

CITY OF FLORENCE, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Prepared by:
Finance Department

CITY OF FLORENCE, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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INTRODUCTORY SECTION



February 20, 2025

Honorable Mayor, Members of City Council, City Manager,
and Citizens of the City of Florence, South Carolina:

State law requires that all general-purpose local governments annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles (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 Florence (the City) for the fiscal 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 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 City'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 Mauldin & Jenkins, CPAs and Advisors, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal 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 statement presentation; 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 fiscal 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.

The independent audit of the financial statements of the City of Florence was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in the federal awards section of this report.

GAAP require 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 of Florence MD&A can be found immediately following the report of the independent auditors.

The City's financial statements include government-wide financial statements as well as fund-by-fund financial information. The government-wide financial statements include a Statement of Net Position that provides the total net equity of the City including infrastructure and the Statement of Activities that shows the cost of providing government services. These statements have been prepared using the accrual basis of accounting versus the modified accrual method used in the fund financial statements. A reconciliation is provided as a key to understanding the changes between the two reporting methods. In addition, this report includes an emphasis on the City's major funds as shown in the Governmental Fund Statements. The MD&A provides financial highlights and an interpretation of the financial reports through trend analysis and by explaining changes, fluctuations, and variances in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City.

Profile of the Government

The City, chartered in 1890, is in the northeastern region of South Carolina approximately 60 miles from the Atlantic Ocean. Florence is situated in the heart of seven counties that comprise what is commonly referred to as the Pee Dee region. The City of Florence is the largest city in Florence County and serves as the county seat. The City currently occupies a land area of approximately 27 square miles and serves a population of approximately 40,000. The City of Florence is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Florence operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, Municipal Judge, and City Attorney.

The City Manager is responsible for carrying out policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the directors of various departments. The Council is elected through a partisan election process. Council members serve four-year staggered terms, with three Council members elected every two years. The Mayor is elected to serve a four-year term. The Mayor and three members of Council are elected at large. The remaining three members of Council are elected by district.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; sanitation services; parks, recreational, and athletic activities and events; building inspections and permitting; planning and zoning services; water production and distribution services; wastewater collection and treatment services; and storm water collection services.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager by the spring of each year. The City Manager uses these requests to develop a proposed budget. The City Manager then presents this proposed budget to the Council for review. The Council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. Budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the City Manager at the fund level. Budget appropriations may be amended by council as necessary during the fiscal year. Budget-to-actual comparisons are provided in this financial report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds.

Local Economy

The City of Florence is located at the economic and cultural heart of the Pee Dee region situated between the Piedmont and Coastal sections of South Carolina. The City is the economic center of the Pee Dee region and serves the northeastern portion of the state as a major thoroughfare and service community. Florence's location makes it especially desirable for development and expansion. As a significant transportation connector, with Interstate 95 and Interstate 20 intersecting at the city limits, Florence is among the top commercial, industrial, medical, and service centers in the state. In addition to the two major interstate highways, Florence can be accessed from a regional airport, numerous trucking terminals, and both Amtrak and CSX Transportation railway services.

Florence County is home to many domestic and international businesses and ranks as one of the strongest internationally diverse economies in the state. The investments in the Florence area of companies such as GE, Thermo Fisher Scientific, Honda, Nan Ya Plastics, Johnson Controls, QVC, Otis Elevator, McCall Farms, Niagara Bottling, and Ruiz Foods have contributed significantly to overall capital investments and job creation in the area.

In December 2022, AESC announced an \$810 million investment to construct a state-of-the-art electric vehicle battery facility in Florence County, creating 1,170 new jobs. By December 2023, the company expanded its commitment with an additional \$810 million investment, adding 450 jobs, bringing the total to \$1.62 billion and 1,620 jobs. In March 2024, AESC further increased its investment by \$1.5 billion, creating 1,080 more jobs, for a cumulative investment of \$3.12 billion and 2,700 jobs in Florence County.

The healthcare industry in Florence continues to be one of the best in the nation, and the growth in area healthcare continues. Florence boasts two major hospital systems – McLeod Regional Medical System and MUSC Health. Florence leads the region as a center for healthcare excellence with numerous healthcare specialists, medical, eye care, and dental practices also located in the City.

The City of Florence is home to numerous shopping and dining venues offering an assortment of shopping malls, superstores, regional and national retail and restaurant establishments, and locally owned retail stores. Magnolia Mall, Magnolia Commons, The Plaza at Magnolia, Florence Mall, and a variety of other shops and stores throughout the city attract customers from all of Florence County as well as surrounding counties in the Pee Dee region. Of the total retail sales in the seven Pee Dee counties, more than half comes from Florence County.

The Florence Center, a joint capital venture between the City and County of Florence, opened in 1993. This multi-functional facility complements the recreational, cultural, and tourism related activities provided in Florence. The Florence Center has, since its opening, provided local residents and tourists alike a location to gather for such diverse entertainment events as indoor sporting events, concerts, circuses, rodeos, and a variety of other assorted shows. In 2018, a \$16 million, 28,000 square-foot expansion was completed at the Florence Center to provide for space needed to attract and recruit additional conferences and conventions to the facility.

Proximity to the Grand Strand and the intersection of two major interstate highways in the area contribute to the growing attraction of accommodation and hospitality industries to Florence. Numerous hotels and restaurants, many of which are national chains, have located near the Florence Center and Magnolia Mall as well as along the intersection of Interstate 95 and U.S. Highway 52.

Florence continues to experience growth with expansions in healthcare, education, the arts, entertainment, shopping, and hotels. This growth, coupled with the continued downtown revitalization projects, has resulted in Florence becoming a premier and dynamic part of the state. Florence is fortunate to have a diverse economy, and economic development continues in both the City and County of Florence. Florence has been recognized nationally as a prime destination for business and industry because of its accessibility and the availability of land suitable for industrial and commercial development.

Long-Term Financial Planning

As part of the City's planning and needs evaluation process, essential projects and initiatives to be implemented over the course of several years have been identified and incorporated into the City's capital planning model. Through such planning and evaluation, the City has created a structured approach to meeting challenges, effecting change, and achieving goals on a multi-year basis with funding incorporated into the operating and special revenue fund budgets as well as capital improvement budgets. General governmental initiatives include downtown redevelopment; neighborhood redevelopment; recreational, athletic, and other quality of life opportunities; and continued investment in public infrastructure. Funding for these endeavors, which have long-term fiscal implications, come from a variety of sources including grants, Hospitality Fee revenues, Community Development Block Grant funds, General Fund revenues, Tax Increment Financing, Installment Purchase Revenue Bonds, and other authorized financings.

The City's combined water and wastewater system is a highly regulated enterprise that requires extensive fiscal resources for long-term viability to serve the growing demands of the Florence area. To provide sufficient revenues for payment of projected costs of operation, expansion of the System, increases in debt service, and to maintain required debt service coverage ratios, the City, in 2019, contracted with an independent rate consultant to perform a comprehensive study of the operating, capital, and long-term debt service requirements. The analysis revealed that rates for the combined water and wastewater system should be revised to meet current and future financial requirements of the System. Based on the recommendations of the rate study, City Council approved an ordinance in 2020 to revise and update the City's water and wastewater rate schedules for a ten-year period beginning in fiscal year 2021 and continuing through fiscal year 2030.

In August 2023, the City Council passed an ordinance amending utility rates for fiscal years 2024 through 2028 to generate revenue for servicing the debt associated with three planned bond issues. These bond issuances are scheduled for September 2023, Spring 2025, and Fall 2026 and will support the expansion of the City's water treatment and distribution capacity, as well as wastewater collection and treatment, to accommodate the System's growing demands.

On September 27, 2023, the City issued \$32.1 million in combined waterworks and sewerage system capital improvements revenue bonds. These funds will be used to partially finance the expansion of the City's Surface Water Treatment Plant, infrastructure improvements for the AESC battery plant located east of the City, a portion of the comprehensive system engineering and master planning efforts, and the automation of system water meters to enhance customer billing efficiency.

Relevant Financial Policies

The Finance Department is responsible for providing comprehensive financial management, analysis, and support services to City management and departments to promote fiscal accountability, to enhance public services, to maximize revenue collections, to contain costs, and to ensure accurate performance reporting consistent with governmental standards and regulations. Policies and procedures are developed and maintained by the Finance Department to facilitate the accomplishment of these goals and to ensure adherence to best practices in financial management and accounting.

Major Initiatives

City Projects Funded with Countywide Capital Projects Sales Tax – In November 2020, the voters of Florence County approved a referendum for a one cent capital projects sales tax and the issuance of a general obligation bond in an amount not to exceed \$120,000,000. The annual debt service on this bond will be funded by the proceeds of the capital project sales tax.

The "Capital Project Sales Tax III" program provides funding for the design, engineering, construction, and improvement of highways, roads, streets, drainage systems and/or bridges, and traffic flow improvements into and through Florence County. The funding also provides for: a) economic development, b) public safety, c) the promotion of desirable living conditions and improved recreational facilities, d) public health and safety in the event of fire, emergency, panic, and other dangers, and e) the ability to meet present and future needs of Florence County and its citizens.

The County began collecting the third Capital Project Sales Tax on May 1, 2021, and will continue to collect the tax until April 30, 2028. The City of Florence was allocated \$40,000,000 for the following projects within the city limits:

- | | | |
|-----------------------------|----|------------|
| • Intersection Improvements | \$ | 4,100,000 |
| • Road Resurfacing | | 35,900,000 |

Construction of a numerous projects funded through the Capital Projects Sales Tax III continued in fiscal year 2024.

Downtown Redevelopment – Downtown revitalization serves as a key element in the local economy and growth of Florence. A Downtown Master Redevelopment plan was presented to the public in 2001 as a strategic process for transforming downtown Florence into the cultural and economic heart of the Pee Dee it once was. The focus of the master plan was the role of the downtown as the heart of the city, utilizing economic, physical, and management strategies of implementation. As part of the master plan implementation process, the Florence Downtown Development Corporation, a 501(c) (3) tax-exempt charitable corporation, was formed. City staff works with the Downtown Development Corporation, the Florence Downtown Merchants Association, and others involved with the revitalization effort in support of a long-term commitment to renovate, renew, and restore the economic and cultural vitality and vibrancy of downtown Florence.

In 2005, City Council adopted an ordinance that created an overlay district for downtown redevelopment, established design guidelines in the overlay district, and created powers and rules of procedure for a Downtown Design Review Board. On December

18, 2006, City Council adopted an ordinance creating a Tax Increment Financing (TIF) district incorporating the overlay district for downtown redevelopment as adopted by Council in 2005. Proceeds resulting from the tax increment financing district are now being used for public improvements in support of downtown development. To further encourage downtown redevelopment, City Council adopted an ordinance in October 2011 that provided for the establishment of a Downtown Economic Development Incentive Program. The incentives were specifically identified and approved when City Council adopted a resolution in February 2012 authorizing several incentives designed to encourage the revitalization of the downtown area. Additional downtown business redevelopment and historical building incentives were approved through a resolution adopted by City Council in February 2015 to encourage the revitalization of downtown Florence by existing property owners, tenants, and potential developers. In 2017, City Council further amended the downtown overlay district by adding the "Food, Artisan, and Warehouse District." City Council also expanded the geographic boundary for downtown business incentives for qualified projects to include this newly established overlay district as well as areas in the southwest quadrant of the D-1, Downtown Overlay District.

In June 2019, City Council again amended the downtown overlay district by adding the "Irby Street Corridor Overlay District." The intent of this district is to foster redevelopment of properties adjacent to the US Highway 52/Irby Street Corridor to create and maintain a safe, efficient, functional, and attractive corridor through the City of Florence Downtown. This overlay district builds upon downtown existing overlay districts developed to foster revitalization of downtown Florence. The district is intended to encourage redevelopment of existing structures that enhance the character of the corridor, reduce conflict between pedestrian and vehicular traffic, and promote a viable commercial corridor through downtown Florence. By resolution adoption, City Council also expanded the geographic boundary for downtown business incentives for qualified projects to include this overlay district.

Downtown Florence has been designated as a state-recognized cultural district by the South Carolina Arts Commission. A cultural district is an area that has a concentration of cultural facilities, activities and assets, is easily identifiable to visitors and residents, and serves as a center of cultural, artistic and economic activity.

In March 2023 the City of Florence Downtown was awarded the Great American Main Street Award for 2023. This prestigious award is the nation's top award recognizing communities for their excellence in comprehensive preservation-based commercial district revitalization. For decades, downtown Florence suffered from a negative public perception fueled by empty storefronts, racial divide, and a practice of demolishing neglected—yet culturally significant—buildings in favor of new construction. Today, downtown Florence is once again a shining jewel where locals and visitors find exceptional local dining, award-winning entertainment venues, vibrant public art, and buildings rich in architectural heritage.

Special Obligation Bond for Downtown Redevelopment – In December 2006, City Council adopted an ordinance establishing the Downtown Redevelopment District Project Area in downtown Florence. As provided by the ordinance, the City had until December 2016 to issue a Tax Increment Financing (TIF) obligation bond to fund public infrastructure improvements.

In 2014, the City issued a TIF bond in the approximate amount of \$12.9 million to provide for public infrastructure improvements to include the construction of parking decks, ingress and egress acquisition, surface parking, and utilities upgrades. The TIF Bond was issued through the year 2026.

In July 2016, City Council approved an ordinance to revise and extend the original TIF redevelopment plan adopted in 2006, and to extend the maximum term of maturity of TIF obligations from the original 20-year maturity of 2026 to a 40-year maturity expiring in 2046. These revisions were made by City Council to provide for the issuance of Special Obligation Bonds to be used for the construction of additional parking, street improvements, and other essential infrastructure enhancements in the TIF district as well as funding for the revitalization and redevelopment of three Florence School District One facilities. This bond was also used to refund the Series 2014 TIF Revenue Bond.

On November 9, 2016, the City of Florence issued a total of \$35,565,000 Special Obligation Bonds. The bonds included approximately \$21,720,000 of taxable and tax-exempt "new money" which is being used to fund capital infrastructure projects downtown as well as issuance costs and capitalized interest. These infrastructure projects, estimated at a total construction cost of \$20 million, include parking, street improvements, and other essential infrastructure enhancements to be provided. This amount also includes \$12 million for the revitalization and redevelopment of three Florence School District One facilities. The remaining \$13,845,000 bond funds were used to refund the Series 2014 TIF Revenue Bond including issuance costs and capitalized interest.

The Special Obligation Bond was issued with a junior lien pledge of revenues of the water and sewer utility system. While the City projects that there should be minimal use of water and sewer utility system revenues to pay debt service on the TIF bond, the projected coverage impact of the junior lien debt on the water and sewer system assuming the full payment of TIF debt service with water and sewer revenues would be small.

During the fiscal year ended June 30, 2024, the remaining \$1.3 million was expended on these projects as of June 30, 2024, for the purpose of the Urban Square parking garage project.

Installment Purchase Revenue Bond for Downtown Development – On September 8, 2020, the City issued a total of \$26,365,000 installment purchase revenue bonds (IPRBs). Approximately \$7,500,000 of the proceeds of these bonds were used to pay off bond anticipation notes that were issued in 2018 and subsequently reissued in 2019. The proceeds of the bond anticipation notes were used to purchase approximately 6 acres of land in the downtown area directly across from the City Center administrative building. During 2020, the City entered into a conditional grant and development agreement with a developer to construct a 100-bed hotel, a 100-unit apartment complex, a 30,000 square foot office building, and 10 to 15 townhomes on this site. The City will use approximately \$9,500,000 of the proceeds of the IPRBs to construct a 325-space parking deck in the center of this site. The total private and public investment on this site is estimated to be \$65,000,000.

An additional \$2,000,000 of the IPRBs will be used to renovate an old, abandoned movie theater in the downtown area and convert this building into an event space. The remaining \$7,000,000 proceeds of the IPRBs will be used for the sports complex discussed later in this letter.

Installment Purchase Revenue Bonds for Recreation and Athletic Capital Improvements – City staff presented several capital improvement projects to City Council for funding consideration to ensure the City's commitment to provide quality programs and facilities for recreational and athletic activities continues to be met. The following parks, recreation, and athletics projects were identified for which deferred improvements and other capital repairs, as well as certain facility renovations and property acquisitions, should be made:

- Capital Improvements/Renovations to Recreation Facilities
- Freedom Florence Complex Improvements
- Two Community Centers
- Land Purchase (Clemson Property)
- Sports Facilities Improvements and Development
- Trail Connections

City staff proposed that the annual debt service for this bond issue be funded with revenues generated as a result of Council's adopting in fiscal year 2014 an ordinance that changed the amount of credit given toward property taxes from a portion of the Local Option Sales Tax ("LOST") funds collected. Staff determined that the annual debt service for this bond issue, at an estimated total of \$15 million, would best be funded through the issuance of an Installment Purchase Revenue Bond ("IPRB"). In September 2017, Council approved a resolution authorizing the formation of the City of Florence Public Facilities Corporation as the South Carolina non-profit entity required as part of the IPRB structure to finance the capital improvements described above.

On November 13, 2017, City Council approved an ordinance authorizing the issuance of Series 2017 IPRB. On November 15, 2017, the City issued an Installment Purchase Revenue Bond in the amount of \$15 million at an interest rate of 2.99% for a 15-year term to pay costs associated with the construction of Recreation and Athletic capital improvements.

Construction of the Dr. Iola Jones and Maple Park community centers were completed in 2020 utilizing this IPRB funding.

In February 2019, design began on a \$19,400,000 sports complex, consisting of six youth baseball fields, a 400-meter running track with associated track and field equipment, and a 1,200-seat baseball stadium. Construction of this complex began in April 2021. This complex is being funded primarily by approximately \$7,700,000 from the 2017 IPRB, \$7,000,000 from the 2020 IPRB, and a \$2,875,000 lease issued in October 2021 primarily to fund the ballfield lights at the complex. The lease was issued for a period of ten years at an interest rate of 1.79%. The construction of the complex was completed during fiscal year 2024.

On September 8, 2020, the City issued a total of \$10,970,000 installment purchase refunding revenue bonds at an interest rate of 1.49% to refund the Installment Purchase Revenue Bond issued in November 2017 noted above. This refunding generated a net present value savings in excess of \$1,000,000.

Neighborhood Redevelopment – In recognition that housing and neighborhood conditions are central to the City's current and future well-being, the City continues to pursue several strategies to foster and encourage neighborhood redevelopment.

City staff has worked with citizens in three focus areas to complete neighborhood action plans since February 2012 as part of its neighborhood revitalization initiative. The focus areas are North Florence, Northwest Florence, and East Florence. These areas include some of the oldest and most challenged neighborhoods surrounding the City's downtown.

In 2014, the Florence Neighborhood Revitalization Plan was developed by the City with input from residents to preserve, connect, and bridge gateway neighborhoods to downtown Florence by restoring the vibrancy of these neighborhoods one block at a time. The Florence Neighborhood Revitalization Plan is a comprehensive plan that will serve to enhance the overall desirability of Florence as a place to live, increase the City's regional competitiveness, set the stage for catalytic development, and build from the success within and around the City's downtown. The initial focus of the plan includes four (4) neighborhood developments identified as the Neighborhood Revitalization Project Areas. These developments, located in North Florence, Northwest Florence, and East Florence, will improve these communities which will, in turn, serve to enhance the quality of life in the City of Florence as a whole.

As part of this process, the City committed over \$3 million to construction and incentive costs and another \$6 million to street and infrastructure improvements, including new sidewalks, curbing, pocket parks, and bike lanes. As part of the revitalization plan, the city has also created down payment and purchase incentives for qualified buyers that cover the gap between the cost and market value of the new homes.

In March 2017, the official groundbreaking of the "Vista Place" project area, the first development of the four designated redevelopment areas, was held. The Vista Place development area consists of several former vacant lots on Vista Street across from North Vista Elementary School. Each lot was developed to feature a unique, newly constructed house that will enhance this North Florence neighborhood. The construction of the first three homes was completed in February 2018. The City completed construction of two additional homes in 2019 for a total of five homes.

In fiscal year 2006 the City developed the North Pointe subdivision consisting of 27 home sites near Williams Middle School. To date the City has constructed and sold 18 homes in the subdivision with the construction to continue in fiscal year 2025.

In June 2018, the City began site work for “Old Carver Station,” a new neighborhood development that will consist of six homes in Northwest Florence. The City signed a development partnership agreement with a private investor to build the 6 homes in “Old Carver Station.” The City will provide down-payment assistance for buyers of these homes. “Old Carver Station” is located at the corner of Sumter and Alexander streets, directly across from the new R. N. Beck Childhood Education Center. Two homes were constructed and sold in 2021. The remaining four homes are currently under construction and nearing completion. Two private investors partnered with the City through a development agreement to construct two homes each.

Also in Northwest Florence, the City has completed a streetscape project on Sumter Street which includes street and infrastructure improvements, new sidewalks, curbing and drainage, and bike lanes.

In 2018, the City entered a neighborhood redevelopment partnership with the Greater Florence Habitat for Humanity. Over the next ten years, the City will convey up to three vacant lots each year to Habitat for the construction of new Habitat homes in North, Northwest, and East Florence. The City will also provide up to \$25,000 in construction upgrades for each Habitat home built on these sites. Habitat completed two homes in 2024, one on Vista Street and one on Marion Street, and is in the process of completing another home on Vista Street.

In fiscal year 2020 the City began work on a \$270,000 Historic Pine Street Streetscapes project in East Florence to include new sidewalks, curbing, and landscaping. The City continued development in the Historic Pine Corridor with one new home on Pine Street in 2024. The City also partnered with Building Florence Together, who renovated one home on Gaillard in 2024 and will be building two new homes on Pine street in 2025. The City also partnered with a private developer who constructed one new home on Gaillard Street in 2024. The City is currently working to subdivide a larger parcel on the corner of Pine and Gaillard Streets into seven lots and will facilitate the construction of seven single-family detached homes.

Fire stations – On September 9, 2020, the City issued \$6,267,000 in General Obligation Bonds. The bonds were issued for a term of 15 years, maturing on September 30, 2034, at an interest rate of 1.42%.

The proceeds of these bonds were used to construct two new fire stations – Station No. 4 and Station No. 6 – and to purchase fire apparatus for Station No. 6. The property for the current Station No. 4 was sold to a local financial institution for this institution to expand its operations. This necessitated the relocation of Station No. 4. Station No. 6 is a new station which was constructed on the west side of the City in order to service the growth in that area of the City.

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 Florence 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.

To be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, with contents which conform to GFOA program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Certificate awarded for fiscal year ended 2023 marks the twenty-sixth consecutive year the award has been received by the City of Florence. We believe that this Annual Comprehensive Financial Report conforms to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department as well as the City's independent auditors, Mauldin & Jenkins, CPAs and Advisors. Their assistance provided in the preparation of this report is sincerely appreciated.

In closing, without the guidance, leadership, and support of the City Manager, Mayor, and City Council, preparation of this report would not have been possible.

Respectfully submitted,



Glenn A. Bodenheimer
Interim Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Florence
South Carolina**

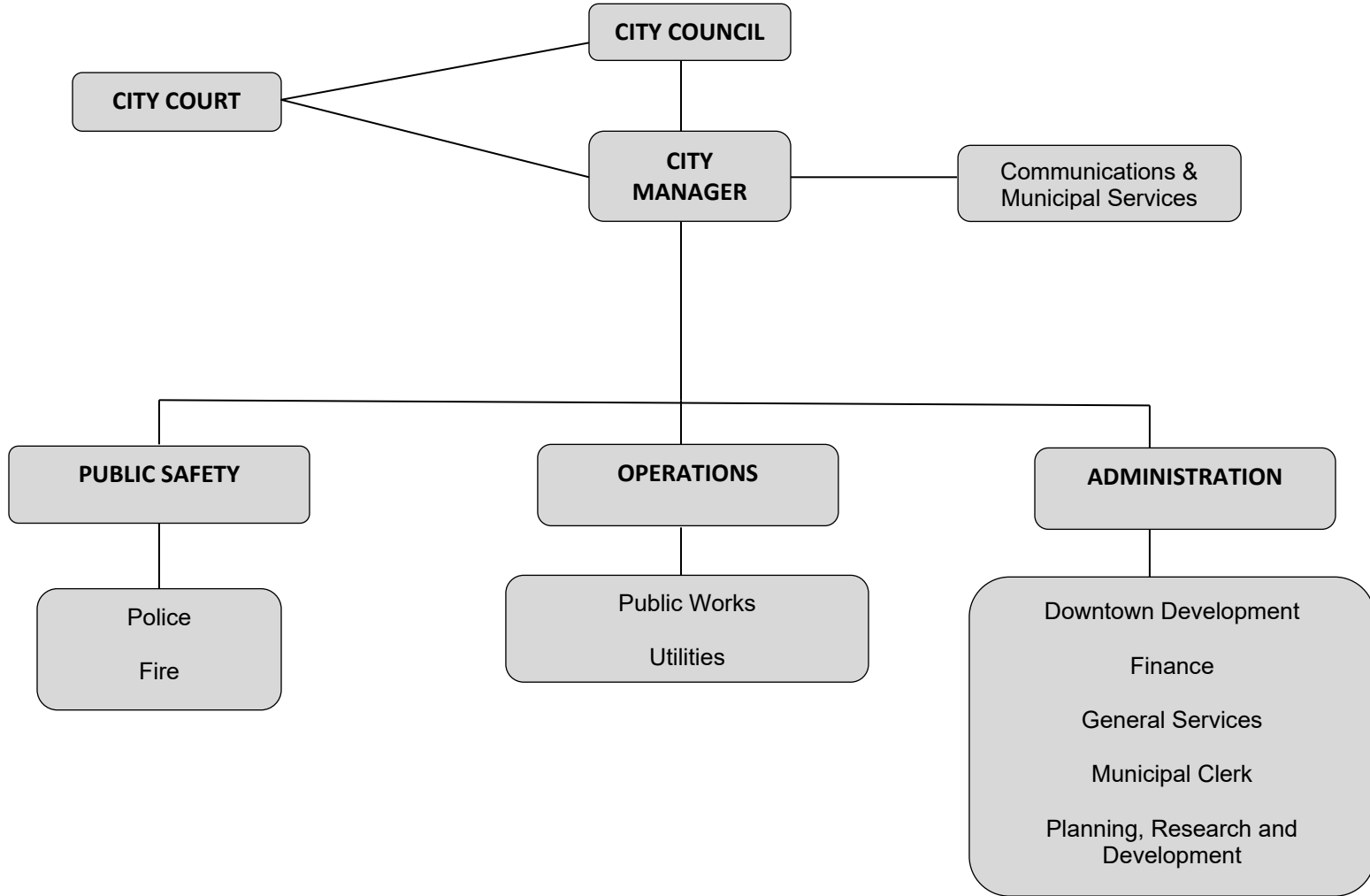
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

**CITY OF FLORENCE
ORGANIZATIONAL CHART
FY 2023-24**



CITY OF FLORENCE, SOUTH CAROLINA
PRINCIPAL OFFICIALS
JUNE 30, 2024

GOVERNING BODY

Teresa Myers Ervin, Mayor

George D. Jebaily, Mayor Pro Tempore

LaShonda NeSmith-Jackson

J. Lawrence Smith, II

Bryan A. Braddock

Lethonia Barnes

Chaquez T. McCall

ADMINISTRATION

Scotty B. Davis, Interim City Manager

James C. Moore, Assistant City Manager

Kevin D. Rawlinson, Chief Financial Officer

Jerry B. Dudley, Director of Planning

Joshua D. Whittington, Utility Operations Director

Allen L. Heidler, Police Chief

Michael D. Hemingway, Utility Planning and Economic Development Director

Jennifer L. Krawiec, Human Resources Director

Adam T. Swindler, Public Works Director

K. Amanda Pope, Marketing/Communications and Municipal Services Director

Shannon Tanner, Fire Chief

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Florence, 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, the discretely presented component unit, 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.

We did not audit the financial statements of Building Florence Together Community Development Corporation (BFTCDC), which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for BFTCDC, are based solely on the report of the other auditors.

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*, 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 Responsibility 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – General Fund, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Hospitality Fund, the Schedules of the City's Proportionate Share of the Net Pension Liability, the Schedules of the City's Pension Contributions, the Schedule of Changes in the City's Net OPEB Liability, and the Schedule of the City's OPEB Contributions, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the budgetary comparison schedules, the Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and the Uniform Schedule of Court Fines, Assessments, and Surcharges, as required by the State of South Carolina (collectively the "Supplementary Information") are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Supplementary Information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying Supplementary Information is 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 and statistical sections 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 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 February 20, 2025, 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.

Mauldin & Jenkins, LLC

Columbia, South Carolina
February 20, 2025

CITY OF FLORENCE, SOUTH CAROLINA Management's Discussion and Analysis

As management of the City of Florence, South Carolina (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's basic financial statements, which immediately follow this section, and our letter of transmittal in the preceding Introductory Section.

Financial Highlights

The following information highlights the most significant changes to the City's financial position over the last year. Though not intended to be all-inclusive, this information provides a snapshot of the most significant changes in the City's financial position:

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$225,335,389 (*net position*). Of this amount, \$20,363,240 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$21,181,067 during the fiscal year ended June 30, 2024, with a \$10,485,114 increase resulting from governmental activities and a \$10,695,953 increase resulting from business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$42,311,145, a decrease of \$4,948,832 in comparison with the prior year. Approximately 58.2 percent of this total amount, \$24,634,286 is *available for spending* at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$24,634,286, or 42.0 percent of the total General Fund expenditures.
- The City had \$220.7 million in bonds and notes outstanding versus \$200.0 million last year, an increase of \$20.7 million from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to statements of a private-sector business.

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

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this Statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a sizable portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community development, and culture and recreation services. The business-type activities of the City include water and sewer services and storm water services.

The government-wide financial statements include the City itself (*known as the primary government*) and one blended component unit, the City of Florence Public Facilities Corporation, which is reported in the Governmental Activities of the primary government, and one discretely presented component unit, Building Florence Together Community Development Corporation.

The government-wide financial statements can be found on pages 19 - 21 of this report.

Fund financial statements

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

Governmental funds

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

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

The City maintains a variety of individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Hospitality Fund which are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 22 - 25 of this report. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the General Fund and the Hospitality Fund can be found on pages 83 - 84 of this report.

Proprietary funds

The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide statements. The City uses enterprise funds to account for its water and sewer activities and storm water operations.

Proprietary funds provide the same types of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer activities and for the storm water operations. The Water and Sewer Fund is a major fund of the City, and the Storm Water Fund is a nonmajor fund.

The basic proprietary fund financial statements can be found on pages 26 - 29 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 30 - 31 of this report.

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 on pages 32 - 82 of this report.

Other supplemental information

Beyond the basic financial statements and accompanying notes, this report includes certain *required supplementary information*.

The combining statements for nonmajor governmental funds follow the required supplementary information, offering further insight into individual fund activities. Combining and individual fund statements and schedules can be found on pages 108 - 121 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$225,335,389 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (82.3 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The balance of unrestricted net position, \$20,363,240, may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported positive balances in all categories of net position, both for the government as a whole, as well as for its separate business-type activities. The same situation held true for the prior fiscal year.

The one exception is the governmental activities Unrestricted Net Position which is negative primarily due to Governmental Accounting Standards Board (GASB) Statements 68 and 75 requiring the City to accrue net pension liabilities and Other Post-Employment Benefits (OPEB) liabilities in accordance with Generally Accepted Accounting Principles (GAAP).

City of Florence's Net Position

	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 59,032,313	\$ 63,908,823	\$ 81,272,112	\$ 55,796,132	\$ 140,304,425	\$ 119,704,955
Capital assets	136,941,944	126,156,854	250,886,624	237,555,665	387,828,568	363,712,519
Total assets	<u>195,974,257</u>	<u>190,065,677</u>	<u>332,158,736</u>	<u>293,351,797</u>	<u>528,132,993</u>	<u>483,417,474</u>
Deferred Outflow s	<u>7,764,398</u>	<u>8,496,869</u>	<u>2,327,565</u>	<u>2,428,007</u>	<u>10,091,963</u>	<u>10,924,876</u>
Long-term liabilities	126,849,551	132,512,939	160,070,981	135,819,542	286,920,532	268,332,481
Other liabilities	16,947,897	16,545,773	6,458,046	2,781,293	23,405,943	19,327,066
Total liabilities	<u>143,797,448</u>	<u>149,058,712</u>	<u>166,529,027</u>	<u>138,600,835</u>	<u>310,326,475</u>	<u>287,659,547</u>
Deferred Inflow s	<u>1,997,992</u>	<u>1,671,874</u>	<u>565,100</u>	<u>482,748</u>	<u>2,563,092</u>	<u>2,154,622</u>
Net Position:						
Net investment in capital assets	53,705,393	63,716,212	131,704,809	124,413,735	185,410,202	188,129,947
Restricted	12,437,442	4,497,369	7,124,505	4,531,645	19,561,947	9,029,014
Unrestricted	(8,199,620)	(20,381,622)	28,562,860	27,750,841	20,363,240	7,369,219
Total net position	<u>\$ 57,943,215</u>	<u>\$ 47,831,959</u>	<u>\$ 167,392,174</u>	<u>\$ 156,696,221</u>	<u>\$ 225,335,389</u>	<u>\$ 204,528,180</u>

City of Florence's Changes in Net Position

	Governmental		Business-type		Total	
	activities	activities	activities	activities	2024	2023
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 22,725,955	\$ 20,874,203	\$ 45,364,818	\$ 43,259,264	\$ 68,090,773	\$ 64,133,467
Operating grants and contributions	3,175,367	3,484,566	-	-	3,175,367	3,484,566
Capital grants and contributions	1,623,964	898,045	5,832,000	2,810,558	7,455,964	3,708,603
General Revenues:						
Property taxes	13,109,447	12,168,471	-	-	13,109,447	12,168,471
Hospitality fees	6,120,314	5,888,694	-	-	6,120,314	5,888,694
Local options sales tax	4,646,267	4,260,028	-	-	4,646,267	
Accommodations tax	1,270,604	1,323,460	-	-	1,270,604	
Other taxes	4,427,261	2,909,254	-	-	4,427,261	
Grants and contributions not restricted to specific programs	1,362,091	703,179	1,264,071	569,991	2,626,162	1,273,170
Other	3,436,328	3,583,996	3,997,183	2,557,518	7,433,511	6,141,514
Total Revenues	61,897,598	56,093,896	56,458,072	49,197,331	118,355,670	105,291,227
Expenses:						
General Government	7,573,103	5,225,061	-	-	7,573,103	5,225,061
Public Safety	19,686,672	19,129,166	-	-	19,686,672	19,129,166
Public Works	12,348,694	12,499,915	-	-	12,348,694	12,499,915
Culture and Recreation	6,451,024	6,015,554	-	-	6,451,024	6,015,554
Community Development	2,324,845	2,395,379	-	-	2,324,845	2,395,379
Non-departmental	6,439,019	5,845,174	-	-	6,439,019	5,845,174
Interest on long-term debt	2,134,983	2,810,825	-	-	2,134,983	2,810,825
Water and Sewer	-	-	38,842,222	49,934,531	38,842,222	49,934,531
Stormwater	-	-	1,374,041	1,420,999	1,374,041	1,420,999
Total Expenses	56,958,340	53,921,074	40,216,263	51,355,530	97,174,603	105,276,604
Increase (decrease) in net position before transfers	4,939,258	2,172,822	16,241,809	(2,158,199)	21,181,067	14,623
Transfers	5,545,856	5,345,684	(5,545,856)	(5,345,684)	-	-
Increase (decrease) in net position	10,485,114	7,518,506	10,695,953	(7,503,883)	21,181,067	14,623
Net position - beginning, as restated	47,458,101	40,313,453	156,696,221	164,200,104	204,154,322	204,513,557
Net position - ending	\$ 57,943,215	\$ 47,831,959	\$ 167,392,174	\$ 156,696,221	\$ 225,335,389	\$ 204,528,180

Governmental activities

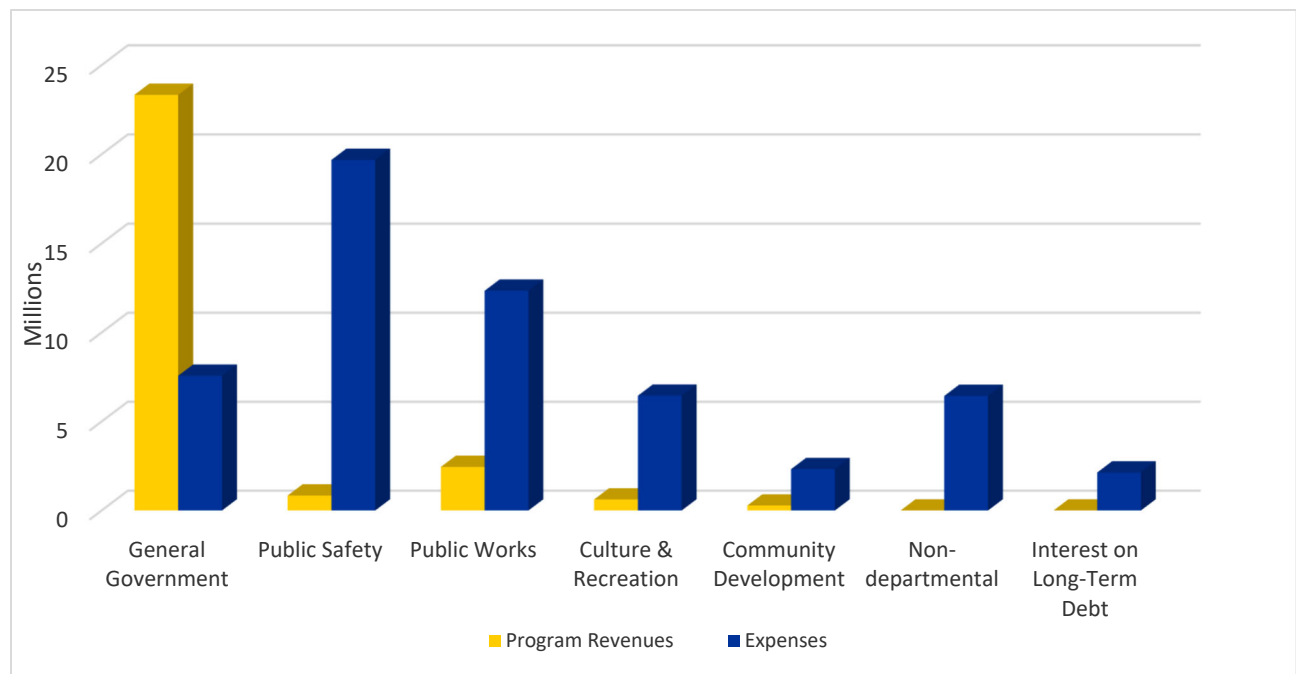
Governmental activities increased the City's net position by \$10,485,114.

In November 2020, Florence County voters approved a county wide referendum which re-imposed an existing one-cent capital project sales tax that was due to expire in April 2021. The City was allocated \$40,000,000 for projects within the city limits. The revenues generated by "Capital Project Sales Tax III" program provided funding for the design, engineering, construction, and improvement of highways, roads, streets, drainage system and/or bridges, and traffic flow improvements into and through Florence County. During the current fiscal year, Florence County reimbursed the City \$3,506,470 for capital sales tax projects that are currently under construction within the City.

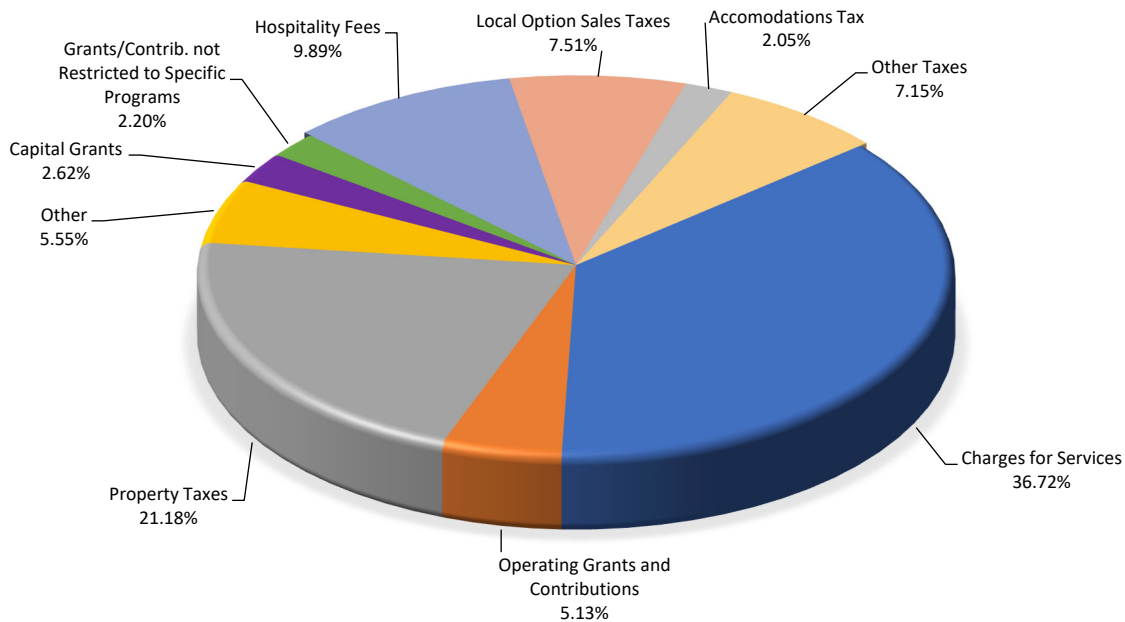
On November 15, 2017, the City closed on a \$15 million Installment Purchase Revenue Bond (IPRB), Series 2017, to finance certain recreation related improvements. The IPRB is a 15-year issue with an interest rate of 2.99 percent that will mature November 1, 2032. The recreation improvements include construction of miscellaneous deferred capital projects, the construction of a sports complex, construction of community centers, upgrades to the Freedom Florence complex, and construction of trail segments throughout the City. On September 9, 2020, the City, through the Public Facilities Corporation, issued \$26,365,000 Installment Purchase Revenue Bonds (IPRB) (Series 2020A) and \$10,970,000 (Series 2020B). The bonds are being used to refund the 2017 Installment Purchase Bond, construct an Athletic Complex to include a collegiate level baseball stadium, refurbish an abandoned downtown theater, and construct a parking garage as part of an economic development project. The IPRB will mature in November 2045. During the current fiscal year, the City expended \$7,104,132 on the construction of a parking garage, \$97,618 on the design and remodel of the downtown theatre, and \$7,437 on other recreation improvements throughout the City. The City has spent \$31,376,056 to date on the projects.

On October 21, 2021, the City entered into an equipment lease purchase agreement in the amount of \$2,875,000. The equipment consists of all lighting equipment and associated collateral, bleachers, tractors, and other equipment for the City's new athletic sports complex. During the current fiscal year, the City expended \$66,000 on related equipment. The City has spent \$2,828,203 to date on the projects.

Expenses and Program Revenues – Governmental Activities



Revenue by Source – Governmental Activities



Business-type activities

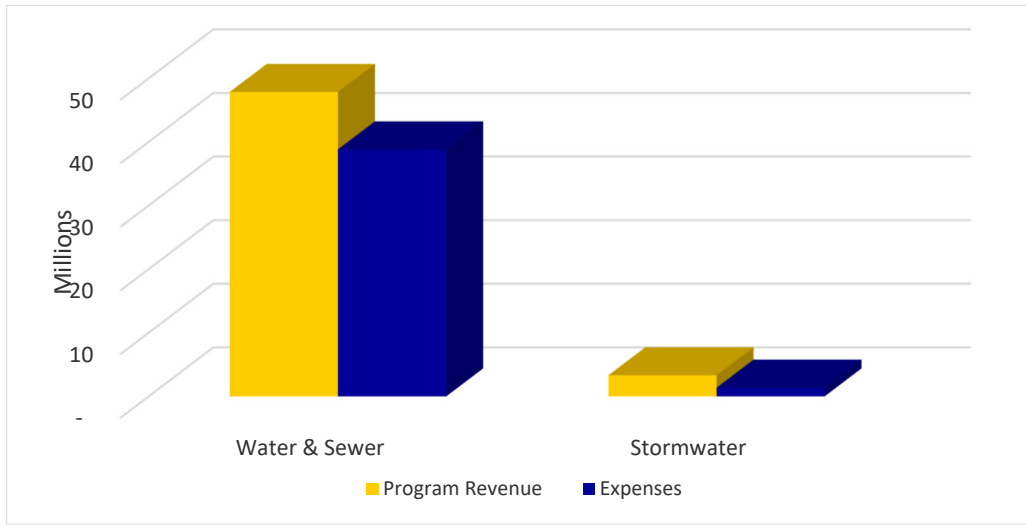
Business-type activities increased the City's net position by \$10,695,953. Key elements of this increase are as follows:

Rate Amendments – The amendment to the 10-year rate plan, adopted on August 14, 2023, underscored the need for substantial capacity expansions at both the surface water plant and the wastewater treatment facility. The selection of Florence as the site for AESC's new plant, along with planned facility expansions, highlights the urgent need for these infrastructure upgrades. To fund these critical projects, rate increases of 9 percent for inside customers and 11 percent for outside customers have been implemented, effective September 1, 2023, in accordance with the amended rate schedule. These adjustments are vital to securing the necessary financial resources to support the timely expansion and improvement of these essential facilities.

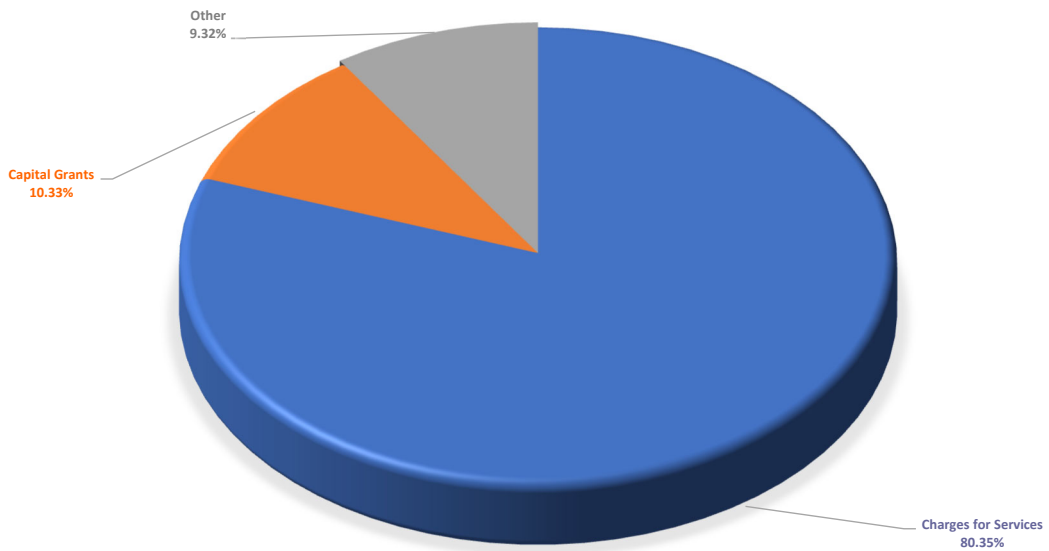
Investment Earnings – Investment earnings for the fiscal year increased by \$1,473,152, or approximately 112.3 percent. This significant growth in investment income was primarily driven by a series of interest rate hikes implemented by the Federal Reserve throughout the fiscal year. As interest rates rose, the City's investments generated higher returns than originally anticipated. The Federal Reserve's decision to raise interest rates in response to inflationary pressures created a favorable environment for the City's investment portfolio. This allowed the City to achieve greater yields, particularly on short-term and long-term investments, resulting in a substantial boost to investment earnings.

Economic Development – In the fiscal year ending June 30, 2024, the City of Florence significantly reduced its economic development expenses by \$13,654,281, or approximately 86.2 percent compared to the prior year. As of June 30, 2024, the City has fulfilled approximately \$17 million of its \$20 million commitment made as part of the incentive package to recruit AESC, a leading developer and manufacturer of high-performance batteries for electric vehicles and energy storage systems. The City's commitment of up to \$20 million is allocated for land acquisition, as well as the development of streets, water, and wastewater services infrastructure to support this significant economic development initiative.

Expenses and Program Revenues – Business-type Activities



Revenue by Source – Business-type Activities



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 City's net resources available for discretionary use as it represents the portion of fund balance that has not yet been limited to use by an external party or the City itself.

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$42,311,145, a decrease of \$4,948,832 in comparison with the prior year. Detailed information is presented later in the MD&A. Approximately 58.2 percent of this total amount or \$24,634,286 constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form: \$1,548,454; 2) restricted for particular purposes: \$12,437,442; 3) committed for particular purposes: \$3,288,980; or 4) assigned for particular purposes: \$401,983. Additional information on the City's fund balances can be found at Note 12 of the notes to the financial statements.

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$24,634,286, while total fund balance was \$26,250,956. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 42.0 percent of total General Fund expenditures, while total fund balance represents 44.8 percent of that same amount.

During the current fiscal year, the City's fund balance of the General Fund increased by \$1,658,476, a 6.7 percent increase. This increase is partially due to delayed purchases, which were postponed to fiscal year 2024-25 as a result of shipping and delivery delays, as well as setbacks in project engineering and construction. Additionally, the City faced a growing number of position vacancies due to ongoing challenges in finding qualified candidates.

The Hospitality Fund has a total fund balance of \$4,579,274, an increase of 2.5 percent.

The City maintains a TIF Debt Service Fund to receive tax revenue generated by a Tax Increment Financing (TIF) district. These funds are generated from the difference between the current assessed value of each parcel of property within the district and the 2006 assessed value of each parcel. The increase in overall assessed value in the TIF district applied to the tax millage of all taxing entities in Florence County participating in and contributing to the TIF creates the tax revenue used to repay bonds issued to construct public purpose projects within the district. As of June 30, 2024, the TIF Debt Service Fund has an ending restricted fund balance of \$1,078,845.

The City maintains a General Fund Debt Service Fund to manage the collection of the debt service millage and the debt service payment for the City's general obligation debt. The Debt Service millage is 4.0 mills. The entire fund balance of \$867,236 is restricted for the repayment of City's general obligation debt.

The City of Florence Public Facilities Corporation was established in fiscal year 2017-18 to provide for the issuance of Installment Purchase Revenue Bonds (IPRBs). This bond issue provided funds needed to complete the downtown development and recreational projects as outlined in the Base Lease agreement between the City of Florence Public Facilities Corporation and the City. During the current year ending June 30, 2024, the City of Florence Public Facilities Corporation transferred out \$7,209,187 to the General Fund for reimbursements related to downtown development and recreational projects. As of June 30, 2024, the City of Florence Public Facilities Corporation had an ending restricted fund balance of \$3,551,414.

The City received \$7,943,151 in federal grant funds from the American Rescue Plan Act (ARPA). During the current year, the City incurred expenditures and recognized revenues in the amount of \$2,505,875. The remaining funds of \$3,335,594 have been deferred at year end.

Proprietary funds

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

Unrestricted net position of the water and sewer operations and the storm water operations at the end of the fiscal year amounted to \$24,328,156 and \$4,234,704 respectively, for a total unrestricted net position of \$28,562,860. The total increase in the net position was \$10,695,953. Other factors concerning the finances of these funds have been addressed previously in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's final amended General Fund budget for the fiscal year ending June 30, 2024, totaled \$58,807,500, reflecting an increase of \$10,126,000 from the original budget of \$48,681,500. The City Council approved three amendments throughout the fiscal year to accommodate necessary adjustments.

The first amendment increased revenues from the Unappropriated Reserve by \$2,311,000. This adjustment was made to re-appropriate funds for projects and equipment purchases that were originally budgeted in fiscal year 2022-23 but were deferred to fiscal year 2023-24.

The second amendment authorized the transfer of \$1,000,000 from the American Rescue Plan Act Fund to the General Fund as lost revenue for the purchase of twelve police vehicles at cost of \$600,000, one sanitation truck at a cost of \$300,000 and to increase the contingency funding in the amount of \$100,000.

The third amendment allocated an additional \$6,815,000 to fund one-time capital purchases. This funding was sourced from the excess Unassigned Fund Balance, in accordance with the City's Fund Balance Policy, to support strategic investments in infrastructure and other key expenditures.

Original Budget vs Final Budget Variances

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>	<u>Percentage</u>
Revenues				
Taxes - property	\$ 14,460,025	\$ 15,448,975	\$ 988,950	6.84%
Penalties	9,000	10,000	1,000	11.11%
Licenses and Fees	15,969,970	15,104,090	(865,880)	-5.42%
Intergovernmental	6,273,277	6,007,177	(266,100)	-4.24%
Charges for services	3,345,700	3,224,500	(121,200)	-3.62%
Fines and forfeitures	281,500	272,530	(8,970)	-3.19%
Miscellaneous Revenue	771,100	1,038,300	267,200	34.65%
Other Funding Sources	140,000	145,000	5,000	3.57%
Transfers	7,255,928	8,555,928	1,300,000	17.92%
Use of Fund Balance	175,000	9,001,000	8,826,000	5043.43%
	<u>\$ 48,681,500</u>	<u>\$ 58,807,500</u>	<u>\$ 10,126,000</u>	
Expenditures				
City Council	\$ 351,920	\$ 424,237	\$ 72,317	20.55%
Legal Services	173,672	174,185	513	0.30%
Justic and Law	678,978	638,232	(40,746)	-6.00%
City Manager	1,355,196	1,290,402	(64,794)	-4.78%
Finance	1,438,187	1,275,079	(163,108)	-11.34%
Personnel	632,976	625,857	(7,119)	-1.12%
Community Service	675,545	534,824	(140,721)	-20.83%
Police	11,380,509	11,375,592	(4,917)	-0.04%
Fire	8,270,002	11,186,451	2,916,449	35.27%
Streets and Beautification	3,666,994	3,211,536	(455,458)	-12.42%
Sanitation	5,131,391	6,573,258	1,441,867	28.10%
Equipment Maintenance	703,670	679,678	(23,992)	-3.41%
Parks and Leisure Services	1,599,646	2,195,956	596,310	37.28%
Athletic Programs	2,772,130	5,072,676	2,300,546	82.99%
Urban Planning and Development	584,681	1,076,168	491,487	84.06%
Building Inspections and Permits	628,488	568,986	(59,502)	-9.47%
Debt Service	2,614,788	2,614,788	-	0.00%
Community Development	388,800	388,800	-	0.00%
Non-Departmental	5,633,927	8,900,795	3,266,868	57.99%
	<u>\$ 48,681,500</u>	<u>\$ 58,807,500</u>	<u>\$ 10,126,000</u>	

Significant Variances – Budget to Actual

Listed below are the significant variances between the final revised budget and actual amount received/expended during fiscal year 2023-24.

Property tax revenues for fiscal year 2023-24 fell short of budgeted projections by \$3,124,057. This shortfall primarily resulted from the City overestimating the property tax receipts expected during the fiscal year. A key factor contributing to the revenue gap was an overestimation of property tax credits derived from Local Option Sales Tax (LOST) revenues.

These credits, intended to offset property tax liabilities, were \$1,474,297 less than originally budgeted. Moreover, budgeting property tax revenues involves various assumptions related to market conditions and economic trends. The City experienced slower growth than expected in assessed property tax values.

For fiscal year 2023-24 Licenses and Fees revenues exceeded budget by \$3,254,402. This was primarily due to an increase in business and insurance license revenues. Business and insurance license revenues exceeded final budget mainly due to higher-than-anticipated economic activity and an increase in the number of businesses operating within the City. Additionally, growth in the insurance sector contributed to increased license revenue, reflecting a rise in policy issuances and business expansions. Other contributing factors included improved compliance efforts and enhanced enforcement of licensing requirements. These elements collectively resulted in actual Licenses and Fees revenues surpassing the budgeted projections for fiscal year 2023-24.

Charges for Services revenues exceeded the budgeted amount by \$378,308, primarily due to higher-than-expected recreation fees. Recreation-related revenues were \$378,943 above projections, driven by the successful implementation of facility improvements and program expansions.

The rebound in recreation revenues can be attributed to increased participation in sports leagues, fitness programs, and community events as residents resumed normal activities. Additionally, newly renovated facilities and expanded recreational offerings attracted more users, leading to higher membership enrollments, facility rentals, and program registrations.

Investments in upgraded amenities, such as improved athletic fields and new recreational programs, also contributed to the revenue growth. These enhancements made City facilities more appealing to residents and visitors, resulting in greater utilization and higher fee collections.

Overall, the combination of a strong post-pandemic recovery, increased community engagement, and strategic facility investments played a key role in surpassing budgeted revenue expectations for recreation services. This additional revenue will help support ongoing facility maintenance, program development, and future enhancements to recreational offerings within the City.

Miscellaneous revenues for fiscal year 2023-24 exceeded budgeted expectations by \$674,914, with \$572,640 of this total attributed to investment income. This surplus in investment income was primarily driven by a series of interest rate hikes implemented by the Federal Reserve during the fiscal year. As interest rates rose, the City's investments generated higher returns than originally anticipated.

The Federal Reserve's decision to increase interest rates in response to inflationary pressures created a favorable environment for investment income. As a result, the City was able to realize greater yields on its investment portfolio, particularly in short-term and long-term investments, leading to a significant boost in revenue from investment earnings.

City Council expenditures were under budget by \$84,942, primarily due to \$76,800 allocated for professional services related to the recodification of the City Code. Although the project was approved in the fiscal year 2023-24 budget, it was not completed by year end.

Urban Planning and Development expenditures were under budget by \$652,103, with \$582,116 directly related to professional services. Key projects included \$200,000 for a housing study, \$200,000 for a redevelopment study, \$97,500 for the development of design guidelines, and \$67,000 for the revision of the City's sign ordinance. These initiatives were budgeted and initiated in fiscal year 2023-24, but completion is scheduled for fiscal year 2024-25.

Building Inspections and Permits expenditures were under budget by \$85,819, with \$78,638 attributed to professional services. The City allocated an additional \$75,000 for projected fees related to plan reviews and inspections for the Urban Square Project, which were to be provided by a third-party service provider.

Fire Department expenditures were under budget by \$3,065,550, primarily due to \$3,000,000 in delayed purchases of auto equipment. The procurement of a pumper truck (\$988,207) and a ladder fire apparatus with equipment (\$2,015,677) was budgeted in fiscal year 2023-24 but deferred due to manufacturing timelines. Delivery is expected in fiscal year 2025-26.

Sanitation expenditures were under budget by \$1,298,934, largely due to capital outlay. The City had budgeted \$850,000 for the acquisition of two additional sanitation trucks, which were approved in fiscal year 2023-24 but not ordered and received before year end.

Athletic programs expenditures were under budget by \$1,641,161, with approximately \$1,650,000 related to capital projects. These include:

- \$200,000 for the construction of three dog parks,
- \$250,000 for the construction of an amphitheater at Lola Jones Park,
- \$30,000 for the renovation of the gymnastics building lobby, and
- \$1,300,000 for new lighting at Freedom Florence.

Although approved in fiscal year 2023-24, these projects were not completed by June 30, 2024.

Non-departmental expenditures exceeded budget by \$7,371,996, primarily due to \$8,915,718 in construction costs for the Urban Square Parking Garage. This project was funded through the Series 2020A Installment Purchase Revenue Bonds, with reimbursement from the Installment Purchase Revenue Bond Capital Projects Fund.

All appropriated expenditures for projects that were not completed by the end of the fiscal year will be reappropriated in fiscal year 2024-25 through a budget amendment.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percentage</u>
Revenues				
Taxes - property	\$ 15,448,975	\$ 12,324,918	\$ (3,124,057)	-20.22%
Licenses and fees	15,104,090	18,358,492	3,254,402	21.55%
Charges for Services	3,224,500	3,602,808	378,308	11.73%
Miscellaneous	1,038,300	1,713,214	674,914	65.00%
Expenditures				
City Council	\$ 424,237	\$ 339,295	\$ (84,942)	-20.02%
Urban Planning and Development	1,076,168	424,065	(652,103)	-60.59%
Building Inspection and Permits	568,986	483,167	(85,819)	-15.08%
Fire	11,186,451	8,120,901	(3,065,550)	-27.40%
Sanitation	6,573,258	5,274,324	(1,298,934)	-19.76%
Athletic Programs	5,072,676	3,431,515	(1,641,161)	-32.35%
Non-Departmental	8,900,795	16,272,791	7,371,996	82.82%

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2024, the City's investment in capital assets for its governmental and business-type activities totaled \$387,828,568 (net of accumulated depreciation). This investment encompasses land, buildings and improvements, machinery and equipment, park facilities, infrastructure, and subscription assets. The City's total net increase in capital assets for the fiscal year was \$24,116,049, reflecting an 8.6 percent increase in governmental activities (\$10,785,090) and a 5.6 percent increase in business-type activities (\$13,330,959).

To ensure the reliability and efficiency of its fleet, the City regularly replaces aging vehicles. During the fiscal year ending June 30, 2024, vehicle acquisitions for the General Fund, Water and Sewer Utility Fund, and Storm Water Fund included:

- Sanitation Department: three new sanitation trucks (\$846,042) and three pickup trucks (\$139,064)
- Police Department: fifteen new vehicles (\$737,277)
- Water and Sewer Enterprise Fund: fourteen vehicles (\$756,767), one bucket truck (\$179,906), and one wheel loader (\$199,497)

Investments in building and infrastructure-related capital assets totaled \$39,993,605 during the fiscal year. These expenditures primarily included street, sidewalk, and curb improvements, as well as upgrades to water and sewer lines within the Water and Sewer Enterprise Fund. Approximately \$7.5 million was recognized as contributed capital from developer-funded infrastructure improvements.

Details of major construction related capital assets in progress or completed during the year ended June 30, 2024, included the following:

- In November 2020, Florence County voters approved a county-wide referendum which re-imposed an existing one-cent capital project sales tax that was due to expire in April 2021. The revenues generated by the “Capital Project Sales Tax III” program provide funding for the design, engineering, construction, and improvement of highways, roads, streets, drainage system and/or bridges, and traffic flow improvements into and through Florence County. The funding also provides for a) economic development, b) public safety, c) the promotion of desirable living conditions and improved recreational facilities, d) public health and safety in the event of fire, emergency, panic, and other dangers, and e) the ability to meet present and future needs of Florence County and its citizens.

In February 2021, County Council passed an ordinance to issue general obligation bonds in an amount not to exceed \$120 million with debt service payments to be funded from the Capital Project Sales Tax to be repaid over seven years – the term of the imposed one-cent sales tax funding. The County began collecting the third Capital Project Sales Tax on May 1, 2021, and will continue to collect the tax until April 30, 2028. The City was allocated \$40,000,000 for the following projects within the city limits:

- Intersection Improvements \$ 4,100,000
- Resurfacing 35,900,000

During the fiscal year ending June 30, 2024, the City expended \$3,506,470 in Capital Sales Tax III funds, of which \$350,159 was capitalized for intersection improvements.

- The City continued construction on the Urban Square parking garage, a key infrastructure project aimed at improving downtown accessibility. During the fiscal year, the City invested \$8,905,718 in construction costs, bringing total project expenditures to date to \$11,414,406.

These investments reflect the City's ongoing commitment to enhancing public infrastructure, supporting economic growth, and maintaining high-quality municipal services.

**City of Florence's Capital Assets
(Net of depreciation)**

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 19,749,569	\$ 18,692,113	\$ 1,965,365	\$ 1,670,030	\$ 21,714,934	\$ 20,362,143
Buildings and Systems	33,987,295	35,203,671	228,915,298	217,911,140	262,902,593	253,114,811
Infrastructure	56,008,180	39,841,826	-	-	56,008,180	39,841,826
Machinery and Equipment	13,745,332	8,937,503	5,504,642	10,993,719	19,249,974	19,931,222
Construction in Process	13,223,336	23,171,832	14,501,319	6,980,776	27,724,655	30,152,608
Subscription Asset	228,232	309,909	-	-	228,232	309,909
Totals	\$ 136,941,944	\$ 126,156,854	\$250,886,624	\$ 237,555,665	\$ 387,828,568	\$ 363,712,519

Additional information on the City's capital assets can be found in Note 5 of the notes to the financial statements.

Long-term debt

At the end of the current fiscal year, the City had total general obligation bonded debt outstanding of \$6,721,000 which is backed by the full faith and credit of the City, and other bonds outstanding of \$199,007,030, which are backed by specified revenue sources; the remaining \$20,792,371 of the Long-term Obligations comprises leases, subscription payable and notes payable.

**City of Florence's Long-term Debt
Bonds and Notes Payable**

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 6,721,000	\$ 7,317,000	\$ -	\$ -	\$ 6,721,000	\$ 7,317,000
Revenue bonds	71,656,945	74,678,277	127,350,085	101,831,048	199,007,030	176,509,325
Notes payable	-	90,000	15,000,165	16,086,393	15,000,165	16,176,393
Financed purchase liability	4,059,859	4,613,201	1,572,339	1,728,310	5,632,198	6,341,511
Subscription payable	160,008	227,954	-	-	160,008	227,954
Totals	\$ 82,597,812	\$ 86,926,432	\$ 143,922,589	\$ 119,645,751	\$ 226,520,401	\$ 206,572,183

As of June 30, 2024, the City's total outstanding debt increased by \$19,948,218 (9.7 percent) compared to the prior fiscal year. This increase is primarily attributable to the issuance of \$32.1 million in combined Waterworks and Sewerage System Capital Improvements Revenue Bonds on September 27, 2023, along with a bond premium of \$994,432.

The proceeds from this issuance will support key infrastructure projects, including:

- Expansion of the City's Surface Water Treatment Plant to meet growing demand
- Infrastructure improvements for the AESC battery plant development east of the City
- Comprehensive system engineering and master planning efforts to enhance long-term utility service delivery
- Automation of system water meters to improve accuracy and efficiency in customer billing

During fiscal year 2023-24, the City also made significant debt service payments, reducing its outstanding obligations by \$13,146,214.

These strategic investments in water and sewer infrastructure underscore the City's commitment to a resilient, efficient, and future-ready utility system while upholding responsible fiscal management.

The City maintains an "AA-" rating from Standards & Poor's and an "Aa2" rating from Moody's for revenue obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8 percent of its total assessed valuation. The current debt limitation for the City in the amount of \$15,991,078 exceeds the City's outstanding general obligation debt (net of amount available in the debt service fund) of \$5,863,529 by \$10,127,549.

Additional information on the City's long-term debt can be found in Note 6 of the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

In addition to the information provided below, a number of economic factors which can be found in the statistical section of this report were considered in preparing the City's budget for the 2024-25 fiscal year:

The adopted budget for all funds in fiscal year 2024-25 totals \$131,760,000, with the General Fund Budget accounting for \$51,417,500. This represents a 14.3 percent increase over the fiscal year 2023-24 original adopted budget for all funds of \$115,266,530. Within the General Fund, the available appropriation for fiscal year 2024-25 is \$51,417,500, which reflects a 12.6 percent decrease from the fiscal year 2023-24 final revised budget of \$58,807,500 but an increase of 5.6 percent over the fiscal year 2023-24 original adopted budget of \$48,681,500. Detailed budget amendments have been reviewed earlier in this report.

The City's operating millage rate for fiscal year 2024-25 remains unchanged at 64.1 mills, consistent with the prior year. Similarly, the debt service mills also remain unchanged at 4.0 mills. As a result, the total millage rate for fiscal year 2024-25 will remain at 68.1 mills, maintaining the same rate as the previous fiscal year.

Key components that factored into the preparation of next year's budget are listed below:

- Property tax revenues are expected to increase \$229,575 over the fiscal year 2023-24 budgeted amount.
- Licenses and permits are projected to increase \$1,649,330 over the fiscal year 2023-24 budgeted amount.
- The recent amendment to the 10-year rate plan highlights the need for significant capacity expansions at both the surface water plant and the wastewater treatment facility. The decision to locate AESC's new plant in Florence, coupled with planned expansions, emphasizes the urgency of these infrastructure upgrades. To support these critical projects, rate increases of 9 percent for inside customers and 11 percent for outside customers have been implemented, in alignment with the amended rate schedule. These adjustments are essential to ensure the City secures the financial resources necessary for the timely expansion and enhancement of these vital facilities.
- The fiscal year 2024-25 budget includes a 4 percent cost-of-living adjustment (COLA) for all employees and eligibility for a 2 percent merit increase, both of which will take effect on January 1, 2025. These adjustments reflect the City's commitment to supporting employees while maintaining fiscal responsibility.
- Also included in the fiscal year 2024-25 budget is a projected 12.0 percent increase in the City's premiums for employees covered under the State Health Insurance Plan. Despite this increase, there will be no additional cost to employees, as the City's experience rating remains at zero, helping to keep the premium rate adjustment to a minimum. Additionally, a 10 percent increase is projected for the City's workers' compensation premium. These changes reflect rising costs in healthcare and insurance, which are being managed within the City's budget to maintain employee benefits and ensure adequate coverage.
- To further support the General Fund budget, the City will continue mandatory hold requirements for replacement hiring, limiting new hires to a 16-week waiting period. This measure will help balance the budget while maintaining essential services.

Requests for Information

This financial report provides a general overview of the City's finances for interested stakeholders. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the attention of the Controller, City of Florence, 324 West Evans St., Florence South Carolina, 29501-3430.

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF NET POSITION
JUNE 30, 2024**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Building Florence Together CDC
ASSETS				
Cash and cash equivalents	\$ 9,409,737	\$ 7,051,114	\$ 16,460,851	\$ 696,380
Investments	33,807,004	31,113,078	64,920,082	-
Taxes receivable	219,312	-	219,312	-
Accounts receivable, net of allowances	8,118,550	7,120,017	15,238,567	-
Accrued interest receivable	66,030	107,430	173,460	-
Leases receivable	-	76,935	76,935	-
Internal balances	(1,282,703)	1,282,703	-	-
Inventories	560,247	2,513,394	3,073,641	-
Prepaid items	988,207	-	988,207	-
Restricted cash and cash equivalents	3,689,870	8,385,533	12,075,403	-
Restricted investments	3,456,059	23,621,908	27,077,967	-
Capital assets:				
Non-depreciable	32,972,905	16,466,684	49,439,589	-
Depreciable, net of accumulated depreciation	103,740,807	234,419,940	338,160,747	-
Subscription assets, net of accumulated amortization	228,232	-	228,232	-
Total assets	195,974,257	332,158,736	528,132,993	696,380
DEFERRED OUTFLOWS OF RESOURCES				
Pension plans	6,447,524	1,709,228	8,156,752	-
Other postemployment benefits	1,316,874	618,337	1,935,211	-
Total deferred outflows of resources	7,764,398	2,327,565	10,091,963	-
LIABILITIES				
Accounts payable	4,682,591	4,436,735	9,119,326	-
Retainage payable	638,739	142,162	780,901	-
Accrued interest payable	337,576	1,451,585	1,789,161	-
Accrued liabilities	1,749,695	427,564	2,177,259	-
Unearned revenues	9,539,296	-	9,539,296	-
Long-term liabilities:				
Due within one year	5,580,825	8,476,247	14,057,072	-
Due in more than one year	80,427,114	136,233,620	216,660,734	-
Other long-term liabilities due in more than one year:				
Net pension liability	33,033,985	12,467,299	45,501,284	-
Net other postemployment benefits liability	7,807,627	2,893,815	10,701,442	-
Total liabilities	143,797,448	166,529,027	310,326,475	-
DEFERRED INFLOWS OF RESOURCES				
Lease receipts	-	76,140	76,140	-
Pension plans	1,033,175	134,253	1,167,428	-
Other postemployment benefits	964,817	354,707	1,319,524	-
Total deferred inflows of resources	1,997,992	565,100	2,563,092	-
NET POSITION				
Net investment in capital assets	53,705,393	131,704,809	185,410,202	-
Restricted for:				
Community development	758,763	-	758,763	696,380
Public safety	741,810	-	741,810	-
Capital projects	5,231,608	-	5,231,608	-
Tourism	4,838,025	-	4,838,025	-
Debt service	867,236	7,124,505	7,991,741	-
Unrestricted	(8,199,620)	28,562,860	20,363,240	-
Total net position	\$ 57,943,215	\$ 167,392,174	\$ 225,335,389	\$ 696,380

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

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 7,573,103	\$ 19,510,486	\$ 2,883,641	\$ 940,953
Public safety	19,686,672	144,477	12,963	683,011
Public works	12,348,694	2,450,549	-	-
Culture and recreation	6,451,024	620,443	-	-
Community development	2,324,845	-	278,763	-
Non-departmental	6,439,019	-	-	-
Interest on long-term debt	2,134,983	-	-	-
Total governmental activities	<u>56,958,340</u>	<u>22,725,955</u>	<u>3,175,367</u>	<u>1,623,964</u>
Business-type activities:				
Water and sewer	38,842,222	43,727,329	-	4,142,580
Stormwater	1,374,041	1,637,489	-	1,689,420
Total business-type activities	<u>40,216,263</u>	<u>45,364,818</u>	<u>-</u>	<u>5,832,000</u>
Total primary government	<u>\$ 97,174,603</u>	<u>\$ 68,090,773</u>	<u>\$ 3,175,367</u>	<u>\$ 7,455,964</u>
Component Unit:				
Building Florence Together CDC	<u>\$ 107,977</u>	<u>\$ -</u>	<u>\$ 404,028</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Hospitality taxes				
Local options sales tax				
Accommodations tax				
Other taxes				
Local government distributions, not restricted for specific purposes				
Investment earnings				
Gain on sale of capital assets				
Miscellaneous revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Building Florence Together CDC
\$ 15,761,977	\$ -	\$ 15,761,977	\$ -
(18,846,221)	-	(18,846,221)	-
(9,898,145)	-	(9,898,145)	-
(5,830,581)	-	(5,830,581)	-
(2,046,082)	-	(2,046,082)	-
(6,439,019)	-	(6,439,019)	-
(2,134,983)	-	(2,134,983)	-
<u>(29,433,054)</u>	<u>-</u>	<u>(29,433,054)</u>	<u>-</u>
-	9,027,687	9,027,687	-
-	1,952,868	1,952,868	-
-	10,980,555	10,980,555	-
<u>(29,433,054)</u>	<u>10,980,555</u>	<u>(18,452,499)</u>	<u>-</u>
-	-	-	296,051
13,109,447	-	13,109,447	-
6,120,314	-	6,120,314	-
4,646,267	-	4,646,267	-
1,270,604	-	1,270,604	-
4,427,261	-	4,427,261	-
1,362,091	1,264,071	2,626,162	-
1,831,231	2,784,919	4,616,150	-
82,028	315,218	397,246	-
1,523,069	897,046	2,420,115	-
5,545,856	(5,545,856)	-	-
<u>39,918,168</u>	<u>(284,602)</u>	<u>39,633,566</u>	<u>-</u>
10,485,114	10,695,953	21,181,067	296,051
47,458,101	156,696,221	204,154,322	400,329
<u>\$ 57,943,215</u>	<u>\$ 167,392,174</u>	<u>\$ 225,335,389</u>	<u>\$ 696,380</u>

CITY OF FLORENCE, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	<u>General Fund</u>	<u>Hospitality Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 5,873,421	\$ 700,478	\$ 2,835,838	\$ 9,409,737
Taxes receivable	209,547	-	9,765	219,312
Accounts receivable	4,024,436	560,623	3,533,491	8,118,550
Accrued interest receivable	48,384	13,739	3,907	66,030
Due from other funds	3,384,186	-	-	3,384,186
Prepaid items	988,207	-	-	988,207
Inventory	177,480	-	382,767	560,247
Investments	22,665,027	3,347,517	7,794,460	33,807,004
Restricted cash and cash equivalents	-	65,710	3,624,160	3,689,870
Restricted investments	49,000	308,847	3,098,212	3,456,059
	<u>\$ 37,419,688</u>	<u>\$ 4,996,914</u>	<u>\$ 21,282,600</u>	<u>\$ 63,699,202</u>
LIABILITIES				
Accounts payable	\$ 2,788,896	\$ 417,640	\$ 1,476,055	\$ 4,682,591
Retainage payable	574,169	-	64,570	638,739
Unearned revenue	5,744,363	-	3,794,933	9,539,296
Other accrued liabilities	1,749,695	-	-	1,749,695
Due to other funds	200,762	-	4,466,127	4,666,889
	<u>11,057,885</u>	<u>417,640</u>	<u>9,801,685</u>	<u>21,277,210</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	110,847	-	-	110,847
	<u>110,847</u>	<u>-</u>	<u>-</u>	<u>110,847</u>
FUND BALANCES				
Nonspendable	1,165,687	-	382,767	1,548,454
Restricted:				
Community development	-	-	758,763	758,763
Public safety	-	-	741,810	741,810
Capital projects	49,000	-	5,182,608	5,231,608
Tourism	-	4,579,274	258,751	4,838,025
Debt service	-	-	867,236	867,236
Committed	-	-	3,288,980	3,288,980
Assigned	401,983	-	-	401,983
Unassigned	24,634,286	-	-	24,634,286
	<u>26,250,956</u>	<u>4,579,274</u>	<u>11,480,915</u>	<u>42,311,145</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 37,419,688</u>	<u>\$ 4,996,914</u>	<u>\$ 21,282,600</u>	<u>\$ 63,699,202</u>

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

CITY OF FLORENCE, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

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

Fund balances, end of year	\$	42,311,145
Capital assets, including right-to-use subscription assets, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		136,941,944
Other long term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		110,847
Deferred outflows of resources related to the recording of the net pension liability and net OPEB liability are recognized as expense over time and, therefore, are not reported in the funds.		7,764,398
Deferred inflows of resources related to the recording of the net pension liability and net OPEB liability are not due and payable in the current period and, therefore, are not reported in the funds.		(1,997,992)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	\$	(3,410,127)
Installment purchase revenue bonds		(33,485,000)
Installment purchase revenue bonds premium		(972,945)
General obligation bonds		(6,721,000)
Financed purchases payable		(4,059,859)
Subscriptions payable		(160,008)
Revenue bonds payable		(37,199,000)
Net pension liability		(33,033,985)
Net other postemployment benefits liability		(7,807,627)
Total long-term liabilities		(126,849,551)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(337,576)
Net position of governmental activities, end of year	\$	<u>57,943,215</u>

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

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	General Fund	Hospitality Fund	<i>(Previously Major)</i> Installment Purchase Revenue Bond Capital Projects Fund	<i>(Previously Major)</i> American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 12,333,683	\$ -	\$ -	\$ -	\$ 759,673	\$ 13,093,356
Licenses, permits and fees	18,358,492	6,120,314	-	-	29,321	24,508,127
Intergovernmental	6,155,674	-	-	-	10,349,880	16,505,554
Charges for services	3,602,808	-	-	-	557,154	4,159,962
Fines and forfeitures	178,180	-	-	-	-	178,180
Investment earnings	1,072,640	168,092	-	-	590,499	1,831,231
Miscellaneous	640,574	-	-	-	694,225	1,334,799
Total revenues	<u>42,342,051</u>	<u>6,288,406</u>	<u>-</u>	<u>-</u>	<u>12,980,752</u>	<u>61,611,209</u>
Expenditures:						
Current:						
General government	5,627,764	1,727,651	-	-	98,929	7,454,344
Public safety	18,316,189	-	-	-	648,309	18,964,498
Public works	7,950,334	-	-	-	3,201,145	11,151,479
Culture and recreation	4,240,104	-	-	-	19,636	4,259,740
Community development	392,201	-	-	-	1,932,644	2,324,845
Non-departmental	6,439,019	-	-	-	-	6,439,019
Capital outlay	12,819,814	-	-	-	2,592,982	15,412,796
Debt service:						
Principal retirement	1,851,053	930,235	-	-	1,071,000	3,852,288
Interest	1,000,891	190,091	-	-	1,448,298	2,639,280
Total expenditures	<u>58,637,369</u>	<u>2,847,977</u>	<u>-</u>	<u>-</u>	<u>11,012,943</u>	<u>72,498,289</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,295,318)</u>	<u>3,440,429</u>	<u>-</u>	<u>-</u>	<u>1,967,809</u>	<u>(10,887,080)</u>
Other financing sources (uses):						
Insurance settlements	188,270	-	-	-	-	188,270
Transfers in	17,596,322	-	-	-	1,320,304	18,916,626
Transfers out	(34,920)	(2,530,000)	-	-	(10,805,850)	(13,370,770)
Sale of capital assets	204,122	-	-	-	-	204,122
Total other financing sources (uses), net	<u>17,953,794</u>	<u>(2,530,000)</u>	<u>-</u>	<u>-</u>	<u>(9,485,546)</u>	<u>5,938,248</u>
Net change in fund balances	1,658,476	910,429	-	-	(7,517,737)	(4,948,832)
Fund balances,						
beginning of year, as previously reported	24,592,480	3,668,845	10,652,353	173,528	8,546,629	47,633,835
Adjustment - change within reporting entity	-	-	(10,652,353)	(173,528)	10,825,881	-
Adjustment - correction of error	-	-	-	-	(373,858)	(373,858)
Fund balances,						
beginning of year, as adjusted	<u>24,592,480</u>	<u>3,668,845</u>	<u>-</u>	<u>-</u>	<u>18,998,652</u>	<u>47,259,977</u>
Fund balances, end of year	<u>\$ 26,250,956</u>	<u>\$ 4,579,274</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,480,915</u>	<u>\$ 42,311,145</u>

CITY OF FLORENCE, SOUTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Net change in fund balances - total governmental funds \$ (4,948,832)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Capital outlays	\$ 17,261,606	
Depreciation and amortization expense	<u>(6,354,422)</u>	
		10,907,184

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (122,094)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 16,091

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of the principal of long-term debt	\$ 3,852,288	
Amortization of premium on long-term debt	<u>476,332</u>	
		4,328,620

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

Compensated absences	\$ (18,646)	
Accrued interest on long-term debt	27,965	
Net pension liability and related deferred outflows/inflows of resources	471,411	
Net OPEB obligation and related deferred outflows/inflows of resources	<u>(176,585)</u>	
		<u>304,145</u>

Change in net position of governmental activities \$ 10,485,114

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024**

	<u>Major Fund</u> <u>Water and</u> <u>Sewer Fund</u>	<u>Non-Major Fund</u> <u>Storm Water</u> <u>Utility Fund</u>	<u>Totals</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 5,705,377	\$ 1,345,737	\$ 7,051,114
Accounts receivable, net of allowances	6,655,039	464,978	7,120,017
Accrued interest receivable	107,430	-	107,430
Leases receivable	76,935	-	76,935
Investments	27,668,472	3,444,606	31,113,078
Inventory	2,513,394	-	2,513,394
Due from other funds	1,282,282	73,041	1,355,323
Restricted cash and cash equivalents	6,915,241	1,470,292	8,385,533
Restricted investments	20,942,585	2,679,323	23,621,908
Total current assets	<u>71,866,755</u>	<u>9,477,977</u>	<u>81,344,732</u>
NONCURRENT ASSETS			
Capital assets:			
Non-depreciable	15,744,593	722,091	16,466,684
Depreciable, net of accumulated depreciation	229,192,943	5,226,997	234,419,940
Total noncurrent assets	<u>244,937,536</u>	<u>5,949,088</u>	<u>250,886,624</u>
Total assets	<u>316,804,291</u>	<u>15,427,065</u>	<u>332,231,356</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	1,630,338	78,890	1,709,228
Other postemployment benefits	600,710	17,627	618,337
Total deferred outflows of resources	<u>2,231,048</u>	<u>96,517</u>	<u>2,327,565</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	4,015,058	421,677	4,436,735
Retainage payable	142,162	-	142,162
Accrued interest payable	1,443,712	7,873	1,451,585
Accrued liabilities	412,632	14,932	427,564
Due to other funds	72,620	-	72,620
Current portion of compensated absences	541,155	10,584	551,739
Current portion of financed purchases payable	159,494	-	159,494
Current portion of revenue bonds payable	6,225,503	436,000	6,661,503
Current portion of notes payable	1,103,511	-	1,103,511
Total current liabilities	<u>14,115,847</u>	<u>891,066</u>	<u>15,006,913</u>
NONCURRENT LIABILITIES			
Compensated absences, net of current portion	235,539	-	235,539
Financed purchases payable, net of current portion	1,412,845	-	1,412,845
Revenue bonds payable, net of current portion	115,375,582	5,313,000	120,688,582
Notes payable, net of current portion	13,896,654	-	13,896,654
Net pension liability	11,832,424	634,875	12,467,299
Net other postemployment benefits liability	2,810,726	83,089	2,893,815
Total noncurrent liabilities	<u>145,563,770</u>	<u>6,030,964</u>	<u>151,594,734</u>
Total liabilities	<u>159,679,617</u>	<u>6,922,030</u>	<u>166,601,647</u>
DEFERRED INFLOWS OF RESOURCES			
Lease receipts	76,140	-	76,140
Pensions	127,416	6,837	134,253
Other postemployment benefits	344,399	10,308	354,707
Total deferred inflows of resources	<u>547,955</u>	<u>17,145</u>	<u>565,100</u>
NET POSITION			
Net investment in capital assets	128,825,398	2,879,411	131,704,809
Restricted for debt service	5,654,213	1,470,292	7,124,505
Unrestricted	24,328,156	4,234,704	28,562,860
Total net position	<u>\$ 158,807,767</u>	<u>\$ 8,584,407</u>	<u>\$ 167,392,174</u>

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

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Major Fund Water and Sewer Fund</u>	<u>Non-Major Fund Storm Water Utility Fund</u>	<u>Totals</u>
OPERATING REVENUE			
Current use charges	\$ 42,511,041	\$ -	\$ 42,511,041
Service fees	7,202	-	7,202
Water and sewer tap fees	1,209,086	-	1,209,086
Storm water service fees	-	1,637,489	1,637,489
Miscellaneous income	792,099	32,647	824,746
Total operating revenues	<u>44,519,428</u>	<u>1,670,136</u>	<u>46,189,564</u>
OPERATING EXPENSES			
Personnel	6,341,871	295,013	6,636,884
Employee benefits	2,837,569	139,103	2,976,672
Engineering	284,009	-	284,009
Utility finance	590,794	-	590,794
Wastewater treatment	5,219,424	-	5,219,424
Surface water production	2,352,500	-	2,352,500
Ground water production	1,392,143	-	1,392,143
Distribution operations	1,090,236	-	1,090,236
Collection operations	807,997	-	807,997
Stormwater operations	-	502,536	502,536
Non-departmental	2,728,711	-	2,728,711
Depreciation	10,148,298	330,956	10,479,254
Total operating expenses	<u>33,793,552</u>	<u>1,267,608</u>	<u>35,061,160</u>
Operating income	<u>10,725,876</u>	<u>402,528</u>	<u>11,128,404</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	2,495,572	289,347	2,784,919
Intergovernmental	1,154,030	110,041	1,264,071
Economic development	(2,187,287)	-	(2,187,287)
Interest expense	(2,426,054)	(104,439)	(2,530,493)
Investment expense	-	(1,994)	(1,994)
Gain on disposal of assets	243,708	71,510	315,218
Issuance costs	(435,329)	-	(435,329)
Miscellaneous	72,300	-	72,300
Total nonoperating revenues (expenses), net	<u>(1,083,060)</u>	<u>364,465</u>	<u>(718,595)</u>
Income before capital contributions and transfers	<u>9,642,816</u>	<u>766,993</u>	<u>10,409,809</u>
CAPITAL CONTRIBUTIONS	<u>4,142,580</u>	<u>1,689,420</u>	<u>5,832,000</u>
TRANSFERS			
Transfers in	29,620	67,529	97,149
Transfers out	(5,454,775)	(188,230)	(5,643,005)
Total transfers	<u>(5,425,155)</u>	<u>(120,701)</u>	<u>(5,545,856)</u>
Change in net position	8,360,241	2,335,712	10,695,953
Total net position, beginning of year	<u>150,447,526</u>	<u>6,248,695</u>	<u>156,696,221</u>
Total net position, end of year	<u>\$ 158,807,767</u>	<u>\$ 8,584,407</u>	<u>\$ 167,392,174</u>

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

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Major Fund</u> <u>Water and</u> <u>Sewer Fund</u>	<u>Non-Major Fund</u> <u>Storm Water</u> <u>Utility Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 42,806,730	\$ 1,495,335	\$ 44,302,065
Other receipts	72,300	-	72,300
Payments to suppliers	(11,571,026)	(420,293)	(11,991,319)
Payments to employees	(9,031,866)	(464,832)	(9,496,698)
Net cash provided by operating activities	<u>22,276,138</u>	<u>610,210</u>	<u>22,886,348</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	29,620	67,529	97,149
Transfers out	(5,454,775)	(188,230)	(5,643,005)
Intergovernmental receipts	1,154,030	110,041	1,264,071
Economic development	(2,187,287)	-	(2,187,287)
Net cash used in noncapital financing activities	<u>(6,458,412)</u>	<u>(10,660)</u>	<u>(6,469,072)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(17,536,286)	(397,881)	(17,934,167)
Proceeds from the sale of capital assets	247,807	109,266	357,073
Proceeds from the issuance of revenue bonds	33,094,432	-	33,094,432
Principal paid on financed purchases	(155,971)	-	(155,971)
Principal paid on revenue bonds	(5,287,464)	(429,000)	(5,716,464)
Principal paid on notes payable	(1,086,228)	-	(1,086,228)
Interest and agent fees paid	(4,275,970)	(107,020)	(4,382,990)
Net cash provided by (used in) capital and related financing activities	<u>5,000,320</u>	<u>(824,635)</u>	<u>4,175,685</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	2,495,572	289,347	2,784,919
Investment purchases	(21,286,308)	(471,521)	(21,757,829)
Net cash used in investing activities	<u>(18,790,736)</u>	<u>(182,174)</u>	<u>(18,972,910)</u>
Net change in cash	2,027,310	(407,259)	1,620,051
Cash and cash equivalents, beginning of year	10,593,308	3,223,288	13,816,596
Cash and cash equivalents, end of year	<u>\$ 12,620,618</u>	<u>\$ 2,816,029</u>	<u>\$ 15,436,647</u>
Classified as:			
Cash and cash equivalents	\$ 5,705,377	\$ 1,345,737	\$ 7,051,114
Restricted assets, cash	6,915,241	1,470,292	8,385,533
	<u>\$ 12,620,618</u>	<u>\$ 2,816,029</u>	<u>\$ 15,436,647</u>

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Major Fund</u> <u>Water and</u> <u>Sewer Fund</u>	<u>Non-Major Fund</u> <u>Storm Water</u> <u>Utility Fund</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 10,725,876	\$ 402,528	\$ 11,128,404
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	10,148,298	330,956	10,479,254
Miscellaneous income	72,300	-	72,300
Changes in assets and liabilities:			
Increase in accounts receivable	(345,383)	(101,760)	(447,143)
Increase in leases receivable	(76,935)	-	(76,935)
Increase in accrued interest receivable	(8,936)	-	(8,936)
Increase in inventory	(284,221)	-	(284,221)
Increase in due from other funds	-	(73,041)	(1,354,485)
Decrease in prepaid items	-	1,000	1,000
Decrease in deferred outflow of resources	86,332	14,110	100,442
Increase in accounts payable	3,030,249	74,837	3,105,086
Increase (decrease) in accrued liabilities	47,410	(5,401)	42,009
Increase in due to other funds	72,620	-	72,620
Decrease in compensated absences	(81,077)	(12,503)	(93,580)
Increase (decrease) in net pension liability	173,354	(17,211)	156,143
Decrease in net other postemployment benefits liability	(84,655)	(3,307)	(87,962)
Increase in lease receipts	76,140	-	76,140
Increase in deferred inflows or resources	6,210	2	6,212
Net cash provided by operating activities:	<u>\$ 22,276,138</u>	<u>\$ 610,210</u>	<u>\$ 22,886,348</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Contributions of capital assets	\$ 4,142,580	\$ 1,689,420	\$ 5,832,000
	<u>\$ 4,142,580</u>	<u>\$ 1,689,420</u>	<u>\$ 5,832,000</u>

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

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024**

	ASSETS	Custodial Funds
Cash and cash equivalents		\$ 373,704
Investments		359,624
Accounts receivable		23,969
Total assets		<u>757,297</u>
	LIABILITIES	
Accounts payable		9,098
Total liabilities		<u>9,098</u>
	FIDUCIARY NET POSITION	
Restricted for: individuals, organizations, and other governments		748,199
Total fiduciary net position		<u>\$ 748,199</u>

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

CITY OF FLORENCE, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Custodial Funds
ADDITIONS	
Program revenue - intergovernmental	\$ 267,596
Interest revenue	7
Total additions	267,603
DEDUCTIONS	
Payment of escrow funds	50,038
Total deductions	50,038
Change in fiduciary net position	217,565
Fiduciary net position, beginning of year	530,634
Fiduciary net position, end of year	\$ 748,199

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

CITY OF FLORENCE SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Chartered in 1890, the City operates under a council-manager form of government and provides the following services: public safety, streets, sanitation, culture and recreation, building inspections and permitting, codes enforcement, planning and zoning, public improvements, water and sewer, storm water, and general administrative services.

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

In order to be considered fiscally independent an entity must have the authority to do all of the following: (a) determine its budget without the City having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the City; and (c) issue bonded debt without approval by the City. An entity has a financial benefit or burden relationship with the City if, for example, any one of the following conditions exists: (a) the City is legally entitled to or can otherwise access the entity’s resources, (b) the City is legally obligated or has otherwise assumed the obligation to finance the deficits, or 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 reports one blended component unit, and one discretely presented component unit. The blended component unit does not issue separate financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended component unit – City of Florence Public Facilities Corporation (the “Corporation”) is a single purpose corporate entity which is prohibited from engaging in any business other than to construct, own and lease facilities to be used for essential City functions in connection with the issuance of tax-exempt certificates of participation, limited obligation bonds and installment purchase revenue bonds to finance such facilities. Since the Corporation is governed by a board of directors appointed by City Council and solely exists for the benefit of the City, then the data of the component unit are blended with the data of the City. The reported fund is the Installment Purchase Revenue Bond Capital Projects Fund.

Discretely presented component unit – Building Florence Together Community Development Corporation (BFTCDC) is responsible for promoting and developing planned redevelopment efforts of the Neighborhood Revitalization Strategy in order to increase the economic, life, growth and vitality of Florence. The BFTCDC has a significant relationship with the City. The BFTCDC is presented as a governmental fund type and does issue separate financial statements.

The City is responsible for appointing the members of the board of the Housing Authority of Florence, but the City's accountability for this organization does not extend beyond making appointments.

The City is a participant with Florence County in a joint venture to operate the Florence Center. Both the City and County contributed \$664,752 as its share of the debt-service of the Florence Center for the fiscal year ended June 30, 2024. The City also contributed funding for half of the operating deficit, marketing, and capital improvements. The City contributed total fundings of \$1,521,651 for the fiscal year ended June 30, 2024. Any additional funding shortfall is to be paid equally by the City and County. The Florence Center Commission is comprised of nine members, four appointed by the City, four appointed by the County, and one by the members of the Commission. Neither of the participating governments have any equity interest in the joint venture; therefore, no equity interest has been reflected in the financial statements. Complete financial statements for the Florence Center can be obtained from the Director at 3300 West Radio Drive, Florence, South Carolina 29501.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Changes in Net Position) report information on all non-fiduciary activities of the City. 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. Likewise, the primary government is to be reported separately from certain legally separate component units for which the primary government is financially accountable. The City reports no legally separate component units other than the above mentioned blended and discretely presented component units.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the funds have been eliminated for the Statement of Activities. 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 accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are summarized into a single column. The various fund categories and fund types presented in the financial statements are described below:

Governmental Fund Types

General Fund - The General Fund, a major fund, is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources other than major capital projects that are legally restricted to expenditures for specified purposes. The funds consist of Hospitality (major fund), Rollcart and Equipment Replacement, Housing Partnership, HOME Program, Community Development Block Grant, E-911, Victims Services, Drug Control, Federal Equitable Sharing, NSP Grant, Neighborhood Improvement Program, Accommodation Tax, Public Safety Grants, NSP-3, Neighborhood Redevelopment, JAG Grant, Sunday Local Option Revenue Fund, American Rescue Plan Act, Fire Trust, State Provision Fund, Veterans Park Development, Florence Area Humane Society, Palmetto Pride Grant, Brownsfield Grant, and DRO Grant – McQueen & Cedar.

Debt Service Funds - Debt Service Funds are governmental funds that are used to account for funds needed to make principal and interest payments on outstanding debt issues. The funds consist of the TIF Revenue and Debt Service and Other Debt Service Funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Capital Projects Funds – Capital Project Funds are governmental funds that are used to account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds. The funds consist of the 2016 TIF Construction Projects, Florence County Penny Tax, and the Installment Purchase Revenue Bond Capital Projects Fund.

Proprietary Fund Types

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. These funds consist of Water and Sewer Utilities (major fund) and Storm Water Utility funds.

Fiduciary Fund Types

Custodial Funds – Custodial Funds are used to account for assets held by the City as a custodian for individuals and other governments. Custodial funds are custodial in nature and use the economic resources measurement focus. These funds consist of:

Court Escrow – This fund is used to account for criminal and traffic fines being held on open court cases.

Narcotics Holding Funds – This fund is used to account for drug related funds seized inside the City on open court cases.

Eat Smart Move More – This fund is used to account for funding received to support projects that increase access to healthy foods and physical activity

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 the enterprise fund are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total column. Interfund services provided and used are not eliminated. 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.

Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Taxpayer-assessed property taxes and other sources of funds are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time or if they are collected within 60 days of year end. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable, and their validity seems certain. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major government funds: *General Fund*. This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund: *Hospitality Fund*. This fund is used to account for a 2% Hospitality Fee assessed on prepared food and beverages within the City.

The City reports the following major enterprise fund: *Water and Sewer*. This fund is used to account for transactions relating to the operations of the City water and sewer system.

D. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with GAAP. Annual budgets and supplementary budget appropriations are legally adopted for the General Fund and Hospitality Fund.

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents, as reported in the Statement of Cash Flows, includes checking accounts, money market accounts and certificates of deposit with an original maturity of three months or less. The City is authorized to invest in obligations of the U. S. Treasury and U. S. Agencies and instrumentalities, repurchase agreements, certificates of deposit, and the state treasurer's investment pool.

All investments are reported at fair value. The fair value of U. S. Government securities is based on sales prices or bid-and-asked quotations on national securities exchanges or in the over-the counter market. The City owns identifiable securities and is a shareholder of a percentage of the South Carolina Local Government Investment Pool (LGIP). Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

The fair value of the City's position in the LGIP is determined using the net asset value per share practical expedient. The LGIP is not registered with the Securities Exchange Commission as an investment company. The State Treasurer is responsible for oversight of the LGIP.

F. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables and Payables (Continued)

Property tax and accounts receivables are shown net of an allowance for uncollectibles.

G. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market, using the average cost method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. Inventory in the General Fund consist of supplies held for consumption and real property held for resale for economic development or the City's neighborhood redevelopment program. Inventory in the Enterprise Fund consist of supplies held for consumption and real property held for the resale for economic development. Inventory in the Rollcart and Equipment Replacement fund consist of rollcarts, and recycling bins held for future use. Certain payments made to vendors reflects costs from services applicable to future accounting periods and are recorded as prepaid expenditures in the government-wide and fund financial statements. The consumption method of accounting is used to record prepaid expenditures proportionately over the periods that the services are provided.

H. Restricted Assets

Certain proceeds of the City's Governmental Fund and Enterprise Fund lease and revenue bond debt are classified as restricted assets on the Statement of Net Position because they represent unspent proceeds of capital debt or debt service reserve funds. Unspent grant funds received in the governmental funds are also classified as restricted assets in the Statement of Net Position.

I. Subscription-Based Information Technology Arrangements (SBITAs)

The City has noncancellable SBITAs of various IT software. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability reduced by the principal portion of the SBITA payments made.

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain implementation and conversion costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments:

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the subscription liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities on the Statement of Net Position.

J. Capital Assets

Governmental Funds

Capital outlays are recorded as expenditures on the governmental fund financial statements and as assets on the government-wide financial statements to the extent the City's capitalization threshold of \$10,000 for equipment and site improvements, \$15,000 for buildings and building improvements and \$50,000 for infrastructure is met. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively to 1980.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Management estimates historical cost when necessary. Donated assets are valued at their acquisition value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Improvements that produce permanent benefits, such as fill and grading costs that ready land for structures and landscaping, are capitalized but not depreciated. Improvements that are considered part of a structure or that deteriorate with use or the passage of time, such as parking lots and fencing, are depreciated. Impaired capital assets are written down or off, based on the nature and extent of damage, deterioration, or other impairment.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

Proprietary Funds

Capital outlays of the proprietary funds are recorded as capital assets on both the fund basis and the government-wide basis. Capital assets are stated at cost or estimated original cost based on management estimates, net of accumulated depreciation. Donated capital assets are recorded at their acquisition value at the date of receipt. Repairs and maintenance are charged to expense when incurred. When capital assets are sold or retired, the cost of the assets and the related accumulated depreciation are eliminated, and a gain or loss is recognized.

Property, plant and equipment are depreciated using the straight-line method over the estimated useful lives:

Buildings and system	3 - 60 years
Machinery and equipment	3 - 20 years
Infrastructure	10 - 30 years

K. Unearned and Unavailable Revenues

In the government-wide financial statements, and in the governmental fund types and the proprietary fund types in the fund financial statements, certain assets are recognized in connection with a transaction before the earnings process is complete. These assets are generally offset by a corresponding liability for unearned revenue. Unearned revenue in the government-wide statements and in the fund financial statements, governmental funds, is represented by various deposits on contracts. In the fund financial statements governmental funds report certain assets that are not yet available to finance expenditures for the current fiscal period and are classified as unavailable revenue and reported as a deferred inflow of resources. Unavailable revenue in the governmental funds is primarily represented by taxes receivable and amounts due from other governments.

L. Property Taxes

The City's millage rates are set each year by the City Council as part of the annual budgeting process. Following a public hearing and two readings of a budget ordinance, the City's annual budget is adopted, and millage rate set to become effective on July 1.

Assessed values are established by the Florence County Assessor and the South Carolina Department of Revenue and were approximately \$190.4 million for the 2023 tax year. The City's property tax rate for fiscal year 2023 was 68.1 mils (operating 64.1, debt service 4.0). The City also has a tax increment district. Assessed values for the tax increment district were approximately \$9.4 million for the 2023 tax year. Property taxes are billed and collected by Florence County under a joint billing and collection agreement.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Property Taxes (Continued)

All property taxes, with the exception of vehicle taxes, are mailed in October of each year and are levied on the assessed value established as of the prior January 1. The lien date is December 31 of each year. These property taxes are due and payable by January 15 of each year. A 3% penalty is assessed on unpaid taxes on January 16. On February 2, unpaid taxes are assessed an additional 7% for a total of 10%. On March 17, unpaid taxes are assessed an additional 5% for a total of 15%, and additional collection costs are added. Unpaid delinquent property taxes for real property and mobile homes may be subject to collection through a public property sale by Florence County.

Vehicle property tax notices are mailed monthly and are due and payable in conjunction with vehicle registration through the South Carolina Department of Motor Vehicles. Payment of vehicle property tax is required as a condition of annual vehicle registration with the Department of Motor Vehicles.

M. Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned, but unused vacation and sick leave, which may be paid to employees upon separation from the City's service. Accumulated unpaid vacation and sick leave pay is accrued when incurred in the government-wide and proprietary financial statements. Compensated absences that are expected to be liquidated with expendable financial resources as a result of employee resignations and retirements as of the end of the fiscal year are reported as an expenditure and a fund liability of the government fund that will pay it.

N. Short-term and Long-term Obligations and Interest Expense

In the government-wide financial statements and proprietary fund financial statements, short-term debt, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position. Bond premiums and discounts, as well as bond insurance, are deferred and amortized over the term of the bonds using the straight-line method which approximates the bonds outstanding method. Bonds payable are reported net of the applicable premium or discount. Bond insurance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Short-term and Long-term Obligations and Interest Expense (Continued)

In the proprietary funds (and for the governmental funds, in the government-wide statements) the difference between the re-acquisition price (new debt) and the net carrying value of the old debt on refunded debt transactions is shown as a deferred outflow or inflow of resources and amortized as a component of interest expense using the bonds outstanding method over the shorter of the remaining life of the old debt or the life of the new debt.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has two types of deferred outflows of resources. The City reports deferred pension charges in its Statements of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System and deferred OPEB charges with its defined benefit post-employment healthcare plan. These deferred 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 report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has three types of deferred inflows of resources: (1) The City reports *unavailable revenue – 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 Statements of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System and (3) *Deferred OPEB credits* with its defined benefit post-employment healthcare plan. These *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance and Net Position

Government-wide Statements

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

- **Net Investment in Capital Assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted Net Position** – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – Consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Statements

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds.

The classifications are as follows:

- **Nonspendable** – The nonspendable fund balance category includes amounts that cannot be spent because they are either not in spendable form, such as supplies inventories, or are legally or contractually required to be maintained intact, such as principal donated to the City to be invested and held in a permanent fund from which only the investment earnings can be spent. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.
- **Restricted** – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party to use resources created by enabling legislation only for the purposes specified by the legislation.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance and Net Position (Continued)

Fund Statements (Continued)

- **Committed** – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by an adopted ordinance of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- **Assigned** – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council. Through the budget ordinance adopted annually by City Council, the City Manager is authorized to assign fund balances.
- **Unassigned** – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Q. 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 that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (See Note 9 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 each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the City's fiscal year-end. Changes in the net pension 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.

S. Other Post-Employment Benefits

Other Post-Employment Benefits (OPEB) cost for retiree healthcare and similar, non-pension retiree benefits, is required to be measured and disclosed using the accrual basis of accounting (see Note 10 for more information), regardless of the amount recognized as OPEB expense on the modified accrual basis of accounting. Annual OPEB cost is equal to the annual required contributions to the OPEB Plan, calculated in accordance with GASB Statement No. 75.

T. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Fair Value (Continued)

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.

U. Tax Abatement Agreements

The City has implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*. This statement requires the City to disclose information for any tax abatement agreements either entered into by the City, or agreements entered into by other governments that reduce the City's tax revenues. As of June 30, 2024, the City did not have any such agreements, either entered into by the City or other governments, that exceeded the quantitative threshold for disclosure.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. The principal operating revenues for the City's proprietary funds are charges to customers in the form of fees for sales and services. Operating expenses for the proprietary funds include contractual management services, salaries and benefits, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

W. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without the requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to funds that initially paid for them are not presented on the financial statements. Interfund loans may occur between two funds. Short-term interfund loans outstanding at year-end are recorded as interfund receivables/payables and are expected to be paid within one year. Advances to/from other funds represent long-term interfund loans receivable and payable. Reimbursements result when one fund makes an expenditure on behalf of another. Reimbursements reduce expenditures in the reimbursed fund and increase those in the reimbursing fund.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device during the year for the General Fund, Hospitality Fund, and Enterprise Funds. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Legal budgets are adopted only for the General Fund, Hospitality Fund, and Enterprise Funds. Thus, the budgetary financial statements included in this report do not include non-budgeted Special Revenue Funds or Custodial Funds.
2. The City Council approves, by ordinance, total budget appropriations only. The City Manager is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total appropriations of any fund must be approved by the City Council. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (general government, capital outlay, etc.).

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

3. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
4. The budget amounts shown in the financial statements are the original amounts and the final authorized amounts as revised during the year.

There are a number of limitations and restrictions contained in the various bond indentures in the Enterprise Fund. The City believes it is in compliance with all significant limitations and restrictions.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2024, are summarized as follows:

Statement of Net Position:

Cash and cash equivalents	\$	16,460,851
Investments		64,920,082
Restricted cash and cash equivalents		12,075,403
Restricted investments		27,077,967

Statement of Fiduciary Net Position:

Cash and cash equivalents		373,704
Investments		359,624
	\$	121,267,631

Cash deposited with financial institutions	\$	28,909,958
Investments - US Treasury		58,315,370
Investments - Certificates of Deposit		11,304,209
Investments - Federated Hermes Fund		6,482,143
South Carolina Local Government Investment Pool		16,255,951
	\$	121,267,631

At June 30, 2024, the City's investments included demand deposits and the LGIP. The LGIP is an investment mechanism authorized by the South Carolina State Legislature and is not registered with the SEC as an investment company. There is no regulatory oversight of the pool. The pool's primary objective is to acquire maximum returns on investments by pooling available funds with funds from other political subdivisions. The total fair value of the investment 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. Investments in the pool are stated at fair value which approximates cost.

Under State law, the City is authorized to hold funds in deposit accounts with banking institutions and invest funds in the following items: obligations of the United States and agencies thereof, obligations of the State of South Carolina of any of its political units, banks and savings and loan associations to the extent insured by an agency of the federal government, and/or certificates of deposit where the certificates are federally insured or collaterally secured by collateral of the types in the previously mentioned items.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2024, all of the City's deposits were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust department in the City's name.

Credit Risk: The City's investment policy allows for investments in the LGIP. As of June 30, 2024, the underlying security ratings of the City's investment in the LGIP may be obtained from the LGIP's complete financial statements. This investment pool does not have a credit quality rating assigned.

These financial statements may be obtained by writing to the State Treasurer's Office, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211. Additionally, the City may invest in obligations of the United States, obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, Bank of Cooperatives, Federal Intermediate Credit Bank, Federal Land Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Federal Housing Administration, and Farmer's 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 organizations.

The City's investments of \$58,315,370 in various U.S. Treasury securities were rated AA+ by Standard and Poor's and Aaa or better by Moody's Investors Services.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2024, the City's exposure to interest rate risk and credit risk regarding its investments is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		<u>Rating</u>
		<u>Less than 1</u>	<u>1 - 5</u>	
Federated Hermes Fund	\$ 6,482,143	\$ 6,482,143	\$ -	N/A
Certificates of Deposit	11,304,209	11,304,209	-	N/A
U.S. Treasuries	58,315,370	46,366,623	11,948,747	AA+
South Carolina Local Government Investment Pool	16,255,951	16,255,951	-	N/A
Total	<u>\$ 92,357,673</u>	<u>\$ 80,408,926</u>	<u>\$ 11,948,747</u>	

Fair Value Measurement: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2024:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value</u>
U.S. Treasuries	\$ 58,315,370	\$ -	\$ 58,315,370
Total investments measured at fair value	<u>\$ 58,315,370</u>	<u>\$ -</u>	<u>\$ 58,315,370</u>

The City's fair value measurements as of June 30, 2024, consist of its investments in U.S. Treasury securities and are valued using readily determinable fair values, meaning there is a quoted price for identical assets in an active market (level 1 inputs).

The City holds investments in certificates of deposit and a Federal Hermes Mutual Fund as of June 30, 2024, that are recorded at amortized cost and therefore are not classified in the fair value hierarchy. The LGIP does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its position in the LGIP within the fair value hierarchy.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investment in a single issuer. This risk is mitigated by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The City has no formal policy regarding concentration of credit risk.

Restricted investments of \$23,621,908 and \$1,261,028 of the restricted cash and cash equivalents in the Enterprise Funds consist of unspent proceeds of revenue bonds to be used for the purchase and construction of capital assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables as of June 30, 2024, for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities	General Fund	Hospitality Fund	Nonmajor Governmental Funds	Total Governmental Activities
Receivables:				
Taxes	\$ 242,224	\$ -	\$ 9,765	\$ 251,989
Accounts	4,024,436	560,623	3,542,913	8,127,972
Accrued interest	48,384	13,739	3,907	66,030
Total receivables	<u>4,315,044</u>	<u>574,362</u>	<u>3,556,585</u>	<u>8,445,991</u>
Less allowance for uncollectible accounts	32,677	-	9,422	42,099
Net total receivables	<u>\$ 4,282,367</u>	<u>\$ 574,362</u>	<u>\$ 3,547,163</u>	<u>\$ 8,403,892</u>

Business-type Activities	Water and Sewer Fund	Stormwater Utility Fund	Total Business-type Activities
Accounts receivable	\$ 7,593,434	\$ 483,618	\$ 8,077,052
Accrued interest receivable	107,430	-	107,430
Lease receivable	76,935	-	76,935
Total receivables	<u>7,777,799</u>	<u>483,618</u>	<u>8,261,417</u>
Less allowance for uncollectible accounts	938,395	18,640	957,035
Net total receivables	<u>\$ 6,839,404</u>	<u>\$ 464,978</u>	<u>\$ 7,304,382</u>

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At June 30, 2024, the various components of deferred inflows and unearned revenue in the governmental funds and activities were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable	\$ 110,847	\$ -
Grant drawdowns prior to meeting eligibility requirements - recreation	-	38,155
Police grants received but not yet earned	-	357,580
Local option sales tax receivable	-	5,807,967
American Rescue Plan Act advances	-	3,335,594
	<u>\$ 110,847</u>	<u>\$ 9,539,296</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended June 30, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 18,692,113	\$ -	\$ (27,231)	\$ 1,084,687	\$ 19,749,569
Construction in progress	23,171,832	10,793,498	(89,809)	(20,652,185)	13,223,336
Total	<u>41,863,945</u>	<u>10,793,498</u>	<u>(117,040)</u>	<u>(19,567,498)</u>	<u>32,972,905</u>
Capital assets, being depreciated/amortized:					
Buildings	45,066,564	-	-	-	45,066,564
Infrastructure	66,596,202	3,313,066	-	15,960,115	85,869,383
Machinery and equipment	24,746,233	3,155,042	(1,935,689)	3,689,693	29,655,279
Right-to-use subscription asset	366,936	-	-	-	366,936
Total	<u>136,775,935</u>	<u>6,468,108</u>	<u>(1,935,689)</u>	<u>19,649,808</u>	<u>160,958,162</u>
Less accumulated depreciation/amortization for:					
Buildings	(9,862,893)	(1,216,376)	-	-	(11,079,269)
Infrastructure	(26,754,376)	(3,106,827)	-	-	(29,861,203)
Machinery and equipment	(15,808,730)	(1,949,542)	1,930,635	(82,310)	(15,909,947)
Right-to-use subscription asset	(57,027)	(81,677)	-	-	(138,704)
Total	<u>(52,483,026)</u>	<u>(6,354,422)</u>	<u>1,930,635</u>	<u>(82,310)</u>	<u>(56,989,123)</u>
Total capital assets, being depreciated/amortized, net	<u>84,292,909</u>	<u>113,686</u>	<u>(5,054)</u>	<u>19,567,498</u>	<u>103,969,039</u>
Governmental activities capital assets, net	<u>\$ 126,156,854</u>	<u>\$ 10,907,184</u>	<u>\$ (122,094)</u>	<u>\$ -</u>	<u>\$ 136,941,944</u>

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

Governmental activities:	
General government	\$ 521,939
Public safety	1,010,796
Public works	2,606,700
Culture and recreation	<u>2,214,987</u>
Total depreciation expense - governmental activities	<u>\$ 6,354,422</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the business-type activities for the year ended June 30, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 1,670,030	\$ -	\$ -	\$ 295,335	\$ 1,965,365
Construction in progress	6,980,776	15,491,550	(37,755)	(7,933,252)	14,501,319
Total	<u>8,650,806</u>	<u>15,491,550</u>	<u>(37,755)</u>	<u>(7,637,917)</u>	<u>16,466,684</u>
Capital assets, being depreciated:					
Buildings and system	349,801,110	5,832,000	-	14,888,424	370,521,534
Machinery and equipment	20,995,538	2,528,517	(713,945)	(7,310,136)	15,499,974
Total	<u>370,796,648</u>	<u>8,360,517</u>	<u>(713,945)</u>	<u>7,578,288</u>	<u>386,021,508</u>
Less accumulated depreciation for:					
Buildings and system	(131,889,970)	(9,401,325)	-	(314,941)	(141,606,236)
Machinery and equipment	(10,001,819)	(1,077,929)	709,846	374,570	(9,995,332)
Total	<u>(141,891,789)</u>	<u>(10,479,254)</u>	<u>709,846</u>	<u>59,629</u>	<u>(151,601,568)</u>
Total capital assets, being depreciated, net	<u>228,904,859</u>	<u>(2,118,737)</u>	<u>(4,099)</u>	<u>7,637,917</u>	<u>234,419,940</u>
Business-type activities capital assets, net	<u>\$ 237,555,665</u>	<u>\$ 13,372,813</u>	<u>\$ (41,854)</u>	<u>\$ -</u>	<u>\$ 250,886,624</u>

Depreciation and amortization expense was charged to functions/programs of the City as follows:

Business-type activities:	
Water and Sewer	\$ 10,148,298
Stormwater	<u>330,956</u>
Total depreciation expense - business-type activities	<u>\$ 10,479,254</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity of the City for the year ended June 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Tax Increment revenue bonds	\$ 34,875,000	\$ -	\$ (385,000)	\$ 34,490,000	\$ 520,000
Direct borrowing and direct placement notes:					
General obligation bonds	7,317,000	-	(596,000)	6,721,000	604,000
Hospitality revenue bonds	3,539,000	-	(830,000)	2,709,000	214,000
Installment purchase revenue bond	34,815,000	-	(1,330,000)	33,485,000	2,055,000
US HUD section 108 loan	90,000	-	(90,000)	-	-
Bond premium	1,449,277	-	(476,332)	972,945	-
Total direct borrowing and direct placement notes:	47,210,277	-	(3,322,332)	43,887,945	2,873,000
Financed purchases liability	4,613,201	-	(553,342)	4,059,859	517,542
Subscription liability	227,954	-	(67,946)	160,008	51,612
Net pension liability	34,100,365	9,970,962	(11,037,342)	33,033,985	-
Net OPEB liability	8,094,661	93,183	(380,217)	7,807,627	-
Compensated absences	3,391,481	319,297	(300,651)	3,410,127	1,618,671
Governmental activities Long-term liabilities	<u>\$ 132,512,939</u>	<u>\$ 10,383,442</u>	<u>\$ (16,046,830)</u>	<u>\$ 126,849,551</u>	<u>\$ 5,580,825</u>
Business-type activities:					
Revenue bonds	\$ 70,825,000	\$ 32,100,000	\$ (3,560,000)	\$ 99,365,000	\$ 4,475,000
Bond premium	7,387,536	994,432	(1,858,931)	6,523,037	-
Total bonds payable	78,212,536	33,094,432	(5,418,931)	105,888,037	4,475,000
Direct borrowing and direct placement notes:					
Water and Sewer SRF notes	16,086,393	-	(1,086,228)	15,000,165	1,103,511
Water and Sewer revenue bonds	17,440,512	-	(1,727,464)	15,713,048	436,000
Stormwater revenue bonds	6,178,000	-	(429,000)	5,749,000	1,750,503
Total direct borrowing and direct placement notes:	39,704,905	-	(3,242,692)	36,462,213	3,290,014
Financed purchases liability	1,728,310	-	(155,971)	1,572,339	159,494
Net pension liability	12,311,156	3,763,124	(3,606,981)	12,467,299	-
Net OPEB liability	2,981,777	334,755	(422,717)	2,893,815	-
Compensated absences	880,858	35,590	(129,170)	787,278	551,739
Business-type activities Long-term liabilities	<u>\$ 135,819,542</u>	<u>\$ 37,227,901</u>	<u>\$ (12,976,462)</u>	<u>\$ 160,070,981</u>	<u>\$ 8,476,247</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Notes payable in the governmental activities are not general obligations of the City. Repayment is budgeted in the General Fund and Special Revenue Fund. For governmental activities, compensated absences, the net pension liability, and the net OPEB liability are liquidated by the General Fund and financed purchases are liquidated by the General Fund and Special Revenue Fund. General obligation bonds are direct obligations and pledge the full faith and credit of the government and are repaid by the debt service fund.

Governmental Activities

General Obligation Bonds

General obligation bonds payable from governmental activities at June 30, 2024, are as follows:

	Interest Rate	Balance at June 30, 2024
General Obligation Bonds, Series 2020	1.42%	\$ 5,801,000
General Obligation Bonds, Series 2020A refunding 2010	1.22%	920,000
		\$ 6,721,000

In September 2020, the City issued a \$6,267,000 General Obligation Bond Series 2020. The bond is for fire station projects and related equipment. The bond has a 1.42% interest rate and requires semi-annual interest payments and annual principal payments. The bonds mature September 1, 2034.

In September 2020, the City issued a \$2,220,000 General Obligation Refunding Bond, Series 2020A for refunding Series 2010 G.O. Bond. The bond has a 1.22% interest rate and requires semi-annual interest payments and annual principal payments. The bond matures on September 1, 2025.

Annual debt service requirements to maturity for the general obligation bonds as of June 30, 2024, are as follows:

	Principal	Interest	Total
Year ending June 30,			
2025	\$ 604,000	\$ 89,765	\$ 693,765
2026	611,000	82,058	693,058
2027	619,000	73,790	692,790
2028	629,000	64,930	693,930
2029	638,000	55,934	693,934
2030 - 2034	2,995,000	151,919	3,146,919
2035	625,000	4,438	629,438
	\$ 6,721,000	\$ 522,834	\$ 7,243,834

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Revenue Bonds

Revenue bonds payable from governmental activities at June 30, 2024, are as follows:

	Interest Rate	Balance at June 30, 2024
Tax Increment Revenue Bond, Series 2016A	3.83%	\$ 7,975,000
Tax Increment Revenue Bond, Series 2016B	3.83%	26,515,000
Hospitality Revenue Bond, Series 2014	3.42%	2,709,000
Installment Purchase Revenue Bond, Series 2020A	2.41%	24,755,000
Installment Purchase Revenue Bond, Series 2020B	2.41%	8,730,000
		\$ 70,684,000

In November 2016, the City issued a \$9,055,000 Revenue Bond. The bond is for capital improvements in the downtown area and related issuance costs. The bond has a 3.83% interest rate and requires semi-annual interest payments and annual principal payments. This bond is secured by revenues generated by the City's tax increment financing district. The bond matures June 30, 2035.

In November 2016, the City issued a \$26,515,000 Revenue Bond. The bond is for capital improvements in the downtown area and related issuance costs. The bond has a 3.83% interest rate and requires semi-annual interest payments and annual principal payments. This bond is secured by revenues generated by the City's tax increment financing district. The bond matures June 30, 2047.

In May 2014, the City issued a \$4,605,000 Revenue Bond. The bond is for recreational facility construction. The bond has a 3.42% interest rate through June 1, 2024, and thereafter a rate to be negotiated between the City and issuer and requires semi-annual interest payments and annual principal payments. This bond is secured by the City's hospitality fee. The bond matures June 1, 2034.

In September 2020, the City through the Corporation issued a \$26,365,000 Installment Purchase Revenue Bond, Taxable Series 2020A and a \$10,970,000 Installment Purchase Revenue Bond, Series 2020B. The bonds are being used to construct, acquire or renovate certain buildings and facilities on City owned property for use by the City and to acquire and install certain equipment and refund the 2017 Installment Purchase Bond. The City leases the assets acquired with the proceeds from the installment purchase revenue bond under a Base Lease Agreement and Municipal Facilities Purchase and Occupancy Agreement. For financial reporting purposes, the City accounts for the installment purchase revenue bond as its own debt. The bonds have a 2.41% interest rate and require semi-annual interest payments and annual principal payments. These bonds are secured by certain recreation facilities owned by the City. The bond matures June 30, 2046.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Revenue Bonds (Continued)

Annual debt service requirements to maturity for the revenue bonds as of June 30, 2024, are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,789,000	\$ 2,350,517	\$ 5,139,517
2026	2,970,000	2,269,206	5,239,206
2027	3,132,000	2,183,524	5,315,524
2028	2,884,000	2,095,021	4,979,021
2029	3,052,000	2,003,989	5,055,989
2030 - 2034	16,857,000	8,484,632	25,341,632
2035 - 2039	12,460,000	6,071,973	18,531,973
2040 - 2044	15,335,000	3,823,992	19,158,992
2045 - 2047	11,205,000	587,908	11,792,908
	<u>\$ 70,684,000</u>	<u>\$ 29,870,762</u>	<u>\$ 100,554,762</u>

Financed Purchases

The City has entered into financed purchase agreements to fund the purchase of vehicles and equipment for the fire and sanitation departments, and the City Center purchase and renovations.

The annual requirements to maturity for the financed purchases as of June 30, 2024, including interest payments are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 517,542	\$ 80,212	\$ 597,754
2026	508,500	69,819	578,319
2027	451,092	60,156	511,248
2028	459,947	51,301	511,248
2029	468,978	42,270	511,248
2030 - 2033	1,653,800	75,114	1,728,914
	<u>\$ 4,059,859</u>	<u>\$ 378,872</u>	<u>\$ 4,438,731</u>

Subscription-Based Information Technology Arrangements (SBITAs)

On November 14, 2022, the City entered into a 60-month SBITA for the use of Civic Eye-Software. An initial subscription liability and right-to-use subscription asset were recorded in the amount of \$266,869. As of June 30, 2024, the value of the subscription liability is \$160,008. The SBITA has an interest rate of 3.30%.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

The annual requirements to amortize all subscription payables as of June 30, 2024, including interest payments, are as follows:

	Principal	Interest	Total
Year ending June 30,			
2025	\$ 51,612	\$ 3,755	\$ 55,367
2026	53,317	1,407	54,724
2027	55,079	708	55,787
	\$ 160,008	\$ 5,870	\$ 165,878

Remedies for Events of Default

The City’s outstanding notes and bonds from direct borrowings and direct placements related to governmental activities in the outstanding principal amount of \$42,915,000 contain the following provisions in the event of default:

The General Obligation Bonds are backed by the full faith, credit, and taxing power of the City. In the event of default, the State Treasurer shall withhold from the City moneys from any state appropriation to which the City may be entitled and apply the withheld funds to payment of the principal and interest of the defaulted bonds. The bondholders may also petition the court to order the City to levy ad valorem taxes with sufficient collections to provide for the principal and interest payments. General Obligation Bonds unconditionally obligate the City to levy and collect ad valorem taxes to pay the debt service. In the event of default on the United States Department of Housing and Urban Development (US HUD) Section 108 Loan, the US HUD shall withhold CDBG funds sufficient to pay the principal and interest payments.

The Hospitality Revenue Bonds are secured by revenue generated by the City’s Hospitality Tax on prepared food and beverage sales within the City. In the event of default, the bank as lender may declare all outstanding bonds in default immediately due and payable. The bank shall proceed to protect and enforce its rights and the rights of the bondholders by suits, actions, or proceedings as the bank shall deem expedient.

The Installment Purchase Revenue Bonds are secured by certain City Recreation Facilities offered as collateral to the lending bank. In the event the City does not annually appropriate installment payments to the Corporation as outlined in the Base Lease Agreement between the City and the Corporation, the City loses its rights to use the facilities specified in the Base Lease Agreement which is pledged as collateral. The bank as lender shall proceed to protect and enforce its rights by suits, actions, or proceedings as the bank shall deem expedient.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Remedies for Events of Default (Continued)

For governmental activities, compensated absences, other post-employment benefits and pension liabilities are generally liquidated by the General Fund.

Business-type Activities

The following table summarizes the City's business-type activities revenue bonds and notes payable:

	Interest Rate	Original Issue	Date of Issuance	Final Maturity	Balance at June 30, 2024
Notes payable secured by Water and Sewer Fund revenues					
State Revolving Fund Loan, Series 2013	1.90%	10,626,372	May 2013	4/1/2034	\$ 5,836,239
State Revolving Fund Loan, Series 2013B	1.90%	3,890,000	September 2013	9/1/2034	2,136,569
State Revolving Fund Loan, Series 2014	1.00%	1,750,566	September 2014	4/1/2045	1,150,861
State Revolving Fund Loan, Series 2018A	1.00%	2,260,938	June 2018	12/1/2048	1,735,637
State Revolving Fund Loan, Series 2018B	1.00%	5,730,149	June 2018	2/1/2049	4,140,859
Total notes payable					\$ 15,000,165
Revenue bonds secured by Water and Sewer Fund revenues					
Series 2014	1.88%	6,004,585	Series 2014	3/28/2053	\$ 4,769,200
Series 2015	2.35%	2,702,348	Series 2015	6/1/2032	1,401,848
Series 2016	1.75%	14,405,000	Series 2016	9/1/2024	2,605,000
Series 2019	2.46%	68,590,000	Series 2019	6/30/2040	64,660,000
Series 2020	1.17%	15,252,000	Series 2020	7/1/2031	9,542,000
Series 2023	5.00%	32,100,000	Series 2023	9/1/2053	32,100,000
Total revenue bonds secured by Water and Sewer Fund revenues					115,078,048
Revenue bonds secured by Storm Water Utility Fund revenues					
Series 2021	1.70%	7,000,000	Series 2021	6/30/2036	5,749,000
Total revenue bonds					\$ 120,827,048

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Business-type Activities (Continued)

Revenue Bonds

In November 2016, the City issued a \$14,405,000 Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2016. The bond is being used to defease certain outstanding bonds of an original issue of \$31,005,000 Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2010A. The bond has a 1.75% interest rate and requires semi-annual interest payments and annual principal payments. The bond is secured by revenues generated by the City's Water & Sewer system. The bond matures on September 1, 2024.

In October 2019, the City issued its \$68,590,000 Combined Waterworks and Sewerage System Refunding and Capital Improvement Revenue Bond, Series 2019. The bond is being used for (1) refunding of the City's Combined Waterworks and Sewerage System Refunding and Capital Improvement Revenue Bonds, Series 2010B, (2) defraying costs of acquiring automated meter reading equipment, and (3) paying incidental costs to the issuance of the Series 2019 bond. The bond has a 2.46% interest rate and requires semi-annual interest payments and annual principal payments. The bond is secured by revenues generated by the City's Water & Sewer system. The bond matures on June 30, 2040.

In September 2023, the City issued its \$32,100,000 Combined Waterworks and Sewerage System Refunding and Capital Improvement Revenue Bonds, Series 2023. The bond is for capital improvements at the City's Waterworks and Sewerage System. The bond has a 5.00% interest rate and requires semi-annual interest payments and annual principal payments. The bond is secured by revenues generated by the City's Water & Sewer system. The bond matures on September 1, 2053.

Annual debt service requirements to maturity for the revenue bonds as of June 30, 2024, are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,475,000	\$ 3,967,913	\$ 8,442,913
2026	4,930,000	3,745,813	8,675,813
2027	5,160,000	3,493,563	8,653,563
2028	5,375,000	3,230,188	8,605,188
2029	4,255,000	2,989,438	7,244,438
2030 - 2034	24,510,000	11,654,038	36,164,038
2035 - 2039	26,540,000	6,964,563	33,504,563
2040 - 2044	10,535,000	3,480,538	14,015,538
2045 - 2049	6,075,000	2,263,231	8,338,231
2050 - 2054	7,510,000	825,563	8,335,563
	<u>\$ 99,365,000</u>	<u>\$ 42,614,848</u>	<u>\$ 141,979,848</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Business-type Activities (Continued)

Direct Borrowings and Direct Placement Notes

The City's outstanding notes and bonds related to business-type activities from direct borrowings and direct placements in the outstanding principal amount of \$36,462,213 are secured by revenues generated by the City's Water & Sewer system. All bonds for the business-type activities contain the provision that in an event of default, the Trustee may declare all outstanding bonds in default immediately due and payable. The Trustee shall proceed to protect and enforce its rights and the rights of the bondholders by suits, actions, or proceedings as the Trustee shall deem expedient.

Annual debt service requirements to maturity for the direct borrowings and direct placement notes as of June 30, 2024, are as follows:

	Principal	Interest	Total
Year ending June 30,			
2025	\$ 3,290,014	\$ 546,416	\$ 3,836,430
2026	3,337,763	498,097	3,835,860
2027	3,386,948	449,024	3,835,972
2028	3,437,576	399,172	3,836,748
2029	3,486,656	348,521	3,835,177
2030 - 2034	11,940,450	1,060,059	13,000,509
2035 - 2039	3,897,628	419,151	4,316,779
2040 - 2044	1,472,152	264,645	1,736,797
2045 - 2049	1,393,828	143,973	1,537,801
2050 - 2054	819,198	38,730	857,928
	\$ 36,462,213	\$ 4,167,788	\$ 40,630,001

Financed Purchases

The City has entered into a financed purchase agreement to fund the City Center purchase and renovations. The repayment of this financed purchase has been split evenly between the governmental and business-type activities of the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Business-type Activities (Continued)

Financed Purchases (Continued)

The annual requirements to maturity for the financed purchase as of June 30, 2024, including interest payments is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2025	\$ 159,494	\$ 35,506	\$ 195,000
2026	163,095	31,905	195,000
2027	166,778	28,222	195,000
2028	170,545	24,455	195,000
2029	174,396	20,604	195,000
2030 - 2033	738,031	42,136	780,167
	<u>\$ 1,572,339</u>	<u>\$ 182,828</u>	<u>\$ 1,755,167</u>

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2024, is as follows:

Interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water and Sewer Fund	General Fund	\$ 128,252
Stormwater Utility Fund	General Fund	72,510
General Fund	Water and Sewer Fund	72,620
General Fund	Nonmajor Governmental Funds	3,311,566
Stormwater Utility Fund	Nonmajor Governmental Funds	531
Water and Sewer Fund	Nonmajor Governmental Funds	1,154,030
		<u>\$ 4,739,509</u>

The remaining balances are for reimbursable expenditures and will be paid within 30 days.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Water and Sewer Fund	\$ 4,687,242
General Fund	Hospitality Fund	2,230,000
General Fund	Stormwater Utility Fund	188,230
General Fund	Nonmajor Governmental Funds	10,490,850
Water and Sewer Fund	General Fund	29,620
Stormwater Utility Fund	General Fund	2,529
Stormwater Utility Fund	Nonmajor Governmental Funds	65,000
Nonmajor Governmental Funds	General Fund	2,771
Nonmajor Governmental Funds	Hospitality Fund	300,000
Nonmajor Governmental Funds	Water and Sewer Fund	767,533
Nonmajor Governmental Funds	Nonmajor Governmental Funds	250,000
		<u>\$ 19,013,775</u>

Transfers are used to (1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowing to the Debt Service Fund to establish mandatory reserve accounts, and (3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grants programs.

NOTE 8. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies

The City participates in numerous state and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024, may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

Contractual Commitments

At June 30, 2024, the City had construction commitments related to various capital projects for approximately \$14,539,708.

Civic Center

On July 23, 1990, City Council approved a joint service agreement with Florence County for a Civic Center. The City appropriated \$1,501,000 for the year ended June 30, 2024, as its share of the operating, capital, and debt service costs of the Florence Center. Per the agreement, the City is annually responsible for its share of the above listed costs. The agreement will remain in effect unless it is terminated by mutual consent of each party to the agreement.

NOTE 9. PENSION PLANS

Overview

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

By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP).

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Overview (Continued)

For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the South Carolina Retirement System's Pension Trust Funds. The ACFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

Plan Description

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and 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 July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

Membership

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Membership (Continued)

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

Benefits

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Benefits (Continued)

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

Contributions

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Contributions (Continued)

Required employee contribution rates for the year ended June 30, 2024, are as follows:

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

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

Required employer contribution rates for the year ended June 30, 2024, are as follows:

South Carolina Retirement System

Employee Class Two	18.41% of earnable compensation
Employee Class Three	18.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	20.84% of earnable compensation
Employee Class Three	20.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Net Pension Liability

The June 30, 2023, (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2022, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2023, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS. The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2024, (measurement date of June 30, 2023), the net pension liability amounts for the City's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>	<u>City's Proportionate Share of the Collective Net Pension Liability</u>
SCRS	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%	0.114994%
PORS	\$ 9,450,021,576	\$ 6,405,925,370	\$ 3,044,096,206	67.8%	0.581412%

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 (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2022, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION 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.

	SCRS	PORS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

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

Former Job Class	Males	Females
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%

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below:

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%
	100%		
		Total expected real return	5.31%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	7.56%

Discount Rate

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

The following table presents the sensitivity of the net pension liabilities to changes in the discount rate as of June 30, 2024 (measurement date of June 30, 2023).

Sensitivity of the Net Position Liability to Changes in the Discount Rate				
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)	
SCRS	\$ 35,923,521	\$ 27,802,531	\$ 21,052,644	
PORS	\$ 24,966,766	\$ 17,698,753	\$ 11,745,343	

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Pension Expense

For the year ended June 30, 2024, the City recognized its proportionate share of collective pension expense of \$2,745,306 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$(168,858) for a total of \$2,576,448 for the SCRS plan. Additionally, for the year ended June 30, 2024, the City recognized its proportionate share of collective pension expense of \$2,082,909 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$178,252 for a total of \$2,261,161 for the PORs plan. Total pension expense for both plans was \$4,837,609.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the SCRS pension plan, respectively, from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 482,700	\$ 77,101
Changes of assumptions	425,975	-
Net difference between projected and actual earnings on pension plan investments	-	38,055
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	186,749	184,233
Employer contributions subsequent to the measurement date	2,862,243	-
Total	\$ 3,957,667	\$ 299,389

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the PORS pension plan, respectively, from the following sources:

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 832,919	\$ 218,187
Changes of assumptions	385,198	-
Net difference between projected and actual earnings on pension plan investments	-	30,374
Changes in proportion and differences between employer contributions and proportionate share of contributions	782,480	619,478
Employer contributions subsequent to the measurement date	<u>2,198,488</u>	<u>-</u>
Total	<u>\$ 4,199,085</u>	<u>\$ 868,039</u>
Totals	<u>\$ 8,156,752</u>	<u>\$ 1,167,428</u>

City contributions subsequent to the measurement date of \$2,862,243 and \$2,198,488 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows.

Year ended June 30:	SCRS	PORS
2025	\$ 542,702	\$ 786,479
2026	(503,020)	(325,104)
2027	772,659	689,697
2028	(16,306)	(18,514)

Deferred Compensation Plan

The City offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The plan is administered by the State of South Carolina Deferred Compensation Commission as agent for the City. The plan is available to all employees and allows them to defer a portion of their salary to future years. Participation is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergencies.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description

The City's agent multiple-employer defined benefit postemployment healthcare plan (the "Plan") provides medical and dental insurance to eligible retirees and their beneficiaries. As established by Resolution 98-05, adopted by City Council on May 11, 1998, and as amended by Resolution 2008-09, adopted by City Council on July 14, 2008, an employee becomes eligible when the employee qualifies for retirement benefits under the SCRS or PORS and meets a minimum required number of years of service with the City as defined below. Information regarding the SCRS and PORS eligibility may be obtained from the ACFR of those plans.

The contribution requirements of the City and plan members are established and amended by City Council. City Council has retained the right to unilaterally modify its payments toward retiree health care benefits. The Plan does not issue a publicly available financial report.

As of December 31, 2022, the most recent valuation date for the plan, there were 604 covered participants; 127 were retirees and their beneficiaries receiving benefits, and 477 were active participants.

The Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust (SC ORBET), an agent multiple-employer irrevocable trust investment plan administered by the Municipal Association of South Carolina. Each participating employer is responsible for determining the appropriate amount of contributions to remit to the Trust. SC ORBET issues a publicly available financial report that includes audited financial statements and required supplementary information for the Plan. A copy of the report may be obtained by writing to: Chief Financial Officer for Risk Management Services, Municipal Association of SC, P. O. Box 12109, Columbia, South Carolina 29211.

Funding Policy

The City contributes a fixed-dollar amount indexed each year by the Consumer Price Index (CPI). The current average monthly premium for coverage until age 65 is approximately \$500.38 for retirees and \$1,218.24 for retiree and spouse. The cost of coverage for pre-65 retirees is also implicitly subsidized by the City. Spouses are implicitly subsidized until age 65. All coverage ends at the death of the retiree. The current average monthly premium is approximately \$500.38 for medical and \$560.78 for medical, vision and dental for retirees after age 65.

For Retirees Before July 14, 2008

Retirees pay a percentage of the explicit portion of the benefit based on their service at retirement for their own coverage based on the table below. Spouses pay the full premium rate.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Funding Policy (Continued)

Years of Service	City's Portion of Premium
30+	0%
25 - 29	10%
20 - 24	20%
15 - 19	30%

After reaching Medicare eligibility, retirees electing the PEBA Medicare supplement pay the total medical premium cost in excess of a percentage of \$500.38 for their own coverage. Retirees electing Blue Cross Blue Shield Plan B or Plan F pay the total premium cost in excess of a percentage of the premium for Plan B with BlueCross Rx Value prescription coverage or a percentage of \$500.38, whichever is lower. The percentage for all retirees on Medicare is based on the service criteria listed in the table below. Retirees eligible for Medicare continue to pay their earned percentage described above of dental and vision premiums. Retirees are expected to pay for all future increases in the cost of medical coverage in excess of their earned percentage of \$457.78. Spouses pay the full premium rate after age 65.

Years of Service	City's Portion of Premium
30+	100%
25 - 29	90%
20 - 24	80%
15 - 19	70%

For Retirees After July 14, 2008

Before age 65, retirees who have 25 or more years of service with the City pay nothing for their own coverage and the full premium for spouse coverage. Retirees who have a minimum of 20 years of service but less than 25 years of service with the City pay 50% of the total cost (including implicit portion) for their own coverage and the full premium plus 50% of the implicit cost for spouse coverage.

After age 65, retirees who have 25 or more years of service with the City pay the total premium cost in excess of \$500.38 for their own coverage. Retirees who have a minimum of 20 years of service but less than 25 years of service with the City pay the total premium in excess of \$250.19 (half of \$500.38) for their own coverage. Retirees are expected to pay for all future increases in the cost of this coverage. Spouses pay the full premium rate after age 65.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Net OPEB Liability

The net OPEB liability of \$10,701,442 was measured as of December 31, 2023, and was determined by an actuarial valuation as of December 31, 2022.

Actuarial Assumptions and Methods

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method:	Entry Age Normal
Discount rate:	4.75%
Long-term expected rate of return on OPEB investments:	4.75%, net of investment expenses, including inflation
Healthcare cost trend rate:	Initial trend rate of 7.00% and gradually decreasing to an ultimate trend rate of 4.50% by 2033
Inflation rate:	2.25%
Salary increase:	3.00% - 10.50%
Participation rate:	100% of eligible retirees with 25+ years of experience, 20% of eligible retirees with less than 25 years of experience, and 10% of spouses

Actuarial valuations 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 during the valuation process are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

Target Allocation

The target allocation for each major asset class is summarized in the following table:

Asset Class	Target Allocation
Cash and short duration	2.0%
US Government Agency	58.0%
US Government MBS/CMO/CMBS	40.0%
Total	100.0%

NOTES TO FINANCIAL STATEMENTS

NOTE 10. POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability was 4.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will continue based upon the current OPEB Funding Policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Beginning Balance	\$ 16,557,159	\$ 5,480,721	\$ 11,076,438
Changes for the year:			
Service cost	363,818	-	363,818
Interest	767,303	-	767,303
Effect of plan changes	-	-	-
Difference between expected and actual experience	(281,761)	-	(281,761)
Effect of assumption changes	130,789	-	130,789
Benefit payments	(816,288)	(816,288)	-
Employer contributions	-	1,140,134	(1,140,134)
Net investment income	-	223,283	(223,283)
Administrative expenses	-	(8,272)	8,272
Net changes	163,861	538,857	(374,996)
Ending Balance	\$ 16,721,020	\$ 6,019,578	\$ 10,701,442

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.75%) or 1-percentage-point higher (5.75%) than the current discount rate:

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
Fiscal Year	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
2024	\$ 12,875,076	\$ 10,701,442	\$ 8,888,069

NOTES TO FINANCIAL STATEMENTS

NOTE 10. POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate					
Fiscal Year	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase		
2024	\$ 9,666,485	\$ 10,701,442	\$ 12,005,707		

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB:

For the year ended June 30, 2024, the City recognized OPEB expense of \$999,164 as follows:

Description	
Service cost	\$ 363,818
Interest on the total OPEB liability	767,303
Expensed portion of current-period difference between expected and actual experience	(36,170)
Expensed portion of current-period changes in assumptions	16,789
Expensed portion of current-period difference between expected and actual investment earnings	8,892
Expected earnings on plan investments	(267,742)
Administrative costs	8,272
Recognition of outflow of resources	382,271
Recognition of inflow of resources	(244,269)
 Total OPEB expense	 <u>\$ 999,164</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB (Continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 132,679	\$ 1,273,608
Changes of assumptions	242,020	45,916
Net difference between projected and actual earnings on OPEB plan investments	863,239	-
Employer contributions subsequent to the measurement date	697,273	-
Total	\$ 1,935,211	\$ 1,319,524

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2025	\$ 131,481
2026	157,416
2027	75,669
2028	(203,535)
2029	(216,034)
Thereafter	(26,583)
	\$ (81,586)

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains its insurance for tort liability, property, automobile fleet, boiler and machinery, and crime with the South Carolina Municipal Insurance and Risk Financing Fund (SCMIRF). Workers' compensation coverage is maintained through the South Carolina Municipal Insurance Trust (SCMIT) fund. Both the SCMIRF and SCMIT funds are self-insured pools with other municipalities in South Carolina. These programs are sponsored by and coordinated through the Municipal Association of South Carolina. The City pays an annual premium to SCMIRF and SCMIT. The City carries a \$10,000 deductible under the SCMIRF plan and a \$10,000 deductible under the SCMIT plan. Claims below these thresholds are managed by the City. The SCMIRF will reinsure through commercial companies for claims in excess of \$1 million for each insured event. If the City's losses under SCMIT exceed the annual premium, it is assessed an additional amount to fully reimburse the insurer for the losses. If the premium exceeds the losses, the City receives a refund.

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NOTES TO FINANCIAL STATEMENTS

NOTE 12. FUND BALANCE

As of June 30, 2024, fund balances are composed of the following:

	General Fund	Hospitality Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid items	\$ 988,207	\$ -	\$ -	\$ 988,207
Inventories	177,480	-	382,767	560,247
Restricted:				
Community Development:				
Housing Partnership	-	-	22,417	22,417
HOME Program	-	-	49,329	49,329
NSP Grant	-	-	42,129	42,129
NSP-3 Grant	-	-	112,314	112,314
Neighborhood Imp. Program	-	-	45,107	45,107
Veterans Park Development	-	-	1,249	1,249
American Rescue Plan Act	-	-	442,097	442,097
Florence Area Humane Society	-	-	455	455
Palmetto Pride Grant	-	-	21,131	21,131
Community Development Block Grants	-	-	22,535	22,535
Public Safety:				
E-911	-	-	545,694	545,694
Drug Control	-	-	85,285	85,285
Federal Equitable Sharing	-	-	9,265	9,265
Public Safety Grants	-	-	76,161	76,161
Fire Trust	-	-	25,405	25,405
Capital Projects:				
TIF Revenue & Debt Services	-	-	1,075,845	1,075,845
Florence County Penny Tax	-	-	554,300	554,300
TIF Construction Projects	-	-	1,049	1,049
Installment Purchase Rev Bonds	-	-	3,551,414	3,551,414
General Fund Capital Projects	49,000	-	-	49,000
Tourism:				
Accommodations Tax	-	-	38,801	38,801
Sunday Local Option Fund	-	-	219,950	219,950
Hospitality	-	4,579,274	-	4,579,274
Debt Service	-	-	867,236	867,236
Committed:				
Community Development:				
Neighborhood Redevelopment	-	-	2,600,618	2,600,618
Rollcart & Equipment Replacement	-	-	688,362	688,362
Assigned:				
Downtown Redevelopment:				
Downtown Revitalization	231,200	-	-	231,200
Capital Projects:				
City Center Reserve Fund	115,675	-	-	115,675
Parks and Athletic Programs:				
Recreation Registration	6,214	-	-	6,214
Recreation Programs	44,339	-	-	44,339
Employee Assistance:				
Employee Assistance	3,700	-	-	3,700
Reserve for Employee Benefits	855	-	-	855
Unassigned	24,634,286	-	-	24,634,286
Total fund balance	\$ 26,250,956	\$ 4,579,274	\$ 11,480,915	\$ 42,311,145

NOTES TO FINANCIAL STATEMENTS

NOTE 13. ACCOUNTING CHANGES AND ERROR CORRECTIONS

Changes within the Financial Reporting Entity

For the year ended June 30, 2024, the City's Installment Purchase Revenue Bond Capital Projects Fund and its American Rescue Plan Act Fund no longer meet the definition of a major fund. The effect of the change within the City's financial reporting entity is shown in table below.

Correction of an Error in Previously Issued Financial Statements

The City did not properly report the sale of inventory in a prior year for the HOME Program Fund. As such, the City determined a restatement to decrease beginning fund balance of the HOME Program Fund in order to properly report the sale of inventory. This correction of error in prior year reporting amounted to a total net restatement of (\$373,858). These changes also affected beginning Net Position of the Governmental Activities at the entity-wide level. As such, the City determined a restatement to decrease beginning Net Position of the Governmental Activities at the entity-wide level in the amount of \$373,858. The effect of correcting this error is shown in the table below.

	Reporting Units Affected by Restatements of Beginning Balances			
	Government-wide	Funds		
	Governmental Activities	Installment Purchase Rev Bond Capital Projects Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds
June 30, 2023, as previously reported	\$ 47,831,959	\$ 10,652,353	\$ 173,528	\$ 8,546,629
Change from major fund to nonmajor fund	-	(10,652,353)	(173,528)	10,825,881
Correction of an error in prior year reporting	(373,858)	-	-	(373,858)
June 30, 2023, as restated	\$ 47,458,101	\$ -	\$ -	\$ 18,998,652

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FLORENCE, SOUTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes - property	\$ 14,460,025	\$ 15,448,975	\$ 12,324,918	\$ (3,124,057)
Penalties	9,000	10,000	8,765	(1,235)
Licenses and fees	15,969,970	15,104,090	18,358,492	3,254,402
Intergovernmental	6,273,277	6,007,177	6,155,674	148,497
Charges for services	3,345,700	3,224,500	3,602,808	378,308
Fines and forfeitures	281,500	272,530	178,180	(94,350)
Miscellaneous	771,100	1,038,300	1,713,214	674,914
Total revenues	41,110,572	41,105,572	42,342,051	1,236,479
Expenditures:				
Current:				
General government	6,517,643	6,560,870	5,627,764	933,106
Public safety	19,571,436	18,572,368	18,316,189	256,179
Public works	9,161,055	8,397,272	7,950,334	446,938
Culture and recreation	4,296,776	4,414,732	4,240,104	174,628
Community development	388,800	388,800	392,201	(3,401)
Non-departmental	5,633,927	8,900,795	6,439,019	2,461,776
Debt service:				
Principal retirement	2,614,788	2,614,788	1,851,053	763,735
Interest	-	-	1,000,891	(1,000,891)
Capital Outlay	497,075	8,957,875	12,819,814	(3,861,939)
Total expenditures	48,681,500	58,807,500	58,637,369	170,131
Deficiency of revenues under expenditures	(7,570,928)	(17,701,928)	(16,295,318)	1,406,610
Other financing sources (uses):				
Insurance settlements	120,000	120,000	188,270	68,270
Transfers in	7,255,928	8,555,928	17,596,322	9,040,394
Transfers out	-	-	(34,920)	(34,920)
Sale of capital assets	20,000	25,000	204,122	179,122
Total other financing sources, net	7,395,928	8,700,928	17,953,794	9,252,866
Net change in fund balances	(175,000)	(9,001,000)	1,658,476	10,659,476
Fund balances, beginning of year	24,592,480	24,592,480	24,592,480	-
Fund balances, end of year	\$ 24,417,480	\$ 15,591,480	\$ 26,250,956	\$ 10,659,476

CITY OF FLORENCE, SOUTH CAROLINA

**HOSPITALITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses, permits and fees	\$ 5,698,000	\$ 5,750,000	\$ 6,120,314	\$ 370,314
Investment earnings	1,000	75,000	168,092	93,092
Total revenues	<u>5,699,000</u>	<u>5,825,000</u>	<u>6,288,406</u>	<u>463,406</u>
Expenditures:				
Current:				
General government	2,070,330	2,111,330	1,727,651	383,679
Debt service:				
Principal retirement	1,098,670	1,098,670	930,235	168,435
Interest	-	-	190,091	(190,091)
Total expenditures	<u>3,169,000</u>	<u>3,210,000</u>	<u>2,847,977</u>	<u>362,023</u>
Excess of revenues over expenditures	<u>2,530,000</u>	<u>2,615,000</u>	<u>3,440,429</u>	<u>825,429</u>
Other financing sources (uses)				
Transfers out	(2,530,000)	(2,530,000)	(2,530,000)	-
Total other financing uses, net	<u>(2,530,000)</u>	<u>(2,530,000)</u>	<u>(2,530,000)</u>	<u>-</u>
Net change in fund balances	-	85,000	910,429	825,429
Fund balance, beginning of year	<u>3,668,845</u>	<u>3,668,845</u>	<u>3,668,845</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,668,845</u>	<u>\$ 3,753,845</u>	<u>\$ 4,579,274</u>	<u>\$ 825,429</u>

CITY OF FLORENCE, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SOUTH CAROLINA RETIREMENT SYSTEM
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE PLAN YEAR ENDED JUNE 30**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability	0.11%	0.12%	0.11%	0.11%	0.12%	0.12%	0.11%	0.11%	0.11%	0.11%
City's proportionate share of the net pension liability	\$ 27,802,531	\$ 28,125,250	\$ 24,736,275	\$ 29,242,173	\$ 26,973,364	\$ 25,859,580	\$ 25,702,854	\$ 23,600,074	\$ 20,739,324	\$ 19,459,674
City's covered payroll	\$ 14,411,855	\$ 13,781,908	\$ 12,880,710	\$ 12,767,654	\$ 12,464,783	\$ 11,937,594	\$ 11,496,064	\$ 10,617,875	\$ 10,207,040	\$ 10,252,182
City's proportionate share of the net pension liability as a percentage of covered payroll	192.914%	204.074%	192.041%	229.033%	216.397%	216.623%	223.580%	222.267%	203.186%	189.810%
Plan fiduciary net position as a percentage of the total pension liability	58.6%	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%

CITY OF FLORENCE, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE PLAN YEAR ENDED JUNE 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability	0.581%	0.608%	0.573%	0.538%	0.555%	0.567%	0.619%	0.624%	0.655%	0.680%
City's proportionate share of the net pension liability	\$ 17,698,753	\$ 18,286,271	\$ 14,750,630	\$ 17,834,927	\$ 15,902,931	\$ 16,065,096	\$ 16,944,567	\$ 15,818,344	\$ 14,284,344	\$ 13,024,941
City's covered payroll	\$ 10,186,885	\$ 9,660,592	\$ 8,600,767	\$ 8,124,386	\$ 8,048,512	\$ 7,851,798	\$ 8,318,785	\$ 7,939,039	\$ 8,122,022	\$ 8,155,305
City's proportionate share of the net pension liability as a percentage of covered payroll	173.741%	189.287%	171.504%	219.523%	197.588%	204.604%	203.690%	199.248%	175.872%	159.711%
Plan fiduciary net position as a percentage of the total pension liability	67.8%	66.4%	70.4%	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%	67.5%

CITY OF FLORENCE, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SOUTH CAROLINA RETIREMENT SYSTEM
SCHEDULE OF THE CITY'S CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 2,862,243	\$ 2,530,722	\$ 2,282,284	\$ 2,004,238	\$ 1,986,647	\$ 1,814,872	\$ 1,618,738	\$ 1,328,945	\$ 1,174,337	\$ 1,112,568
Contributions in relation to the statutorily required contribution	<u>2,862,243</u>	<u>2,530,722</u>	<u>2,282,284</u>	<u>2,004,238</u>	<u>1,986,647</u>	<u>1,814,872</u>	<u>1,618,738</u>	<u>1,328,945</u>	<u>1,174,337</u>	<u>1,112,568</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 15,421,570	\$ 14,411,855	\$ 13,781,908	\$ 12,880,710	\$ 12,767,654	\$ 12,464,783	\$ 11,937,594	\$ 11,496,064	\$ 10,617,875	\$ 10,207,040
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%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	July 1, 2021
Cost Method	Entry age normal
Asset valuation method	5-year Smoothed
Amortization method	Level % of pay
Amortization period	26 years maximum, closed
Investment rate of return	7.00%
Includes inflation at	2.25%
Projected Salary Increases	3.00% plus step-rate increases for members with less than 21 years of service
Mortality	The 2020 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale UMP from the year 2020. Male rates are multiplied by 97% for non-educators and 95% for educators. Female rates are multiplied by 107% for non-educators and 94% for educators.

CITY OF FLORENCE, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM
SCHEDULE OF THE CITY'S CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 2,198,488	\$ 2,061,825	\$ 1,858,698	\$ 1,568,780	\$ 1,481,888	\$ 1,387,563	\$ 1,275,132	\$ 1,184,595	\$ 1,090,824	\$ 1,089,163
Contributions in relation to the statutorily required contribution	<u>2,198,488</u>	<u>2,061,825</u>	<u>1,858,698</u>	<u>1,568,780</u>	<u>1,481,888</u>	<u>1,387,563</u>	<u>1,275,132</u>	<u>1,184,595</u>	<u>1,090,824</u>	<u>1,089,163</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,350,695	\$ 10,186,885	\$ 9,660,592	\$ 8,600,767	\$ 8,124,386	\$ 8,048,512	\$ 7,851,798	\$ 8,318,785	\$ 7,939,039	\$ 8,122,022
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%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	July 1, 2021
Cost Method	Entry age normal
Asset valuation method	5-year Smoothed
Amortization method	Level % of pay
Amortization period	26 years maximum, closed
Investment rate of return	7.00%
Includes inflation at	2.25%
Projected Salary Increases	3.50% plus step-rate increases for members with less than 21 years of service
Mortality	The 2020 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale UMP from the year 2020. Male rates are multiplied by 107% and female rates are multiplied by 107%.

CITY OF FLORENCE, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
RETIREE MEDICAL PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30**

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 363,818	\$ 352,317	\$ 440,725	\$ 426,745	\$ 417,562	\$ 404,295	\$ 391,451
Interest	767,303	748,939	805,123	780,530	745,357	728,919	709,445
Differences between expected and actual experience	(281,761)	66,581	(1,613,455)	64,549	113,504	28,330	(156,264)
Assumption changes	130,789	-	(73,630)	-	338,580	-	-
Benefit payments	<u>(816,288)</u>	<u>(746,954)</u>	<u>(736,355)</u>	<u>(771,369)</u>	<u>(975,322)</u>	<u>(659,281)</u>	<u>(412,920)</u>
Net change in total pension liability	163,861	420,883	(1,177,592)	500,455	639,681	502,263	531,712
Total OPEB liability - beginning	<u>16,557,159</u>	<u>16,136,276</u>	<u>17,313,868</u>	<u>16,813,413</u>	<u>16,173,732</u>	<u>15,671,469</u>	<u>15,139,757</u>
Total OPEB liability - ending (a)	<u>\$ 16,721,020</u>	<u>\$ 16,557,159</u>	<u>\$ 16,136,276</u>	<u>\$ 17,313,868</u>	<u>\$ 16,813,413</u>	<u>\$ 16,173,732</u>	<u>\$ 15,671,469</u>
Plan fiduciary net position							
Contributions - employer	\$ 1,140,134	\$ 1,202,822	\$ 1,160,072	\$ 1,171,316	\$ 1,375,381	\$ 1,079,728	\$ 893,924
Net investment income	223,283	(834,631)	(132,510)	288,771	231,690	47,396	91,807
Benefit payments	(816,288)	(746,954)	(736,355)	(771,369)	(975,322)	(659,281)	(412,920)
Administrative expenses	<u>(8,272)</u>	<u>(1,250)</u>	<u>(8,401)</u>	<u>(1,000)</u>	<u>(7,058)</u>	<u>-</u>	<u>(19,926)</u>
Net change in plan fiduciary net position	538,857	(380,013)	282,806	687,718	624,691	467,843	552,885
Plan fiduciary net position - beginning	<u>5,480,721</u>	<u>5,860,734</u>	<u>5,577,928</u>	<u>4,890,210</u>	<u>4,265,519</u>	<u>3,797,676</u>	<u>3,244,791</u>
Plan fiduciary net position - ending (b)	<u>\$ 6,019,578</u>	<u>\$ 5,480,721</u>	<u>\$ 5,860,734</u>	<u>\$ 5,577,928</u>	<u>\$ 4,890,210</u>	<u>\$ 4,265,519</u>	<u>\$ 3,797,676</u>
City's net OPEB liability - ending (a) - (b)	<u>\$ 10,701,442</u>	<u>\$ 11,076,438</u>	<u>\$ 10,275,542</u>	<u>\$ 11,735,940</u>	<u>\$ 11,923,203</u>	<u>\$ 11,908,213</u>	<u>\$ 11,873,793</u>
Plan fiduciary net position as a percentage of the total OPEB liability	36.00%	33.10%	36.32%	32.22%	29.09%	26.37%	24.23%
Covered payroll	\$ 23,205,516	\$ 19,842,630	\$ 19,842,630	\$ 18,277,122	\$ 18,277,122	\$ 16,669,414	\$ 16,669,414
Net OPEB liability as a percentage of covered payroll	46.12%	55.82%	51.79%	64.21%	65.24%	71.44%	71.23%

Notes to the Schedule:

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

CITY OF FLORENCE, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
RETIREE MEDICAL PLAN
SCHEDULE OF THE CITY'S CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30**

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 1,100,543	\$ 1,156,169	\$ 1,194,019	\$ 1,162,683	\$ 1,128,213	\$ 1,077,489	\$ 951,531
Contributions in relation to the actuarially determined contribution	1,140,134	1,202,822	1,160,072	1,171,316	1,375,381	1,079,728	893,924
Contribution deficiency	\$ (39,591)	\$ (46,653)	\$ 33,947	\$ (8,633)	\$ (247,168)	\$ (2,239)	\$ 57,607
Covered payroll	\$ 23,205,516	\$ 20,540,207	\$ 22,308,547	\$ 21,481,477	\$ 20,892,040	\$ 17,679,296	\$ 17,047,043
Contributions as a percentage of covered payroll	4.91%	5.86%	5.20%	5.45%	6.58%	6.11%	5.24%

(2) The schedule will present 10 years of information once it is accumulated.

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	December 31, 2022
Measurement Date	December 31, 2023
Employer's Reporting Date	June 30, 2024
Cost Method	Entry Age Normal
Assumed Rate of Return on Investments	4.75%, net of investment expenses, including inflation
Projected Salary Increases	SCRS - 3.00% to 9.50%
(Including wage inflation of 2.25%)	PORS - 3.50% to 10.50%
Cost-of-living Adjustment	None
Health Care Cost Trends:	
Pre-Medicare	7.00% for 2023, decreasing to an ultimate rate of 4.50% by 2033
Medicare	5.25% for 2023, decreasing to an ultimate rate of 4.50% by 2029

SUPPLEMENTARY INFORMATION

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Taxes				
Property				
Current	\$ 7,291,535	\$ 7,291,535	\$ 5,619,157	\$ (1,672,378)
Homestead exemption	337,000	333,700	357,610	23,910
Merchants inventory	299,600	299,600	299,603	3
Property tax credits	5,994,140	6,994,140	5,519,843	(1,474,297)
PILOT - Housing Authority	215,000	215,000	196,124	(18,876)
Motor carrier - FILO	125,000	165,000	127,145	(37,855)
Delinquent taxes	197,750	150,000	205,436	55,436
	<u>14,460,025</u>	<u>15,448,975</u>	<u>12,324,918</u>	<u>(3,124,057)</u>
Penalties	9,000	10,000	8,765	(1,235)
Total taxes	<u>14,469,025</u>	<u>15,458,975</u>	<u>12,333,683</u>	<u>(3,125,292)</u>
Licenses and fees				
Business and professional license	11,349,980	10,441,400	13,412,750	2,971,350
Franchise fees	4,452,690	4,452,690	4,707,011	254,321
Delinquent business licenses	167,300	210,000	238,731	28,731
Total licenses and fees	<u>15,969,970</u>	<u>15,104,090</u>	<u>18,358,492</u>	<u>3,254,402</u>
Intergovernmental				
Community development	60,000	60,000	47,053	(12,947)
Sales tax revenue	4,581,150	4,581,150	4,451,967	(129,183)
State shared revenue	981,827	981,827	993,890	12,063
Governmental reimbursements	280,000	-	-	-
State A tax funds	79,800	100,000	87,280	(12,720)
Grants	170,000	170,000	428,421	258,421
Marketing and promotion	120,500	114,200	147,063	32,863
Total intergovernmental	<u>6,273,277</u>	<u>6,007,177</u>	<u>6,155,674</u>	<u>148,497</u>
Charges for services				
Refuse - landfill fee	2,183,600	1,950,000	2,098,935	148,935
Refuse - collection fee	353,000	353,000	351,614	(1,386)
Building permits	575,000	650,000	504,521	(145,479)
Planning and zoning fees	30,000	30,000	27,295	(2,705)
Recreation fees	204,100	241,500	620,443	378,943
Total charges for services	<u>3,345,700</u>	<u>3,224,500</u>	<u>3,602,808</u>	<u>378,308</u>
Fines and forfeitures				
Criminal fines	55,000	46,030	17,708	(28,322)
Traffic fines	210,000	210,000	155,822	(54,178)
Parking violations fines	15,000	15,000	4,650	(10,350)
Animal control fines	1,500	1,500	-	(1,500)
Total fines and forfeitures	<u>281,500</u>	<u>272,530</u>	<u>178,180</u>	<u>(94,350)</u>
Miscellaneous				
Investment income	175,000	500,000	1,072,640	572,640
Miscellaneous	561,100	503,300	529,193	25,893
Concessions	35,000	35,000	111,381	76,381
Total miscellaneous	<u>771,100</u>	<u>1,038,300</u>	<u>1,713,214</u>	<u>674,914</u>
Total revenues	<u>\$ 41,110,572</u>	<u>\$ 41,105,572</u>	<u>\$ 42,342,051</u>	<u>\$ 1,236,479</u>

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
General Government				
City Council				
Salary and wages	\$ 113,126	\$ 113,128	\$ 113,126	\$ 2
Retirement	21,836	20,056	20,055	1
Health insurance	96,993	96,938	97,367	(429)
Workers' compensation	11,865	12,510	12,422	88
Social security	9,000	7,505	6,322	1,183
Professional services	33,000	108,000	31,200	76,800
Telephone related services	6,000	6,000	5,240	760
Printing and supplies	1,000	-	-	-
Office supplies	1,500	1,500	455	1,045
Other Supplies and Equipment	5,500	4,400	4,378	22
Postage	100	100	70	30
Membership and dues	21,000	23,100	23,092	8
Travel and conferences	31,000	31,000	25,568	5,432
Total city council	351,920	424,237	339,295	84,942
Legal Services				
Salaries and wages	113,702	115,585	120,371	(4,786)
Retirement	21,103	20,602	21,491	(889)
Health insurance	23,604	22,673	23,841	(1,168)
Workers' compensation	1,365	1,440	1,474	(34)
Social Security	8,698	8,685	8,866	(181)
Professional services	100	100	-	100
Telephone related services	1,000	1,200	1,085	115
Printing and supplies	100	100	-	100
Office supplies	2,800	2,200	1,769	431
Postage	100	100	83	17
Membership and dues	500	400	563	(163)
Employee training	400	900	843	57
Travel and conferences	200	200	-	200
Total legal services	173,672	174,185	180,386	(6,201)
Justice and Law				
Salary and wages	399,350	366,547	373,025	(6,478)
Retirement	74,120	63,755	65,971	(2,216)
Health insurance	102,652	89,847	90,946	(1,099)
Workers' compensation	16,905	17,830	17,685	145
Social security	30,551	26,753	27,099	(346)
Professional services	2,800	2,800	3,000	(200)
Telephone related services	8,000	8,000	8,713	(713)
Maintenance and service contracts	27,000	45,000	3,738	41,262
Auto operating expenses	100	100	9	91
Machine and equipment repairs	100	100	-	100
Printing and supplies	400	200	-	200
Office supplies	3,500	3,500	4,210	(710)
Other supplies and equipment	2,500	2,500	4,112	(1,612)
Postage	2,500	3,000	3,730	(730)
Gas and oil	500	300	136	164
Membership and dues	500	200	135	65
Employee training	1,000	800	1,093	(293)
Travel and conferences	1,500	1,500	2,163	(663)
Jury vouchers	5,000	5,500	6,460	(960)
Total justice and law	678,978	638,232	612,225	26,007

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
General Government (Continued)				
City Manager				
Salary and wages	\$ 876,799	\$ 812,055	\$ 793,273	\$ 18,782
Retirement	185,148	162,129	135,708	26,421
Health insurance	71,901	60,756	60,900	(144)
Workers' compensation	10,605	11,180	11,053	127
Social security	62,043	56,212	56,380	(168)
Professional services	1,000	1,000	175	825
Telephone related services	13,000	13,000	12,102	898
Farmers Market operations	47,000	57,500	50,272	7,228
Maintenance and service contracts	3,000	3,000	1,472	1,528
Auto operating expenses	1,000	1,000	22	978
Printing and supplies	1,000	1,000	49	951
Office supplies	3,000	1,800	1,465	335
Other supplies and Equipment	3,000	3,000	2,552	448
Postage	500	500	210	290
Gas and oil	1,000	1,000	-	1,000
Lease payments	4,200	4,200	2,310	1,890
Marketing and Promotions	60,000	48,870	34,380	14,490
Membership and dues	1,000	2,200	1,834	366
Employee training	5,000	5,000	3,296	1,704
Travel and conferences	5,000	5,000	5,414	(414)
Capital Outlay	-	40,000	46,980	(6,980)
Total city manager	1,355,196	1,290,402	1,219,847	70,555
Finance				
Salary and wages	898,211	783,724	814,233	(30,509)
Retirement	166,708	139,566	145,540	(5,974)
Health insurance	136,482	117,010	121,433	(4,423)
Workers' compensation	16,905	17,830	17,685	145
Social security	66,831	58,899	60,180	(1,281)
Professional services	18,650	16,470	15,174	1,296
Tax billing and collections	65,500	68,500	67,863	637
Telephone related services	11,000	11,900	11,853	47
Cable and related services	2,600	2,000	1,376	624
Public notices	1,500	1,400	1,072	328
Maintenance and service contracts	10,500	9,010	9,004	6
Auto operating expenses	300	130	152	(22)
Machine and equipment repairs	500	230	125	105
Printing and supplies	6,200	8,550	8,479	71
Office supplies	10,500	8,360	13,487	(5,127)
Special departmental supplies	2,000	1,850	1,804	46
Postage	12,000	12,350	12,330	20
Gas and oil	500	400	395	5
Membership and dues	3,000	1,850	1,822	28
Employee training	5,000	3,600	2,753	847
Travel and conferences	3,300	6,300	6,275	25
Other Equipment	-	5,150	-	5,150
Total finance	1,438,187	1,275,079	1,313,035	(37,956)
Personnel				
Salary and wages	335,926	333,616	334,248	(632)
Retirement	62,348	59,774	59,632	142
Health insurance	42,470	39,992	45,384	(5,392)
Workers' compensation	9,534	10,060	10,000	60
Social security	25,698	25,415	24,869	546
Professional services	42,000	45,100	42,098	3,002
Insurance Administrative Fee	26,000	22,900	22,632	268
Telephone related services	5,000	5,500	5,375	125
Cable and related services	-	60	57	3

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
General Government (Continued)				
Personnel (Continued)				
Public notices	\$ 20,000	\$ 9,000	\$ 8,125	\$ 875
Maintenance and service contracts	7,500	200	139	61
Auto operating expenses	1,000	40	-	40
Printing and supplies	6,000	13,500	10,124	3,376
Office supplies	5,000	16,000	9,756	6,244
Postage	3,000	4,000	3,336	664
Gas and oil	1,000	1,000	-	1,000
Medical expenses	35,000	36,000	35,787	213
Membership and dues	1,500	1,700	1,633	67
Employee training	2,500	500	400	100
Travel and conferences	1,500	1,500	625	875
Total personnel	<u>632,976</u>	<u>625,857</u>	<u>614,220</u>	<u>11,637</u>
Community Service				
Salary and wages	430,419	338,614	309,814	28,800
Retirement	79,886	60,225	55,979	4,246
Health insurance	69,758	53,256	52,439	817
Workers' compensation	12,705	13,400	13,264	136
Social security	32,927	25,279	23,117	2,162
Professional services	3,000	1,500	292	1,208
Telephone related services	8,000	10,500	9,823	677
Public notices	1,000	1,400	1,195	205
Property management expenses	16,000	10,700	7,148	3,552
Auto operating expenses	3,500	3,400	3,318	82
Printing and supplies	500	500	-	500
Office supplies	300	300	-	300
Other supplies and equipment	2,000	2,000	450	1,550
Postage	250	250	140	110
Gas and oil	7,500	5,900	5,681	219
Uniform and clothing	3,800	4,300	4,190	110
Membership and dues	2,000	1,200	530	670
Employee training	1,000	1,000	731	269
Travel and conferences	1,000	1,000	393	607
Capital outlay	-	100	-	100
Total community service	<u>675,545</u>	<u>534,824</u>	<u>488,504</u>	<u>46,320</u>
Urban Planning and Development				
Salary and wages	368,541	314,921	265,082	49,839
Retirement	68,401	56,689	47,669	9,020
Health insurance	44,421	37,697	36,397	1,300
Workers' compensation	7,025	7,410	7,369	41
Social security	28,193	23,851	19,685	4,166
Professional services	30,000	597,500	15,384	582,116
Telephone related services	6,500	6,500	4,810	1,690
Public notices	5,000	6,100	5,940	160
Maintenance and service contracts	4,500	3,000	2,339	661
Auto operating expenses	1,800	1,000	891	109
Printing and supplies	2,000	6,000	5,450	550
Office supplies	5,000	2,100	1,703	397
Special departmental supplies	2,000	2,200	2,126	74
Postage	1,500	1,800	1,631	169
Gas and oil	1,000	800	287	513
Uniform and clothing	100	100	-	100
Membership and dues	4,000	2,900	2,390	510
Employee training	2,700	2,500	2,268	232
Travel and conferences	2,000	3,100	2,644	456
Total urban planning and development	<u>584,681</u>	<u>1,076,168</u>	<u>424,065</u>	<u>652,103</u>

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
General Government (Continued)				
Building Inspection and Permits				
Salary and wages	\$ 279,875	\$ 232,049	\$ 234,836	\$ (2,787)
Retirement	50,540	39,911	42,143	(2,232)
Health insurance	56,910	55,196	55,110	86
Workers' compensation	13,503	14,240	14,106	134
Social security	21,410	17,340	17,170	170
Professional services	172,000	172,000	93,362	78,638
Telephone related services	8,000	8,000	4,623	3,377
Maintenance and service contracts	2,500	2,500	474	2,026
Auto operating expenses	4,500	4,500	4,218	282
Printing and supplies	1,000	500	-	500
Other supplies and equipment	4,000	3,750	7,389	(3,639)
Postage	1,000	500	-	500
Gas and oil	4,000	4,200	4,226	(26)
Uniform and clothing	1,750	1,750	1,507	243
Membership and dues	1,000	1,000	520	480
Employee training	4,500	4,550	3,483	1,067
Capital outlay	2,000	7,000	-	7,000
Total building inspection and permits	628,488	568,986	483,167	85,819
Total general government	6,519,643	6,607,970	5,674,744	933,226
Public Safety				
Police				
Salary and wages	6,982,196	6,494,201	6,447,204	46,997
Retirement	1,462,810	1,343,503	1,272,152	71,351
Health insurance	1,072,024	966,451	919,462	46,989
Workers' compensation	265,167	279,660	277,168	2,492
Social security	507,037	482,481	480,192	2,289
Professional services	22,000	22,000	13,591	8,409
Telephone related services	115,000	115,021	100,795	14,226
Inmate services	3,000	2,000	-	2,000
Maintenance and service contracts	75,000	78,500	30,467	48,033
Building and maintenance	2,000	2,000	-	2,000
Water usage	4,500	4,500	3,530	970
Electricity	21,000	21,000	18,479	2,521
Auto operating expenses	85,000	89,000	128,222	(39,222)
Radio maintenance	5,000	5,000	1,348	3,652
Maintenance and equipment repairs	6,000	6,000	3,139	2,861
Printing and supplies	5,000	5,000	3,670	1,330
Special departmental supplies	65,000	76,500	122,758	(46,258)
Postage	3,500	3,500	1,883	1,617
Gas and oil	300,000	300,000	267,767	32,233
Uniform and clothing	80,000	43,000	31,319	11,681
Rent payments	29,700	29,700	29,700	-
Membership and dues	3,000	3,000	2,258	742
Employee training	15,000	15,000	7,717	7,283
Travel and conferences	5,000	5,000	4,347	653
Prisoner housing	165,000	202,000	193,622	8,378
PAL expenses	1,500	1,500	-	1,500
Rewards	500	500	-	500
Grant expenditures	12,000	12,000	12,000	-
Capital outlay	67,575	767,575	713,137	54,438
Total Police	11,380,509	11,375,592	11,085,927	289,665

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Public Safety (Continued)				
Fire				
Salary and wages	\$ 5,134,896	\$ 4,862,876	\$ 4,886,008	\$ (23,132)
Retirement	1,087,580	1,014,986	985,492	29,494
Health insurance	934,697	864,177	884,198	(20,021)
Workers' compensation	145,530	153,490	152,216	1,274
Social security	382,299	361,022	360,970	52
Professional services	12,000	10,900	10,891	9
Telephone related services	48,500	68,140	67,778	362
Maintenance and service contracts	45,500	42,500	25,000	17,500
Building and maintenance	22,000	33,250	20,653	12,597
Water usage	27,000	30,680	30,627	53
Electricity	52,000	61,686	61,654	32
Heating fuel	22,000	17,900	17,848	52
Auto operating expenses	68,500	171,900	128,689	43,211
Radio maintenance	4,000	2,100	2,002	98
Maintenance and equipment repairs	16,000	20,464	25,414	(4,950)
Printing and supplies	500	660	651	9
Janitorial/sanitary supplies	14,500	14,500	14,477	23
Personal protective equipment	53,000	59,820	63,811	(3,991)
Special departmental supplies	42,000	39,100	60,086	(20,986)
Postage	150	170	169	1
Gas and oil	70,000	69,650	70,451	(801)
Uniform and clothing	39,000	39,300	49,272	(9,972)
Membership and dues	1,350	920	911	9
Employee training	21,000	18,950	18,924	26
Travel and conferences	8,000	-	-	-
Fire prevention	-	3,700	3,697	3
Risk management	6,500	1,510	1,510	-
Capital outlay	11,500	3,222,100	177,502	3,044,598
Total Fire	8,270,002	11,186,451	8,120,901	3,065,550
Total public safety	19,650,511	22,562,043	19,206,828	3,355,215
Public Works				
Streets and Beautification				
Salary and wages	1,947,315	1,573,741	1,602,802	(29,061)
Retirement	361,422	283,338	284,269	(931)
Health insurance	393,386	297,422	303,234	(5,812)
Workers' compensation	60,900	64,230	63,687	543
Social security	148,971	120,110	119,460	650
Professional services	85,000	89,806	60,137	29,669
Telephone related services	14,000	13,900	11,447	2,453
Maintenance and service contracts	8,000	10,021	10,020	1
Security system services	500	500	468	32
Pest control	1,400	1,500	1,451	49
Inmate services	30,000	22,311	8,550	13,761
Building and maintenance	33,000	33,749	26,738	7,011
Water usage	25,000	25,000	24,962	38
Electricity	40,000	40,000	37,641	2,359
Auto operating expenses	50,000	114,194	128,903	(14,709)
Maintenance and equipment repairs	50,000	5,800	987	4,813
Radio maintenance	3,500	4,237	1,100	3,137
Printing and supplies	500	500	128	372
Office supplies	5,000	5,000	1,820	3,180
Janitorial supplies	15,000	15,514	15,569	(55)
Chemicals	15,000	15,000	13,924	1,076
Safety supplies	5,000	5,000	4,088	912
Special departmental supplies	45,000	46,500	52,203	(5,703)
Postage	100	205	106	99

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Public Works (Continued)				
Streets and Beautification (Continued)				
Gas and oil	\$ 120,000	\$ 120,000	\$ 103,824	\$ 16,176
Paving materials and supplies	10,000	10,000	4,302	5,698
Irrigation materials and supplies	2,000	2,000	140	1,860
Turf and landscape supplies	6,000	6,038	6,038	-
Sign shop supplies	5,000	5,020	5,020	-
Medical expenses	35,000	35,000	27,996	7,004
Uniform and clothing	35,000	35,000	34,342	658
Membership and dues	500	500	80	420
Employee training	2,500	3,000	2,924	76
Tree beautification	9,000	9,000	6,835	2,165
Cheves/Irby parking deck	65,000	65,000	61,179	3,821
Capital outlay	39,000	133,400	135,202	(1,802)
Total streets and beautification	3,666,994	3,211,536	3,161,576	49,960
Sanitation				
Salary and wages	1,415,401	1,327,634	1,325,296	2,338
Retirement	262,698	236,369	233,599	2,770
Health insurance	328,796	270,029	266,356	3,673
Workers' compensation	45,717	48,220	47,791	429
Social security	108,279	100,706	98,115	2,591
Professional services	40,000	33,900	2,878	31,022
Telephone related services	5,000	5,000	2,067	2,933
Public notices	4,000	4,000	636	3,364
Maintenance and service contracts	5,000	5,000	6,111	(1,111)
Landfill services	1,990,000	1,990,000	1,820,976	169,024
Auto operating expenses	200,000	215,300	242,306	(27,006)
Radio maintenance	7,000	7,000	1,486	5,514
Maintenance and equipment repairs	120,000	150,000	1,328	148,672
Printing and supplies	800	800	48	752
Office supplies	500	800	799	1
Compost supplies	500	500	-	500
Safety supplies	3,000	3,000	3,000	-
Special departmental supplies	9,000	6,000	10,027	(4,027)
Postage	100	100	-	100
Gas and oil	275,000	275,000	196,165	78,835
Uniform and clothing	30,000	30,000	29,591	409
Membership and dues	100	100	-	100
Employee training	2,500	2,500	642	1,858
Capital outlay	278,000	1,861,300	985,107	876,193
Total sanitation	5,131,391	6,573,258	5,274,324	1,298,934
Equipment Maintenance				
Salary and wages	420,686	371,722	388,699	(16,977)
Retirement	78,079	66,092	69,695	(3,603)
Health insurance	81,920	74,247	79,676	(5,429)
Workers' compensation	11,802	12,450	12,316	134
Social security	32,183	27,667	28,401	(734)
Professional services	5,000	5,000	2,261	2,739
Telephone related services	3,000	3,000	2,170	830
Maintenance and service contracts	2,000	1,400	969	431
Heating fuel	5,000	5,600	5,535	65
Auto operating expenses	4,000	4,000	3,862	138
Radio maintenance	500	500	303	197
Maintenance and equipment repairs	500	1,500	4,005	(2,505)
Office supplies	1,000	1,100	1,066	34
Janitorial supplies	500	500	-	500
Safety supplies	5,000	3,000	122	2,878
Special departmental supplies	12,000	10,900	18,897	(7,997)

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Public Works (Continued)				
Equipment Maintenance (Continued)				
Gas and oil	\$ 10,000	\$ 10,000	\$ 9,986	\$ 14
Uniform and clothing	5,000	7,000	6,780	220
Employee training	1,500	1,500	-	1,500
Capital outlay	24,000	72,500	24,446	48,054
Total equipment maintenance	703,670	679,678	659,189	20,489
Total public works	9,502,055	10,464,472	9,095,089	1,369,383
Culture and Recreation				
Parks and Leisure Services				
Salary and wages	743,643	789,003	697,596	91,407
Retirement	138,020	138,762	126,189	12,573
Health insurance	157,286	165,855	133,265	32,590
Workers' compensation	61,457	64,820	64,318	502
Social security	56,890	58,461	51,738	6,723
Professional services	5,000	8,000	7,583	417
Contracted instructors	30,000	21,600	19,740	1,860
Telephone related services	20,000	16,000	15,523	477
Cable and related services	9,000	15,500	15,059	441
Security systems	5,000	3,500	2,602	898
Pest control	6,000	6,000	4,595	1,405
Inmate services	500	500	-	500
Maintenance and service contracts	5,500	5,500	4,206	1,294
Facility and park maintenance	44,500	48,705	41,499	7,206
Building maintenance	3,500	2,500	2,144	356
Water usage	21,000	25,400	25,234	166
Electricity	85,500	114,492	114,013	479
Auto operating expenses	11,000	16,500	15,924	576
Maintenance and equipment repairs	2,500	2,500	5,827	(3,327)
Printing and supplies	4,000	1,500	1,382	118
Office supplies	4,500	5,500	4,670	830
Janitorial services and supplies	10,000	10,000	9,398	602
Safety supplies	500	500	402	98
Special departmental supplies	25,000	12,000	26,913	(14,913)
Postage	250	250	83	167
Gas and oil	26,500	25,500	24,935	565
Irrigation supplies	500	500	29	471
Athletic field supplies	1,000	-	-	-
Uniforms and clothing	7,000	4,500	3,990	510
Membership and dues	1,200	1,200	486	714
Employee training	3,500	3,800	4,026	(226)
Travel and conferences	5,400	2,100	1,396	704
Food and supplies	4,000	2,000	1,606	394
Tournaments	2,000	-	-	-
Boys and Girls Club	21,000	-	21,000	(21,000)
Program expenses	21,000	5,508	5,115	393
Grant expenditures	56,000	56,000	-	56,000
Capital outlay	-	561,500	259,771	301,729
Total parks and leisure services	1,599,646	2,195,956	1,712,257	483,699
Athletic Programs				
Salary and wages	1,017,739	1,009,354	929,592	79,762
Retirement	188,893	176,821	160,265	16,556
Health insurance	183,415	183,252	159,543	23,709
Workers' compensation	103,772	109,440	108,530	910
Social security	74,311	75,009	69,211	5,798
Professional services	35,000	29,500	27,792	1,708
Telephone related services	36,000	59,400	59,284	116

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Culture and Recreation (Continued)				
Athletic Programs (Continued)				
Cable and related services	\$ 25,000	\$ 25,000	\$ 22,877	\$ 2,123
Maintenance and service contracts	40,000	40,000	37,268	2,732
Security systems service	11,000	4,400	3,907	493
Pest control	12,500	12,700	12,615	85
Inmate services	30,000	26,000	25,290	710
Facility and park maintenance	46,000	45,800	62,630	(16,830)
Building maintenance	2,500	-	-	-
Water usage	80,000	72,500	72,422	78
Electricity	280,000	353,800	353,778	22
Auto operating expenses	11,500	30,050	37,140	(7,090)
Radio repairs and maintenance	1,000	-	-	-
Maintenance and equipment repairs	6,000	6,200	124,223	(118,023)
Printing and supplies	1,000	1,000	869	131
Office supplies	3,000	2,900	4,828	(1,928)
Janitorial services and supplies	22,000	22,000	21,770	230
Safety supplies	1,000	1,100	1,007	93
Special departmental supplies	5,000	-	16,003	(16,003)
Postage	250	175	116	59
Gas and oil	18,000	18,075	18,049	26
Irrigation parts and supplies	8,500	10,200	10,125	75
Athletic field supplies	60,000	55,750	54,970	780
Uniforms and clothing	10,500	11,500	11,146	354
Marketing and promotion	224,500	234,000	223,038	10,962
Membership and dues	2,750	2,550	2,196	354
Employee training	3,500	2,700	2,590	110
Travel and conferences	4,500	2,800	2,765	35
Tree beautification	2,500	500	364	136
Food and supplies	30,000	26,000	25,581	419
Tournaments	5,000	6,600	6,445	155
Pro shop supplies	17,000	13,800	13,745	55
Stadium commission	8,500	8,500	8,500	-
Athletic expenses	21,000	25,000	34,367	(9,367)
Gymnastic expenses	6,000	2,400	2,208	192
Tennis center expenses	15,000	15,000	15,000	-
Freedom Florence expenses	14,000	17,350	17,334	16
Gymnasium expenses	12,000	11,650	11,246	404
Soccer expenses	17,000	17,000	16,989	11
Building and fixed equipment	-	10,000	-	10,000
Office furniture	-	2,500	-	2,500
Capital outlay	75,000	2,292,400	643,897	1,648,503
Total athletic programs	<u>2,772,130</u>	<u>5,072,676</u>	<u>3,431,515</u>	<u>1,641,161</u>
Total culture and recreation	<u>4,371,776</u>	<u>7,268,632</u>	<u>5,143,772</u>	<u>2,124,860</u>
Community Development				
Boys and Girls Club	20,000	20,000	20,000	-
Transit system	218,000	218,000	218,000	-
Pee Dee Chapter Red Cross	10,000	10,000	10,000	-
Keep Florence Beautiful	5,000	5,000	5,000	-
NOU Homeless program	68,800	68,800	68,800	-
Florence Family Support Ctr	3,000	3,000	3,000	-
My Brother's Keeper	10,000	10,000	10,000	-
Foster Care Clothing Closet	7,000	7,000	7,000	-
Pee Dee Coalition	5,000	5,000	5,000	-
Helping Florence Flourish	1,200	1,200	1,200	-
Florence Regional Airport	20,000	20,000	20,000	-
Façade grant	-	-	901	(901)
G-Lab Legacies	15,000	15,000	15,000	-

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Community Development (Continued)				
Leatherman Senior Center	\$ 5,800	\$ 5,800	\$ 5,800	\$ -
Downtown revitalization	-	-	2,500	(2,500)
Total community development	<u>388,800</u>	<u>388,800</u>	<u>392,201</u>	<u>(3,401)</u>
Non-departmental				
Employee relations	45,000	45,000	63,714	(18,714)
Unemployment compensation	4,000	2,000	-	2,000
OPEB expense	750,000	750,000	750,000	-
Employee assistance	-	-	9,625	(9,625)
Property and liability insurance	1,065,000	1,065,000	1,041,855	23,145
Small claims	160,200	125,000	149,383	(24,383)
Employee w/c small claims	100,220	75,000	49,675	25,325
Contracted instructors	-	-	325	(325)
Legal services	68,300	80,000	60,245	19,755
Neighborhood Redevelopment	760,000	1,060,000	1,060,000	-
City Center operations	345,000	345,000	152,300	192,700
Dargan Street Incubator	100,900	100,900	101,023	(123)
Contingency	102,207	2,625,195	-	2,625,195
Credit card fees	58,000	38,000	52,834	(14,834)
Street lights	1,014,000	1,050,000	1,357,538	(307,538)
Fire district tax reimbursement	500	-	-	-
IT support services	315,000	315,000	443,325	(128,325)
IT hardware/software	368,815	438,000	322,993	115,007
Health services	88,785	89,000	76,040	12,960
Parking garage	-	-	8,915,718	(8,915,718)
Property clearing/demolition	-	-	487,787	(487,787)
Special projects	160,000	150,000	163,136	(13,136)
Other recreation projects	-	-	486,787	(486,787)
Recreation Facilities Rehab	18,000	315,200	260,742	54,458
High Hill Creek bike/run park	-	10,000	-	10,000
Property acquisition expenditures	-	-	64,525	(64,525)
Timrod Park Museum	-	105,000	105,000	-
Downtown promotions	35,000	43,500	27,021	16,479
BTC parking lease	63,000	63,000	63,000	-
Debt service admin fees	12,000	11,000	8,200	2,800
Total non-departmental	<u>5,633,927</u>	<u>8,900,795</u>	<u>16,272,791</u>	<u>(7,371,996)</u>
Debt Service				
Principal	2,614,788	2,614,788	1,851,053	763,735
Interest	-	-	1,000,891	(1,000,891)
Total debt service	<u>2,614,788</u>	<u>2,614,788</u>	<u>2,851,944</u>	<u>(237,156)</u>
Total expenditures	<u>\$ 48,681,500</u>	<u>\$ 58,807,500</u>	<u>\$ 58,637,369</u>	<u>\$ 170,131</u>

CITY OF FLORENCE, SOUTH CAROLINA

**WATER AND SEWER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Budget
	Original	Final		
OPERATING REVENUE				
Water service fees	\$ 21,687,900	\$ 21,643,000	\$ 19,646,531	\$ (1,996,469)
Sewer service fees	24,484,740	24,805,000	22,864,510	(1,940,490)
Sewer surcharge	15,000	-	7,202	7,202
Cut on fees	220,000	197,000	182,155	(14,845)
Water tap fees	890,000	735,000	931,831	196,831
Sewer tap fees	281,000	122,000	277,255	155,255
Service charges	257,040	257,000	200,090	(56,910)
Late fees	403,000	403,000	382,465	(20,535)
Miscellaneous	69,000	64,000	27,389	(36,611)
Total operating revenues	48,307,680	48,226,000	44,519,428	(3,706,572)
OPERATING EXPENSES				
Engineering				
Salary and wages	959,194	782,797	775,966	6,831
Retirement	178,026	136,320	135,962	358
Health insurance	144,193	122,634	127,004	(4,370)
Workers' compensation	18,638	19,660	19,474	186
Social security	73,378	59,281	57,238	2,043
Professional services	80,000	73,500	152,048	(78,548)
Telephone related services	15,000	18,500	17,894	606
Public notices	200	200	-	200
Maintenance and service contracts	50,000	50,000	42,370	7,630
Building maintenance	3,000	400	55	345
Electricity	30,000	32,600	32,595	5
Vehicle repair and maintenance	4,500	3,815	5,985	(2,170)
Radio maintenance and repairs	500	90	-	90
Printing and supplies	5,000	8,965	5,681	3,284
Office supplies	-	410	405	5
Other supplies and equipment	8,000	8,000	11,271	(3,271)
Postage	300	300	56	244
Gas and oil	13,500	10,220	9,135	1,085
Uniform and clothing	2,000	2,000	1,316	684
Membership and dues	1,500	1,500	1,274	226
Employee training	7,000	10,820	1,550	9,270
Travel and conferences	1,500	2,180	2,374	(194)
Total engineering	1,595,429	1,344,192	1,399,653	(55,461)
Utility Finance				
Salary and wages	1,345,420	1,110,742	1,028,245	82,497
Retirement	249,710	196,082	184,451	11,631
Health insurance	284,557	197,242	189,714	7,528
Workers' compensation	44,069	46,480	46,107	373
Social security	102,925	83,128	77,069	6,059
Utility bill printing/mailing	255,000	225,000	221,441	3,559
Telephone related services	44,500	25,000	23,670	1,330
Maintenance and service contracts	50,000	50,000	84,908	(34,908)
Vehicle repair and maintenance	20,000	25,000	41,956	(16,956)
Equipment maintenance and repairs	2,000	1,000	102	898
Printing and supplies	15,000	8,000	11,478	(3,478)
Office supplies	14,000	10,000	11,080	(1,080)
Other supplies and equipment	12,000	10,000	5,173	4,827
Postage	22,000	12,000	13,479	(1,479)
Vehicle fuel and oil	80,000	60,000	59,141	859
Meter parts and supplies	100,000	80,000	106,026	(26,026)
Uniform and clothing	16,000	12,000	12,243	(243)
Membership and dues	1,700	700	97	603
Employee training	2,000	1,000	-	1,000
Travel and conferences	2,500	1,000	-	1,000
Total utility finance	2,663,381	2,154,374	2,116,380	37,994
Wastewater Treatment				
Salary and wages	2,099,792	1,806,635	1,814,860	(8,225)
Retirement	379,766	318,805	323,779	(4,974)
Health insurance	310,047	294,197	286,168	8,029
Workers' compensation	48,405	51,050	50,528	522
Social security	160,634	135,761	134,904	857
Professional services	70,000	117,600	135,994	(18,394)
Telephone and related services	17,400	30,400	30,348	52

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**WATER AND SEWER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Budget
	Original	Final		
OPERATING EXPENSES (Continued)				
Wastewater Treatment (Continued)				
Maintenance and service contracts	\$ 305,000	\$ 183,200	\$ 183,203	\$ (3)
Building maintenance	5,000	17,350	17,099	251
City services	17,000	26,200	26,124	76
Electricity	1,242,300	1,708,850	1,708,834	16
Fuel oil	15,000	22,100	22,017	83
Landfill services	500,000	809,668	1,240,569	(430,901)
Vehicle maintenance and repairs	10,000	62,100	78,091	(15,991)
Radio maintenance and repairs	1,500	960	958	2
Other maintenance and repairs	1,015,500	1,190,300	1,103,028	87,272
Printing	2,800	1,940	1,830	110
Chemicals	265,000	383,700	392,943	(9,243)
Lab supplies	40,000	41,250	41,994	(744)
Other supplies and equipment	83,500	111,850	126,917	(15,067)
Postage	2,680	2,840	2,752	88
Vehicle fuel and oil	55,000	68,100	68,097	3
Uniforms and clothing	22,000	20,950	20,856	94
Membership and dues	15,000	20,700	11,161	9,539
Conference and training	17,500	5,200	5,081	119
Travel and lodging	-	1,600	1,528	72
Auto equipment	200,000	565,000	-	565,000
Other equipment	680,000	1,017,500	-	1,017,500
Total wastewater treatment	7,580,824	9,015,806	7,829,663	1,186,143
Surface Water Production				
Salary and wages	800,598	629,645	636,873	(7,228)
Retirement	148,591	112,371	113,653	(1,282)
Health insurance	116,228	84,525	80,612	3,913
Workers' compensation	15,225	16,060	15,895	165
Social security	61,246	48,002	47,900	102
Professional services	30,000	59,100	57,836	1,264
Telephone and related services	10,000	15,700	15,685	15
Maintenance and service contracts	17,000	21,270	21,501	(231)
Building maintenance	30,000	34,000	33,900	100
City services	1,800	1,400	1,331	69
Electricity	490,000	425,600	425,587	13
Fuel oil	20,000	19,700	19,629	71
Vehicle maintenance and repairs	2,000	11,000	12,173	(1,173)
Radio maintenance and repairs	500	1,100	1,055	45
Other maintenance and repairs	235,000	317,855	530,382	(212,527)
Printing	2,800	800	721	79
Chemicals	725,000	807,237	1,095,210	(287,973)
Lab supplies	50,000	75,600	72,590	3,010
Other supplies and equipment	15,000	40,900	41,874	(974)
Postage	300	110	102	8
Vehicle fuel and oil	7,000	12,600	12,534	66
Uniforms and clothing	7,000	7,100	7,035	65
Membership and dues	1,500	600	574	26
Conference and training	1,000	3,300	2,781	519
Facility improvements	400,000	302,400	-	302,400
Auto equipment	90,000	90,000	-	90,000
Other equipment	25,000	370,550	-	370,550
Total surface water production	3,302,788	3,508,525	3,247,433	261,092
Ground Water Production				
Salary and wages	541,899	440,881	456,987	(16,106)
Retirement	100,577	76,880	80,542	(3,662)
Health insurance	81,595	54,738	60,098	(5,360)
Workers' compensation	12,821	13,520	13,369	151
Social security	41,455	33,493	34,295	(802)
Professional services	105,000	119,800	146,243	(26,443)
Telephone and related services	30,000	17,800	17,765	35
Building maintenance	8,000	3,300	-	3,300
City services	7,000	8,950	8,917	33
Electricity	885,000	966,500	839,523	126,977
Fuel oil	500	680	658	22
Vehicle repair and maintenance	6,000	18,600	5,590	13,010
Radio maintenance and repairs	400	2,300	2,283	17

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**WATER AND SEWER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Budget
	Original	Final		
OPERATING EXPENSES (Continued)				
Ground Water Production (Continued)				
Well maintenance and repairs	\$ 115,000	\$ 167,400	\$ 88,776	\$ 78,624
Other maintenance and repairs	173,000	218,500	-	218,500
Printing	-	20	20	-
Chemicals	100,000	193,700	185,240	8,460
Lab supplies	14,500	20,100	16,529	3,571
Other supplies and equipment	8,000	43,800	43,735	65
Postage	100	60	57	3
Vehicle fuel and oil	27,000	28,000	27,921	79
Uniforms and clothing	5,500	5,200	5,156	44
Memberships and dues	700	600	578	22
Conferences and training	9,000	3,270	3,152	118
Auto equipment	90,000	128,000	-	128,000
Facility improvements	250,000	48,900	-	48,900
Total ground water production	2,613,047	2,614,992	2,037,434	577,558
Distribution Operations				
Salary and wages	1,509,527	1,240,141	1,132,269	107,872
Retirement	280,168	220,748	201,456	19,292
Health insurance	275,842	216,345	199,980	16,365
Workers' compensation	35,501	37,440	37,159	281
Social security	115,479	93,493	84,706	8,787
Professional services	15,000	81,000	80,831	169
Telephone and related services	15,000	14,200	14,156	44
Maintenance and service contracts	9,500	9,100	12,415	(3,315)
Building maintenance	170,000	152,700	152,629	71
City services	12,000	12,250	12,221	29
Electricity	10,000	11,850	11,839	11
Fuel oil	7,000	5,600	5,535	65
Vehicle maintenance and repairs	26,000	5,300	50,085	(44,785)
Radio maintenance and repairs	500	-	-	-
Other maintenance and repairs	36,000	37,450	37,446	4
Printing	7,600	6,660	6,652	8
Other supplies and equipment	40,000	83,400	119,634	(36,234)
Postage	150	10	2	8
Vehicle fuel and oil	85,000	81,300	81,212	88
Meter parts and supplies	93,000	121,700	121,566	134
Pipe fittings and supplies	210,000	348,901	342,803	6,098
Paving materials and supplies	15,000	12,050	12,032	18
Uniforms and clothing	19,000	22,650	22,639	11
Membership and dues	1,000	200	120	80
Conference and training	5,000	6,500	6,419	81
Facility improvements	-	82,600	-	82,600
Auto equipment	530,000	530,000	-	530,000
Other equipment	325,000	422,500	-	422,500
Total distribution operations	3,848,267	3,856,088	2,745,806	1,110,282
Collection Operations				
Salary and wages	1,005,882	773,688	496,671	277,017
Retirement	186,692	134,483	85,808	48,675
Health insurance	227,606	85,603	87,842	(2,239)
Workers' compensation	23,709	25,010	24,843	167
Social security	76,950	56,810	37,013	19,797
Professional services	8,000	27,800	27,597	203
Telephone related services	5,000	3,400	3,393	7
Vehicle maintenance and repairs	35,000	78,200	89,792	(11,592)
Radio maintenance and repairs	530	-	-	-
Other maintenance and repairs	50,000	41,800	458,045	(416,245)
Printing	700	-	-	-
Other supplies and equipment	35,000	66,900	74,573	(7,673)
Postage	50	-	63,958	(63,958)
Vehicle fuel and oil	65,000	64,000	35,678	28,322
Pipe fittings and supplies	90,000	35,500	39,638	(4,138)
Paving materials and supplies	70,000	39,350	13,504	25,846
Uniforms and clothing	11,000	13,550	1,819	11,731
Membership and dues	500	-	-	-
Conference and training	5,000	1,900	-	1,900
Auto equipment	175,000	225,000	-	225,000

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**WATER AND SEWER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Budget
	Original	Final		
OPERATING EXPENSES (Continued)				
Collection Operations (Continued)				
Other equipment	\$ 75,000	\$ 137,340	\$ -	\$ 137,340
Total collection operations	2,146,619	1,810,334	1,540,174	270,160
Non-Departmental				
Depreciation	-	-	10,148,298	(10,148,298)
Debt service admin charges	35,000	35,000	26,800	8,200
Bank charges	3,500	3,500	-	3,500
Credit card fees	310,500	200,000	181,201	18,799
Employee relations	35,000	35,000	48,031	(13,031)
Unemployment compensation	3,000	3,000	-	3,000
Other postemployment benefits	270,500	270,500	270,500	-
GASB 68 pension expense	-	-	181,241	(181,241)
Property and liability insurance	776,785	776,785	758,790	17,995
Small claims	77,500	77,500	124,626	(47,126)
Employee w/c small claims	31,610	25,000	21,319	3,681
Legal services	63,000	80,000	70,245	9,755
City Center operations	345,000	345,000	152,053	192,947
Contingency	361,345	1,067,184	-	1,067,184
IT support services	315,000	315,000	435,412	(120,412)
Management system software	425,815	514,800	317,606	197,194
Health services	88,785	89,000	76,040	12,960
Special projects	100,000	125,000	64,847	60,153
Grouped address expenditures	12,279,000	12,659,000	-	12,659,000
Total non-departmental	15,521,340	16,621,269	12,877,009	3,744,260
Total operating expenses	39,271,695	40,925,580	33,793,552	7,132,028
NONOPERATING REVENUE (EXPENSE)				
Investment earnings	215,000	240,000	2,495,572	2,255,572
Intergovernmental	1,542,000	1,542,000	1,154,030	(387,970)
Economic development	(2,500,000)	(2,500,000)	(2,187,287)	312,713
Interest expense	-	-	(2,426,054)	(2,426,054)
Gain on disposal of assets	-	120,000	243,708	123,708
Issuance of bonds	-	-	(435,329)	(435,329)
Miscellaneous	300,000	300,000	72,300	(227,700)
Total nonoperating expenses, net	(443,000)	(298,000)	(1,083,060)	(785,060)
Income before capital contributions and transfers	8,592,985	7,002,420	9,642,816	2,640,396
CAPITAL CONTRIBUTIONS	-	-	4,142,580	4,142,580
TRANSFERS				
Transfers in	4,677,900	4,677,900	29,620	(4,648,280)
Transfers out	(20,734,985)	(21,145,000)	(5,454,775)	15,690,225
Total transfers	(16,057,085)	(16,467,100)	(5,425,155)	11,041,945
Change in net position	(7,464,100)	(9,464,680)	8,360,241	17,824,921
Total net position, beginning of year	150,447,526	150,447,526	150,447,526	-
Total net position, end of year	\$ 142,983,426	\$ 140,982,846	\$ 158,807,767	\$ 17,824,921

CITY OF FLORENCE, SOUTH CAROLINA

**STORM WATER UTILITY FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Budget
	Original	Final		
OPERATING REVENUE				
Stormwater service fees	\$ 1,659,850	\$ 1,659,850	\$ 1,637,489	\$ 22,361
Miscellaneous	51,200	51,200	32,647	18,553
Total operating revenues	1,711,050	1,711,050	1,670,136	40,914
OPERATING EXPENSES				
Salary and wages	422,120	368,766	295,013	73,753
Retirement	78,346	65,080	52,095	12,985
Health insurance	90,227	68,843	57,270	11,573
Workers' compensation	13,503	14,230	14,211	19
Social security	32,292	27,617	21,933	5,684
Printing and supplies	500	500	100	400
Membership and dues	500	500	152	348
Postage	200	200	1	199
Auto operating expenses	22,900	22,300	49,955	(27,655)
Electricity	4,490	4,490	4,277	213
Telephone related services	3,000	3,000	778	2,222
Maintenance and equipment repairs	28,500	29,100	16,767	12,333
Uniforms and clothing	5,000	5,130	5,127	3
Pipe fittings and hydrants	13,000	11,170	3,091	8,079
Employee training	600	2,300	2,194	106
Professional services	130,000	130,000	323,088	(193,088)
Special department supplies	15,200	15,200	17,539	(2,339)
Gas and oil	45,000	45,000	31,986	13,014
Depreciation	-	-	330,956	(330,956)
Bank charges	4,000	4,000	3,300	700
Employee relations	1,710	1,710	1,047	663
Property and liability insurance	23,500	23,500	22,934	566
Other post employment benefits	20,200	20,200	20,200	-
GASB 68 pension expense	-	-	(6,406)	6,406
Contingency	1,132	93,084	-	93,084
Auto equipment	250,000	300,000	-	300,000
Total operating expenses	1,205,920	1,255,920	1,267,608	(11,688)
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	48,000	48,000	289,347	(241,347)
Intergovernmental	-	-	110,041	(110,041)
Interest expense	-	-	(104,439)	104,439
Investment expense	-	-	(1,994)	1,994
Gain on disposal of assets	-	-	71,510	(71,510)
Total nonoperating revenues, net	48,000	48,000	364,465	(316,465)
Income before capital contributions and transfers	553,130	503,130	766,993	(287,239)
CAPITAL CONTRIBUTIONS	-	-	1,689,420	1,689,420
TRANSFERS				
Transfers in	410,000	460,000	67,529	(392,471)
Transfers out	(963,130)	(963,130)	(188,230)	774,900
Total transfers	(553,130)	(503,130)	(120,701)	382,429
Change in net position	-	-	2,335,712	1,784,610
Total net position, beginning of year	6,248,695	6,248,695	6,248,695	-
Total net position, end of year	\$ 6,248,695	\$ 6,248,695	\$ 8,584,407	\$ 1,784,610

CITY OF FLORENCE, SOUTH CAROLINA

WATER AND SEWER FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
Operating Revenues:				
Current use charges	\$ 46,172,640	\$ 46,448,000	\$ 42,511,041	\$ 3,936,959
Service fees	15,000	-	7,202	(7,202)
Water and sewer tap fees	1,171,000	857,000	1,209,086	(352,086)
Miscellaneous	949,040	921,000	792,099	128,901
Total operating revenues	48,307,680	48,226,000	44,519,428	3,706,572
Operating Expenses:				
Personnel	8,262,312	6,784,529	6,341,871	442,658
Employee benefits	3,794,033	2,970,161	2,837,569	132,592
Engineering	222,000	223,500	284,009	(60,509)
Utility finance	636,700	520,700	590,794	(70,094)
Wastewater treatment	4,582,180	6,409,358	5,219,424	1,189,934
Surface water production	2,160,900	2,617,922	2,352,500	265,422
Ground water production	1,834,700	1,995,480	1,392,143	603,337
Distribution operations	1,631,750	2,047,921	1,090,236	957,685
Collection operations	625,780	734,740	807,997	(73,257)
Non-departmental	15,521,340	16,621,269	2,728,711	13,892,558
Depreciation	-	-	10,148,298	(10,148,298)
Total operating expenses	39,271,695	40,925,580	33,793,552	7,132,028
Operating Income	9,035,985	7,300,420	10,725,876	(3,425,456)
Nonoperating Revenues (Expenses)				
Investment earnings	215,000	240,000	2,495,572	2,255,572
Intergovernmental	1,542,000	1,542,000	1,154,030	(387,970)
Economic development	(2,500,000)	(2,500,000)	(2,187,287)	312,713
Interest expense	-	-	(2,426,054)	(2,426,054)
Gain on disposal of assets	-	120,000	243,708	123,708
Issuance costs	-	-	(435,329)	(435,329)
Miscellaneous	300,000	300,000	72,300	(227,700)
Total nonoperating expenses, net	(443,000)	(298,000)	(1,083,060)	(785,060)
Income before capital contributions and transfers	8,592,985	7,002,420	9,642,816	(4,210,516)
Capital Contributions	-	-	4,142,580	4,142,580
Transfers				
Transfers in	4,677,900	4,677,900	29,620	(4,648,280)
Transfers out	(20,734,985)	(21,145,000)	(5,454,775)	15,690,225
Total transfers	(16,057,085)	(16,467,100)	(5,425,155)	11,041,945
Change in net position	(7,464,100)	(9,464,680)	8,360,241	10,974,009
Total net position, beginning of year	150,447,526	150,447,526	150,447,526	-
Total net position, end of year	\$ 142,983,426	\$ 140,982,846	\$ 158,807,767	\$ 10,974,009

CITY OF FLORENCE, SOUTH CAROLINA

STORMWATER UTILITY FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
Operating Revenues:				
Stormwater service fees	\$ 1,659,850	\$ 1,659,850	\$ 1,637,489	\$ (22,361)
Miscellaneous	51,200	51,200	32,647	(18,553)
Total operating revenues	1,711,050	1,711,050	1,670,136	(40,914)
Operating Expenses:				
Personnel	422,120	368,766	295,013	73,753
Employee benefits	214,368	175,770	139,103	36,667
Stormwater operations	569,432	711,384	502,536	208,848
Depreciation and amortization	-	-	330,956	(330,956)
Total operating expenses	1,205,920	1,255,920	1,267,608	(11,688)
Operating Income	505,130	455,130	402,528	(52,602)
Nonoperating Revenues (Expenses)				
Investment earnings	48,000	48,000	289,347	241,347
Intergovernmental	-	-	110,041	110,041
Interest expense	-	-	(104,439)	(104,439)
Investment expense	-	-	(1,994)	(1,994)
Gain on disposal of assets	-	-	71,510	71,510
Total nonoperating revenues, net	48,000	48,000	364,465	316,465
Income before capital contributions and transfers	553,130	503,130	766,993	263,863
Capital Contributions	-	-	1,689,420	1,689,420
Transfers				
Transfers in	410,000	460,000	67,529	(392,471)
Transfers out	(963,130)	(963,130)	(188,230)	774,900
Total transfers	(553,130)	(503,130)	(120,701)	382,429
Change in net position	-	-	2,335,712	2,335,712
Fund balances, beginning of year	6,248,695	6,248,695	6,248,695	-
Fund balances, end of year	\$ 6,248,695	\$ 6,248,695	\$ 8,584,407	\$ 2,335,712

COMBINING STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Housing Partnership Fund – To account for the expenditure of Housing Action Partnership Program grant.

HOME Program Fund – To account for the expenditure of HOME investment partnerships program grant.

Community Development Block Grant Fund – To account for the expenditures of community development block grants and HUD Section 108 loan proceeds.

Rollcart and Equipment Replacement Fund – To the costs associated with the repair and replacement of garbage collection rollcarts and recycle bins within the City.

E-911 Fund – To account for funds received for communication costs for 911 emergency services.

Victims Services Fund – To account for funds received to provide services to victims of crime.

Drug Control Fund – To account for funds seized in drug related cases that have been awarded to the City and are available for use.

Federal Equitable Sharing Fund – To account for revenues derived from forfeitures of federally seized assets which are expended to enhance law enforcement.

NSP Grant Fund – To account for program expenditures of the HUD funded grant, Neighborhood Stabilization Program.

Neighborhood Improvement Fund – To account for project expenditures to revitalize neighborhoods in the City.

Accommodation Tax Fund – To account for funds received from the State to promote tourism in the City.

Public Safety Grants Fund – To account for grant funds to reduce crime and improve public safety.

NSP-3 Grant Fund – To account for program expenditures of the HUD funded grant, Neighborhood Stabilization Program.

Neighborhood Redevelopment Program Fund – To account for program expenditures to redevelop neighborhoods.

JAG Grant Fund – To account for program expenditures of the Bureau of Justice Assistance Grant.

Sunday Local Option Revenue Fund – To account for revenues received from Sunday Local Option Taxes.

State Provision Fund – To account for State Appropriation funding related to public safety.

Fire Trust Fund – To account for collection of shared insurance premium rebates from the State of South Carolina and expenditures on behalf of City firefighters.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Veterans Park Development Fund – To account for funds received and expended for the development of monuments, other structural amenities, and related special events at the Veterans Park.

Florence Area Humane Society Fund – To account for donations made to the Humane Society received at the City's Animal Shelter.

Palmetto Pride Grant Fund – To account for litter prevention activities.

Brownsfield Grant Fund – To account for Environmental Cleanup Activity for an EPA grant.

DRO Grant McQueen & Cedar Fund – To account for infrastructure improvements on McQueen & Cedar streets.

American Rescue Plan Act Fund – To account for financial resources to support efforts to fight the COVID-19 pandemic.

Capital Project Funds

2016 TIF Construction Projects Fund – To account for various construction projects with the 2016 TIF funds.

Florence County Penny Tax Fund – To account for various projects paid from the penny tax collections.

Installment Purchase Revenue Bond Capital Projects Fund – To account for the financial resources that are restricted, committed, or assigned through proceeds from the sale of installment purchase revenue bonds to fund expenditures associated with the purchase of and improvements made to City owned facilities.

Debt Service Funds

TIF Revenue and Debt Service Fund – To account for revenues received and paid for the TIF bond.

Debt Services Fund – To account for the resources accumulated and payments made for the principal and interest on long-term general obligation debt of governmental funds.

CITY OF FLORENCE, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

ASSETS	Special Revenue Funds					
	Housing Partnership Fund	HOME Program Fund	Community Development Block Grants Fund	Rollcart and Equipment Replacement Fund	E-911 Fund	Victim Services Fund
Cash and cash equivalents	\$ 22,417	\$ 49,925	\$ -	\$ 566,672	\$ 74,184	\$ -
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	34,034	41,305	-	-
Accrued interest receivable	-	-	-	-	-	-
Inventory	-	250	-	28,779	-	-
Investments	-	-	-	386,059	471,510	-
Restricted cash and cash equivalents	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-
Total assets	\$ 22,417	\$ 50,175	\$ 34,034	\$ 1,022,815	\$ 545,694	\$ -
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 596	\$ 4,485	\$ 5,674	\$ -	\$ -
Retainage payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	7,014	300,000	-	-
Total liabilities	-	596	11,499	305,674	-	-
FUND BALANCES						
Nonspendable	-	250	-	28,779	-	-
Restricted						
Community development	22,417	49,329	22,535	-	-	-
Public safety	-	-	-	-	545,694	-
Capital projects	-	-	-	-	-	-
Tourism	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Committed	-	-	-	688,362	-	-
Total fund balances	22,417	49,579	22,535	717,141	545,694	-
Total liabilities, deferred inflows of resources and fund balances	\$ 22,417	\$ 50,175	\$ 34,034	\$ 1,022,815	\$ 545,694	\$ -

(Continued)

Special Revenue Funds

Drug Control Fund	Federal Equitable Sharing Fund	NSP Grant Fund	Neighborhood Improvement Program Fund	Accommodation Tax Fund	Public Safety Grants Fund
\$ 76,753	\$ -	\$ -	\$ 45,107	\$ -	\$ 71,161
-	-	-	-	-	-
8,637	-	-	-	415,375	5,000
-	-	-	-	-	-
-	-	-	-	-	-
-	9,265	45,752	-	160,673	-
-	-	-	-	-	-
<u>\$ 85,390</u>	<u>\$ 9,265</u>	<u>\$ 45,752</u>	<u>\$ 45,107</u>	<u>\$ 576,048</u>	<u>\$ 76,161</u>
\$ 105	\$ -	\$ 3,623	\$ -	\$ 537,247	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>105</u>	<u>-</u>	<u>3,623</u>	<u>-</u>	<u>537,247</u>	<u>-</u>
-	-	-	-	-	-
-	-	42,129	45,107	-	-
85,285	9,265	-	-	-	76,161
-	-	-	-	-	-
-	-	-	-	38,801	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>85,285</u>	<u>9,265</u>	<u>42,129</u>	<u>45,107</u>	<u>38,801</u>	<u>76,161</u>
<u>\$ 85,390</u>	<u>\$ 9,265</u>	<u>\$ 45,752</u>	<u>\$ 45,107</u>	<u>\$ 576,048</u>	<u>\$ 76,161</u>

CITY OF FLORENCE, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

Special Revenue Funds						
ASSETS	NSP-3 Grant	Neighborhood Redevelopment	JAG Grant	Sunday Local Option Revenue	Fire Trust	State Provision
	Fund	Fund	Fund	Fund	Fund	Fund
Cash and cash equivalents	\$ 114,998	\$ 1,045,823	\$ -	\$ 907	\$ -	\$ 357,580
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	96,000	-	-
Accrued interest receivable	-	-	-	-	-	-
Inventory	-	353,738	-	-	-	-
Investments	-	1,788,438	-	123,043	-	-
Restricted cash and cash equivalents	-	-	-	-	26,301	-
Restricted investments	-	-	-	-	-	-
Total assets	\$ 114,998	\$ 3,187,999	\$ -	\$ 219,950	\$ 26,301	\$ 357,580
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 2,684	\$ 4,791	\$ -	\$ -	\$ 896	\$ -
Retainage payable	-	-	-	-	-	-
Unearned revenue	-	228,852	-	-	-	357,580
Due to other funds	-	-	-	-	-	-
Total liabilities	2,684	233,643	-	-	896	357,580
FUND BALANCES						
Nonspendable	-	353,738	-	-	-	-
Restricted						
Community development	112,314	-	-	-	-	-
Public safety	-	-	-	-	25,405	-
Capital projects	-	-	-	-	-	-
Tourism	-	-	-	219,950	-	-
Debt service	-	-	-	-	-	-
Committed	-	2,600,618	-	-	-	-
Total fund balances	112,314	2,954,356	-	219,950	25,405	-
Total liabilities, deferred inflows of resources and fund balances	\$ 114,998	\$ 3,187,999	\$ -	\$ 219,950	\$ 26,301	\$ 357,580

(Continued)

Special Revenue Funds

Veterans Park Development Fund	Florence Area Humane Society Fund	Palmetto Pride Grant Fund	Brownsfield Grant Fund	DRO Grant McQueen and Cedar Fund	American Rescue Plan Act Fund
\$ 52,231	\$ 455	\$ 21,131	\$ -	\$ -	\$ 107,251
-	-	-	-	-	-
-	-	-	44,789	268,560	-
-	-	-	-	-	2,858
50,777	-	-	-	-	4,592,760
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 103,008</u>	<u>\$ 455</u>	<u>\$ 21,131</u>	<u>\$ 44,789</u>	<u>\$ 268,560</u>	<u>\$ 4,702,869</u>
\$ -	\$ -	\$ -	\$ 44,789	\$ 163,383	\$ -
-	-	-	-	-	-
101,759	-	-	-	-	3,106,742
-	-	-	-	105,177	1,154,030
<u>101,759</u>	<u>-</u>	<u>-</u>	<u>44,789</u>	<u>268,560</u>	<u>4,260,772</u>
-	-	-	-	-	-
1,249	455	21,131	-	-	442,097
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,249</u>	<u>455</u>	<u>21,131</u>	<u>-</u>	<u>-</u>	<u>442,097</u>
<u>\$ 103,008</u>	<u>\$ 455</u>	<u>\$ 21,131</u>	<u>\$ 44,789</u>	<u>\$ 268,560</u>	<u>4,702,869</u>

CITY OF FLORENCE, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

ASSETS	Capital Projects Funds			Debt Service Funds		Total Nonmajor Governmental Funds
	Florence County Penny Tax Fund	2016 TIF Construction Projects Fund	Installment Purchase Revenue Bond Capital Projects Fund	TIF Revenue and Debt Service Fund	Debt Service Fund	
	Cash and cash equivalents	\$ -	\$ -	\$ 257	\$ 228,986	
Taxes receivable	-	-	-	-	9,765	9,765
Accounts receivable	2,599,535	-	-	20,256	-	3,533,491
Accrued interest receivable	-	1,049	-	-	-	3,907
Inventory	-	-	-	-	-	382,767
Investments	127,989	-	-	-	253,884	7,794,460
Restricted cash and cash equivalents	-	192,253	1,759,726	826,603	603,587	3,624,160
Restricted investments	-	1,148,588	1,949,624	-	-	3,098,212
Total assets	\$ 2,727,524	\$ 1,341,890	\$ 3,709,607	\$ 1,075,845	\$ 867,236	\$ 21,282,600
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 707,782	\$ -	\$ -	\$ -	\$ -	\$ 1,476,055
Retainage payable	64,570	-	-	-	-	64,570
Unearned revenue	-	-	-	-	-	3,794,933
Due to other funds	1,400,872	1,340,841	158,193	-	-	4,466,127
Total liabilities	2,173,224	1,340,841	158,193	-	-	9,801,685
FUND BALANCES						
Nonspendable	-	-	-	-	-	382,767
Restricted:						
Community development	-	-	-	-	-	758,763
Public safety	-	-	-	-	-	741,810
Capital projects	554,300	1,049	3,551,414	1,075,845	-	5,182,608
Tourism	-	-	-	-	-	258,751
Debt service	-	-	-	-	867,236	867,236
Committed	-	-	-	-	-	3,288,980
Total fund balances	554,300	1,049	3,551,414	1,075,845	867,236	11,480,915
Total liabilities, deferred inflows of resources and fund balances	\$ 2,727,524	\$ 1,341,890	\$ 3,709,607	\$ 1,075,845	\$ 867,236	\$ 21,282,600

CITY OF FLORENCE, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds					
	Housing Partnership Fund	HOME Program Fund	Community Development Block Grants Fund	Rollcart and Equipment Replacement Fund	E-911 Fund	Victim Services Fund
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	-	-	29,321
Intergovernmental	-	-	278,763	-	-	-
Charges for services	-	-	-	435,035	122,119	-
Investment earnings	22	35	-	9,978	20,242	2
Miscellaneous	-	171,186	22,890	-	-	-
Total revenues	22	171,221	301,653	445,013	142,361	29,323
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	158,031	-
Public works	-	-	-	81,835	-	-
Culture and recreation	-	-	-	-	-	-
Community development	-	189,453	187,915	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	90,000	-	-	-
Interest	-	-	1,178	-	-	-
Total expenditures	-	189,453	279,093	81,835	158,031	-
Excess (deficiency) of revenues over (under) expenditures	22	(18,232)	22,560	363,178	(15,670)	29,323
Other financing sources (uses)						
Transfers in	-	-	-	-	-	2,771
Transfers out	-	-	(25)	(440,000)	-	(32,094)
Total other financing sources (uses)	-	-	(25)	(440,000)	-	(29,323)
Net change in fund balances	22	(18,232)	22,535	(76,822)	(15,670)	-
Fund balances, beginning of year, as previously reported	22,395	441,669	-	793,963	561,364	-
Adjustment - change within reporting entity	-	-	-	-	-	-
Adjustment - correction of error	-	(373,858)	-	-	-	-
Fund balances, beginning of year, as adjusted	22,395	67,811	-	793,963	561,364	-
Fund balances, end of year	\$ 22,417	\$ 49,579	\$ 22,535	\$ 717,141	\$ 545,694	\$ -

(Continued)

Special Revenue Funds

Drug Control Fund	Federal Equitable Sharing Fund	NSP Grant Fund	Neighborhood Improvement Program Fund	Accommodation Tax Fund	Public Safety Grants Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	1,850	-	-	1,183,324	-
-	-	-	-	-	-
8,741	8	-	44	260	70
53,295	-	25,463	-	-	5,000
<u>62,036</u>	<u>1,858</u>	<u>25,463</u>	<u>44</u>	<u>1,183,584</u>	<u>5,070</u>
-	-	-	-	-	-
44,015	-	-	-	-	300
-	-	-	-	-	-
-	-	25,339	-	1,349,331	-
35,500	2,085	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>79,515</u>	<u>2,085</u>	<u>25,339</u>	<u>-</u>	<u>1,349,331</u>	<u>300</u>
<u>(17,479)</u>	<u>(227)</u>	<u>124</u>	<u>44</u>	<u>(165,747)</u>	<u>4,770</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(17,479)</u>	<u>(227)</u>	<u>124</u>	<u>44</u>	<u>(165,747)</u>	<u>4,770</u>
102,764	9,492	42,005	45,063	204,548	71,391
-	-	-	-	-	-
-	-	-	-	-	-
<u>102,764</u>	<u>9,492</u>	<u>42,005</u>	<u>45,063</u>	<u>204,548</u>	<u>71,391</u>
<u>\$ 85,285</u>	<u>\$ 9,265</u>	<u>\$ 42,129</u>	<u>\$ 45,107</u>	<u>\$ 38,801</u>	<u>\$ 76,161</u>

CITY OF FLORENCE, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds					
	NSP-3 Grant Fund	Neighborhood Redevelopment Fund	JAG Grant Fund	Sunday Local Option Revenue Fund	Fire Trust Fund	State Provision Fund
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	321,148	43,091	194,300	-	639,920
Charges for services	-	-	-	-	-	-
Investment earnings	-	73,386	-	4,435	59	-
Miscellaneous	49,229	116,275	583	-	159,709	-
Total revenues	49,229	510,809	43,674	198,735	159,768	639,920
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	43,694	-	159,849	242,420
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	13,054	-	-
Community development	33,106	146,446	-	-	-	-
Capital outlay	-	-	-	-	-	397,500
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	33,106	146,446	43,694	13,054	159,849	639,920
Excess (deficiency) of revenues over (under) expenditures	16,123	364,363	(20)	185,681	(81)	-
Other financing sources (uses)						
Transfers in	-	250,000	-	-	-	-
Transfers out	-	-	-	(65,000)	-	-
Total other financing sources (uses)	-	250,000	-	(65,000)	-	-
Net change in fund balances	16,123	614,363	(20)	120,681	(81)	-
Fund balances,						
beginning of year, as previously reported	96,191	2,339,993	20	99,269	25,486	-
Adjustment - change within reporting entity	-	-	-	-	-	-
Adjustment - correction of error	-	-	-	-	-	-
Fund balances,						
beginning of year, as adjusted	96,191	2,339,993	20	99,269	25,486	-
Fund balances, end of year	\$ 112,314	\$ 2,954,356	\$ -	\$ 219,950	\$ 25,405	\$ -

(Continued)

Special Revenue Funds

Veterans Park Development Fund	Florence Area Humane Society Fund	Palmetto Pride Grant Fund	Brownsfield Grant Fund	DRO Grant McQueen and Cedar Fund	American Rescue Plan Act Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	92,228	433,267	2,734,728
910	-	-	-	-	268,569
88,376	619	-	-	-	1,600
<u>89,286</u>	<u>619</u>	<u>-</u>	<u>92,228</u>	<u>433,267</u>	<u>3,004,897</u>
-	-	-	92,228	-	-
-	-	-	-	-	-
6,562	-	-	-	-	-
-	1,054	-	-	-	-
81,813	-	-	-	433,267	1,186,328
-	-	-	-	-	-
-	-	-	-	-	-
<u>88,375</u>	<u>1,054</u>	<u>-</u>	<u>92,228</u>	<u>433,267</u>	<u>1,186,328</u>
911	(435)	-	-	-	1,818,569
-	-	-	-	-	-
-	-	-	-	-	(1,550,000)
-	-	-	-	-	(1,550,000)
911	(435)	-	-	-	268,569
338	890	21,131	-	-	-
-	-	-	-	-	173,528
-	-	-	-	-	-
<u>338</u>	<u>890</u>	<u>21,131</u>	<u>-</u>	<u>-</u>	<u>173,528</u>
<u>\$ 1,249</u>	<u>\$ 455</u>	<u>\$ 21,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 442,097</u>

CITY OF FLORENCE, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Capital Projects Funds			Debt Service Funds		Total Nonmajor Governmental Funds
	Florence County Penny Tax	2016 TIF Construction Projects	Installment Purchase Revenue Bond Capital Projects Fund	TIF Revenue and Debt Service	Debt Service	
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 759,673	\$ 759,673
Licenses and permits	-	-	-	-	-	29,321
Intergovernmental	3,506,470	-	-	920,791	-	10,349,880
Charges for services	-	-	-	-	-	557,154
Investment earnings	2,894	47,425	108,248	40,715	4,456	590,499
Miscellaneous	-	-	-	-	-	694,225
Total revenues	3,509,364	47,425	108,248	961,506	764,129	12,980,752
Expenditures:						
Current:						
General government	-	-	-	6,701	-	98,929
Public safety	-	-	-	-	-	648,309
Public works	3,119,310	-	-	-	-	3,201,145
Culture and recreation	20	-	-	-	-	19,636
Community development	-	-	-	-	-	1,932,644
Capital outlay	451,730	4,759	-	-	-	2,592,982
Debt service:						
Principal retirement	-	-	-	385,000	596,000	1,071,000
Interest	-	-	-	1,349,734	97,386	1,448,298
Total expenditures	3,571,060	4,759	-	1,741,435	693,386	11,012,943
Excess (deficiency) of revenues over (under) expenditures	(61,696)	42,666	108,248	(779,929)	70,743	1,967,809
Other financing sources (uses)						
Transfers in	-	-	-	1,067,533	-	1,320,304
Transfers out	-	(1,340,841)	(7,209,187)	-	(168,703)	(10,805,850)
Total other financing sources (uses)	-	(1,340,841)	(7,209,187)	1,067,533	(168,703)	(9,485,546)
Net change in fund balances	(61,696)	(1,298,175)	(7,100,939)	287,604	(97,960)	(7,517,737)
Fund balances, beginning of year, as previously reported	615,996	1,299,224	-	788,241	965,196	8,546,629
Adjustment - change within reporting entity	-	-	10,652,353	-	-	10,825,881
Adjustment - correction of error	-	-	-	-	-	(373,858)
Fund balances, beginning of year, as adjusted	615,996	1,299,224	10,652,353	788,241	965,196	18,998,652
Fund balances, end of year	\$ 554,300	\$ 1,049	\$ 3,551,414	\$ 1,075,845	\$ 867,236	\$ 11,480,915

FIDUCIARY FUNDS

Custodial Funds

Court Escrow Fund – To account for criminal and traffic fines being held on open court cases.

Narcotics Holding Fund – To account for drug related funds seized inside the City on open court cases.

Eat Smart Move More Fund – To account for funding received to support projects that increase access to healthy foods and physical activity.

CITY OF FLORENCE, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2024

	<u>Court Escrow Fund</u>	<u>Narcotics Holding Fund</u>	<u>Eat Smart Move More Fund</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 144,760	\$ 222,115	\$ 6,829	\$ 373,704
Investments	-	359,624	-	359,624
Accounts receivable	23,969	-	-	23,969
 Total assets	 168,729	 581,739	 6,829	 757,297
LIABILITIES				
Accounts payable	461	8,637	-	9,098
 Total liabilities	 461	 8,637	 -	 9,098
FIDUCIARY NET POSITION				
Restricted for: individuals, organizations, and other governments	168,268	573,102	6,829	748,199
Total fiduciary net position	<u>\$ 168,268</u>	<u>\$ 573,102</u>	<u>\$ 6,829</u>	<u>\$ 748,199</u>

CITY OF FLORENCE, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Court Escrow Fund</u>	<u>Narcotics Holding Fund</u>	<u>Eat Smart Move More Fund</u>	<u>Totals</u>
ADDITIONS				
Program revenue - intergovernmental	\$ 153,023	\$ 114,573	\$ -	\$ 267,596
Interest revenue	-	-	7	7
Total additions	<u>153,023</u>	<u>114,573</u>	<u>7</u>	<u>267,603</u>
DEDUCTIONS				
Payment of escrow funds	-	50,038	-	50,038
Total deductions	<u>-</u>	<u>50,038</u>	<u>-</u>	<u>50,038</u>
Change in fiduciary net position	153,023	64,535	7	217,565
Fiduciary net position, beginning of year	<u>15,245</u>	<u>508,567</u>	<u>6,822</u>	<u>530,634</u>
Fiduciary net position, end of year	<u>\$ 168,268</u>	<u>\$ 573,102</u>	<u>\$ 6,829</u>	<u>\$ 748,199</u>

**CITY OF FLORENCE, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2024**

FOR THE STATE TREASURER'S OFFICE:

COUNTY/MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	N/A	N/A	\$ 777,954	\$ 777,954
Court fines and assessments remitted to State Treasurer	N/A	N/A	404,108	404,108
Total Court Fines and Assessments retained	<u>N/A</u>	<u>N/A</u>	\$ 373,846	\$ 373,846
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	N/A	N/A	\$ 4,241	\$ 4,241
Assessments retained	N/A	N/A	25,080	25,080
Total Surcharges and Assessments retained for victim services	N/A	N/A	\$ 29,321	\$ 29,321

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	\$ -	N/A	\$ -
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	-	N/A	-
Victim Service Assessments Retained by City/County Treasurer	25,080	N/A	25,080
Victim Service Surcharges Retained by City/County Treasurer	4,241	N/A	4,241
Interest Earned	2	N/A	2
Grant Funds Received			
Other:	-	N/A	-
General Funds Transferred to Victim Service Fund	-	N/A	-
Contribution Received from Victim Service Contracts:			
(1) Town of	-	N/A	-
(2) Town of	-	N/A	-
(3) City of	-	N/A	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 29,323	N/A	\$ 29,323

CITY OF FLORENCE, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2024

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ -	N/A	\$ -
Operating Expenditures	-	N/A	-
Victim Service Contract(s):			
(1) Entity's Name	-	N/A	-
(2) Entity's Name	-	N/A	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter: <u>Cumbee Center to Assist Abused Persons</u>	-	N/A	-
(2) Rape Crisis Center:	-	N/A	-
(3) Other local direct crime victims service agency: <u>Child Advocacy Center</u>	-	N/A	-
Transferred to General Fund	29,323	N/A	29,323
Total Expenditures from Victim Service Fund/Program (B)	29,323	N/A	29,323
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	N/A	-
Less: Prior Year Fund Deficit Repayment	-	N/A	-
Carryforward Funds – End of Year	\$ -	N/A	\$ -

STATISTICAL SECTION

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

	<u>Page</u>
<u>Contents</u>	
Financial Trends	122 - 129
<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>	
Revenue Capacity	130 - 133
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	134 - 138
<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>	
Demographic and Economic Information	139 - 143
<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>	
Operating Information	144 - 149
<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>	

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

CITY OF FLORENCE, SOUTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Invested in capital assets, net of related debt	\$ 23,841,085	\$ 29,033,102	\$ 38,005,596	\$ 45,883,732	\$ 51,255,140	\$ 53,146,832	\$ 55,591,432	\$ 59,062,787	\$ 63,716,212	\$ 53,705,393
Restricted	2,074,462	2,351,821	6,077,735	4,019,313	3,862,325	3,932,339	3,410,355	3,617,271	4,497,369	12,437,442
Unrestricted	(13,305,020)	(12,331,352)	(9,668,156)	(16,772,297)	(21,520,227)	(19,529,042)	(13,575,391)	(23,333,081)	(20,381,622)	(8,199,620)
Total governmental activities net position	\$ 12,610,527	\$ 19,053,571	\$ 34,415,175	\$ 33,130,748	\$ 33,597,238	\$ 37,550,129	\$ 45,426,396	\$ 39,346,977	\$ 47,831,959	\$ 57,943,215
Business-type activities										
Invested in capital assets, net of related debt	\$ 88,515,915	\$ 89,734,266	\$ 95,268,914	\$ 101,751,447	\$ 102,974,482	\$ 111,026,196	\$ 106,120,448	\$ 117,455,280	\$ 124,413,735	\$ 131,704,809
Restricted	10,180,548	9,760,388	9,055,832	7,988,039	7,841,160	3,889,776	4,599,746	4,429,017	4,531,645	7,124,505
Unrestricted	24,556,756	29,552,940	29,988,158	28,028,320	32,777,199	30,712,626	45,259,277	41,583,187	27,750,841	28,562,860
Total business-type activities net position	\$ 123,253,219	\$ 129,047,594	\$ 134,312,904	\$ 137,767,806	\$ 143,592,841	\$ 145,628,598	\$ 155,979,471	\$ 163,467,484	\$ 156,696,221	\$ 167,392,174
Primary government totals										
Invested in capital assets, net of related debt	\$ 112,357,000	\$ 118,767,368	\$ 133,274,510	\$ 147,635,179	\$ 154,229,622	\$ 164,173,028	\$ 161,711,880	\$ 176,518,067	\$ 188,129,947	\$ 185,410,202
Restricted	12,255,010	12,112,209	15,133,567	12,007,352	11,703,485	7,822,115	8,010,101	8,046,288	9,029,014	19,561,947
Unrestricted	11,251,736	17,221,588	20,320,002	11,256,023	11,256,972	11,183,584	31,683,886	18,250,106	7,369,219	20,363,240
Total primary government net position	\$ 135,863,746	\$ 148,101,165	\$ 168,728,079	\$ 170,898,554	\$ 177,190,079	\$ 183,178,727	\$ 201,405,867	\$ 202,814,461	\$ 204,528,180	\$ 225,335,389

CITY OF FLORENCE, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Expenses										
Governmental activities:										
General government	\$ 8,876,968	\$ 8,644,736	\$ 12,239,632	\$ 12,317,892	\$ 9,236,887	\$ 11,128,639	\$ 10,195,496	\$ 12,934,543	\$ 11,070,235	\$ 7,573,103
Public safety	14,941,776	14,544,967	14,958,057	15,066,903	14,208,407	15,338,078	17,323,051	17,557,569	19,129,166	19,686,672
Public works	6,875,207	6,646,686	6,829,919	7,500,862	6,037,673	7,797,621	7,864,732	8,070,452	12,499,915	12,348,694
Culture and recreation	4,967,947	4,954,024	4,547,612	5,088,425	4,280,394	3,546,944	3,707,902	3,669,105	6,015,554	6,451,024
Community development	777,787	937,622	1,550,188	2,387,177	16,067,752	3,491,822	7,960,433	11,698,721	2,395,379	2,324,845
Non-departmental	-	-	-	-	-	-	-	-	-	6,439,019
Interest on debt	1,005,236	1,030,379	1,528,433	2,149,479	2,088,378	2,279,529	2,285,807	2,759,494	2,810,825	2,134,983
Total governmental activities expenses	<u>37,444,921</u>	<u>36,758,414</u>	<u>41,653,841</u>	<u>44,510,738</u>	<u>51,919,491</u>	<u>43,582,633</u>	<u>49,337,421</u>	<u>56,689,884</u>	<u>53,921,074</u>	<u>56,958,340</u>
Business-type activities:										
Water and Sewer	30,064,373	24,495,818	27,691,355	27,566,748	29,139,836	36,718,131	32,077,774	37,325,457	49,934,531	38,842,222
Stormwater	1,265,095	1,037,530	1,173,863	1,293,521	1,518,702	1,132,289	1,061,422	994,108	1,420,999	1,374,041
Total business-type activities expenses	<u>31,329,468</u>	<u>25,533,348</u>	<u>28,865,218</u>	<u>28,860,269</u>	<u>30,658,538</u>	<u>37,850,420</u>	<u>33,139,196</u>	<u>38,319,565</u>	<u>51,355,530</u>	<u>40,216,263</u>
Total primary government expenses	<u>68,774,389</u>	<u>62,291,762</u>	<u>70,519,059</u>	<u>73,371,007</u>	<u>82,578,029</u>	<u>81,433,053</u>	<u>82,476,617</u>	<u>95,009,449</u>	<u>105,276,604</u>	<u>97,174,603</u>
Program Revenues										
Governmental activities:										
Charges for services	15,749,432	15,884,921	17,253,231	17,282,058	18,140,380	17,771,616	18,324,617	18,794,231	20,874,203	22,725,955
Operating grants and contributions	2,475,584	2,248,462	5,562,426	2,655,631	2,712,773	2,944,931	4,413,900	4,427,069	3,484,566	3,175,367
Capital grants and contributions	4,799,532	189,356	5,501,991	1,051,725	941,560	85,000	1,417,451	-	898,045	1,623,964
Total governmental activities program revenues	<u>23,024,548</u>	<u>18,322,739</u>	<u>28,317,648</u>	<u>20,989,414</u>	<u>21,794,713</u>	<u>20,801,547</u>	<u>24,155,968</u>	<u>23,221,300</u>	<u>25,256,814</u>	<u>27,525,286</u>
Business-type activities:										
Charges for services:										
Water and Sewer	32,457,737	33,366,766	35,122,557	34,780,190	36,365,890	37,338,471	41,286,453	41,019,457	41,626,202	43,727,329
Stormwater	1,280,487	1,303,982	1,314,920	1,307,616	1,322,619	1,351,507	1,500,912	1,613,654	1,633,062	1,637,489
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	366,838	-	-	1,190,748	191,335	3,347,746	3,338,645	-	2,810,558	5,832,000
Total business-type activities revenues	<u>34,105,062</u>	<u>34,670,748</u>	<u>36,437,477</u>	<u>37,278,554</u>	<u>37,879,844</u>	<u>42,037,724</u>	<u>46,126,010</u>	<u>42,633,111</u>	<u>46,069,822</u>	<u>51,196,818</u>
Total primary government revenues	<u>57,129,610</u>	<u>52,993,487</u>	<u>64,755,125</u>	<u>58,267,968</u>	<u>59,674,557</u>	<u>62,839,271</u>	<u>70,281,978</u>	<u>65,854,411</u>	<u>71,326,636</u>	<u>78,722,104</u>
Net (expense) revenue										
Governmental activities	(14,420,373)	(18,435,675)	(13,336,193)	(23,521,324)	(30,124,778)	(22,781,086)	(25,181,453)	(33,468,584)	(28,664,260)	(29,433,054)
Business-type activities	2,775,594	9,137,400	7,572,259	8,418,285	7,221,306	4,187,304	12,986,814	4,313,546	(5,285,708)	10,980,555
Total primary government net expense	<u>(11,644,779)</u>	<u>(9,298,275)</u>	<u>(5,763,934)</u>	<u>(15,103,039)</u>	<u>(22,903,472)</u>	<u>(18,593,782)</u>	<u>(12,194,639)</u>	<u>(29,155,038)</u>	<u>(33,949,968)</u>	<u>(18,452,499)</u>

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes and fees										
Property taxes	\$ 9,617,294	\$ 9,958,587	\$ 10,657,474	\$ 10,815,950	\$ 11,022,616	\$ 11,280,518	\$ 11,655,963	\$ 12,429,234	\$ 12,168,471	\$ 13,109,447
Hospitality Fees	3,677,328	3,863,554	4,036,958	4,101,928	4,342,184	4,205,349	4,722,870	5,351,385	5,888,694	6,120,314
Local option sales tax	-	-	-	-	-	-	-	-	-	4,646,267
Accommodations tax	-	-	-	-	-	-	-	-	-	1,270,604
Other taxes	-	-	-	-	-	-	-	-	-	4,427,261
Local government distributions, not restricted	2,293,423	5,595,294	9,555,205	9,468,380	9,152,620	4,659,987	4,982,456	8,233,104	9,195,921	1,362,091
Investment earnings (losses)	66,674	121,779	256,538	548,200	837,750	489,014	38,753	(48,560)	958,456	1,831,231
Gain (loss) on disposal of assets	-	-	-	-	-	146,290	114,941	(334,568)	2,587,341	82,028
Miscellaneous	793,547	745,861	593,622	1,972,958	1,366,098	2,064,819	5,247,068	9,552,570	38,199	1,523,069
Transfers	3,173,699	4,593,644	3,598,000	3,471,229	3,870,000	3,888,000	4,080,000	(1,515,086)	5,345,684	5,545,856
Total governmental activities	<u>19,621,965</u>	<u>24,878,719</u>	<u>28,697,797</u>	<u>30,378,645</u>	<u>30,591,268</u>	<u>26,733,977</u>	<u>30,842,051</u>	<u>33,668,079</u>	<u>36,182,766</u>	<u>39,918,168</u>
Business-type activities										
Local government distributions, not restricted	-	-	-	-	-	-	-	-	-	1,264,071
Investment earnings (losses)	77,721	176,141	303,963	525,693	930,193	812,767	78,725	(43,469)	1,311,767	2,784,919
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	315,218
Miscellaneous	1,091,191	1,074,478	987,088	842,447	1,543,536	923,686	1,365,334	898,601	1,815,742	897,046
Transfers	(3,173,699)	(4,593,644)	(3,598,000)	(3,471,229)	(3,870,000)	(3,888,000)	(4,080,000)	1,515,086	(5,345,684)	(5,545,856)
Total business-type activities	<u>(2,004,787)</u>	<u>(3,343,025)</u>	<u>(2,306,949)</u>	<u>(2,103,089)</u>	<u>(1,396,271)</u>	<u>(2,151,547)</u>	<u>(2,635,941)</u>	<u>2,370,218</u>	<u>(2,218,175)</u>	<u>(284,602)</u>
Total Primary government	<u>17,617,178</u>	<u>21,535,694</u>	<u>26,390,848</u>	<u>28,275,556</u>	<u>29,194,997</u>	<u>24,582,430</u>	<u>28,206,110</u>	<u>36,038,297</u>	<u>33,964,591</u>	<u>39,633,566</u>
Changes in Net Position										
Governmental activities	5,201,592	6,443,044	15,361,604	6,857,321	466,490	3,952,891	5,660,598	199,495	7,518,506	10,485,114
Business-type activities	770,807	5,794,375	5,265,310	6,315,196	5,825,035	2,035,757	10,350,873	6,683,764	(7,503,883)	10,695,953
Total primary government	<u>\$ 5,972,399</u>	<u>\$ 12,237,419</u>	<u>\$ 20,626,914</u>	<u>\$ 13,172,517</u>	<u>\$ 6,291,525</u>	<u>\$ 5,988,648</u>	<u>\$ 16,011,471</u>	<u>\$ 6,883,259</u>	<u>\$ 14,623</u>	<u>\$ 21,181,067</u>

**CITY OF FLORENCE, SOUTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX AND FEE REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

Fiscal Year	Property Tax	Business License/ Franchise Fees	Hospitality Fee	Fines and Forfeitures	Total
2015	\$ 9,617,294	\$ 11,528,597	\$ 3,677,328	\$ 540,934	\$ 25,364,153
2016	9,958,587	11,711,268	3,863,554	549,212	26,082,621
2017	10,657,474	13,202,859	4,036,958	465,109	28,362,400
2018	10,815,950	13,444,405	4,101,928	416,398	28,778,681
2019	11,022,616	14,194,184	4,342,184	327,772	29,886,756
2020	11,280,518	14,116,655	4,205,349	235,123	29,837,645
2021	11,665,963	14,631,924	4,722,870	292,396	31,313,153
2022	12,429,234	15,866,364	5,351,385	230,050	33,877,033
2023	12,168,471	16,771,965	5,888,694	262,372	35,091,502
2024	13,109,447	18,358,492	6,120,314	178,180	37,766,433

CITY OF FLORENCE, SOUTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund										
Nonspendable	\$ 220,390	\$ 186,194	\$ 155,067	\$ 2,145,914	\$ 6,325,288	\$ 7,791,240	\$ 8,900,823	\$ 180,785	\$ 185,127	\$ 1,165,687
Restricted	-	-	-	-	-	-	22,969,900	3,365,708	334,929	49,000
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	2,355,008	3,249,055	3,764,823	3,776,576	3,272,097	4,094,673	4,855,737	5,642,908	2,837,545	401,983
Unassigned	10,109,014	11,591,331	13,320,377	11,053,105	17,709,776	18,301,481	16,028,704	12,140,735	21,234,879	24,634,286
Total general fund	<u>\$ 12,684,412</u>	<u>\$ 15,026,580</u>	<u>\$ 17,240,267</u>	<u>\$ 16,975,595</u>	<u>\$ 27,307,161</u>	<u>\$ 30,187,394</u>	<u>\$ 52,755,164</u>	<u>\$ 21,330,136</u>	<u>\$ 24,592,480</u>	<u>\$ 26,250,956</u>
All other governmental funds										
Nonspendable	\$ 33,892	\$ 10,500	\$ 23,061	\$ 11,473	\$ 334,218	\$ 382,469	\$ 941,362	\$ 600,813	602,624	\$ 382,767
Restricted	15,347,557	14,621,783	28,880,415	40,327,171	22,670,970	18,436,319	16,242,292	23,718,755	21,695,556	15,677,422
Committed	522,669	411,240	174,408	9,816	375	128,732	1,476,180	1,931,919	743,175	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 15,904,118</u>	<u>\$ 15,043,523</u>	<u>\$ 29,077,884</u>	<u>\$ 40,348,460</u>	<u>\$ 23,005,563</u>	<u>\$ 18,947,520</u>	<u>\$ 18,659,834</u>	<u>\$ 26,251,487</u>	<u>\$ 23,041,355</u>	<u>\$ 16,060,189</u>

CITY OF FLORENCE, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues										
Property taxes	\$ 9,615,783	\$ 9,931,653	\$ 10,678,127	\$ 10,803,006	\$ 11,025,605	\$ 11,175,749	\$ 11,815,481	\$ 12,541,277	\$ 12,209,306	\$ 13,093,356
Licenses, permits and fees	16,034,673	19,426,009	22,932,167	22,878,390	22,362,083	19,233,504	20,368,053	23,970,906	22,698,680	24,508,127
Intergovernmental	4,975,460	5,056,720	8,075,493	5,643,675	7,051,649	7,283,691	7,698,404	8,641,962	12,745,182	16,505,554
Charges for services	2,487,241	2,522,868	2,626,414	3,160,164	3,287,619	3,070,150	2,893,598	3,295,387	4,073,642	4,159,962
Fines and forfeitures	540,934	549,212	465,109	416,398	327,772	235,123	292,396	230,050	262,372	178,180
Investment earnings (losses)	66,674	121,779	256,538	548,200	837,750	489,014	38,984	(48,560)	958,456	1,831,231
Miscellaneous	654,253	536,381	2,783,624	3,562,056	7,730,916	3,690,323	8,500,507	9,981,621	2,166,731	1,334,799
Total revenues	34,375,018	38,144,622	47,817,472	47,011,889	52,623,394	45,177,554	51,607,423	58,612,643	55,114,369	61,611,209
Expenditures										
Current										
General government	6,911,151	7,558,246	9,791,500	9,858,059	8,597,921	9,401,450	8,900,000	12,028,840	10,769,225	7,454,344
Public safety	14,240,947	13,820,581	14,060,888	13,906,863	14,583,043	14,674,771	15,138,931	16,142,660	18,093,868	18,964,498
Public works	5,995,862	5,802,639	6,067,821	6,142,350	6,486,423	7,003,092	6,865,394	7,371,799	10,196,500	11,151,479
Culture and recreation	4,282,804	4,273,709	3,961,033	4,511,694	4,430,894	3,280,478	3,238,970	3,341,267	4,572,738	4,259,740
Community development	777,787	937,622	1,550,188	2,300,015	16,088,454	3,455,168	7,151,058	11,132,874	2,396,301	2,324,845
Non-departmental	-	-	-	-	-	-	-	-	-	6,439,019
Debt Service										
Principal	1,677,644	1,855,632	16,891,310	4,059,191	5,267,602	10,595,239	1,742,999	3,487,354	3,821,487	3,852,288
Interest	1,002,763	1,012,960	1,597,432	2,209,172	2,069,257	2,279,529	2,285,807	2,759,494	2,810,825	2,639,280
Capital Outlay	4,649,677	15,655,333	16,935,888	12,081,550	13,558,083	7,773,173	12,896,713	22,380,175	8,169,460	15,412,796
Total expenditures	39,538,635	50,916,722	70,856,060	55,068,894	71,081,677	58,462,900	58,219,872	78,644,463	60,830,404	72,498,289
Deficiency of revenues under expenditures	(5,163,617)	(12,772,100)	(23,038,588)	(8,057,005)	(18,458,283)	(13,285,346)	(6,612,449)	(20,031,820)	(5,716,035)	(10,887,080)
Other financing sources (uses)										
Premium on bonds issued	-	-	-	-	-	-	1,897,235	-	-	-
Issuance of debt	-	6,750,000	35,570,000	15,334,554	7,100,000	7,365,000	45,822,000	-	-	-
Payments to refunding bond escrow agent	-	-	-	-	-	-	(23,310,388)	-	-	-
Insurance settlements	296,753	246,904	118,636	234,726	214,552	189,986	12,296	238,611	84,118	188,270
Transfers in	4,315,923	5,985,842	23,075,136	5,548,735	5,601,553	5,487,210	5,617,612	18,992,331	13,014,460	18,916,626
Transfers out	(1,142,224)	(1,392,198)	(19,477,136)	(2,077,506)	(1,731,553)	(1,599,210)	(1,537,612)	(20,507,417)	(7,668,776)	(13,370,770)
Subscription asset	-	-	-	-	-	-	-	-	300,246	204,122
Proceeds from sale of property	-	777,040	-	-	-	448,335	114,941	74,585	38,199	-
Proceeds of capital lease	478,801	1,886,085	-	32,400	252,400	216,215	267,104	2,875,000	-	-
Total other financing sources	3,949,253	14,253,673	39,286,636	19,072,909	11,436,952	12,107,536	28,883,188	1,673,110	5,768,247	5,938,248
Net change in governmental fund balance	\$ (1,214,364)	\$ 1,481,573	\$ 16,248,048	\$ 11,015,904	\$ (7,021,331)	\$ (1,177,810)	\$ 22,270,739	\$ (18,358,710)	\$ 52,212	\$ (4,948,832)
Debt service as a percentage of non-capital expenditures	7.7%	8.1%	34.3%	14.6%	12.8%	25.4%	8.9%	11.1%	12.6%	11.4%

CITY OF FLORENCE, SOUTH CAROLINA
CHANGES IN NET POSITION OF ENTERPRISE FUNDS
LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues										
Water and sewer service fees	\$ 31,728,876	\$ 32,571,063	\$ 34,288,028	\$ 33,782,797	\$ 35,410,622	\$ 36,286,804	\$ 40,026,598	\$ 39,750,584	40,496,498	\$ 42,511,041
Sewer surcharges	21,944	17,698	102	-	-	-	-	-	15,614	7,202
Cut on fees	190,132	151,209	159,534	167,278	216,056	146,174	225,834	170,550	205,265	182,155
Water and sewer tap fees	706,918	778,005	834,426	997,393	955,267	1,051,666	1,259,855	1,268,873	1,114,090	1,209,086
Service charges	246,082	243,994	249,883	234,730	253,514	220,505	248,433	285,224	254,151	200,090
Late fees	472,545	427,652	358,480	228,925	446,945	306,362	432,262	405,777	331,392	382,465
Stormwater fees	1,280,487	1,303,982	1,314,920	1,307,616	1,322,619	1,351,507	1,500,912	1,613,654	1,633,062	1,637,489
Investment earnings (losses)	77,721	176,141	303,963	525,693	930,193	812,767	78,725	(43,469)	1,311,767	2,784,919
Intergovernmental revenues	-	-	-	-	-	-	-	384,702	569,991	1,264,071
Miscellaneous	2,508,622	3,307,917	2,055,470	3,405,836	2,956,237	3,928,843	451,235	1,266,514	454,943	6,279,554
Total revenues	<u>37,233,327</u>	<u>38,977,661</u>	<u>39,564,806</u>	<u>40,650,268</u>	<u>42,491,453</u>	<u>44,104,628</u>	<u>44,223,854</u>	<u>45,102,409</u>	<u>46,386,773</u>	<u>56,458,072</u>
Expenditures										
Current										
Engineering	958,134	1,002,782	1,003,953	1,197,154	1,318,545	1,341,334	1,202,548	1,412,374	1,675,972	1,399,653
Utility finance	1,732,099	1,735,464	1,711,197	1,847,515	2,904,847	2,420,643	2,396,804	2,446,754	2,097,323	2,116,380
Wastewater treatment	3,841,748	4,051,886	4,520,864	4,392,813	4,506,251	4,874,320	4,853,527	5,159,959	6,578,636	7,829,663
Water production	3,431,693	2,863,744	3,120,877	3,430,311	3,394,281	3,298,390	3,648,554	3,919,460	4,921,055	5,284,867
Distribution operations	1,524,071	1,480,868	1,769,187	1,990,835	2,219,387	2,247,003	2,172,175	2,122,390	2,372,915	2,745,806
Collection operations	1,157,306	1,122,358	1,192,920	1,183,288	1,567,868	2,104,728	1,220,178	1,141,741	1,465,307	1,540,174
Stormwater	1,208,065	1,202,009	1,216,984	1,302,041	1,241,744	1,095,118	1,052,922	812,253	1,309,393	1,267,608
Non-departmental	19,435,705	15,130,531	16,165,514	15,519,886	15,643,495	20,799,335	13,246,273	19,888,628	38,815,739	18,032,112
Net Interdepartmental Transfer	<u>3,173,699</u>	<u>4,593,644</u>	<u>3,598,000</u>	<u>3,471,229</u>	<u>3,870,000</u>	<u>3,888,000</u>	<u>4,080,000</u>	<u>1,515,086</u>	<u>(5,345,684)</u>	<u>5,545,856</u>
Total expense	<u>36,462,520</u>	<u>33,183,286</u>	<u>34,299,496</u>	<u>34,335,072</u>	<u>36,666,418</u>	<u>42,068,871</u>	<u>33,872,981</u>	<u>38,418,645</u>	<u>53,890,656</u>	<u>45,762,119</u>
Net change in net position	<u>\$ 770,807</u>	<u>\$ 5,794,375</u>	<u>\$ 5,265,310</u>	<u>\$ 6,315,196</u>	<u>\$ 5,825,035</u>	<u>\$ 2,035,757</u>	<u>\$ 10,350,873</u>	<u>\$ 6,683,764</u>	<u>\$ (7,503,883)</u>	<u>\$ 10,695,953</u>

**CITY OF FLORENCE, SOUTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX AND FEE REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Business License/ Franchise Fees</u>	<u>Hospitality Fee</u>	<u>Fines and Forfeitures</u>	<u>Total</u>
2015	\$ 9,615,783	\$ 11,528,597	\$ 3,677,328	\$ 540,934	\$ 25,362,642
2016	9,931,653	11,711,268	3,863,554	549,212	26,055,687
2017	10,678,127	13,202,859	4,036,958	465,109	28,383,053
2018	10,803,006	13,444,405	4,101,928	416,398	28,765,737
2019	11,025,605	14,194,184	4,342,184	327,772	29,889,745
2020	11,175,749	14,116,655	4,205,349	235,123	29,732,876
2021	11,815,481	14,631,924	4,722,870	292,396	31,462,671
2022	12,541,277	15,866,364	5,351,385	230,050	33,989,076
2023	12,209,306	16,771,965	5,888,694	262,372	35,132,337
2024	13,093,356	18,358,492	6,120,314	178,180	37,750,342

**CITY OF FLORENCE, SOUTH CAROLINA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year	Tax Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
		Residential Property	Commercial Property	Motor Vehicles	Other					
2015	2014	\$ 55,965,147	\$ 72,424,916	\$ 17,531,340	\$ 18,490,006	\$ 4,881,047	\$ 159,530,362	56.5	\$ 3,062,438,917	5.21
2016	2015	58,302,456	73,973,466	18,682,293	19,513,566	4,740,033	165,731,748	56.5	3,173,815,982	5.22
2017	2016	59,216,059	75,218,067	18,500,010	18,659,525	4,750,814	166,842,847	60.2	3,206,808,386	5.20
2018	2017	60,517,843	76,675,665	17,804,980	18,027,813	4,900,954	168,125,347	60.9	3,245,683,279	5.18
2019	2018	61,339,923	78,468,995	17,553,902	19,079,875	5,130,815	171,311,880	60.9	3,303,296,869	5.19
2020	2019	62,792,921	77,028,934	18,928,192	17,338,196	5,368,773	170,719,470	61.8	3,316,691,790	5.15
2021	2020	64,022,016	82,425,588	19,077,772	18,396,620	5,404,271	178,517,725	63.1	3,451,217,526	5.17
2022	2021	66,646,905	83,106,068	20,467,620	17,752,069	5,581,628	182,391,034	63.1	3,543,860,394	5.15
2023	2022	68,458,418	85,801,721	21,787,990	17,640,671	5,546,753	188,142,047	63.1	3,497,569,382	5.38
2024	2023	71,167,632	78,914,366	23,048,082	17,302,836	5,549,178	184,928,475	68.1	3,621,514,371	5.11

Source: Florence County

**CITY OF FLORENCE, SOUTH CAROLINA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Year	Overlapping Rates ⁽¹⁾										
		City of Florence			Florence County			School District One			Technical College Millage	Total Direct and Overlapping Rates
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
2015	2014	53.7	2.8	56.5	73.0	8.5	81.5	192.7	29.4	222.1	4.9	365.0
2016	2015	53.7	2.8	56.5	74.6	9.6	84.2	197.3	30.4	227.7	4.9	373.3
2017	2016	57.4	2.8	60.2	74.6	12.7	87.3	197.5	31.5	229.0	4.9	381.4
2018	2017	58.1	2.8	60.9	75.6	12.7	88.3	197.5	32.0	229.5	4.9	383.6
2019	2018	58.1	2.8	60.9	77.3	12.7	90.0	201.7	31.5	233.2	0.0	384.1
2020	2019	59.1	2.7	61.8	78.2	12.5	90.7	206.6	31.2	237.8	9.7	400.0
2021	2020	59.1	4.0	63.1	79.6	14.9	94.5	206.6	32.0	238.6	4.9	401.1
2022	2021	59.1	4.0	63.1	80.6	14.9	95.5	206.6	59.2	265.8	4.9	429.3
2023	2022	59.1	4.0	63.1	84.4	13.6	98.0	206.6	47.2	253.8	4.9	419.8
2024	2023	64.1	4.0	68.1	83.5	9.2	92.7	210.7	45.0	255.7	4.6	421.1

Source: Florence County Auditor's Office

(1) Overlapping rates are those of Florence County, School District One, and Florence-Darlington Technical College that apply to property owners within the City of Florence.

**CITY OF FLORENCE, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO**

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽²⁾
Duke Energy Progress	\$ 18,202,980	1	9.11%	\$ 3,312,680	2	2.01%
McLeod Regional Medical Center	3,862,510	2	1.93	2,613,350	4	1.59
Dominion Energy South Carolina	3,578,580	3	1.79			
Q Owner SVA001 LLC	3,165,420	4	1.58			
PR Magnolia LLC	3,074,330	5	1.54	3,251,990	3	1.98
CSX Transportation	2,971,290	6	1.49	1,394,346	9	0.85
FCWC JIPC NanYa	2,841,213	7	1.42			
Spectrum Southeast LLC	2,520,610	8	1.26			
Florence (Florence Mall) LLC	1,583,160	9	0.79	1,797,550	5	1.09
Santee Electric Cooperative	1,442,100	10	0.72			
Carolinas Hospital System				8,711,980	1	5.30
BellSouth Telecommunications				1,832,250	6	1.11
Raldex Inc				1,665,740	8	1.01
Wal-Mart				1,803,570	7	1.10
				1,375,220	10	0.84

Source: Florence County

(1) Total Assessed Value for 2024 was \$199,838,479

(2) Total Assessed Value for 2014 was \$164,411,409

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

Fiscal Year	Tax Year	Original Tax Levy	Collections within the Fiscal Year of the Levy		Collections of Prior Tax Year's Levy in Subsequent Fiscal Years	Total Collections to Date	
			Amount	Percentage of Levy		Collected	Percentage of Original Levy
2014	2013	\$ 9,077,725	\$ 8,950,117	98.59	\$ 123,687	\$ 9,073,804	99.96
2015	2014	9,289,810	9,077,292	97.71	209,040	9,286,332	99.96
2016	2015	9,631,656	9,385,169	97.44	242,492	9,627,661	99.96
2017	2016	10,329,938	9,998,304	96.79	327,506	10,325,810	99.96
2018	2017	10,537,302	10,109,320	95.94	423,353	10,532,673	99.96
2019	2018	10,743,520	10,299,117	95.86	442,479	10,741,596	99.98
2020	2019	10,882,253	10,460,787	96.13	378,617	10,839,404	99.61
2021	2020	11,605,478	11,108,157	95.71	439,176	11,547,333	99.50
2022	2021	11,861,075	11,650,565	98.23	109,771	11,760,336	99.15
2023	2022	11,643,303	11,340,398	97.40	177,139	11,517,537	98.92
2024	2023	12,083,645	11,496,611	95.14	205,436	11,702,047	96.84

Source: Florence County

**CITY OF FLORENCE, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-type Activities			Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	General Obligation Bonds	Revenue Bonds	Notes Payable	Financed Lease Liability	Subscription Payable	Revenue Bonds	Notes Payable	Financed Lease Liability			
2015	\$ 4,258,515	\$ 23,014,000	\$ 610,000	\$ 6,568,705	\$ -	\$ 101,713,084	\$ 40,347,292	\$ -	\$ 176,511,596	2.35	\$ 4,658
2016	10,702,785	22,278,000	545,000	7,705,888	-	100,841,803	35,559,195	-	177,632,671	2.32	4,702
2017	8,382,433	44,142,000	480,000	6,905,930	-	98,033,635	33,785,520	-	191,729,518	2.40	5,075
2018	6,046,942	58,333,000	415,000	6,081,902	-	94,944,511	39,694,619	-	205,515,974	2.48	5,386
2019	10,795,778	56,682,000	350,000	5,475,146	-	91,671,772	36,923,800	-	201,898,496	2.32	5,188
2020	9,943,388	54,967,000	285,000	5,093,512	-	112,911,645	19,317,822	-	202,518,367	2.20	5,076
2021	8,487,000	79,623,483	220,000	4,759,539	-	106,955,213	18,208,157	-	218,253,392	2.35	5,418
2022	7,906,000	77,229,380	155,000	5,157,293	-	107,971,351	17,155,629	1,880,836	217,455,489	2.17	5,374
2023	7,317,000	74,678,277	90,000	4,613,201	227,954	101,831,048	16,086,393	1,728,310	206,572,183	2.05	5,155
2024	6,721,000	71,656,945	-	4,059,859	160,008	127,350,085	15,000,165	1,572,339	226,520,401	*	5,555

(1) See Table 17 Demographic and Economic Statistics for population data.

* Personal Income Tax Data is not currently available

**CITY OF FLORENCE, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Population⁽¹⁾	Assessed Value	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Per Capita
2015	37,894	\$ 164,411,409 ⁽²⁾	\$4,258,515	\$ 545,841	\$ 3,712,674	2.26	\$ 98
2016	37,780	170,471,781	10,702,785	579,706	10,123,079	5.94	268
2017	37,778	171,593,661	8,382,433	603,908	7,778,525	4.53	206
2018	38,155	173,026,301	6,046,942	744,853	5,302,089	3.06	139
2019	38,918	176,442,695	10,795,778	783,344	10,012,434	5.67	257
2020	39,899	176,088,243 ⁽²⁾	9,943,388	766,297	9,177,091	5.21	230
2021	40,297	183,921,996	8,487,000	959,767	7,527,233	4.09	187
2022	40,467	187,972,662	7,906,000	915,062	6,990,938	3.72	173
2023	40,072	193,688,800	7,317,000	955,774	6,361,226	3.28	159
2024	40,779	199,888,479	6,721,000	857,471	5,863,529	2.93	144

(1) 2020 is the U.S. Census population, all other estimates by the South Carolina Revenue and Fiscal Affairs Office or City of Florence Finance Department.

(2) Reassessment

**CITY OF FLORENCE, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2024**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the City⁽¹⁾</u>	<u>Amount Applicable to the City</u>
Direct:			
City of Florence	\$ 226,520,401	100.00%	\$ 226,520,401
Overlapping:⁽²⁾			
Florence County	103,560,000	36.54%	37,845,680
Florence School District 1	44,185,000	45.22%	19,980,091
Total Overlapping Debt	<u>147,745,000</u>		<u>57,825,771</u>
Total Direct and Overlapping Debt	<u>\$ 374,265,401</u>		<u>\$ 284,346,172</u>

(1) The percentage of overlapping debt applicable is estimated by using assessed property values. Applicable percentages were estimated by dividing the City's assessed value by the assessed value of the appropriate overlapping jurisdiction (Florence County or Florence School District 1).

(2) Source: Florence County Finance Department
Florence County Treasurer's Office

**CITY OF FLORENCE, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt Limit	\$ 13,153,714	\$ 13,637,742	\$ 13,727,493	\$ 13,842,104	\$ 14,115,416	\$ 14,087,059	\$ 14,713,760	\$ 15,037,813	\$ 15,495,104	\$ 15,991,078
Total net debt applicable to limit	<u>3,712,674</u>	<u>10,123,079</u>	<u>7,778,525</u>	<u>5,302,089</u>	<u>10,012,434</u>	<u>9,177,091</u>	<u>7,527,233</u>	<u>6,990,938</u>	<u>6,361,226</u>	<u>5,863,529</u>
Legal Debt Margin	<u>\$ 9,441,040</u>	<u>\$ 3,514,663</u>	<u>\$ 5,948,968</u>	<u>\$ 8,540,015</u>	<u>\$ 4,102,982</u>	<u>\$ 4,909,968</u>	<u>\$ 7,186,527</u>	<u>\$ 8,046,875</u>	<u>\$ 9,133,878</u>	<u>\$ 10,127,549</u>
Total net debt applicable to the limit as a percentage of debt limit	28.23%	74.23%	56.66%	38.30%	70.93%	65.15%	51.16%	46.49%	41.05%	36.67%

Legal Debt Margin Calculation for Fiscal Year 2024

Taxable Assessed Value - 2024	\$ 199,888,479
Add back: exempt real property	-
Total Assessed Value	<u>\$ 199,888,479</u>
Debt Limit (8% of Total Assessed Value Without Referendum)	\$ 15,991,078
Debt applicable to limit:	
Total Bonded Debt	\$ 6,721,000
Less Amounts Available in Debt Service Fund	(857,471)
Less Deductions Allowed by Law	-
Total Net Debt Applicable to Limit	<u>5,863,529</u>
Legal Debt Margin	<u>\$ 10,127,549</u>

**CITY OF FLORENCE, SOUTH CAROLINA
REVENUE BOND COVERAGE - COMBINED WATER AND SEWER UTILITES SYSTEM BONDS
LAST TEN FISCAL YEARS**

<u>Fiscal Year⁽¹⁾</u>	<u>Gross Revenue⁽²⁾</u>	<u>Less: Operating Expenses⁽³⁾</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage⁽⁴⁾</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2015	\$ 34,957,530	\$ 14,353,564	\$ 20,603,966	\$ 4,800,775	\$ 5,819,375	\$ 10,620,150	1.94
2016	35,931,291	14,153,794	21,777,497	5,124,838	5,729,248	10,854,086	2.01
2017	37,740,275	15,387,905	22,352,370	4,139,531	5,620,848	9,760,379	2.29
2018	37,472,909	16,427,897	21,045,012	4,383,802	5,358,549	9,742,351	2.16
2019	40,164,456	18,045,007	22,119,449	4,673,239	5,295,940	9,969,179	2.22
2020	39,842,147	19,535,689	20,306,458	3,423,417	5,381,508	8,804,925	2.31
2021	42,603,619	18,486,474	24,117,145	5,819,241	3,002,796	8,822,037	2.73
2022	41,766,830	18,299,052	23,467,778	5,916,787	3,431,575	9,348,362	2.51
2023	43,797,248	22,144,730	21,652,518	6,063,057	3,074,797	9,137,854	2.37
2024	47,015,000	23,645,254	23,369,746	6,250,697	4,154,821	10,405,518	2.25

(1) In the fiscal years 2012 through 2015 ACFRs, Economic Development expenses are accounted for in Operating Expenses. Economic Development expenses should have been reported in these ACFRs as Non-Operating Expenses. Operating Expenses for fiscal years 2012 through 2015 have been adjusted in this table to reflect Economic Development incentives classified as Non-Operating Expenses. Expenses for Economic Development come from surplus funds of the System to foster growth in the Florence area.

(2) Total Operating Revenues exclusive of grants and sale of assets.

(3) Total operating expenses exclusive of depreciation and amortization.

(4) Does not include debt service requirements for bonds secured by a junior lien on System Revenues. Total debt service on such junior lien bonds in Fiscal Year 2023-24 was \$1,889,118.

**CITY OF FLORENCE, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population⁽¹⁾	Personal Income (in millions)⁽²⁾	Per Capita Personal Income⁽²⁾	Public School Enrollment⁽³⁾	Unemployment Rate⁽⁴⁾
2015	37,894	\$ 7,526	\$ 36,471	16,694	7.5
2016	37,780	7,654	37,158	15,846	5.4
2017	37,778	8,005	38,892	16,304	4.5
2018	38,155	8,286	40,413	16,500	3.1
2019	38,918	8,696	42,439	15,906	3.6
2020	39,899	9,221	45,178	15,583	8.8
2021	40,290	9,292	46,546	15,341	4.3
2022	40,467	10,040	50,386	16,064	3.1
2023	40,072	10,060	53,326	15,960	3.6
2024	40,779	*	*	15,931	4.1

* Information not yet available

(1) 2020 is the U.S. Census population, all other years are estimates or City of Florence Finance Department.

(2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year.

(3) Florence School District One figures are for prior year.

(4) South Carolina Department of Employment and Workforce. Unemployment rate is for Florence County.

**CITY OF FLORENCE, SOUTH CAROLINA
PRINCIPAL EMPLOYERS IN THE CITY OF FLORENCE
CURRENT AND NINE YEARS AGO**

<u>Employer</u>	<u>2024</u>			<u>2015</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment⁽¹⁾</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment⁽²⁾</u>
McLeod Regional Medical Center	6,000	1	8.8%	6,500	1	10.8%
Florence School District One	2,300	2	3.4	2,281	2	3.8
Administrators/TRICARE (BCBS)	1,200	3	1.8	1,010	5	1.7
The Assurant Group	1,100	6	1.6	1,178	4	2.0
MUSC Health	1,100	5	1.6			
Olsteen Staffing Service	1,010	4	1.5			
Florence County	800	7	1.2	808	6	1.3
Hope Health	784	8	1.2			
Nightingales Nursing Care	615	9	0.9	600	8	1.0
City of Florence	539	10	0.8	541	9	0.9
Walmart				630	7	1.0
Florence Co. Disabilities & Spec. Needs				279	10	0.5
Carolinas Hospital System				1,330	3	2.2
Totals			22.7%			25.1%

(1) Total employment for June 2024: 67,907

(2) Total County employment for June 2014: 60,279

**CITY OF FLORENCE, SOUTH CAROLINA
PRINCIPAL WATER USERS IN SERVICE AREA
CURRENT AND NINE YEARS AGO**

Customer	Type of Business	2024			2015		
		Rank	Billed Revenues	Percentage of Total Billed Revenues	Rank	Billed Revenues	Percentage of Total Billed Revenues
Niagara	Manufacturing	1	\$ 766,991	3.90%			
McLeod Regional Medical Center	Medical Services	2	369,488	1.88%	1	\$ 356,267	2.15%
Francis Marion University	University	3	250,031	1.27%	2	254,210	1.54%
Florence County	County Government	4	205,097	1.04%			
Florence School District 1	Public School	5	197,157	1.00%			
Ruiz	Manufacturing	6	195,409	0.99%			
Patheon	Manufacturing	7	187,019	0.95%			
Buc-ee's	Retail	8	156,492	0.80%			
International Food House	Manufacturing	9	107,930	0.55%			
Florence County Housing Authority	Housing	10	93,833	0.48%			
Johnson Controls	Manufacturing				3	168,753	1.02%
Koppers	Manufacturing				4	153,487	0.93%
Roche Carolina	Manufacturing				6	122,837	0.74%
Carolinas Hospital System	Medical Services				10	84,634	0.51%
Forest Lake Apartments	Apartments				8	110,690	0.67%
Darlington County	Government				5	141,702	0.86%
Unifirst	Industrial				9	90,561	0.55%
ESAB	Manufacturing				7	115,472	0.70%
TOTALS			<u>\$ 2,529,448</u>	<u>12.87%</u>		<u>\$ 1,598,613</u>	<u>7.70%</u>
2024 Total Billed Revenue:	\$	19,646,531					
2015 Total Billed Revenue:	\$	16,532,673					

**CITY OF FLORENCE, SOUTH CAROLINA
PRINCIPAL SEWER USERS IN SERVICE AREA
CURRENT AND NINE YEARS AGO**

Customer	Type of Business	2024			2015		
		Rank	Billed Revenues	Percentage of Total Billed Revenues	Rank	Billed Revenues	Percentage of Total Billed Revenues
Francis Marion University	University	1	\$ 396,724	1.74%	2	\$ 254,210	1.54%
Niagara	Manufacturing	2	367,538	1.61%	1	356,267	2.15%
McLeod Regional Hospital	Medical Services	3	344,507	1.51%			
Northeast Landfill	Landfill	4	336,323	1.47%			
Ruiz	Manufacturing	5	313,066	1.37%			
Florence School District 1	Public School	6	276,704	1.21%			
Thermo Fisher Scientific/Patheon	Manufacturing	7	257,472	1.13%			
Darlington County Water & Sewer	Government	8	244,529	1.07%	5	141,702	0.86%
Koppers	Manufacturing	9	212,107	0.93%	4	153,487	0.93%
Florence County	Government	10	186,529	0.82%			
Unifirst	Industrial				9	90,561	0.55%
International Food House	Manufacturing						
ESAB	Manufacturing				7	115,472	0.70%
Johnson Controls	Manufacturing				3	168,753	1.02%
Sedgefield Apartments	Apartments						
Roche Carolina	Manufacturing				6	122,837	0.74%
Forest Lake Apartments	Apartments				8	110,690	0.67%
Carolinas Hospital System	Medical Services				10	84,634	0.51%
TOTALS			<u>\$2,935,497</u>	<u>12.84%</u>		<u>\$ 1,598,613</u>	<u>9.67%</u>

2024 Total Billed Revenues: \$ 22,864,510

2015 Total Billed Revenues: \$ 16,532,673

**CITY OF FLORENCE, SOUTH CAROLINA
NUMBER OF UTILITY ACTIVE CUSTOMER - BY SERVICE AND CATEGORY
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018⁽²⁾</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Water Customers:										
Residential	28,920	29,088	29,064	28,321	28,833	29,405	29,916	30,327	30,588	30,584
Commercial	3,136	3,149	3,289	3,540	3,567	3,616	3,644	3,666	3,672	3,657
Industrial	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>4</u>	<u>4</u>
Total	<u>32,058</u>	<u>32,239</u>	<u>32,355</u>	<u>31,863</u>	<u>32,400</u>	<u>33,021</u>	<u>33,560</u>	<u>33,997</u>	<u>34,264</u>	<u>34,245</u>
Sewer Customers:										
Residential	18,808	18,991	18,976	18,368	18,877	19,351	19,764	20,071	20,326	20,366
Commercial	2,348	2,360	2,466	2,390	2,399	2,440	2,462	2,475	2,481	2,457
Industrial	<u>4</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>5</u>	<u>5</u>	<u>4</u>
Total	<u>21,160</u>	<u>21,353</u>	<u>21,444</u>	<u>20,760</u>	<u>21,277</u>	<u>21,792</u>	<u>22,227</u>	<u>22,551</u>	<u>22,812</u>	<u>22,827</u>

(2) In FY 2017-18 the City converted its utility billing and collection software system from a legacy program to the Tyler Technologies' Munis system. As part of the conversion process, the City conducted data cleanup to remove duplicate accounts and properties that no longer had a service connection. Additionally, in the legacy system, inactive customer accounts with a remaining balance due were included in the number of customers, but are now more accurately excluded from the number of customers in the Munis System. These conversion-related corrections have resulted in a small decrease from the prior year in the number of water and sewer active customers reported.

**CITY OF FLORENCE, SOUTH CAROLINA
WATER RATES
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Minimum Rates ⁽¹⁾										
Inside City Rates										
3/4"	\$ 13.00	\$ 13.25	\$ 13.50	\$ 13.75	\$ 14.00	\$ 14.25	\$ 14.40	\$ 14.55	\$ 14.70	\$ 16.49
1"	37.70	28.25	28.80	29.35	29.90	30.45	30.75	31.05	31.35	35.20
1 1/4"	39.95	40.75	41.55	42.35	43.15	43.95	44.38	44.80	45.23	50.78
1 1/2"	52.20	53.25	54.30	55.35	56.40	57.45	58.00	58.55	59.10	66.37
2"	81.60	83.25	84.90	86.55	88.20	89.85	90.70	91.55	92.40	103.78
3"	159.90	163.25	166.50	169.75	169.80	176.25	177.90	179.55	181.20	203.54
4"	248.20	253.25	258.30	263.35	268.40	273.45	276.00	278.55	281.10	315.77
6"	493.20	503.25	513.30	523.35	533.40	543.45	548.50	553.55	558.60	627.52
8"	787.20	803.25	819.30	835.35	851.40	867.45	875.50	883.55	891.60	1,001.62
Volume Rate (per 1,000 gallons)	1.91	1.95	1.99	2.03	2.07	2.11	2.13	2.14	2.16	2.44
Minimum Rates ⁽¹⁾										
Outside City Rates										
3/4"	18.88	19.25	19.62	19.99	20.36	20.73	20.94	21.15	21.36	24.73
1"	42.40	43.25	44.10	64.94	45.80	46.65	47.10	47.55	48.00	55.80
1 1/4"	62.00	63.25	64.50	86.55	67.00	68.25	68.91	69.55	70.21	81.68
1 1/2"	81.60	83.25	84.90	136.47	88.20	89.85	90.70	91.55	92.40	107.57
2"	128.64	131.25	133.86	136.47	139.08	141.69	143.02	144.35	145.68	169.70
3"	254.08	259.25	264.42	269.59	276.76	279.93	282.54	285.15	287.76	335.38
4"	395.20	403.25	411.30	419.35	427.40	435.45	439.50	443.55	447.60	521.77
6"	787.20	803.25	819.30	835.35	851.40	867.45	875.50	883.55	891.60	1,039.52
8"	1,257.60	1,283.25	1,308.90	1,334.55	1,360.20	1,385.85	1,398.70	1,411.55	1,424.40	1,660.82
Volume Rate (per 1,000 gallons)	3.06	3.12	3.18	3.25	3.31	3.34	3.37	3.40	3.43	4.05

(1) Minimum rate is based on meter size and includes the customer charge (per account)

**CITY OF FLORENCE, SOUTH CAROLINA
SEWER RATES
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Minimum Rates ⁽¹⁾										
Inside City Rates										
3/4"	\$ 23.15	\$ 23.85	\$ 24.55	\$ 25.30	\$ 26.05	\$ 56.80	\$ 27.05	\$ 27.30	\$ 27.55	\$ 30.94
1"	52.63	54.23	55.83	57.55	59.28	61.00	61.55	62.10	62.65	70.39
1 1/4"	77.19	79.54	81.89	141.98	86.96	89.50	90.30	91.10	91.90	103.27
1 1/2"	101.75	104.85	107.95	111.30	114.65	118.00	119.05	120.10	121.15	136.14
2"	167.70	165.60	170.50	175.80	181.10	186.40	188.05	189.70	191.35	215.04
3"	317.90	327.60	337.30	347.80	358.30	368.80	372.05	375.30	378.55	425.44
4"	494.75	509.85	524.95	541.30	557.65	574.00	579.05	584.10	589.15	662.14
6"	986.00	1,016.10	1,046.20	1,078.80	1,111.40	1,144.00	1,154.05	1,164.10	1,174.15	1,319.64
8"	1,575.50	1,623.60	1,671.70	1,723.80	1,775.90	1,828.00	1,844.05	1,860.10	1,876.15	2,108.64
Volume Rate (per 1,000 gallons)	2.79	2.87	2.96	3.05	3.14	3.23	3.26	3.29	3.31	3.73
Minimum Rates ⁽¹⁾										
Outside City Rates										
3/4"	34.94	36.00	37.06	38.20	39.34	40.48	40.84	41.22	41.59	48.32
1"	82.11	84.61	87.11	89.80	92.51	95.20	96.05	96.90	97.75	113.84
1 1/4"	121.40	125.10	128.80	132.81	136.80	140.80	142.05	143.30	144.55	168.44
1 1/2"	160.70	165.60	170.50	175.80	181.10	186.40	188.05	189.70	191.35	223.04
2"	255.02	262.60	270.58	279.00	287.42	295.84	298.45	301.06	303.67	354.08
3"	506.54	522.00	537.46	554.20	570.94	587.68	592.85	598.02	603.19	703.52
4"	789.50	813.60	837.70	863.80	889.90	916.00	924.05	932.10	940.15	1,096.64
6"	1,575.50	1,623.60	1,671.70	1,723.80	1,775.90	1,828.00	1,844.05	1,860.10	1,876.15	2,188.64
8"	2,518.70	2,595.60	2,672.50	2,755.80	2,839.10	2,922.40	2,948.05	2,973.70	2,999.35	3,499.04
Volume Rate (per 1,000 gallons)	4.34	4.46	4.59	4.88	5.02	5.17	5.22	5.26	5.28	6.19

(1) Minimum rate is based on meter size and includes the customer charge (per account)

**CITY OF FLORENCE, SOUTH CAROLINA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government Admin.	11	11	11	12	13	12	14	14	16	17
Finance Department	9	9	9	9	9	9	9	9	9	14
Personnel Department	6	6	6	6	6	6	6	5	5	6
Community Services Department	5	5	5	6	6	6	6	6	8	8
Public Safety										
Police	150	149	149	137	137	137	132	132	126	124
Fire	85	85	85	86	85	85	91	97	98	98
Total Public Safety	<u>235</u>	<u>234</u>	<u>234</u>	<u>223</u>	<u>222</u>	<u>222</u>	<u>223</u>	<u>229</u>	<u>224</u>	<u>222</u>
Public Works Department										
Streets and Beautification	50	50	50	51	53	52	51	51	51	51
Sanitation	27	27	27	26	26	28	28	32	34	36
Equipment Maintenance	7	7	7	7	7	7	7	8	8	8
Total Public Works	<u>84</u>	<u>84</u>	<u>84</u>	<u>84</u>	<u>86</u>	<u>87</u>	<u>86</u>	<u>91</u>	<u>93</u>	<u>95</u>
Parks and Recreation	26	27	27	32	30	32	33	33	39	38
Urban Planning and Development	4	4	4	5	4	5	5	5	5	4
Buildings Inspections and Permits ⁽²⁾	0	0	0	5	5	5	5	5	5	5
Water and Sewer	120	121	127	128	132	139	139	148	150	155
Stormwater	8	8	8	8	8	8	8	8	8	8
Total Employees	<u><u>508</u></u>	<u><u>509</u></u>	<u><u>515</u></u>	<u><u>518</u></u>	<u><u>521</u></u>	<u><u>531</u></u>	<u><u>534</u></u>	<u><u>553</u></u>	<u><u>562</u></u>	<u><u>572</u></u>

Source: City of Florence Budget

(1) Full-Time Equivalents are budgeted positions whether filled or vacant.

(2) Building Inspections & Permitting Department was created in February 2017

**CITY OF FLORENCE, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Physical arrests	3,009	4,448	3,566	3,847	2,190	2,995	2,055	2,466	3,529	3,564
Traffic violations	9,758	7,454	9,578	9,181	6,497	5,004	5,276	4,846	3,044	5,256
Parking violations	148	355	292	218	124	108	384	299	737	583
Fire										
Calls answered	2,923	3,131	3,215	3,279	4,346	4,660	4,261	4,751	4,546	4,051
Inspections	1,341	1,595	1,281	1,462	2,845	3,916	2,730	3,708	4,030	4,498
Water System										
Service connections ⁽¹⁾	32,179	32,239	32,355	31,861	32,319	33,021	38,178	39,327	39,327	34,245
Average daily production (in millions of gallons)	13.62	12.50	13.20	12.82	13.67	14.09	14.49	15.35	15.35	15.35
Maximum daily capacity (in millions of gallons)	26.46	26.46	26.50	26.50	26.50	26.50	26.50	26.50	26.50	26.50
Wastewater System										
Service connections ⁽¹⁾	21,259	21,353	21,444	20,758	21,197	21,792	25,563	25,871	25,871	22,828
Average daily treatment (in millions of gallons)	11.14	11.27	12.06	10.51	18.33	11.86	12.95	11.40	11.40	11.40
Maximum daily capacity (in millions of gallons)	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00

Source: Various City departments.

(1) In FY 2017-18 the City converted its utility billing and collection software system from a legacy program to the Tyler Technologies' Munis system. As part of the conversion process, the City conducted data cleanup to remove duplicate accounts and properties that no longer had a service connection. Additionally, in the legacy system, inactive customer accounts with a remaining balance due were included in the number of connections, but are now more accurately excluded from the number of connections in the Munis System. These conversion-related corrections have resulted in a small decrease from the prior year in the number of water and wastewater service connections reported.

**CITY OF FLORENCE, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	2	2	2	2	2	2	2	2	2	2
Resource centers	3	4	4	3	3	0	0	0	0	0
Patrol units	164	159	159	158	133	157	130	130	137	131
Fire Stations	5	5	5	5	5	5	6	6	6	6
Highways and Streets										
Streets (in miles)	103	103	112	114	114	115	117	120	122	126
Streetlights (leased)	6,996	7,121	7,389	7,490	7,632	7,721	7,721	7,721	7,721	6,105
Culture and Recreation										
Community centers	5	5	5	5	5	6	6	6	6	6
Parks	18	19	19	19	19	19	19	20	20	20
Park acreage	655	669	669	706	706	706	706	790	790	790
Tennis courts	50	50	50	50	50	50	51	45	45	45
Water System										
Water mains (in miles)	806	841	843	844	849	850	852	856	860	866
Fire hydrants	2,577	2,666	2,733	2,750	2,780	2,787	2,800	2,821	2,844	2,880
Wastewater System										
Sanitary sewers (in miles)	507	507	507	508	508	509	512	514	517	522
Treatment plants	2	2	2	2	2	2	2	2	2	2
Stormwater System										
Storm sewers (in miles)	76	77	77	77	95	96	97	100	102	105

Source: Various City departments.

**CITY OF FLORENCE, SOUTH CAROLINA
MISCELLANEOUS STATISTICS
JUNE 30, 2024**

Date of Incorporation	1890
Form of Government	Council/Manager
Total Number of Full-Time Equivalent Positions	572
Area in square miles	31.23
 Facilities and services not included in the primary government	
Cable Television System	
Miles of service (Florence County)	1,447
 Education	
Number of elementary schools	14
Number of elementary school instructors	546
Number of secondary schools	9
Number of secondary school instructors	648
 Facilities and services not included in the reporting entity	
Hospitals	
Number of hospitals	3
Number of patient beds	1,005
 Other data	
Business Licenses issued for Fiscal Year 2023-24	5,262
New Business Licenses issued for Fiscal Year 2023-24	723
Business License Receipts	\$ 13,626,832
Percent change in Business License receipts from prior year	11.00%
Franchise Fee Receipts	\$ 4,707,011
Percent change in Franchise Fee receipts from prior year	5.00%
Population (estimated population)	40,779
City of Florence gross retail sales for calendar year 2024	\$ 4,225,669,999
Per Capita spending for calendar year 2024	\$ 103,624
Outstanding General Obligation Debt	\$ 6,721,000
Outstanding Revenue Debt	\$ 199,007,030
 City of Florence Bond Rating	
Moody's Investor's Service	Aa2
Standard and Poor's	AA-
Residential construction permits issued	237
Construction value	\$ 39,152,111
Commercial construction permits issued	23
Construction value	\$ 221,760,798

COMPLIANCE SECTION



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

The Honorable Mayor and Members
of the City Council
Florence, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Florence, 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 February 20, 2025. Our report includes a reference to other auditors who audited the financial statements of Building Florence Together Community Development Corporation as described in our report on the City's financial statements. The financial statements of the Building Florence Together Community Development Corporation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Building Florence Together Community Development Corporation or that are reported separately by those auditors who audited the financial statements of the Building Florence Together Community Development Corporation.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

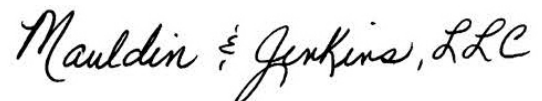
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

City of Florence, South Carolina's Response to the Findings

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

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.



Columbia, South Carolina
February 20, 2025



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **City of Florence, South Carolina's** (the "City") compliance with the types of compliance requirements described 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 types of 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 and the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
February 20, 2025

CITY OF FLORENCE, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Grant Identification Number	Expenditures	Passed through to Subrecipients
U.S. Department of Housing and Urban Development				
Direct:				
<i>CDBG Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 238,282	\$ 40,836
<i>Total CDBG Entitlement Grants Cluster</i>			<u>238,282</u>	<u>40,836</u>
Passed through S.C. State Housing Finance and Development Authority:				
Neighborhood Stabilization Program	14.228	08-NSP-116	25,336	-
Neighborhood Stabilization Program	14.228	11-NSP-116	33,105	-
Passed through S.C. Office of Resilience Disaster Recovery Division:				
Community Development Block Grant - Mitigation	14.228	PP-21-2101-01	110,041	-
Community Development Block Grant - Mitigation	14.228	IP-20-2101-01	80,099	-
Community Development Block Grant - Mitigation	14.228	IP-20-2101-02	5,114	-
Community Development Block Grant - Mitigation	14.228	IP-21-2101-01	<u>348,055</u>	-
Total U.S. Department of Housing and Urban Development			<u>840,032</u>	<u>40,836</u>
U.S. Department of Justice				
Direct:				
Bulletproof Vest Partnership Program	16.607	N/A	<u>43,091</u>	-
Total U.S. Department of Justice			<u>43,091</u>	-
U.S. Department of the Treasury				
Direct:				
COVID-19 State and Local Fiscal Recovery Funds	21.027	N/A	<u>2,505,875</u>	-
U.S. Department of the Treasury			<u>2,505,875</u>	-
U.S. Department of the Interior				
Passed through S.C. Department of Archives and History:				
Emergency Supplemental Historic Preservation Fund	15.957	N/A	<u>277,880</u>	-
Total U.S. Department of the Interior			<u>277,880</u>	-
U.S. Environmental Protection Agency				
Direct:				
Brownfields Assessment and Cleanup Cooperative Agreement	66.818	N/A	<u>92,228</u>	-
Total U.S. Environmental Protection Agency			<u>92,228</u>	-
U.S. Department of Health and Human Services				
Passed through S.C. Department of Health and Environmental Control:				
Epidemiology and Laboratory Capacity for Infectious Disease	93.323	LB-4-365	<u>9,084</u>	-
Total U.S. Department of Health and Human Services			<u>9,084</u>	-
Total Expenditures of Federal Awards			<u>\$ 3,768,190</u>	<u>\$ 40,836</u>

CITY OF FLORENCE, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

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

The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose not to use the ten percent de Minimis indirect cost rate for the year ended June 30, 2024.

NOTE 3. NON-CASH AWARDS AND LOANS

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

CITY OF FLORENCE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:
 Material weaknesses identified? Yes No

Significant deficiencies? Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

Assistance Listing Number

21.027

Name of Federal Program or Cluster

U.S. Department of the Treasury

COVID-19 Coronavirus State and Local Fiscal Recovery Funds Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

CITY OF FLORENCE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS

2024-001. Inventory

Criteria: Generally accepted accounting principles require that under the consumption method of accounting for inventory, inventory items are required to be recorded as an asset at the time of purchase and expended when used or consumed.

Condition: The City was noted to have had instances of selling inventory that were not properly recognized and recorded at the time of its use, resulting in a significant overstatement of inventory being recorded on the City's Statements of Government-wide Net Position as well as its nonmajor governmental funds' balance sheets. This treatment was inconsistent with City policies and procedures relating to inventory.

Context: We addressed this matter with City officials, and they were able to determine the correct amount of inventory as of June 30, 2023, in the nonmajor governmental funds.

Effect: A prior period adjustment to decrease inventory and decrease net position of the City's nonmajor governmental funds in the amount of \$373,858 was required as of July 1, 2023.

Cause: Inventory on hand was not properly reconciled and recognized and recorded upon sale in the City's nonmajor governmental funds as of and for the fiscal year ended June 30, 2023.

Recommendation: We recommend that the City implement the necessary controls related to inventory so as to ensure that inventory transactions are properly recognized and recorded in accordance with City policies and procedures as well as Governmental Accounting Standards Board pronouncements.

Views of Responsible Officials and Planned Corrective Action: We concur. The City is implementing and following the proper procedures to ensure all inventory transactions are properly reported.

2024-002. Segregation of Duties

Criteria: Internal controls should be in place to provide reasonable assurance that an individual cannot misappropriate assets without such actions being detected during the normal course of business.

Condition: During the fiscal year ended June 30, 2024, there was not appropriate segregation of duties among the process of recording and approving manual journal entries. We noted several manual journal entries had no separate approval besides the staff posting the entries. The City acknowledged having no formal policy in place for secondary review and approval of manual journal entries prior to their being posted to the City's general ledger.

Context: Several instances of overlapping duties were noted during inquiries with management regarding internal control procedures, specifically with the process of posting manual journal entries.

CITY OF FLORENCE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS (CONTINUED)

2024-002. Segregation of Duties (Continued)

Effect: Failure to properly segregate duties among the various financial cycles in the funds possessed by the City can lead to misappropriation of assets that is not detected during the normal course of business.

Cause: The lack of segregation of duties is due to the limited number of individuals available to perform all of the duties as well as the lack of a properly developed integrated work plan with appropriate controls.

Recommendation: The duties among the various financial cycles associated with the various funds of the City involving the process of posting manual journal entries should be segregated among employees to eliminate overlapping duties.

Views of Responsible Officials and Planned Corrective Action: We concur. The City is in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among the financial cycles of the City that involve the process of posting manual journal entries to the general ledger.

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None reported.



MANAGEMENT CORRECTIVE ACTION PLAN

Section II – Financial Statement Findings

- Finding:** 2024-001 – Inventory
- Name of contact person:** Glenn Bodenheimer – Director of Finance
- Corrective action:** The City will implement and follow the proper procedures to ensure all inventory transactions are properly reported.
- Proposed completion date:** Fiscal Year 2025.
- Finding:** 2024-002 – Segregation of Duties
- Name of contact person:** Glenn Bodenheimer – Director of Finance
- Corrective action:** The City will review the respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among the financial cycles of the City involving the process of posting manual journal entries.
- Proposed completion date:** Fiscal Year 2025.

Respectfully submitted,

Glenn A. Bodenheimer, Jr.
Interim Finance Director