380,342
Change in Net Position:										
Governmental Activities	\$ 2,132,692	3,520,003	4,726,607	2,546,227	5,524,821	3,954,120	2,792,131	9,743,240	7,498,599	\$ 22,574,596
Business-Type Activities	1,335,692	2,589,876	200,510	370,763	552,109	2,540,540	2,906,981	4,016,240	785,265	2,542,687
Total Primary Government	\$ 3,468,384	6,109,879	4,927,117	2,916,990	6,076,930	6,494,660	5,699,112	13,759,480	8,283,864	\$ 25,117,283

CITY OF SIMPSONVILLE, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 383,086	1,074,678	43,482	271,773	190,231	899,352	14,928	13,656	14,339	\$ 1,027,894
Restricted	398,485	484,453	195,304	233,529	249,562	272,503	243,191	286,535	373,514	428,954
Assigned	180,000	-	-	-	-	-	-	-	-	-
Unassigned	5,386,547	7,298,425	9,316,521	11,193,286	13,865,310	15,145,120	17,684,520	18,240,905	18,863,889	21,804,366
Total General Fund	\$ 6,348,118	8,857,556	9,555,307	11,698,588	14,305,103	16,316,975	17,942,639	18,541,096	19,251,742	\$ 23,261,214
All Other Governmental Funds										
Nonspendable	\$ 378	-	-	-	-	-	6,000	1,379,151	1,057,217	\$ 302,245
Restricted	2,404,500	1,900,798	2,776,768	3,161,913	3,745,856	3,626,668	31,559,035	30,431,278	29,042,685	21,675,707
Assigned	-	-	-	-	-	-	-	2,525,342	5,008,187	5,073,497
Unassigned	-	-	-	-	(1,885)	-	(98,082)	-	-	-
Total All Other Governmental Funds	\$ 2,404,878	1,900,798	2,776,768	3,161,913	3,743,971	3,626,668	31,466,953	34,335,771	35,108,089	\$ 27,051,449
Total Governmental Funds	\$ 8,752,996	10,758,354	12,332,075	14,860,501	18,049,074	19,943,643	49,409,592	52,876,867	54,359,831	\$ 50,312,663

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes:										
Property	\$ 7,473,598	8,558,134	9,009,254	9,512,599	9,976,558	10,677,572	11,543,240	12,067,175	12,693,116	\$ 14,122,364
Hospitality and Accommodations	1,844,952	1,939,169	2,078,213	2,256,807	2,366,028	2,261,827	2,644,119	3,136,105	3,485,441	3,763,630
MASC Telecommunications and Insurance	1,833,985	1,994,342	2,101,552	2,313,859	2,649,703	2,783,846	2,769,050	3,443,324	3,354,413	3,787,809
Franchise	1,445,108	1,414,408	1,419,668	1,499,218	1,558,842	1,550,696	1,747,133	1,622,169	1,681,756	1,763,424
Licenses, Permits and Fees	2,022,159	2,249,468	2,195,346	2,258,217	2,741,774	2,193,287	3,307,335	3,635,746	2,784,087	3,207,165
Intergovernmental	787,040	768,792	1,140,517	922,031	1,203,904	1,037,680	1,008,167	1,157,127	1,092,706	1,204,834
Fines and Forfeitures	149,617	141,131	140,474	208,676	162,491	106,095	132,359	147,623	221,238	178,743
One Percent Income	-	-	-	-	-	-	149,157	253,331	264,225	270,381
Interest	17,845	25,917	32,136	17,522	108,856	109,780	61,442	71,727	1,231,700	2,261,766
Grants	25,855	122,320	177,132	122,058	60,739	184,697	193,043	787,502	571,031	12,959,403
Other	733,537	618,245	554,381	891,320	1,008,205	469,259	531,052	963,168	905,131	1,205,352
Gain (Loss) on Investments	-	-	-	-	-	-	-	(218,131)	293,797	224,781
Total Revenues	\$ 16,333,696	17,831,926	18,848,673	20,002,307	21,837,100	21,374,739	24,086,097	27,066,866	28,578,641	\$ 44,949,652
Expenditures										
Current:										
General Government	\$ 1,690,475	1,826,119	1,889,808	1,728,275	1,897,694	2,078,687	2,297,799	2,395,703	2,522,343	\$ 2,682,727
Public Safety	7,218,720	7,783,058	8,131,574	8,428,966	8,972,648	9,617,464	10,915,104	11,654,972	12,616,949	13,654,609
Public Works	1,722,366	1,723,950	2,087,881	2,197,392	2,342,378	2,679,297	2,852,711	1,758,044	1,604,375	1,502,695
Parks and Recreation	1,912,506	1,856,219	2,064,361	2,256,970	2,071,443	1,939,984	2,084,780	2,205,191	2,337,589	2,393,639
Capital Outlay	896,654	2,164,112	1,579,471	1,440,767	1,437,936	2,259,844	2,178,331	4,366,631	6,456,457	27,144,830
Debt Service:										
Principal	1,507,665	1,705,799	1,774,959	1,957,520	1,907,441	1,940,721	1,634,492	1,245,188	1,200,000	1,237,000
Payment to Refunded Debt Escrow Agent	-	7,700,990	-	-	-	-	72,216	-	-	-
Interest and Fiscal Charges	293,224	176,330	168,415	143,802	117,891	96,807	72,216	714,022	999,307	964,434
Bond Issuance Costs	-	72,751	-	11,945	-	-	624,753	-	-	3,634
Total Expenditures	15,241,610	25,009,328	17,696,469	18,165,637	18,747,431	20,612,804	22,660,186	24,339,751	27,737,020	49,583,568
Excess of Revenues Over (Under) Expenditures	\$ 1,092,086	(7,177,402)	1,152,204	1,836,670	3,089,669	761,935	1,425,911	2,727,115	841,621	\$ (4,633,916)

(Continued)

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing Sources (Uses)										
Transfers In	\$ 1,693,338	2,149,993	1,205,239	1,429,860	541,505	453,927	613,854	5,267,120	3,431,932	\$ 1,767,508
Transfers Out	(1,693,338)	(2,149,993)	(1,205,239)	(1,429,860)	(541,505)	(453,927)	(455,434)	(4,552,294)	(2,931,932)	(1,277,809)
Issuance of Bonds	-	1,175,000	-	480,000	-	772,000	13,154,346	-	-	-
Issuance of Capital Lease	-	519,400	-	-	-	-	-	-	-	-
Issuance of Financed Purchases	750,000	509,775	-	-	-	314,003	-	-	-	-
Issuance of Refunding Debt	-	7,216,000	-	-	-	-	16,885,717	-	-	-
Payment to Refund Debt Escrow Agent	-	-	-	-	-	-	(2,445,469)	-	-	-
Sale of Capital Assets	32,357	71,786	128,667	134,415	23,399	13,357	67,865	5,197	100,216	59,170
Insurance Proceeds	5,861	31,805	292,850	77,341	75,505	33,274	181,681	20,137	41,127	37,879
Total Other Financing Sources (Uses)	788,218	9,523,766	421,517	691,756	98,904	1,132,634	28,002,560	740,160	641,343	586,748
Net Change in Fund Balances	\$ 1,880,304	2,346,364	1,573,721	2,528,426	3,188,573	1,894,569	29,428,471	3,467,275	1,482,964	\$ (4,047,168)
Debt Service as a Percentage of Noncapital Expenditures	12.6%	41.9%	12.1%	12.6%	11.7%	11.1%	8.3%	9.8%	10.3%	9.8%

CITY OF SIMPSONVILLE, SOUTH CAROLINA
GOVERNMENTAL FUNDS TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

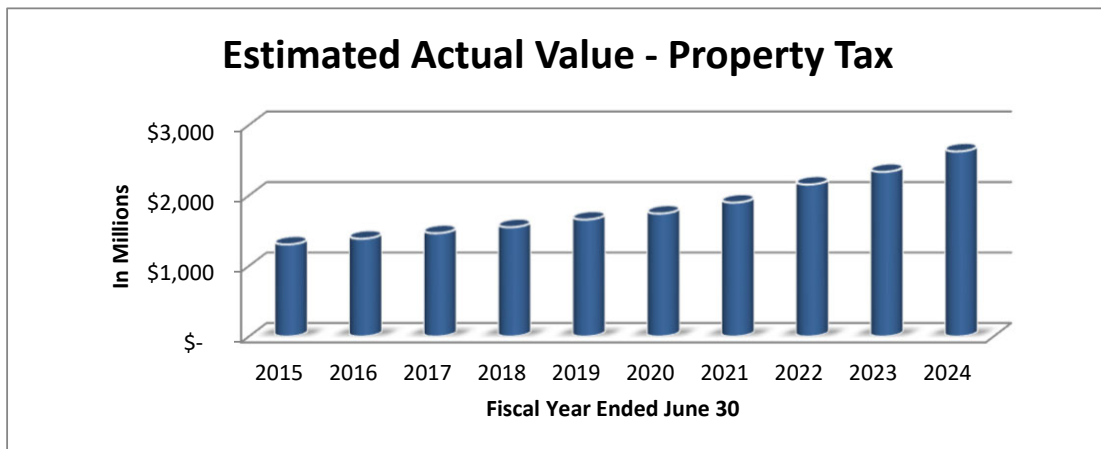
UNAUDITED

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Taxes by Source:										
Property Tax	\$ 7,473,598	8,558,134	9,009,254	9,512,599	9,976,558	10,677,572	11,543,240	12,067,175	12,693,116	\$ 14,122,364
Hospitality and Accommodations Tax	1,844,952	1,939,169	2,078,213	2,256,807	2,366,028	2,261,827	2,644,119	3,136,105	3,485,441	3,763,630
MASC Telecommunications and Insurance Tax	1,833,985	1,994,342	2,101,552	2,313,859	2,649,703	2,783,846	2,769,050	3,443,324	3,354,413	3,787,809
Franchise Fees	1,445,108	1,414,408	1,419,668	1,499,218	1,558,842	1,550,696	1,747,133	1,921,937	1,681,756	1,763,424
Total Tax Revenues	\$ 12,597,643	13,906,053	14,608,687	15,582,483	16,551,131	17,273,941	18,703,542	20,568,541	21,214,726	\$ 23,437,227

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

UNAUDITED

Fiscal Year Ended June 30	Assessed Real Property		Assessed Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Tax Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property					
2015	\$ 29,334,770	34,105,280	10,968,530	\$ 74,408,580	61.70	\$ 1,306,168,707	5.70%
2016	31,493,970	35,906,270	11,685,320	79,085,560	63.60	1,387,873,759	5.70%
2017	33,493,150	37,537,010	12,470,420	83,500,580	63.60	1,465,902,366	5.70%
2018	35,585,930	39,246,570	12,966,580	87,799,080	63.60	1,551,108,806	5.66%
2019	35,120,630	41,293,300	13,037,200	89,451,130	63.60	1,659,696,264	5.39%
2020	38,935,293	42,581,610	13,464,680	94,981,583	63.60	1,744,598,772	5.44%
2021	42,619,850	50,206,440	13,627,710	106,454,000	63.60	1,900,551,543	5.60%
2022	50,238,980	53,570,280	14,968,520	118,777,780	59.80	2,156,233,649	5.51%
2023	53,782,570	59,154,510	16,486,840	129,423,920	59.80	2,335,669,927	5.54%
2024	\$ 58,548,150	68,996,020	18,598,350	\$ 146,142,520	59.80	\$ 2,626,590,372	5.56%



Source: Greenville County Information Systems and Services.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

UNAUDITED

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City Direct Rates:										
Operating	54.9	56.8	56.8	56.8	56.8	56.8	56.8	59.8	59.8	59.8
Debt Service	6.8	6.8	6.8	6.8	6.8	6.8	6.8	-	-	-
	61.7	63.6	63.6	63.6	63.6	63.6	63.6	59.8	59.8	59.8
County Rates:										
Greenville County	51.9	51.9	51.9	51.9	51.9	51.9	48.8	48.8	48.8	55.4
School District Rates:										
Greenville County Schools	182.4	184.9	184.9	191.8	196.9	202.9	194.2	198.7	198.7	207.7
Fire District Rates:										
Simpsonville Fire District	26.0	32.8	32.3	32.1	32.1	37.5	36.6	36.6	36.6	36.5

Source: Greenville County Millage Rate Sheets

Note: Overlapping rates are those of local and county governments that apply to property owners within the City of Simpsonville. Not all overlapping rates apply to all of the City of Simpsonville property owners (i.e., the rates for fire/special purpose districts apply only to the proportion of the City of Simpsonville's property owners whose property is located within the geographic boundaries of the fire/special purpose district).

CITY OF SIMPSONVILLE, SOUTH CAROLINA

Table 8

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

	2024			2015			
	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank
Duke Energy Carolinas	\$ 2,481,510	1	1.92%	Duke Energy	\$ 1,219,160	1	1.64%
Pointe Grand Simpsontville	1,976,200	2	1.53%	Waypoint Garden District	995,220	2	1.34%
HR/CSIM Harrison Property	1,832,580	3	1.42%	Walmart Real Estate	965,800	3	1.30%
Waterleaf at Neely Ferry	1,581,960	4	1.22%	Jasmine Cove Apartments	769,500	4	1.03%
1000 Arbor Keats Drive	1,421,930	5	1.10%	Developers Diversified Finance	657,930	5	0.88%
Upstate Garden District	1,320,750	6	1.02%	Centro Bradley Fairview Corner	612,450	6	0.82%
Martin Family Limited Partners	1,224,430	7	0.95%	Lowes Home Centers	592,860	7	0.80%
Simpsonville Apartment	1,218,990	8	0.94%	Gresham LLC	547,300	8	0.74%
Orencel Cotton Mill	1,187,060	9	0.92%	NNN Arbors at Fairview	539,580	9	0.73%
SMC Harrison Bridge	1,029,670	10	0.80%	Frontier Communications	511,720	10	0.69%
Totals	\$ 15,275,080		11.8%		\$ 7,411,520		10.0%

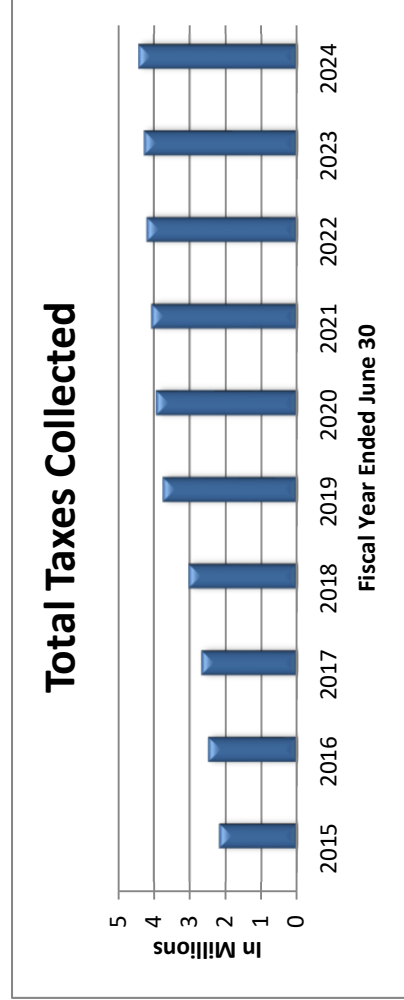
Source: Greenville County Information Systems and Services.

Note: Percentage is based on the Assessed Value of 2024.

**CITY OF SIMPSONVILLE, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	Original Tax Levy for Fiscal Year	Adjustments to Original Tax Levy for Fiscal Year	Adjusted Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 4,652,272	(36,215)	4,616,057	\$ 4,427,840	95.9%	49,231	\$ 4,477,071	97.0%
2016	4,871,523	-	4,871,523	4,811,194	98.8%	-	4,811,194	98.8%
2017	5,224,884	-	5,224,884	5,066,391	97.0%	70,312	5,136,703	98.3%
2018	5,419,676	-	5,419,676	5,260,774	97.1%	-	5,260,774	97.1%
2019	5,872,218	-	5,872,218	5,722,987	97.5%	103,843	5,826,830	99.2%
2020	6,024,964	-	6,024,964	5,913,501	98.1%	-	5,913,501	98.1%
2021	6,568,862	-	6,568,862	6,425,459	97.8%	-	6,425,459	97.8%
2022	7,000,589	-	7,000,589	6,901,992	98.6%	-	6,901,992	98.6%
2023	7,601,800	-	7,601,800	7,399,921	97.3%	-	7,399,921	97.3%
2024	\$ 8,615,653	-	8,615,653	\$ 8,551,951	99.3%	-	\$ 8,551,951	99.3%



Source: Greenville County Information Systems and Services.
(1) This excludes property taxes levied for the Fire Service Area.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

Table 10

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Financed Purchases	Leases	Revenue Bonds	Financed Purchases	Revenue Bonds	Financed Purchases			
2015	\$ 799,132	8,390,000	1,480,411	-	45,000	-	-	-	\$ 10,714,543	2.06%	\$ 532
2016	1,553,513	7,216,000	1,541,005	519,400	-	329,943	-	-	11,159,861	1.95%	538
2017	1,192,226	6,323,000	1,179,333	360,400	11,198,081	254,376	-	-	20,507,416	3.37%	962
2018	1,240,409	5,368,000	767,630	201,400	10,791,082	172,543	-	-	18,541,064	2.95%	840
2019	867,815	4,398,000	393,583	-	10,379,083	94,442	-	-	16,132,923	2.38%	700
2020	1,154,801	3,410,000	239,879	-	9,952,084	-	-	-	14,756,764	2.00%	609
2021	661,521	30,040,063	104,667	-	9,515,085	-	-	-	40,321,336	5.26%	1,727
2022	451,000	28,834,005	-	-	9,063,086	-	-	-	38,348,091	4.88%	1,553
2023	341,000	27,467,947	-	-	8,601,087	-	-	-	36,410,034	3.99%	1,473
2024	\$ 229,000	26,066,889	-	-	8,119,088	-	-	-	\$ 34,414,977	3.24%	\$ 1,251

Note: Details regarding the City of Simpsonville's outstanding debt can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics for personal income and population data.

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

UNAUDITED

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2015	\$ 799,132	-	\$ 799,132	0.1%	\$ 40
2016	1,553,513	-	1,553,513	0.1%	75
2017	1,192,226	-	1,192,226	0.1%	56
2018	1,240,409	-	1,240,409	0.1%	56
2019	867,815	-	867,815	0.1%	38
2020	1,154,801	-	1,154,801	0.1%	48
2021	661,521	-	661,521	0.0%	28
2022	451,000	-	451,000	0.0%	18
2023	341,000	-	341,000	0.0%	14
2024	\$ 229,000	-	\$ 229,000	0.0%	\$ 8

Note: Details regarding the City of Simpsonville outstanding debt can be found in the notes to the basic financial statements. See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data. See the Schedule of Demographic and Economic Statistics for population data.

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2024**

UNAUDITED

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County:			
Greenville County	\$ 123,776,202	4.12%	\$ 5,099,580
School District:			
Greenville County School District	394,560,000	4.12%	16,255,872
Subtotal, Overlapping Debt			21,355,452
City of Simpsonville Direct Debt			
General Obligation Bonds	229,000	100%	229,000
Revenue Bonds	\$ 26,066,889	100%	26,066,889
			26,295,889
Total Direct and Overlapping Debt			\$ 47,651,341

Sources: Assessed value data used to estimate applicable percentages and amount of debt outstanding provided by the applicable government.

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

Note 2: Overlapping rates are those of county and local governments that apply to property owners within the City of Simpsonville. Not all overlapping rates apply to all of the City of Simpsonville's property owners (i.e., the rates for fire/special purpose districts apply only to the proportion of the City of Simpsonville's property owners whose property is located within the geographic boundaries of the fire/special purpose district).

CITY OF SIMPSONVILLE, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

UNAUDITED

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 5,823,200	6,196,180	6,540,213	6,878,257	7,300,762	7,598,527	8,516,320	9,502,222	10,353,914	\$ 11,691,402
Total Net Debt Applicable to Debt Limit	799,132	1,553,513	1,192,226	1,240,409	867,815	1,154,801	661,521	451,000	341,000	229,000
Legal Debt Margin	\$ 5,024,068	4,642,667	5,347,987	5,637,848	6,432,947	6,443,726	7,854,799	9,051,222	10,012,914	\$ 11,462,402
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	13.7%	25.1%	18.2%	18.0%	11.9%	15.2%	7.8%	4.7%	3.3%	2.0%

Legal Debt Margin Calculation for Fiscal Year

Total Assessed Value	\$ 146,142,520
Debt Limit Percentage	8.0%
Debt Limit 8% of Total Assessed Value	11,691,402
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	229,000
Total Amount of Debt Applicable to Debt Limit	229,000
Legal Debt Margin	\$ 11,462,402

Note: Article Eight (8), Section Seven (7) of the South Carolina Constitution, as amended, provides that no government shall incur any bonded debt which shall exceed 8% percent of the assessed value of the property therein without voter approval.

**PLEDGED REVENUE COVERAGE - SEWER REVENUE BONDS
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	Sewer Revenue Bonds						Coverage
	Charges and Other Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2015	\$ 1,608,135	579,796	1,028,339	45,000	\$ 3,056	21.4	
2016	1,662,465	564,419	1,098,046	45,000	1,746	23.5	
2017	1,724,419	540,527	1,183,892	-	146,299	8.1	
2018	2,039,214	734,564	1,304,650	441,833	390,494	1.6	
2019	2,135,145	642,340	1,492,805	459,396	366,621	1.8	
2020	2,000,137	544,096	1,456,041	380,000	354,063	2.0	
2021	2,204,490	451,544	1,752,946	390,000	356,218	2.3	
2022	2,368,541	418,547	1,949,994	405,000	344,519	2.6	
2023	2,249,365	647,544	1,601,821	415,000	330,212	2.1	
2024	\$ 2,383,669	1,002,049	1,381,620	435,000	\$ 313,612	1.8	

Notes: Details regarding the City of Simpsonville's outstanding debt can be found in the notes to the financial
 Operating expenses do not include depreciation.
 Debt service represents scheduled revenue bond and financed purchase payments for the current fiscal year.

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

UNAUDITED

Fiscal Year Ended June 30	Population ¹	Personal Income	Per Capita Personal Income ²	Median Age ²	Unemployment Rate ²
2015	20,148	\$ 520,725,060	\$ 25,845	37.6	4.1
2016	20,736	572,292,864	27,599	37.8	4.6
2017	21,314	608,237,618	28,537	39.7	4.1
2018	22,072	629,471,368	28,519	37.7	3.3
2019	23,037	678,324,465	29,445	38.8	2.8
2020	24,221	736,076,190	30,390	39.1	2.8
2021	23,354	766,501,634	32,821	37.8	3.6
2022	24,685	785,846,975	31,835	36.2	4.2
2023	24,724	911,845,844	36,881	36.6	3.6
2024	27,506	\$ 1,061,236,492	\$ 38,582	37.8	4.1

Data Sources:

- 1 Based on 2013 and 2020 Census plus estimated growth rate and annexations.
- 2 Represents data as reported by the U.S. Census Bureau based on census results in the years 2013 and 2020, with non-census years data estimated based on trends reported by the U.S. Census Bureau for Greenville County.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

Table 16

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

	2024				2015			
	Employer	Number of Employees	Rank	Percentage	Employer	Number of Employees	Rank	Percentage
Prisma Health (FKA Greenville Health Systems)	15,941	1	28.24%	Greenville Health Systems	12,770	1	27.89%	
School District of Greenville County	10,095	2	17.88%	School District of Greenville County	9,580	2	20.92%	
Michelin North America, Inc. (Gvl)	7,120	3	12.61%	Bon Secours St. Francis	5,047	3	11.02%	
Bi-Lo, LLC	4,600	4	8.15%	Michelin North America, Inc. (Gvl)	4,000	4	8.74%	
Bon Secours St. Francis	4,355	5	7.72%	GE Power	3,400	5	7.43%	
GE Power	3,400	6	6.02%	State of South Carolina	3,036	6	6.63%	
Duke Energy Corp.	3,300	7	5.85%	Flour Corporation	2,260	7	4.94%	
Greenville County Government	2,685	8	4.76%	Bi-Lo, LLC	2,089	8	4.56%	
State of South Carolina	2,552	9	4.52%	US Government	1,835	9	4.01%	
Flour Corporation	2,400	10	4.25%	Greenville County Government	1,771	10	3.87%	
Totals	56,448		100.00%	Totals	45,788		100.00%	

CITY OF SIMPSONVILLE, SOUTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

UNAUDITED

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Business Licenses	1,144	1,487	1,349	1,401	1,462	1,281	1,792	1,730	1,666	1,926
Building Permits Issued	653	709	922	782	947	802	985	1,003	676	840
Building Inspections Conducted	4,707	4,682	7,357	5,787	4,789	5,125	5,004	6,246	5,823	4,648
Public Safety - Police										
Physical Arrests	1,183	956	485	632	618	593	913	720	514	596
Parking and Traffic Violations	2,818	2,925	4,936	3,693	3,076	2,465	2,285	2,886	3,267	3,278
Public Safety - Fire										
Emergency Responses	2,500	2,635	3,101	3,306	2,740	2,564	3,194	3,416	3,601	4,816
Fires Extinguished	94	80	117	84	98	103	112	120	101	120
Inspections	1,022	1,083	1,202	1,228	1,074	1,304	1,128	1,881	1,415	1,026
Public Service										
Potholes Repaired	27	68	73	204	264	170	238	158	81	136
Roads Maintained (in Miles)	73	74	78	80	80	86	86	86	86	87
Parks and Recreation										
Recreational Participants	2,822	2,222	2,064	2,121	2,230	1,540	2,488	2,845	2,823	2,915

Sources: City of Simpsonville Department records.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

Table 18

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

UNAUDITED

Function	Fiscal Year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Governmental Activities											
General Government	11	10	11	11	11	11	11	11	11	11	11
Justice and Legal	2	2	2	2	4	3	3	3	3	3	3
Public Safety	106	107	107	111	121	113	129	129	128	128	123
Public Works	22	21	18	19	22	20	26	25	24	24	23
Parks and Recreation	19	18	19	18	17	17	25	18	17	17	17
Total	160	158	157	161	175	164	194	186	183	177	

Source: City of Simpsonville Payroll Records.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

Table 19

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

UNAUDITED

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Justice and Legal										
Correction/Jail Cell Facility Capacity	2	2	2	2	2	2	2	2	2	2
Public Safety - Police										
Number of Police Stations	1	1	1	1	1	1	1	1	1	1
Number of Patrol Units	25	26	26	25	24	28	28	28	28	28
Public Safety - Fire										
Number of Fire Stations	4	4	4	5	5	5	6	6	6	6
Number of Fire Trucks	10	10	12	12	12	12	12	14	14	14
Public Service										
Streets (in Miles)	73	74	100	102	102	106	106	106	106	106
Traffic Signals	22	22	23	22	22	22	22	22	22	22
Parks and Recreation										
Parks Acreage	165	167	171	171	171	171	171	171	171	171
Parks	8	8	9	9	9	9	9	9	9	9
Ball Fields	13	13	13	13	13	13	13	13	13	13
Solid Waste										
Collection/Refuse Trucks	22	22	4	1	1	1	4	4	4	4

Sources: Various City of Simpsonville Departments.

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COMPLIANCE SECTION

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CITY OF SIMPSONVILLE, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2024

Program	Assistance Listing Number	Grant / Contract Number	Expenditures
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Program:			
Community Development Block Grant	14.218	N/A	\$ 10,000
TOTAL US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			10,000
US DEPARTMENT OF THE TREASURY			
Direct Program:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan)	21.027	N/A	11,613,279
Pass Through SC Rural Infrastructure Authority:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan)	21.027	A-23-C177	1,587,815
TOTAL US DEPARTMENT OF THE TREASURY	Total 21.027		13,201,094
GRAND TOTALS			\$ 13,211,094

Note: There were no expenditures to subrecipients for the year ended June 30, 2024.

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

A. GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of the City of Simpsonville, South Carolina (the “City”) for the year ended June 30, 2024. Expenditures for federal financial assistance awarded directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B. BASIS OF ACCOUNTING

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

C. RELATIONSHIP TO THE FINANCIAL STATEMENTS

Federal award expenditures are reported in the City’s financial statements as expenditures in the General Fund and special revenue funds and as capital asset additions in the enterprise funds.

D. MATCHING COSTS

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

E. INDIRECT COST RATE

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



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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simpsonville, South Carolina (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 12, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 12, 2024



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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and the Members of City Council
City of Simpsonville, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Simpsonville, South Carolina's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 12, 2024

CITY OF SIMPSONVILLE, SOUTH CAROLINA

SUMMARY OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2024

2023-001: PROPER EXPENDITURE/EXPENSE RECOGNITION

- Condition:** In order to report the City’s activities in the appropriate accounting period, the City needs to ensure all expenditures/expenses are recorded in the year for which they relate. The lack of proper recognition led to several audit adjustments for accruals and expenditures/expenses of approximately \$1,583,000.
- Criteria:** The City should have appropriate internal controls in place to ensure that all transactions are properly recorded in accordance with generally accepted accounting principles.
- Context, Cause and Effect:** The City inadvertently failed to adjust several accruals to the appropriate balance for ongoing construction projects which resulted in accruals and expenditures/expenses being understated.
- Status:** The City has worked hard to ensure that all transactions are recorded in the correct accounting period. None of these types of transactions were noted in the fiscal year 2024 audit.

CITY OF SIMPSONVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(s) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None Reported
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(s) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516 (Uniform Guidance)?	_____ Yes	_____ <u>X</u> No
--	-----------	-------------------

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan)

Dollar threshold used to distinguish between type A and type B programs:	_____ <u>\$ 750,000</u>
--	-------------------------

Auditee qualified as low-risk auditee?	_____ Yes	_____ <u>X</u> No
--	-----------	-------------------

Section II - Financial Statement Findings

No matters to report.

Section III - Federal Awards Findings and Questioned Costs

No matters to report.