

**CITY OF GOOSE CREEK,
SOUTH CAROLINA**

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

CITY OF GOOSE CREEK, SOUTH CAROLINA

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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CITY OF GOOSE CREEK, SOUTH CAROLINA

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and Members
of the City Council
City of Goose Creek, South Carolina**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Goose Creek, South Carolina** (the "City"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 15), the General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – GAAP Basis (on page 71), the Local Hospitality Tax Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – GAAP Basis (on page 72), the Schedule of Proportionate Share of the Net Pension Liability – South Carolina Retirement System (page 74), the Schedule of Proportionate Share of the Net Pension Liability – Police Officers Retirement System (page 74), the Schedule of Contributions – South Carolina Retirement System (pages 75 through 76) and the Schedule of Contributions – Police Officers Retirement System (pages 75 through 76) 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, the Comparative Schedules of Revenues – General Fund, the Comparative Schedules of Expenditures – General Fund, the Comparative Schedules of Expenses – Proprietary Fund Type as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) is presented for the purpose of additional analysis as required by the State of South Carolina and is not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements, the Comparative Schedules of Revenues – General Fund, the Comparative Schedules of Expenditures – General Fund, the Comparative Schedules of Expenses – Proprietary Fund Type, the schedule of expenditures of federal awards, and the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended December 31, 2022, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated June 8, 2023. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole.

The partial comparative information included in the Comparative Schedules of Revenues – General Fund, the Comparative Schedules of Expenditures – General Fund, and the Comparative Schedules of Expenses – Proprietary Fund Type – Enterprise Funds for the year ended December 31, 2022, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS.

Other Reporting Required by *Government Auditing Standards*

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



Columbia, South Carolina
June 12, 2024

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

As management of the City of Goose Creek (the "City"), we offer the readers of our financial statements this narrative, overview and analysis of the financial activities of the City for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes.

Financial Highlights

- The governmental activities and business-type activities combined assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2023, by \$103,247,039 (*net position*). The unrestricted net position was \$8,031,582, this was due to the Governmental Accounting Standards Board's requirement to record a net pension liability of \$33,791,632, which reduced unrestricted net position. Total net position increased \$13,618,194. The increase was largely due to increased revenues from business licenses, property taxes, and local option sales tax revenues, as well as contributed capital.
- On December 31, 2023, the City's governmental funds reported a combined ending fund balance of \$37,367,899 an increase of \$6,546,331. The increase was primarily the result of an increase in business license collections, property taxes, and local option sales tax revenue in the general fund. The fund balance for the general fund was \$24,352,170, or 74.36% of the total general fund expenditures.
- The City's governmental activities capital assets decreased by \$7,340,961 (14.83%). The decrease was primarily the result of the completion of the construction of Central Creek Park, which was transferred to business-type activities upon completion. This contribution of capital assets to business-type activities was \$8,964,917. Additionally, the City purchased police vehicles and fire vehicles, other equipment, and the construction of recreational facilities. Current year capital asset additions were \$4,098,975 being offset by depreciation expense of \$2,415,251. The City's business-type activities capital assets increased by \$10,322,227 (11,33%), with current year capital asset additions of \$4,075,979 being offset by depreciation expense of \$2,718,669. As detailed above, the most significant addition was Central Creek Park.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three sections: 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* provide a broad overview of the City's operations in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net position changed during the most recent 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 of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and all intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, planning, police, fire, court, sanitation, maintenance, garage, and recreation. The business-type activities include the water, recreation and golf course operations.

The government-wide financial statements can be found on pages 16-18 of this report.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

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

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. All of the City's basic services are reported in the governmental funds financial statements, which focus on how money flows into and out of those funds in the near-term and the balances left at year-end that are available for commitment. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be committed in the near future to finance the City's programs. This information may be useful in evaluating the City's near-term financing requirements.

Because this 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 governmental wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and 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 nine individual governmental funds. Information is presented separately in the governmental fund balance sheet in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the tax increment financing fund and the local option sales tax fund all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the general fund, the local hospitality tax fund, and all special revenue funds.

The basic governmental fund financial statements can be found on pages 19-22 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of 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 27 and 28 of this report.

Proprietary Fund – 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 financial statements. The City uses enterprise funds to account for its water, recreation and golf course operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, recreation and golf operations, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 23-26 of this report.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

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 29-70 of this report.

Other Information – The City adopts an annual appropriated budget for its general fund and all of the special revenue funds. A budgetary comparison schedule has been presented as required supplementary information for the general fund and major governmental funds to demonstrate compliance with the budget. Required supplementary information can be found on pages 71-76 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 77-80 of this report.

Government-wide Financial Analysis

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$103,247,039 at the close of the most recent fiscal year.

The largest portion of the City's net position is its investment in capital assets (e.g., land, buildings, vehicles and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to the citizens; consequently, they 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 City of Goose Creek Net Position

	Governmental Activities		Business-type Activities		Total		Percent
	2022	2023	2022	2023	2022	2023	Change
Current and Other Assets	\$ 60,938,700	\$ 70,462,965	\$ 9,232,258	\$ 11,288,770	\$ 70,170,958	\$ 81,751,735	16.5%
Capital Assets	49,505,134	42,104,173	46,379,491	56,610,087	95,884,625	98,714,260	3.0%
Total Assets	110,443,834	112,567,138	55,611,749	67,898,857	166,055,583	180,465,995	8.7%
Deferred Outflows	9,083,013	8,249,099	787,277	1,045,976	9,870,290	9,295,075	(5.8%)
Long-term Liabilities Outstanding	36,711,979	36,458,412	10,972,948	11,193,705	47,684,927	47,652,117	(0.1%)
Other Liabilities	21,314,109	21,311,141	2,115,387	1,732,939	23,429,496	23,044,080	(1.6%)
Total Liabilities	58,026,088	57,769,553	13,088,335	12,926,644	71,114,423	70,696,197	(0.6%)
Deferred Inflows	12,899,392	14,077,218	2,283,213	1,740,616	15,182,605	15,817,834	4.2%
Net Position:							
Net Investment in Capital Assets,							
Net of Related Debt	37,277,492	32,413,495	40,416,300	51,264,080	77,693,792	83,677,575	7.7%
Restricted	8,780,873	11,537,882	-	-	8,780,873	11,537,882	31.4%
Unrestricted	2,543,002	5,018,089	611,178	3,013,493	3,154,180	8,031,582	154.6%
Total Net Position	\$ 48,601,367	\$ 48,969,466	\$ 41,027,478	\$ 54,277,573	\$ 89,628,845	\$ 103,247,039	15.2%

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Governmental Activities – Governmental activities increased the City's total net position by \$11,023,459 before transfers. This was primarily due to increased business license and local option sales tax revenues.

The City of Goose Creek Changes in Net Position

	Governmental Activities		Business-type Activities		Total		Total Percent Change 2022 - 2023
	2022	2023	2022	2023	2022	2023	
Revenues:							
Program Revenues:							
Charges for Services	\$ 18,125,779	\$ 19,681,813	\$ 9,414,459	\$ 10,656,762	\$ 27,540,238	\$ 30,338,575	10.2%
Operating Grants and Contributions	3,223,598	2,066,884	-	-	3,223,598	2,066,884	(35.9%)
Capital Grants and Contributions	5,308,264	630,307	5,513,593	2,934,043	10,821,857	3,564,350	(67.1%)
General Revenues:							
Property Taxes	7,173,417	6,399,312	652,072	674,197	7,825,489	7,073,509	(9.6%)
Local Option Sales Taxes	5,372,987	7,624,919	-	-	5,372,987	7,624,919	41.9%
Hospitality	2,883,193	3,037,774	-	-	2,883,193	3,037,774	5.4%
Franchise	2,839,305	3,053,263	-	-	2,839,305	3,053,263	7.5%
Unrestricted Grants and Contributions	1,122,714	1,186,391	-	-	1,122,714	1,186,391	5.7%
Unrestricted Revenue from Use of							
Monies and Property	346,286	1,576,380	119,037	359,533	465,323	1,935,913	316.0%
Miscellaneous	1,647,150	254,356	771,290	708,708	2,418,440	963,064	(60.2%)
Total Revenues	48,042,693	45,511,399	16,470,451	15,333,243	64,513,144	60,844,642	(5.7%)
Expenses:							
Legislative	383,711	526,022	-	-	383,711	526,022	37.1%
Administration	3,429,667	4,273,844	-	-	3,429,667	4,273,844	24.6%
Police	10,922,725	12,817,024	-	-	10,922,725	12,817,024	17.3%
Fire	7,987,701	8,198,423	-	-	7,987,701	8,198,423	2.6%
Sanitation	2,182,667	2,288,141	-	-	2,182,667	2,288,141	4.8%
Recreation	234,402	225,721	-	-	234,402	225,721	(3.7%)
Maintenance	232,692	1,601,867	-	-	232,692	1,601,867	588.4%
Garage	558,935	669,098	-	-	558,935	669,098	19.7%
Court	443,762	683,183	-	-	443,762	683,183	54.0%
Planning	672,336	1,252,443	-	-	672,336	1,252,443	86.3%
Economic Development	202,162	207,659	-	-	202,162	207,659	0.0%
Human Resources	217,750	385,208	-	-	217,750	385,208	0.0%
Information Technology	911,153	1,142,857	-	-	911,153	1,142,857	25.4%
Interest and Fees	257,602	216,450	-	-	257,602	216,450	0.0%
Water	-	-	10,589,058	5,019,271	10,589,058	5,019,271	(52.6%)
Recreation	-	-	6,925,447	7,628,237	6,925,447	7,628,237	10.1%
Total Expenses	28,637,265	34,487,940	17,514,505	12,647,508	46,151,770	47,135,448	2.1%
Increase in Net Position							
Before Transfers	19,405,428	11,023,459	(1,044,054)	2,685,735	18,361,374	13,709,194	(25.3%)
Transfers	(1,902,100)	(10,655,360)	1,902,100	10,655,360	-	-	-
Increase in Net Position	17,503,328	368,099	858,046	13,341,095	18,361,374	13,709,194	(25.3%)
Net Position January 1	31,098,039	48,601,367	40,169,432	41,027,478	71,267,471	89,628,845	25.8%
Net Position, December 31	\$ 48,601,367	\$ 48,969,466	\$ 41,027,478	\$ 54,368,573	\$ 89,628,845	\$ 103,338,039	15.3%

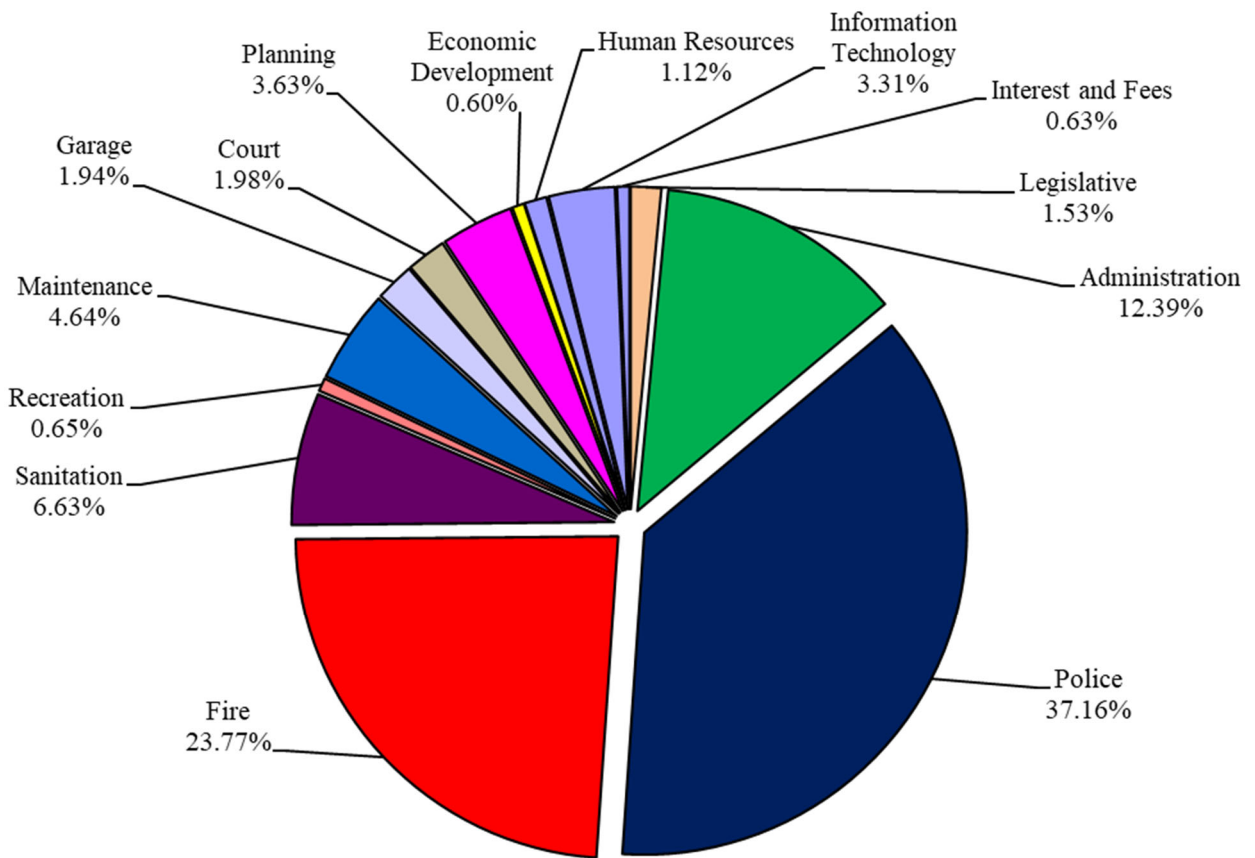
Charges for services were the City's largest program revenue, accounting for \$19,681,813 (43.25%) of total governmental revenues. These charges are for fees related to business licenses, building permits, court fines and E911 fees.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED DECEMBER 31, 2023**

Property tax revenues accounted for \$6,399,312 (14.06%) of governmental revenues. Another component of general revenues that is related to property taxes is the revenue received from local option sales taxes which accounted for \$7,624,919 (16.75%). Franchise fees of \$3,053,263 (6.71%) and the local hospitality tax of two percent of the sales of food and beverages generated \$3,037,774 (6.67%) in revenue. The top five revenue sources combined for a total of at \$39,797,081 (87.44%) of the revenue for the City.

The Police Department program accounted for \$12,817,024 (37.16%) of the \$34,487,940 total expenses for governmental activities. The Fire Department had the next largest program accounting for \$8,198,423 (23.77%) of the total governmental expenditures.

Expenditures by Department



The following table for governmental activities indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services, grants and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Governmental Activities – Cost of Services

	2022		2023		Total Cost of Services Percentage Change	Total Net Cost of Services Percentage Change
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services		
Legislative	\$ 383,711	\$ (383,711)	\$ 526,022	\$ (526,022)	37.09%	(37.09%)
Administration	3,429,667	10,238,342	4,273,844	10,374,146	24.61%	1.33%
Police	10,922,725	(3,739,609)	12,817,024	(9,172,229)	17.34%	(145.27%)
Fire	7,987,701	(4,482,645)	8,198,423	(6,860,160)	2.64%	(53.04%)
Sanitation	2,182,667	81,282	2,288,141	421,495	4.83%	(418.56%)
Recreation	234,402	(234,402)	225,721	(225,721)	(3.70%)	3.70%
Maintenance	232,692	(195,181)	1,601,867	(1,574,187)	588.41%	(706.53%)
Garage	558,935	(558,935)	669,098	(669,098)	19.71%	(19.71%)
Court	443,762	(443,762)	683,183	(672,543)	53.95%	(51.55%)
Planning	672,336	(672,336)	1,252,443	(1,252,443)	86.28%	(86.28%)
Economic Development	202,162	(202,162)	207,659	(207,659)	2.72%	(2.72%)
Human Resources	217,750	(217,750)	385,208	(385,208)	76.90%	(76.90%)
Information Technology	911,153	(911,153)	1,142,857	(1,142,857)	25.43%	(25.43%)
Interest and Fees	257,602	(257,602)	216,450	(216,450)	(15.98%)	(15.98%)
Total Expenses	\$ 28,637,265	\$ (1,979,624)	\$ 34,487,940	\$ (12,108,936)	20.43%	(511.68%)

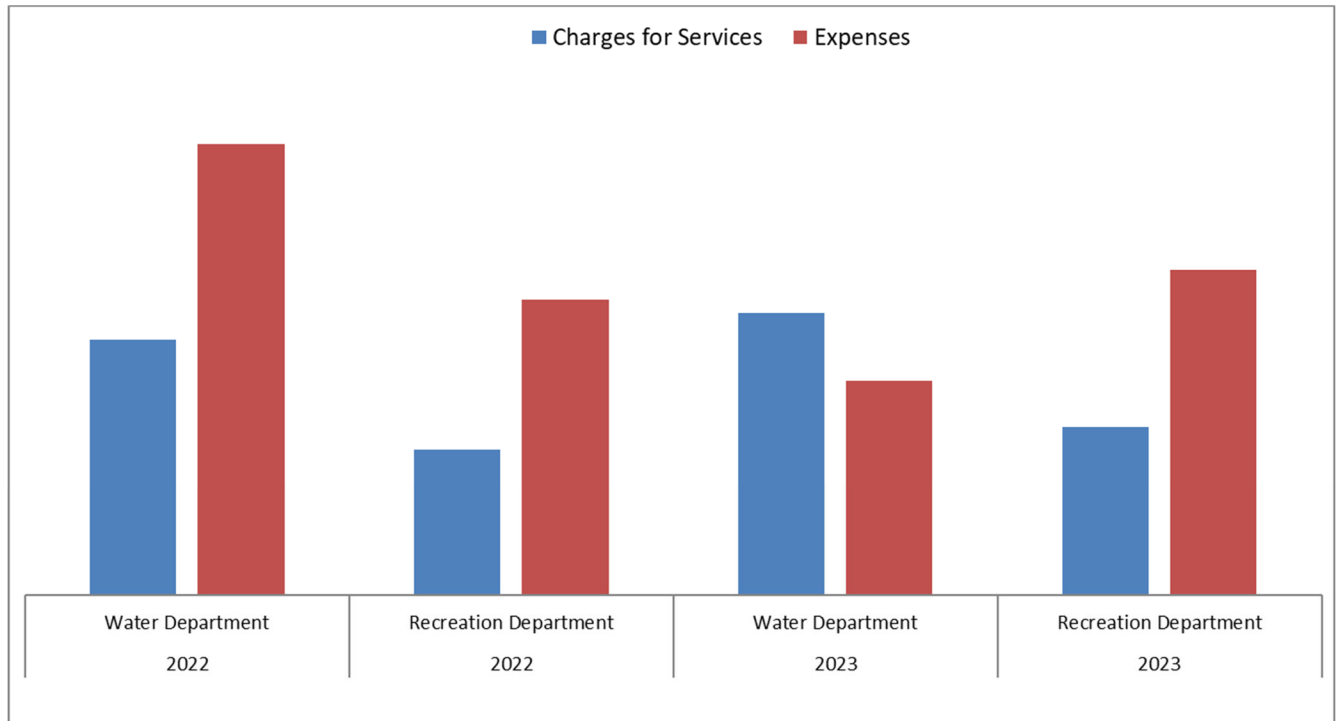
Program revenues from charges for services of \$19,681,813 (57.07%) of the total costs of services were received and used to fund the general government expenses of the City. The remaining \$14,806,127 in general government expenses were funded by property taxes, local option sales taxes, hospitality tax, franchise fees, unrestricted grants and other revenue.

Business-type Activities

Charges for services were the City's largest business-type program revenue, accounting for \$10,565,762 (63.07%) of the total business-type activities program revenues. These charges are: water and water services, (i.e., sales of water, tap and impact fees, late charges, administration fees, and fire demand fees) for the water enterprise fund; recreation fund revenue from memberships, recreation fees, class fees and concession stand sales; and memberships, green fees, cart fees, pro shop sales, and food and beverage sales for the golf enterprise fund. The recreation fund received \$2,250,443 during 2023 from the general fund for recreation operations.

The water enterprise fund also had capital contributions of \$2,914,398 for the water lines which were primarily installed at Carnes.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**



Financial Analysis of the City of Goose Creek's Funds

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

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

As of December 31, 2023, the City's total governmental funds reported a combined ending fund balance of \$37,367,899. Approximately 28.16% of this total (\$10,522,599) is unassigned fund balance. The remaining fund balances are: nonspendable, \$5,110,931; restricted, \$13,045,907; committed, \$24,845; and assigned, \$8,663,617. The largest portion of the restricted fund balance is \$7,503,976 for capital projects.

The general fund is the primary operating fund of the City. At the end of the current year the unassigned fund balance of the general fund was \$10,552,777 with a total fund balance of \$24,352,170. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32.22% of total general fund expenditures, while total fund balance represents 74.36% of that same amount.

The City instituted a two percent hospitality tax on food and beverages in 2014. Revenue generated from the hospitality fee must be used for purposes which include: tourism-related, cultural, recreational or historical facilities. During 2023, \$977,859 was spent for debt service. The hospitality fund revenue for 2023 was \$3,196,179.

The American Rescue Plan Act Fund accounts for the Coronavirus State and Local Recovery Funds which was passed by the United States Congress and became law in March 2023. The City received the second tranche of \$10,869,178 in late 2023. The City spent the majority of the \$536,592 of expenditures on capital projects and reported the \$15,464,654 unspent portion of the funds as unearned revenue.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

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

As stated earlier the business-type activities net position increased by \$13,250,095 primarily due to capital contributions, however in addition to this, there was an increase in gymnastics revenue and a water rate increase. Another contributing factor for this increase was capital contributions of water lines in the water fund totaled \$2,914,398 as well as \$8,964,917 in capital contributions related to Central Creek Park in the recreation department. The total change in net position for the funds was an increase of \$4,467,727 in the water department and an increase of \$8,782,368 in the recreation department. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

Budgetary Highlights

The City's general fund revenues were \$6,028,983 more than budgeted and was primarily due from an unbudgeted revenue in the form of a state budget appropriation in the amount of \$1,000,000 to be used for the construction of a public safety joint training facility. Additionally, there was an increase in business license revenue, permit revenue and franchise fee revenue and revenue from those sources exceeded budgeted revenue by \$2,215,440. Expenditures were \$1,266,609 more than budgeted, which was primarily the result of increased capital outlay expenditures. The actual increase in the City's general fund balance was \$3,784,363. The hospitality fund had an increase in fund balance of \$1,627,403 which was \$1,490,510 more than what was budgeted. This was primarily due to \$963,854 of unspent capital outlay related to the construction of the Creek Collective and drainage improvement at Foster Creek Park.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023, was \$98,714,260 (net of accumulated depreciation). This investment in capital assets includes, land, construction in progress, buildings, improvements, vehicles, computers, software, equipment, mast arms and infrastructure.

Some of the major capital asset events during the current fiscal year included the following:

- Construction in progress for the amphitheater - \$1,041,155
- Construction in progress for fire station IV - \$107,514
- Construction in progress for an event center - \$102,524
- Construction in progress for the renovation and expansion of the Crowfield Golf Clubhouse - \$410,533
- Purchase of 14 police vehicles - \$610,887
- Installation of vehicle exhaust extraction systems in the fire stations - \$276,725
- Construction in progress of a station alerting system in the fire stations - \$118,000
- Purchase of one bucket truck for the maintenance department - \$164,934
- Purchase of two pick-up trucks utility trucks for the maintenance department - \$59,876
- Purchase of one utility trucks for the maintenance department - \$56,334
- Purchase of equipment for the fire department - \$103,785
- Contribution of water lines - \$2,914,398
- Completion of Central Creek Park and related improvements - \$8,967,917

Additional information on the City's capital assets can be found in Note 6 – Capital Assets.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

**The City of Goose Creek Capital Assets
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2022	2023	2022	2023	2022	2023	2022 - 2023
Land	\$ 9,096,336	\$ 9,096,336	\$ 1,956,615	\$ 1,956,615	\$ 11,052,951	\$ 11,052,951	0.0%
Construction in Progress	9,718,918	3,305,566	267,963	1,091,011	9,986,881	4,396,577	(56.0%)
Buildings	20,017,173	19,396,670	11,471,520	15,221,457	31,488,693	34,618,127	9.9%
Improvements	884,279	809,017	2,443,703	6,894,274	3,327,982	7,703,291	131.5%
Vehicles	3,220,124	3,277,621	212,781	343,532	3,432,905	3,621,153	5.5%
Software	358,565	242,778	-	-	358,565	242,778	0.0%
Mast Arms	236,434	164,960	-	-	236,434	164,960	(30.2%)
Equipment and Computers	762,300	1,146,469	757,689	648,962	1,519,989	1,795,431	18.1%
Streetscape	3,883,797	3,524,002	-	-	3,883,797	3,524,002	(9.3%)
Infrastructure	1,327,208	1,200,754	-	-	1,327,208	1,200,754	(9.5%)
Water System	-	-	27,755,603	29,147,022	27,755,603	29,147,022	5.0%
Land Improvements	-	-	1,388,160	1,273,388	1,388,160	1,273,388	(8.3%)
	<u>\$ 49,505,134</u>	<u>\$ 42,164,173</u>	<u>\$ 46,254,034</u>	<u>\$ 56,576,261</u>	<u>\$ 95,759,168</u>	<u>\$ 98,740,434</u>	3.1%

Long-term Debt - At the end of the current fiscal year, the City had a total long-term debt outstanding of \$16,416,189. The debt does not comprise debt backed by the full faith and credit of the government. The governmental activities debt consists of a revenue bond payable of \$3,166,000 for the construction of two fire stations; a revenue bond of \$5,036,724 for the construction of a recreation facility; a revenue bond of \$1,847,000 for the construction of a recreation facility; a note payable of \$51,795 for the purchase of vehicles and equipment; a note payable of \$141,319 for the purchase of portable handheld radios, and a note payable of \$123,341 for the purchase of three refuse collection vehicles, a note payable in the amount of \$773,808 for the purchase of vehicles and equipment. The business-type activities debt includes a note payable of \$4,905,205 for the construction of a water tower and expansion of the water system and financed purchases payable of \$339,179 for the purchase of golf and recreation maintenance equipment.

Additional information on the City's long-term debt can be found in Note 8 - Long-term Debt.

**The City of Goose Creek Outstanding Debt
Revenue Bonds, Notes Payable and Leases Payable**

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2022	2023	2022	2023	2022	2023	2022 - 2023
Revenue bonds	\$ 11,460,917	\$ 10,049,723	\$ -	\$ -	\$ 11,460,917	\$ 10,049,723	(12.3%)
Notes payable	1,869,561	1,090,263	5,252,096	4,905,205	7,121,657	5,995,468	(15.8%)
Financed purchases	-	-	452,211	339,179	452,211	339,179	(25.0%)
Leases payable	-	-	125,402	31,819	125,402	31,819	(74.6%)
	<u>\$ 13,330,478</u>	<u>\$ 11,139,986</u>	<u>\$ 5,829,709</u>	<u>\$ 5,276,203</u>	<u>\$ 19,160,187</u>	<u>\$ 16,416,189</u>	(14.3%)

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Economic Factors and Next Year's Budget

The City continues to experience both economic and population growth. According to the City's latest economic development strategic plan, the City population climbed close to 50,000 in 2023. This represents a 29.4% increase in population since 2010. The population is expected to reach near 55,000 by 2024.

The City's business license revenue increased during 2023, business license revenue was up \$471,316 from the prior year or 5%, which was attributable to increased construction activity as well as an increase in reported gross sales by companies doing work within the city limits, which had a positive impact on business license revenue. Interest income was up \$1,097,956, or 455% from the prior year as rates continued to increase during the year. Additionally, local option sales tax was up \$1,942,028 or 34%.

During the current fiscal year, the City's general fund balance increased \$5,854,655 primarily the result of increased revenues from business licenses, property taxes, and local option sales taxes and an unbudgeted \$2,535,000 received as part of the State's budget appropriation for the construction of fire station IV as well as improvements to crosswalks in the area.

The hospitality tax fund balance increased by \$1,627,403 as the result of an increase in collections as well as interest income, in addition to a favorable variance of budget to actual expenditures \$1,187,693. Hospitality tax collections increased by \$156,560, or 6% and interest income increased by \$162,433 or 477%. The total other governmental fund balances increased by \$1,134,565 which was primarily the result of increased impact fees from new construction.

There was no change in fund balance for the American Recovery Plan Act (ARPA) Fund. Both tranches of funding was received, the first tranche of funding was received in 2021 the amount of \$10,869,178 and the second tranche was received in 2023 in the amount of \$10,869,178, for a total amount of \$21,738,356. The unspent portion of the funds as unearned revenue.

The City still maintains the funds necessary to continue to provide quality services to the residents. In 2024 Goose Creek has seen a boom in new development plans starting and in the pipeline. Uptown at Carnes is currently under construction with delivery of phase 1 of 3 coming in early fall. With full build out it will bring over 100,000 sq feet of retail, restaurant, and office space to the market. Neighborhood Tap House and Restaurant is set to be the first restaurant tenant at Uptown and will have a rooftop bar. Also at Carnes, The Marketplace at Carnes is a Publix anchored shopping center with over 85,000 sq feet of retail space and just started construction with an estimated completion date in summer 2025. Phase 1 of Uptown and 3 of the 4 buildings at The Marketplace are fully preleased. Goose Creek's newest hotel should start construction in late 2024, Springhill Suites will be in Carnes next to The Marketplace at Carnes. At the Hwy 52 and St James intersection, the Carolina Avenue development just completed the permitting process and should start construction this year, they are currently in talks with a brunch restaurant and a few other potential tenants. It will include at least 2 sit down restaurant spaces and +/-42,000 sq feet of retail/restaurant space. Avalon Point is a new mixed-use development that is coming to Red Bank Road and will include 10,000+ sq ft of retail space and should help to attract more development to this corridor. In Crowfield Corporate Park, the permits are in hand for a +/-225,000 sq ft building, the owners of the land are looking at a build to suit so they are waiting for a prelease, EDD is actively promoting it. Goose Creek continues to see strong retail activity and low availability of space, so with the new developments coming up around the City, the fall of 2024 and 2025 should see a boom of new businesses.

The City's façade and sign grants are starting to be utilized by businesses to help improve the appearance of their buildings and signage. With the new sign ordinance and the funding available to help replace out of compliance signs, the City has seen two new signs go up and currently have 5-10 businesses who are interested in using the sign replacement or façade grant.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

The water enterprise fund installed 427 new water taps during 2023 as a result of new construction.

The radio-read meter program continues to evolve, all residential and commercial meters less than four inches in diameter have been converted to drive-by radio read technology, leaving 21 large diameter commercial manual read meters to be converted as funding allows. An investigation is underway for the placement of data collectors to convert from drive-by to antennae-based data collection to allow remote reading of meters as well as data logging for customer inquiries.

The General Fund 2024 budget is \$3,841,414 (10.7%) higher than the approved 2023 budget for revenues and \$3,677,962 (10.2%) higher for expenditures. A large portion of the budgeted increase in revenue comes property taxes in the amount of \$1,910,546, as well as anticipated increases in local option sales taxes, permit revenue, and business licenses. The General Fund 2024 expenditure budget continues to focus on strengthening the police and fire departments as well as funding more municipal services.

Requests for Information

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

City of Goose Creek
Chief Financial Officer
Post Office Drawer 1768
Goose Creek, South Carolina 29445

CITY OF GOOSE CREEK, SOUTH CAROLINA

STATEMENT OF NET POSITION DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 49,729,094	\$ 9,967,759	\$ 59,696,853
Restricted cash	422,604	-	422,604
Receivables, net of allowance:			
Taxes	3,075,885	271,914	3,347,799
Accounts	2,364,362	596,483	2,960,845
Fines	1,121,811	-	1,121,811
Due from county treasurer	5,767,761	278,098	6,045,859
Due from other governments	2,727,182	-	2,727,182
Internal balances	143,335	(143,335)	-
Inventories	83,831	316,351	400,182
Prepaid items	5,027,100	1,500	5,028,600
Capital assets:			
Non-depreciable	12,341,902	3,047,626	15,389,528
Depreciable, net of accumulated depreciation and amortization	29,762,271	53,562,461	83,324,732
Total assets	112,567,138	67,898,857	180,465,995
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions made subsequent to measurement date	1,617,330	324,768	1,942,098
Differences between expected and actual experience related to pension expense	955,177	111,292	1,066,469
Pension assumption changes	523,603	98,213	621,816
Changes in proportion and differences between employer contribution and proportionate share of contributions	5,152,989	511,703	5,664,692
Total deferred outflows of resources	8,249,099	1,045,976	9,295,075
LIABILITIES			
Accounts payable	2,083,758	374,732	2,458,490
Retainage payable	58,717	69,804	128,521
Accrued salaries and related liabilities	413,555	85,148	498,703
Escrow payable	286,120	-	286,120
Unearned revenue	15,447,034	423,084	15,870,118
Due to developers	-	91,950	91,950
Accrued interest payable	49,941	22,073	72,014
Noncurrent liabilities:			
Due within one year	2,972,016	666,148	3,638,164
Due in more than one year	9,077,010	4,783,475	13,860,485
Net pension liability - due in more than one year	27,381,402	6,410,230	33,791,632
Total liabilities	57,769,553	12,926,644	70,696,197
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for future years	7,494,744	579,576	8,074,320
Business licenses collected in advance	4,286,605	-	4,286,605
Differences between expected and actual experience related to pension expense	230,288	17,777	248,065
Differences between projected and actual investment earnings	43,092	8,775	51,867
Changes in proportion and differences between employer contribution and proportionate share of contributions	2,022,489	1,134,488	3,156,977
Total deferred inflows of resources	14,077,218	1,740,616	15,817,834
NET POSITION			
Net investment in capital assets	32,413,495	51,264,080	83,677,575
Restricted for:			
Public safety	441,910	-	441,910
Tourism	5,093,420	-	5,093,420
Debt service	6,601	-	6,601
Capital projects	5,995,951	-	5,995,951
Unrestricted	5,018,089	3,013,493	8,031,582
Total net position	\$ 48,969,466	\$ 54,277,573	\$ 103,247,039

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Legislative	\$ 526,022	\$ -	\$ -	\$ -
Human resources	385,208	-	-	-
Administrative	4,273,967	14,620,970	27,020	-
Police	12,817,024	1,406,476	1,608,012	630,307
Fire	8,198,423	1,053,240	285,023	-
Sanitation	2,288,141	2,601,127	108,509	-
Recreation	225,721	-	-	-
Maintenance	1,601,867	-	27,680	-
Garage	669,098	-	-	-
Court	683,183	-	10,640	-
Planning	1,252,443	-	-	-
Economic development	207,659	-	-	-
Information technology	1,142,857	-	-	-
Interest and fees	216,327	-	-	-
Total governmental activities	<u>34,487,940</u>	<u>19,681,813</u>	<u>2,066,884</u>	<u>630,307</u>
Business-type activities:				
Water Department	5,019,271	6,622,530	-	2,914,398
Recreation Department	7,628,237	3,943,232	19,645	-
Total business-type activities	<u>\$ 12,647,508</u>	<u>\$ 10,565,762</u>	<u>\$ 19,645</u>	<u>\$ 2,914,398</u>
General revenues:				
Taxes:				
Property, including fee in lieu of taxes				
Local option sales tax				
Hospitality				
Franchise				
Grants and contributions not restricted to specific programs				
Unrestricted revenue from use of money and property				
Miscellaneous revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

**Net (Expenses) Revenues and
Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (526,022)	\$ -	\$ (526,022)
(385,208)	-	(385,208)
10,374,023	-	10,374,023
(9,172,229)	-	(9,172,229)
(6,860,160)	-	(6,860,160)
421,495	-	421,495
(225,721)	-	(225,721)
(1,574,187)	-	(1,574,187)
(669,098)	-	(669,098)
(672,543)	-	(672,543)
(1,252,443)	-	(1,252,443)
(207,659)	-	(207,659)
(1,142,857)	-	(1,142,857)
(216,327)	-	(216,327)
<u>(12,108,936)</u>	<u>-</u>	<u>(12,108,936)</u>
-	4,517,657	4,517,657
<u>-</u>	<u>(3,665,360)</u>	<u>(3,665,360)</u>
<u>-</u>	<u>852,297</u>	<u>852,297</u>
6,399,312	674,197	7,073,509
7,624,919	-	7,624,919
3,037,774	-	3,037,774
3,053,263	-	3,053,263
1,186,391	-	1,186,391
1,576,380	359,533	1,935,913
254,356	708,708	963,064
<u>(10,655,360)</u>	<u>10,655,360</u>	<u>-</u>
<u>12,477,035</u>	<u>12,397,798</u>	<u>24,874,833</u>
368,099	13,250,095	13,618,194
<u>48,601,367</u>	<u>41,027,478</u>	<u>89,628,845</u>
<u>\$ 48,969,466</u>	<u>\$ 54,277,573</u>	<u>\$ 103,247,039</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General Fund	Local Hospitality Tax Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 43,304,147	\$ 4,500,269	\$ -	\$ 1,924,678	\$ 49,729,094
Receivables, net of allowance					
Taxes	3,075,885	-	-	-	3,075,885
Accounts	2,116,546	247,816	-	-	2,364,362
Fines	964,238	-	-	157,573	1,121,811
Due from county treasurer	5,767,761	-	-	-	5,767,761
Due from governments	2,671,710	-	-	55,472	2,727,182
Due from other funds	356,234	2,179	15,464,654	6,242,592	22,065,659
Inventories	83,831	-	-	-	83,831
Prepaid expenditures	5,027,100	-	-	-	5,027,100
Restricted cash	-	422,604	-	-	422,604
Total assets	\$ 63,367,452	\$ 5,172,868	\$ 15,464,654	\$ 8,380,315	\$ 92,385,289
LIABILITIES					
Accounts payable	\$ 1,956,550	\$ 64,580	\$ 5,831	\$ 56,797	\$ 2,083,758
Retainage payable	46,928	-	11,789	-	58,717
Accrued salaries and related liabilities	404,195	3,660	-	5,700	413,555
Escrow payable	70,867	177,302	-	37,951	286,120
Due to other funds	21,888,433	-	-	33,891	21,922,324
Unearned revenue	-	-	15,447,034	-	15,447,034
Total liabilities	24,366,973	245,542	15,464,654	134,339	40,211,508
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	7,494,744	-	-	-	7,494,744
Business licenses collected in advance	4,286,605	-	-	-	4,286,605
Unavailable revenue - intergovernmental	2,866,960	-	-	157,573	3,024,533
Total deferred inflows of resources	14,648,309	-	-	157,573	14,805,882
FUND BALANCES					
Nonspendable:					
Inventories and prepaids	5,110,931	-	-	-	5,110,931
Restricted for:					
Public safety	-	-	-	441,910	441,910
Tourism	-	4,927,326	-	166,094	5,093,420
Debt service	-	-	-	6,601	6,601
Capital projects	-	-	-	7,503,976	7,503,976
Committed for:					
Tree replacement	24,845	-	-	-	24,845
Assigned for:					
Capital projects	8,663,617	-	-	-	8,663,617
Unassigned	10,552,777	-	-	(30,178)	10,522,599
Total fund balances	24,352,170	4,927,326	-	8,088,403	37,367,899
Total liabilities, deferred inflows of resources, and fund balances	\$ 63,367,452	\$ 5,172,868	\$ 15,464,654	\$ 8,380,315	\$ 92,385,289

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2023

Total governmental fund balances:	\$	37,367,899
<p>Amounts reported for governmental activities in the Statement of Net Position are different because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds:</p>		
Cost of assets	\$ 66,422,774	
Accumulated depreciation	<u>(24,318,601)</u>	42,104,173
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported or are deferred in the funds:</p>		
State aid to subdivisions	\$ 565,316	
State accommodations tax	3,231	
Fines and forfeitures	1,121,811	
EMS revenue	<u>1,334,175</u>	3,024,533
<p>Other long-term assets related to pension expense are not available to pay for current expenditures and, therefore, are not reported or are deferred in the funds:</p>		
Contributions made subsequent to measurement date	\$ 1,617,330	
Differences between expected and actual experience related to pension expense	955,177	
Pension assumption changes	523,603	
Changes in proportion and differences between employer contribution and proportionate share of contributions	<u>5,152,989</u>	8,249,099
<p>Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds:</p>		
Net pension liabilities	\$ (27,381,402)	
Compensated absences payable	(909,040)	
Accrued interest payable	(49,941)	
Notes payable	(1,090,263)	
Revenue bonds	<u>(10,049,723)</u>	(39,480,369)
<p>Other long-term liabilities related to pension expense do not consume current financial resources and, therefore, are not reported in the funds:</p>		
Differences between expected and actual experience related to pension expense	\$ (230,288)	
Differences between projected and actual investment earnings	(43,092)	
Changes in proportion and differences between employer contribution and proportionate share of contributions	<u>(2,022,489)</u>	(2,295,869)
Net position of governmental activities	<u>\$</u>	<u>48,969,466</u>

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General Fund	Local Hospitality Tax Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Local revenues:					
Property taxes	\$ 6,399,312	\$ -	\$ -	\$ -	\$ 6,399,312
Licenses, permits, and franchise taxes	15,618,133	2,999,669	-	-	18,617,802
Charges for services	4,323,695	-	-	-	4,323,695
Fines and forfeitures	622,037	-	-	74,068	696,105
Miscellaneous	1,672,914	196,510	-	1,571,065	3,440,489
Total local revenues	<u>28,636,091</u>	<u>3,196,179</u>	<u>-</u>	<u>1,645,133</u>	<u>33,477,403</u>
State revenues	9,905,735	-	-	289,320	10,195,055
Federal revenues	793,778	-	536,592	-	1,330,370
Total revenues	<u>39,335,604</u>	<u>3,196,179</u>	<u>536,592</u>	<u>1,934,453</u>	<u>45,002,828</u>
Expenditures:					
Current:					
Legislative	485,044	-	-	-	485,044
Human resources	331,607	-	-	-	331,607
Administrative	2,855,331	554,771	-	40,285	3,450,387
Police	11,635,364	-	57,252	335,233	12,027,849
Fire	7,526,706	-	-	-	7,526,706
Sanitation	1,951,639	-	-	-	1,951,639
Recreation	-	-	-	33,262	33,262
Maintenance	1,323,236	-	-	-	1,323,236
Garage	606,183	-	-	-	606,183
Court	596,688	-	-	-	596,688
Planning	1,077,109	-	-	-	1,077,109
Economic development	183,060	-	-	-	183,060
Information technology	1,000,399	-	-	-	1,000,399
Capital outlay	3,177,641	36,146	479,340	405,848	4,098,975
Debt service:					
Principal retirement	-	829,194	-	1,361,298	2,190,492
Interest	-	148,665	-	77,720	226,385
Total expenditures	<u>32,750,007</u>	<u>1,568,776</u>	<u>536,592</u>	<u>2,253,646</u>	<u>37,109,021</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,585,597</u>	<u>1,627,403</u>	<u>-</u>	<u>(319,193)</u>	<u>7,893,807</u>
Other financing sources (uses):					
Transfers in	560,000	-	-	1,606,512	2,166,512
Transfers out	(3,704,201)	-	-	(152,754)	(3,856,955)
Sale of capital assets	175,975	-	-	-	175,975
Insurance proceeds	166,992	-	-	-	166,992
Total other financing sources (uses), net	<u>(2,801,234)</u>	<u>-</u>	<u>-</u>	<u>1,453,758</u>	<u>(1,347,476)</u>
Net change in fund balances	3,784,363	1,627,403	-	1,134,565	6,546,331
Fund balances, beginning of year	<u>20,567,807</u>	<u>3,299,923</u>	<u>-</u>	<u>6,953,838</u>	<u>30,821,568</u>
Fund balances, end of year	<u>\$ 24,352,170</u>	<u>\$ 4,927,326</u>	<u>\$ -</u>	<u>\$ 8,088,403</u>	<u>\$ 37,367,899</u>

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2023

Net change in fund balances - total governmental funds	\$	6,546,331
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and donated capital assets exceeded capital outlay expense in the current period.

Capital outlay	\$	4,098,975	
Contribution of capital assets to business-type activities		(8,964,917)	
Depreciation expense		<u>(2,415,241)</u>	(7,281,183)

In the Statement of Activities, the gain or loss on disposal of capital assets is reported. Conversely, governmental funds report only proceeds from disposal of capital assets. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold or disposed.

Cost of capital assets	\$	(436,148)	
Accumulated depreciation		<u>316,370</u>	(119,778)

Because some revenues will not be collected for several months after the City's fiscal year end, they are not considered "available" revenues in the governmental funds.

Amounts not meeting prior year availability criteria, recognized in governmental funds in current year:			
State aid to subdivisions	\$	(538,396)	
State accommodations tax		(6,076)	
State E911 surcharges		(2,895)	
Fines and forfeitures		(1,075,834)	
EMS revenue		<u>(892,761)</u>	(2,515,962)

Amounts not meeting current year availability criteria, not recognized in governmental funds in current year:			
State aid to subdivisions	\$	565,316	
State accommodations tax		3,231	
Fines and forfeitures		1,121,811	
EMS revenue		<u>1,334,175</u>	3,024,533

The issuance of long-term debt (e.g., bonds, notes, leases) 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.

Repayment of debt	\$	<u>2,190,492</u>	2,190,492
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Pension expense that is related to net pension liability as recorded in the Statement of Activities is based on the City's proportionate share of pension expense of the retirement system as a whole, whereas pension expense recorded in the funds are based on the use of financial resources (e.g., required contributions). Thus the change in net position differs from the change in fund balance by the amount by which the City's proportionate share of pension expense exceeds actual contributions.

Pension expense that is related to net pension liability as recorded in the Statement of Activities is based on the City's proportionate share of pension expense of the retirement system as a whole, whereas pension expense recorded in the funds are based on the use of financial resources (e.g., required contributions). Thus the change in net position differs from the change in fund balance by the amount by which the City's proportionate share of pension expense exceeds actual contributions.			(1,319,095)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The details are as follows:

Compensated absences:			
Current year	\$	(909,040)	
Prior year		741,743	
Accrued interest expense:			
Current year		(49,941)	
Prior year		<u>59,999</u>	(157,239)

Change in net position of governmental activities	\$	<u><u>368,099</u></u>	
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The accompanying notes are an integral part of these financial statements.

CITY OF GOOSE CREEK, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Water Department	Recreation Department	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 6,308,951	\$ 3,658,808	\$ 9,967,759
Accounts receivable, net of allowance	576,092	20,391	596,483
Taxes receivable, net of allowance	-	271,914	271,914
Due from county treasurer	-	278,098	278,098
Due from other funds	-	179,010	179,010
Inventories	243,000	73,351	316,351
Prepaid items	-	1,500	1,500
Total current assets	<u>7,128,043</u>	<u>4,483,072</u>	<u>11,611,115</u>
NONCURRENT ASSETS			
Capital assets:			
Non-depreciable	704,434	2,343,192	3,047,626
Depreciable, net of accumulated depreciation and amortization	<u>29,511,103</u>	<u>24,051,358</u>	<u>53,562,461</u>
Total noncurrent assets	<u>30,215,537</u>	<u>26,394,550</u>	<u>56,610,087</u>
Total assets	<u>37,343,580</u>	<u>30,877,622</u>	<u>68,221,202</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions made subsequent to measurement date	85,048	239,720	324,768
Differences between expected and actual experience related to pension expense	29,144	82,148	111,292
Pension assumption changes	25,719	72,494	98,213
Changes in proportion and differences between employer contribution and proportionate share of contributions	<u>134,001</u>	<u>377,702</u>	<u>511,703</u>
Total deferred outflows of resources	<u>273,912</u>	<u>772,064</u>	<u>1,045,976</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	195,934	178,798	374,732
Retainage payable	69,804	-	69,804
Accrued salaries and related liabilities	35,038	50,110	85,148
Accrued interest	22,073	-	22,073
Compensated absences payable	59,890	113,530	173,420
Due to other funds	34,257	288,088	322,345
Unearned revenue	226,500	196,584	423,084
Due to developers	91,950	-	91,950
Current portion of notes payable	353,177	-	353,177
Current portion of financed purchases payable	-	109,205	109,205
Current portion of leases payable	-	30,346	30,346
Total current liabilities	<u>1,088,623</u>	<u>966,661</u>	<u>2,055,284</u>
LONG-TERM LIABILITIES			
Net pension liability	1,678,660	4,731,570	6,410,230
Long-term portion of notes payable	4,552,028	-	4,552,028
Long-term portion of financed purchases payable	-	229,974	229,974
Long-term portion of leases payable	-	1,473	1,473
Total long-term liabilities	<u>6,230,688</u>	<u>4,963,017</u>	<u>11,193,705</u>
Total liabilities	<u>7,319,311</u>	<u>5,929,678</u>	<u>13,248,989</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for future years	-	579,576	579,576
Differences between expected and actual experience related to pension expense	4,655	13,122	17,777
Differences between projected and actual investment earnings	2,298	6,477	8,775
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>297,091</u>	<u>837,397</u>	<u>1,134,488</u>
Total deferred inflows of resources	<u>304,044</u>	<u>1,436,572</u>	<u>1,740,616</u>
NET POSITION			
Net investment in capital assets	25,240,528	26,023,552	51,264,080
Unrestricted	<u>4,753,609</u>	<u>(1,740,116)</u>	<u>3,013,493</u>
Total net position	<u>\$ 29,994,137</u>	<u>\$ 24,283,436</u>	<u>\$ 54,277,573</u>

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023**

	Water Department	Recreation Department	Total
OPERATING REVENUE			
Property taxes	\$ -	\$ 674,197	\$ 674,197
Charges for services and sales	6,622,530	3,943,232	10,565,762
Miscellaneous	248,353	460,355	708,708
Total operating revenues	<u>6,870,883</u>	<u>5,077,784</u>	<u>11,948,667</u>
OPERATING EXPENSES			
Salaries and related expenses	1,327,897	3,741,577	5,069,474
Cost of goods sold	592,173	450,927	1,043,100
Administrative	326,548	604,502	931,050
Contractual services	295,832	529,186	825,018
Materials and supplies	187,149	588,679	775,828
Repairs and maintenance	556,563	135,392	691,955
Depreciation and amortization	1,600,854	1,209,446	2,810,300
Utilities	42,151	356,523	398,674
Total operating expenses	<u>4,929,167</u>	<u>7,616,232</u>	<u>12,545,399</u>
Operating income (loss)	<u>1,941,716</u>	<u>(2,538,448)</u>	<u>(596,732)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	201,717	157,816	359,533
Interest expense	(90,104)	(12,005)	(102,109)
Intergovernmental revenue	-	19,645	19,645
Total non-operating revenues, net	<u>111,613</u>	<u>165,456</u>	<u>277,069</u>
Income (loss) before capital contributions and transfers	2,053,329	(2,372,992)	(319,663)
Capital contributions	2,914,398	8,964,917	11,879,315
Transfers in	-	2,250,443	2,250,443
Transfers out	(500,000)	(60,000)	(560,000)
Total capital contributions and transfers	<u>2,414,398</u>	<u>11,155,360</u>	<u>13,569,758</u>
Change in net position	4,467,727	8,782,368	13,250,095
Net position, beginning of year	<u>25,526,410</u>	<u>15,501,068</u>	<u>41,027,478</u>
Net position, end of year	<u>\$ 29,994,137</u>	<u>\$ 24,283,436</u>	<u>\$ 54,277,573</u>

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Water Department</u>	<u>Recreation Department</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 6,551,834	\$ 4,897,524	\$ 11,449,358
Cash paid to suppliers	(2,075,137)	(2,672,807)	(4,747,944)
Cash paid to employees	(1,478,273)	(3,711,484)	(5,189,757)
Internal activity-payments to other funds	(104,559)	(157,672)	(262,231)
Net cash provided by (used in) operating activities	<u>2,893,865</u>	<u>(1,644,439)</u>	<u>1,249,426</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to/from other funds	<u>(500,000)</u>	<u>2,190,443</u>	<u>1,690,443</u>
Net cash provided by (used in) noncapital financing activities	<u>(500,000)</u>	<u>2,190,443</u>	<u>1,690,443</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on leases payable	-	(93,583)	(93,583)
Principal paid on financed purchases payable	-	(113,032)	(113,032)
Principal paid on notes payable	(346,891)	-	(346,891)
Proceeds from intergovernmental grants	-	19,645	19,645
Payment of interest expense	(91,665)	(12,005)	(103,670)
Acquisition and construction of capital assets	<u>(805,459)</u>	<u>(419,800)</u>	<u>(1,225,259)</u>
Net cash used in capital and related financing activities	<u>(1,244,015)</u>	<u>(618,775)</u>	<u>(1,862,790)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earned on investments	<u>201,717</u>	<u>157,816</u>	<u>359,533</u>
Net cash provided by investing activities	<u>201,717</u>	<u>157,816</u>	<u>359,533</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,351,567	85,045	1,436,612
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>4,957,384</u>	<u>3,573,763</u>	<u>8,531,147</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 6,308,951</u>	<u>\$ 3,658,808</u>	<u>\$ 9,967,759</u>

(Continued)

CITY OF GOOSE CREEK, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Water Department</u>	<u>Recreation Department</u>	<u>Total</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,941,716	\$ (2,538,448)	\$ (596,732)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,600,854	1,209,446	2,810,300
Provision for allowance for uncollectible	43,509	(30,763)	12,746
(Increase) decrease in:			
Accounts and taxes receivables	(127,708)	(3,531)	(131,239)
Due from county treasurer	-	(158,311)	(158,311)
Inventory	(46,934)	(33,931)	(80,865)
Deferred outflows of resources	(53,722)	(204,977)	(258,699)
Increase (decrease) in:			
Accounts payable	(27,787)	26,333	(1,454)
Accrued salaries and compensated absences payable	4,400	13,044	17,444
Due to/from other funds	(104,559)	(157,672)	(262,231)
Net pension liability	85,350	628,135	713,485
Deferred inflows of resources	(186,404)	(356,193)	(542,597)
Unearned revenue	(234,850)	(37,571)	(272,421)
Total adjustments	<u>952,149</u>	<u>894,009</u>	<u>1,846,158</u>
Net cash provided by (used in) operating activities	<u>\$ 2,893,865</u>	<u>\$ (1,644,439)</u>	<u>\$ 1,249,426</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributed capital assets	\$ 2,914,398	\$ -	\$ 2,914,398
Purchase of capital assets by other funds	-	8,964,917	8,964,917
	<u>\$ 2,914,398</u>	<u>\$ 8,964,917</u>	<u>\$ 11,879,315</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2023**

	Custodial Fund
	Fireman's 1%
ASSETS	
Cash and cash equivalents	\$ 73,703
Total assets	<u>73,703</u>
LIABILITIES	
Due to others	<u>5,066</u>
Total liabilities	<u>5,066</u>
NET POSITION	
Restricted:	
Individuals, organizations, and other governments	<u>68,637</u>
Total net position	<u>\$ 68,637</u>

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Custodial Fund
	Fireman's 1%
ADDITIONS	
Insurance premium tax	\$ 102,962
Miscellaneous	174
Total additions	<u>103,136</u>
DEDUCTIONS	
Fees paid to other governments	102,963
Other custodial disbursements	<u>19,807</u>
Total deductions	<u>122,770</u>
Change in net position	(19,634)
NET POSITION, beginning of year	<u>88,271</u>
NET POSITION, end of year	<u>\$ 68,637</u>

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City operates under a charter originally granted by the State of South Carolina on March 22, 1961. The City was incorporated according to Section 47-22 of the 1962 Code, as amended, on May 6, 1976. The City adopted the Mayor-Council form of government as described in the Code of Laws of South Carolina 1976, Section 5-9-40. The Mayor and six-member Council for the City serve overlapping terms of four years.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended, which defines a primary government as an entity with a governing body elected in a general election and which is legally separate and fiscally independent. Any entity which does not meet the above criteria is potentially a component unit of a primary government. The City is a legally separate and fiscally independent entity whose governing body is a council whose members are elected in a general election and should therefore be considered a primary government. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

In conformity with generally accepted accounting principles, the financial statements of the component unit have been included in the financial reporting entity as a blended component unit. Blended component units, although legally separate entities, are in substance, part of the government's operations, and so data from these units are appropriately presented as funds of the primary government.

Blended Component Unit

The Goose Creek Municipal Finance Corporation (the "Corporation") is a separately administered organization controlled by and dependent on the City. The Corporation is a South Carolina not-for-profit corporation and is exempt from income taxation under Internal Revenue Code Section 501(c)(3). The Corporation has been organized exclusively for public and charitable purposes, specifically to carry out the acquisition and construction of capital assets, issuance of bonds to finance the construction of the capital projects, and to own and lease the facilities to the City for essential governmental functions in connection with tax exempt lease purchase financing of such facilities.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Board of Directors of the Corporation are:

<u>Name</u>	<u>Officer</u>
Natalie Zeigler – City Administrator	President
Gregory Habib – Mayor	Vice President
Tyler Howanyk – Finance Director	Treasurer/Secretary

The Goose Creek Municipal Finance Corporation is reported as a Capital Projects Fund and does not issue separate financial statements.

B. Government-wide and Fund Financial Statements

Government-wide Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable, when applicable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary fund and blended component unit, when applicable. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and proprietary funds. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Major Funds

The City reports the following major governmental funds:

The *General Fund* 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.

The *Local Hospitality Tax Fund* is a special revenue fund used to account for taxes collected on the sales of prepared meals and beverages sold in establishments. The expenditures of these taxes must be related to or for the promotion of tourism.

The *ARPA Fund* is used to account for the receipt of the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) allocation from the State of South Carolina as appropriated by the American Rescue Plan Act of 2021 as well as to account for the disbursement of funds as allowed under the U.S. Department of Treasury's Final Rule.

The City reports the following major proprietary funds:

The *Water Department Fund* accounts for the operations and maintenance of the water distribution system owned by the City.

The *Recreation Department Fund* accounts for the operations and maintenance of the recreation facilities managed by the City as well as the Crowfield Golf Club.

Nonmajor Funds

In addition, the City reports the following fund types:

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects) such as grants, fire and other special purpose fees.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital projects, other than those financed by proprietary funds.

The *Fiduciary Fund* is used to account for assets held by the government in a trustee capacity or as an agent on behalf of others. The Fiduciary fund is custodial in nature and is not reflected in the government-wide financial statements because the resources are not available to support the City's own programs.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds, when applicable) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements and proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. 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. Revenue from grants, entitlements and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State-levied locally shared taxes are recognized as revenue in the year appropriated by the state.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are considered to be measurable if the amount is known or reasonably estimable at year-end. The following revenue sources are deemed both measurable and available if collected within 60 days of year-end: delinquent property taxes, investment earnings, fines and forfeitures, state-levied locally shared taxes, insurance taxes, certain charges for services such as sanitation fees, and grant revenues for which all eligibility requirements imposed by the provider have been met. Permits, vehicle and some franchise taxes, licenses, and miscellaneous revenues, although they may be available within 60 days of year-end are considered to be measurable only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, leases and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Proceeds of general long-term debt and proceeds for acquisitions under leases are reported as other financing sources.

The fiduciary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

D. Deposits and Cash and Cash Equivalents

The *deposits* classification is used only in the notes, not on the face of the statement of net position or balance sheet. Deposits include only cash on hand, pooled money market funds and certificates of deposit.

The City considers *cash and cash equivalents* to be currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts, and liquid investments with an original maturity of three months or less when purchased.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.

The City did not have any investments as of December 31, 2023.

F. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/payables, i.e., the current portion of interfund loans, or advances to/from other funds, i.e., the noncurrent portion of interfund loans. All other outstanding balances between funds are reported as due to/from other funds.

Advances between funds are offset by a nonspendable fund balance account in the General Fund to indicate they are not available for appropriation and are not expendable available financial resources. Advances to other funds are reported as either restricted, committed or unassigned fund balance.

Taxes receivable shown are comprised of delinquent real property taxes, net of an allowance for uncollectible accounts, and the January 2023 property tax assessment levied for the 2024 fiscal year, which is deferred in the General Fund and the Recreation Department Enterprise Fund. The current property tax receivable allowance for uncollectible accounts is estimated at one percent of the current property tax levy.

All trade and accounts receivable are reported net of an allowance for the uncollectible amounts. The City computes the allowance for uncollectible amounts based on an estimate of collections within each aging category of receivables.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories and Prepaid Items

Inventories of the General Fund are valued at cost determined by the first-in, first-out method. The consumption method of accounting is used to record inventories under which the cost of inventory is recorded as an expenditure when consumed rather than when purchased. Inventory items consist of various types of fuel and replacement parts for vehicles and equipment.

Inventories of the Enterprise Funds are recorded at cost determined by the first-in, first-out method. Inventory items consist of supplies used to install water systems and merchandise to be sold at the Crowfield Golf Club.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The costs of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

H. Capital Assets

Capital assets and right-to-use leased assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets and infrastructure are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Assets with individual values under \$5,000 are considered capital assets if purchased in bulk and acquired by issuance of financed purchase and lease obligations. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their respective acquisition value at the date of donation.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. All reported capital assets except land and construction in progress are depreciated. Useful lives for infrastructure are estimated based on the City's historical records of necessary improvements and replacements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Depreciation and amortization is provided using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings	40-50
Improvements	15-30
Land improvements	10-20
Vehicles	5-15
Software	5
Mast arms	20
Equipment and computers	5-15
Water systems	20-40
Streetscapes	5-20
Infrastructure	20-30
Right-to-use lease equipment	5

I. Leases

The City is a lessee for noncancellable leases of several pieces of equipment for the Golf and Recreation departments. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and Recreation Department Fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Leases (Continued)

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

J. Impact Fee

According to City Ordinance 88-12, any person seeking to develop land shall pay an impact fee, which is accounted for in the Impact Fee Special Revenue Fund. Expenditures from the fund shall be made in the order in which they are collected. The disbursement of funds shall require the approval of City Council upon recommendation of the City Administrator or its designee. Eligible system improvement costs shall be limited to design construction plan preparation; right-of-way acquisition; construction of new facilities; purchase of equipment greater than \$10,000, construction of new drainage facilities associated with capital improvements; principal and interest payments on bonds or indebtedness issued by or on behalf of the City for financing any or all public facilities. Impact fees not obligated for expenditure within three years of the date they are scheduled to be expended in the City of Goose Creek Capital Improvements Plan shall be returned, with actual interest earned, to the record owner of the property for which the fees were collected, on a first-in, first-out basis.

K. Deferred Outflows/Inflows of Resources and Unearned Revenue

Deferred Outflows 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 has four items that qualify for reporting in this category, which are related to pension obligations as follows:

1. Pension contributions made subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the subsequent year.
2. The differences between expected and actual experience is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
3. Changes in actuarial assumptions adjust the net pension liability and are amortized into pension expense over the expected remaining service lives of plan members.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources and Unearned Revenue (Continued)

Deferred Outflows of Resources (Continued)

4. The changes in proportion and differences between employer contribution and proportionate share of contributions, which will be deferred and amortized over the remaining service lives of all plan participants.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

1. Business licenses collected and property taxes billed and/or collected in advance of the year for which levied or imposed.
2. The changes in proportion and differences between employer contribution and proportionate share of contributions, which will be deferred and amortized over the remaining service lives of all plan participants.
3. The differences between expected and actual experience is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
4. The net difference between the projected and actual earnings on pension plan investments, which is deferred and amortized over a closed five-year period.

The government also has deferred inflows of resources which arise under the modified accrual basis of accounting that qualify for reporting in this category. The item, *unavailable revenue*, is reported only in the governmental funds balance sheet. As such, under the modified accrual basis of accounting, the governmental funds report unavailable revenues from state aid to subdivisions, uncollected EMS fees, court fines and forfeitures, and property taxes collected in advance. These amounts are deferred and recognized as an inflow of resources in the period that the amount became available.

Unearned Revenue

The City also defers revenue recognition in connection with resources that have been billed or received, but not yet earned, such as memberships and gift certificates, and grants received in advance with certain unfulfilled eligibility requirements, when applicable.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS) and additions to/deductions from the SCRS' and PORS' fiduciary net position have been determined on the accrual basis of accounting as they are reported by SCRS and PORS, respectively, in accordance with Generally Accepted Accounting Principles (GAAP).

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Net Position and Fund Balance

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws and regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution or passage of an ordinance. Only the City Council may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Intent can be expressed by City Council or by an official or body to which City Council delegates the authority. The City Council has delegated such authority to the City Administrator.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Net Position and Fund Balance (Continued)

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Fund Balance Policy – The City strives to maintain a minimum unassigned fund balance and unrestricted net position in various funds for the purpose of floating the City’s operations in times of temporary cash flow shortages, emergencies, unanticipated economic downturns, and one-time opportunities.

The minimum fund balances are based on a percentage of the subsequent years budgeted expenditures in the fund. The minimum fund balances are as follows:

General Fund	25%
Water Department Enterprise Fund	20%
Recreation Department Enterprise Fund	10%

N. Accounting Estimates

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

O. Revenues and Expenditures/Expenses

Program Revenues - Amounts reported as 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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Revenues and Expenditures/ Expenses (Continued)

Property Taxes and Sanitation Fees - Property taxes attach as an enforceable lien on property as of January 1 of the current year. Taxes are levied and billed the following September on all property other than vehicles and are payable without penalty by January 15th of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16th – 3%; February 2nd – an additional 7%; March 16th – an additional 5%. If not paid by October 1st, the property is subject to sale by the Berkeley County Delinquent Tax Office. Berkeley County bills and collects current and delinquent property taxes under contractual agreements with the City. The City tax revenues are recognized in the period for which they are levied; therefore, revenue recognition is deferred. Taxes on licensed motor vehicles are levied during the month when the taxpayer's license is up for renewal and are, therefore, recognized as revenue when cash is received by the City.

Taxes recognized as revenue and used for the 2023 calendar year are based on property assessed as of July 2022 and billed in September 2022. The City tax rate to finance general governmental services for the year ended December 31, 2023, was set at 53.4 mills (\$5.34 per \$100 assessed valuation) for general uses and purposes of the City. The assessed valuation of properties, exclusive of vehicles (valued at \$24,968,310) within the City's district as of December 31, 2023, was \$192,092,130 according to records of the Berkeley County Auditor. The City's levy on property assessed as of July 2023, and billed in September 2023, will generate taxes to be used for the 2024 calendar year. Although a receivable is recorded at December 31, 2023, such revenue is recorded as a deferred inflow of resources.

The City levies the sanitation fees for permanent improvements and for the purpose of paying current expenditures of the City. Revenue is recognized when fees are received during the current calendar year or within 60 days subsequent to year-end. The sanitation fee rate is \$165 on every single-family occupied residential lot within the corporate limits of the City. Berkeley County bills and collects sanitation fees under a contractual agreement with the City.

P. Compensated Absences

Vacation – The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave – Accumulated sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Proprietary Funds Operating and Non-operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The City's business-type activities accounted for in proprietary funds are chiefly water sales and services, recreation services and property taxes levied to support recreational activities, and golf memberships and fees. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Appropriations and Deficit Fund Balance

For the year ended December 31, 2023, expenditures exceeded appropriations for the following functions:

Fund	Function	Excess Expenditures
General	Legislative	\$ 32,425
General	Police	115,296
General	Fire	72,734
General	Maintenance	75,869
General	Garage	29,858
General	Capital outlay	1,736,093

The over expenditures in the General Fund were funded by greater than anticipated revenues, transfers in from other funds, and the use of available fund balance.

For the year ended December 31, 2023, the City reported a deficit fund balance of \$30,178 in the Victims' Assistance Fund. The deficit will be reduced with future revenues and transfers from other funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments as of December 31, 2023, are summarized as follows:

Statement of Net Position:	
Cash	\$ 59,696,853
Restricted cash	422,604
Total cash	60,119,457
Statement of Fiduciary Net Position	
Cash	73,703
	\$ 60,193,160
Cash deposited with financial institutions	\$ 18,665,413
South Carolina Local Governmental Investment Pool	41,527,747
	\$ 60,193,160

At December 31, 2023, the City's pooled cash included local government pools, which is managed by the State of South Carolina. The fair value of its position in the pool is the same as the value of the pool shares.

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 or 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.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a policy for custodial credit risk. However, South Carolina state statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina and political subdivisions of South Carolina, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation. As of December 31, 2023, the City's bank balance of \$19,309,543 was fully insured or collateralized by government investments held by the pledging financial institution's trust department or agent in the City's name.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk – Investments

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.

Credit Risk – Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has adopted an investment policy in accordance with state statutes, which authorizes the City to invest in the following:

1. Obligations of the United States and agencies thereof;
2. Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations;
3. General obligations of the State of South Carolina or any of its political units;
4. Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation;
5. Certificates of deposit and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and
6. No-load open and closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

In addition, South Carolina state statutes authorize the City to invest in the South Carolina Local Government Investment Pool (LGIP). The LGIP is an investment trust fund created by state legislation, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The LGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized rating services.

As of December 31, 2023, the City did not have any investments.

Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer.

Custodial Credit Risk – Investments

For investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City does not have a formal investment policy to address custodial credit risk.

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NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables as of December 31, 2023, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds			Enterprise Funds	
	General Fund	Local Hospitality Tax Fund	Nonmajor Governmental Funds	Water Department	Recreation Department
Receivables:					
Current taxes	\$ 2,885,949	\$ -	\$ -	\$ -	\$ 277,768
Delinquent taxes	263,134	-	-	-	60,880
Sanitation fees	265,640	-	-	-	-
Total taxes	3,414,723	-	-	-	338,648
Fines	2,055,878	-	372,494	-	-
Accounts	3,137,658	247,816	-	1,098,378	20,391
Gross receivables	8,608,259	247,816	372,494	1,098,378	359,039
Less allowance for uncollectibles					
Taxes	(338,838)	-	-	-	(66,734)
Fines	(1,091,640)	-	(214,921)	-	-
Accounts	(1,021,112)	-	-	(522,286)	-
Total allowance	(2,451,590)	-	(214,921)	(522,286)	(66,734)
Net receivables	\$ 6,156,669	\$ 247,816	\$ 157,573	\$ 576,092	\$ 292,305

NOTES TO FINANCIAL STATEMENTS

NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2023, is as follows:

	Receivable Fund	Payable Fund
Governmental Funds		
Major		
General Fund	\$ 356,234	\$ 21,888,433
Local Hospitality Fund	2,179	-
ARPA Fund	15,464,654	-
Nonmajor	6,242,592	33,891
Enterprise Funds		
Water Department	-	34,257
Recreation Department	179,010	288,088
	\$ 22,244,669	\$ 22,244,669

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

The composition of interfund transfers for the year ended December 31, 2023, is as follows:

	Transfers In	Transfers Out
Governmental Funds		
Major		
General Fund	\$ 560,000	\$ 3,704,201
Nonmajor	1,606,512	152,754
Total Governmental Funds	2,166,512	3,856,955
Enterprise Funds		
Water Department	-	500,000
Recreation Department	2,250,443	60,000
Total Enterprise Funds	2,250,443	560,000
Total Transfers	\$ 4,416,955	\$ 4,416,955

Transfers are used (1) to move revenues from the fund that a statute or budget requires to collect them to the fund that a statute or budget requires to expend them, and (2) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The City also transferred capital assets of \$8,964,917 from governmental activities to its business-type activities as noted on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2023, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 9,096,336	\$ -	\$ (60,000)	\$ -	\$ 9,036,336
Construction in progress	9,718,918	2,551,565	-	(8,964,917)	3,305,566
Total	<u>18,815,254</u>	<u>2,551,565</u>	<u>(60,000)</u>	<u>(8,964,917)</u>	<u>12,341,902</u>
Capital assets, being depreciated:					
Buildings	28,107,100	-	-	-	28,107,100
Improvements	2,141,257	-	-	-	2,141,257
Vehicles	7,703,660	914,630	(313,392)	(15,593)	8,289,305
Mast arms	1,463,006	-	-	-	1,463,006
Equipment and computers	2,649,022	632,780	(62,756)	-	3,219,046
Streetscapes	7,082,367	-	-	-	7,082,367
Software	578,934	-	-	-	578,934
Infrastructure	3,199,857	-	-	-	3,199,857
Total	<u>52,925,203</u>	<u>1,547,410</u>	<u>(376,148)</u>	<u>(15,593)</u>	<u>54,080,872</u>
Less accumulated depreciation for:					
Buildings	(8,089,927)	(620,503)	-	-	(8,710,430)
Improvements	(1,256,978)	(75,262)	-	-	(1,332,240)
Vehicles	(4,483,536)	(799,727)	255,986	15,593	(5,011,684)
Mast arms	(1,226,572)	(71,474)	-	-	(1,298,046)
Equipment and computers	(1,886,722)	(246,239)	60,384	-	(2,072,577)
Streetscapes	(3,198,570)	(359,795)	-	-	(3,558,365)
Software	(220,369)	(115,787)	-	-	(336,156)
Infrastructure	(1,872,649)	(126,454)	-	-	(1,999,103)
Total	<u>(22,235,323)</u>	<u>(2,415,241)</u>	<u>316,370</u>	<u>15,593</u>	<u>(24,318,601)</u>
Total capital assets, being depreciated, net	<u>30,689,880</u>	<u>(867,831)</u>	<u>(59,778)</u>	<u>-</u>	<u>29,762,271</u>
Governmental activities capital assets, net	<u>\$ 49,505,134</u>	<u>\$ 1,683,734</u>	<u>\$ (119,778)</u>	<u>\$ (8,964,917)</u>	<u>\$ 42,104,173</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the business-type activities for the year ended December 31, 2023, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 1,956,615	\$ -	\$ -	\$ -	\$ 1,956,615
Construction in progress	267,963	823,048	-	-	1,091,011
Total	<u>2,224,578</u>	<u>823,048</u>	<u>-</u>	<u>-</u>	<u>3,047,626</u>
Capital assets, being depreciated:					
Buildings	14,643,950	-	-	4,150,000	18,793,950
Improvements	2,912,813	46,800	-	4,814,917	7,774,530
Land improvements	2,661,190	-	-	-	2,661,190
Vehicles	715,371	214,804	-	15,593	945,768
Software	39,204	-	-	-	39,204
Equipment	1,708,304	76,929	-	-	1,785,233
Water system	43,266,122	2,914,398	-	-	46,180,520
Total	<u>65,946,954</u>	<u>3,252,931</u>	<u>-</u>	<u>8,980,510</u>	<u>78,180,395</u>
Less accumulated depreciation for:					
Buildings	(3,172,430)	(400,063)	-	-	(3,572,493)
Improvements	(469,110)	(411,146)	-	-	(880,256)
Land improvements	(1,273,030)	(114,772)	-	-	(1,387,802)
Vehicles	(502,590)	(84,053)	-	(15,593)	(602,236)
Software	(39,204)	-	-	-	(39,204)
Equipment	(950,615)	(185,656)	-	-	(1,136,271)
Water system	(15,510,519)	(1,522,979)	-	-	(17,033,498)
Total	<u>(21,917,498)</u>	<u>(2,718,669)</u>	<u>-</u>	<u>(15,593)</u>	<u>(24,651,760)</u>
Total capital assets, being depreciated, net	<u>44,029,456</u>	<u>534,262</u>	<u>-</u>	<u>8,964,917</u>	<u>53,528,635</u>
Business-type activities capital assets, net	<u>\$ 46,254,034</u>	<u>\$ 1,357,310</u>	<u>\$ -</u>	<u>\$ 8,964,917</u>	<u>56,576,261</u>
Lease assets, net (Note 9)					<u>33,826</u>
Total capital assets net as reported in the statement of net position					<u>\$ 56,610,087</u>

Included in current year additions are contributed water systems in the amount of \$2,914,398.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities	
Administrative	\$ 507,921
Planning	22,671
Police	570,056
Fire	619,187
Sanitation	195,307
Recreation	192,459
Maintenance	216,249
Garage	7,905
Court	9,503
Information technology	73,983
Total depreciation expense - governmental activities	\$ 2,415,241

Business-type activities	
Water Department	\$ 1,600,854
Recreation Department	1,117,815
Total depreciation expense - business-type activities	\$ 2,718,669

NOTE 7. UNAVAILABLE REVENUE

The components of unavailable intergovernmental revenue in the Balance Sheet-Governmental Funds as of December 31, 2023, are as follows:

	General	Nonmajor Governmental Funds
Unavailable revenue:		
State aid to subdivisions	\$ 565,316	\$ -
State accommodations tax	3,231	-
Fines and forfeitures	964,238	157,573
EMS revenue	1,334,175	-
Total unavailable	\$ 2,866,960	\$ 157,573

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES

The City has the following forms of long-term indebtedness:

Financed Purchases Obligations – The City has entered into Finance-purchase agreements for golf maintenance equipment and gym fitness equipment accounted for in the Recreation Department Fund. Debt service expenditures including principal and interest are reported in the General Fund.

Revenue Bonds – The Installment Revenue Repurchase Bonds are funded by the General Fund and were used for the construction of a fire station and fire headquarters, and the Special Obligation Bonds (Hospitality Fee Pledge) are funded by the Hospitality Tax Fund and were used for the construction of a recreation activity center.

Notes Payable – The City has entered into various note payable agreements with a financial institution for the purchase of three new sanitation trucks, a pumper truck, and equipment for governmental activities. The City has also entered into a note payable agreement with the State of South Carolina State Revolving Loan Fund for the construction of a water system upgrade. The sanitation vehicle note payable, the pumper truck note payable, and the other equipment note payable are reported in the City's governmental activities with the associated debt service expenditures reported in the General Fund. The water system upgrade note payable is accounted for in the Water Department Fund.

Leases Payable – The City has entered into multiple noncancelable leases as the lessee for various golf course and recreation equipment. The liability and right-to-use asset are recorded in the Recreation Fund.

Compensated Absences Payable – These obligations represent accumulated annual leave benefits which were not funded by the current or prior years' revenue resources. These obligations are primarily funded by the General Fund.

Net Pension Liability – The City participates in the South Carolina Retirement System and the Police Officers Retirement System. These plans are discussed in Note 11.

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2023, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities					
Revenue bonds	\$ 11,460,917	\$ -	\$ (1,411,194)	\$ 10,049,723	\$ 1,435,384
Notes payable	1,869,561	-	(779,298)	1,090,263	627,592
Compensated absences	741,743	749,760	(582,463)	909,040	909,040
Net pension liability	25,571,993	5,354,542	(3,545,133)	27,381,402	-
Total long-term liabilities	<u>\$ 39,644,214</u>	<u>\$ 6,104,302</u>	<u>\$ (6,318,088)</u>	<u>\$ 39,430,428</u>	<u>\$ 2,972,016</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Changes in Long-term Liabilities (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-type activities					
Notes payable	\$ 5,252,096	\$ -	\$ (346,891)	\$ 4,905,205	\$ 353,177
Financed purchases payable	452,211	-	(113,032)	339,179	109,205
Leases payable	125,402	-	(93,583)	31,819	30,346
Compensated absences	157,346	129,893	(113,819)	173,420	173,420
Net pension liability	5,696,745	2,737,732	(2,024,247)	6,410,230	-
Total long-term liabilities	<u>\$ 11,683,800</u>	<u>\$ 2,867,625</u>	<u>\$ (2,691,572)</u>	<u>\$ 11,859,853</u>	<u>\$ 666,148</u>

Revenue Bonds

Revenue bonds payable at December 31, 2023, is comprised of the following issues:

Installment Purchase Revenue Bonds

In 2020 the Installment Purchase Revenue Bonds, Series 2020 (the "Series 2020 Bonds"), were issued in the amount of \$4,889,000 with an interest rate of 1.33%. The proceeds were used to refund the Series 2014 Bonds and pay certain costs relating to the issuance of the Series 2020 Bonds. Annual payments for the Series 2020 Bonds range from \$139,462 to \$629,201 including interest with a maturity date of March 2029. The amount outstanding of the Series 2020 Bonds as of December 31, 2023, is \$3,166,000.

In August 2016, the City issued Special Obligation Bonds (Hospitality Fee Pledge), Series 2016 in the amount of \$9,000,000 at 2.220%, for the purpose of the construction of a recreation facility. Annual payments range from \$531,905 to \$709,207 including interest with a maturity of September 2031. On April 29, 2021, the City issued Special Obligation Bonds (Hospitality Fee Pledge), Series 2021 in the amount of \$2,500,000 at 1.490%, to finance the acquisition, construction, or purchase, of recreational facilities, appurtenances and improvements related thereto, including the revitalization and expansion of Eubanks Park. Annual payments range from \$67,250 to \$269,830 including interest with a maturity of March 2031. Revenues from the Hospitality Tax Fund will be used to repay these bonds. The amount outstanding as of December 31, 2023, is \$6,883,723.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds (Continued)

Debt service requirements for the revenue bonds are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,435,384	\$ 172,157	\$ 1,607,541
2025	1,459,868	147,152	1,607,020
2026	1,484,655	121,691	1,606,346
2027	1,510,750	95,762	1,606,512
2028	1,538,161	69,341	1,607,502
2029 - 2031	2,620,905	75,017	2,695,922
Total	<u>\$ 10,049,723</u>	<u>\$ 681,120</u>	<u>\$ 10,730,843</u>

Notes Payable

In May 2016, the City entered into an agreement with the South Carolina Water Quality Revolving Fund Authority to borrow funds, not to exceed \$8,500,000, to be used to finance the costs of the Water System improvements. The City has granted a pledge of and lien on net revenues of the City's Water System for repayment of the loan. The loan bears a fixed interest rate of 1.80%. Payments are made quarterly and are payable in equal installments of \$109,774 over a 20-year period. Draw requests for the loan funds are made once costs for the project have been incurred. In November 2018, the loan was amended after the final draw was made and the project completed. The final loan amount for the project was \$7,361,200. The amount outstanding as of December 31, 2023, is \$4,905,205.

Debt service requirements for the water system improvement note payable are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 353,177	\$ 85,919	\$ 439,096
2025	359,578	79,518	439,096
2026	366,094	73,002	439,096
2027	372,728	66,368	439,096
2028	379,483	59,613	439,096
2029-2033	2,003,093	192,386	2,195,479
2034-2036	1,071,052	26,687	1,097,739
Total	<u>\$ 4,905,205</u>	<u>\$ 583,493</u>	<u>\$ 5,488,698</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Notes Payable (Continued)

In March 2020, the City entered into an agreement with a financial institution to borrow funds to be used to finance the purchase of a new refuse collector. The total amount financed was \$475,000 and bears a fixed interest rate of 2.05%. Payments are made quarterly and are payable in installments from \$25,049 to \$100,195 over a six-year period. The first payment was made in June 2020 and the note matures in December 2025. Revenues from the General Fund will be used to repay this note. The amount outstanding as of December 31, 2023, is \$123,343.

In February 2021, the City entered into an agreement with a financial institution to borrow funds to be used to finance the purchase of new vehicles and equipment. The total amount financed was \$615,000 and bears a fixed interest rate of 0.820%. Payments are made quarterly and are payable in installments of \$51,900 over a four-year period. The first payment was made in April 2021 and the note matures in December 2024. Revenues from the General Fund will be used to repay this note. The amount outstanding as of December 31, 2023, is \$51,794.

In February 2021, the City entered into an agreement with a financial institution to borrow funds to be used to finance the purchase of portable handheld radios for the police department. The total amount financed was \$310,000 and bears a fixed interest rate of 1.010%. Payments are made quarterly and are payable in installments of \$15,900 over a six-year period. The first payment was made in April 2021 and the note matures in December 2026. Revenues from the General Fund will be used to repay this note. The amount outstanding as of December 31, 2023, is \$141,318.

In April 2022, the City entered into an agreement with a financial institution to borrow funds to be used to finance the purchase of equipment for the police, fire, and general government departments. The total amount financed was \$1,500,000 and bears a fixed interest rate of 2.29%. Payments are made quarterly and are paid in installments from \$24,700 to \$103,742 over a five-year period. The first payment was made in June 2022 and the note matures in March 2027. Revenues from the General Fund will be used to repay this note. The amount outstanding as of December 31, 2023, is \$773,808.

Debt service requirements for the sanitation trucks, pumper truck, refuse collector, vehicles and equipment and portable handheld radios notes payable are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 627,592	\$ 17,229	\$ 644,821
2025	308,932	6,451	315,383
2026	129,036	2,107	131,143
2027	24,703	141	24,844
Total	<u>\$ 1,090,263</u>	<u>\$ 25,928</u>	<u>\$ 1,116,191</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Notes Payable (Continued)

Rate Covenants

The City has covenanted to maintain rates and charges for products and services which at all times shall be sufficient to pay operation and maintenance expenses to keep the system in good repair and working order, to provide for the punctual payment of the principal and interest on all outstanding debt, to maintain the required amounts in the debt service and debt service reserve accounts, to build and maintain a reserve for contingencies and improvements, and to discharge all obligations imposed by the bond ordinance.

Financed Purchases Payable

Business-type Activities (Recreation Fund)

In July 2021, the City has entered into a finance purchase agreement for the acquisition of mowing equipment for the Crowfield Golf Club, a division of the Recreation Department. Annual principal and interest payments range from \$101,415 to \$22,716. The amount outstanding as of December 31, 2023, is \$310,028.

In January 2020, the City has entered into a finance purchase agreement for the acquisition of golf carts for the Crowfield Golf Club, a division of the Recreation Department. Annual principal and interest payments range from \$6,840 to \$1,140. The amount outstanding as of December 31, 2023, is \$1,137.

In March 2021, the City has entered into a finance purchase agreement for the acquisition of mowing equipment for the Crowfield Golf Club, a division of the Recreation Department. Annual principal and interest payments range from \$10,986 to \$2,747. The amount outstanding as of December 31, 2023, is \$28,014.

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 109,205	\$ 4,337	\$ 113,542
2025	109,759	2,643	112,402
2026	97,610	1,024	98,634
2027	22,605	111	22,716
Total	<u>\$ 339,179</u>	<u>\$ 8,115</u>	<u>\$ 347,294</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Leases

The City has entered into multiple noncancelable leases as the lessee for various right-to-use assets. The incremental borrowing rate varies from 2% to 7%. As of December 31, 2023, the City has \$31,819 outstanding in leases payable.

The annual requirements to amortize all leases payable as of December 31, 2023, including interest payments, are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 30,346	\$ 477	\$ 30,823
2025	1,473	-	1,473
Total	<u>\$ 31,819</u>	<u>\$ 477</u>	<u>\$ 32,296</u>

NOTE 9. LEASE ASSETS

Right-To-Use Assets

Lease asset activity for the City's business-type activities for the year ended December 31, 2023, was as follows:

Business-type activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Lease asset:				
Equipment	\$ 215,740	\$ -	\$ -	\$ 215,740
Total capital assets	215,740	-	-	215,740
Less accumulated amortization:				
Equipment	(90,283)	(91,631)	-	(181,914)
Total accumulated amortization	(90,283)	(91,631)	-	(181,914)
Total lease assets net of accumulated amortization	<u>\$ 125,457</u>	<u>\$ (91,631)</u>	<u>\$ -</u>	<u>\$ 33,826</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER INFORMATION

A. Commitments and Contingent Liabilities

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, could become a liability of the general fund or other applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Litigation

The City is contingently liable with respect to various legal proceedings which occur in the course of governmental operations. It is the opinion of City management, based on the advice of legal counsel on pending litigation, that the ultimate disposition of these claims not covered by insurance will not have a material adverse effect on the financial condition of the City.

Construction Commitments

At December 31, 2023, the City had the following construction commitments:

Construction services (Joe Danning Amphitheater)	\$2,918,816
Construction services (Crowfield Golf Clubhouse Renovations)	\$1,830,162

Long-term Contract – Water Purchases

On September 13, 1994, the City entered into a 35 year, automatically renewable contract with the Lake Moultrie Water Agency, a joint municipal water system created under the "Joint Municipal Water Systems Act," Section 6-25-10 et. seq. of the South Carolina Code of Laws, 1976. The Agency water supply system became operational in September of 1994.

Under the contract, the City owns 18% of the capacity of the Lake Moultrie Water Agency water supply system for the term of the contract and agrees to purchase and pay for 3.6 million gallons per day of water capacity. Cost per gallon is established annually on a cost of service basis, calculated following the guidelines of the American City Association. Any variances in actual operations costs from the projected costs related to the City's proportionate share are calculated annually, and the City is credited or assessed for any differences at year-end. The City has the right to purchase or sell excess capacity to other contract participants according to need or availability. The current year expenditures for the purchase of water were \$592,173.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER INFORMATION

A. Commitments and Contingent Liabilities (Continued)

Long-term Contract – Water Purchases (Continued)

The estimated demand and volumetric charges for the next three years are as follows:

<u>Year ending December 31,</u>	<u>Total</u>
2024	\$ 947,373
2025	1,004,372
2026	1,072,900

Long-term Contract – Recreation

In May 2008, the City entered into a contract with the Goose Creek Recreation Commission whereby the City assumed the operations of the Recreation District to provide recreational services to all residents served by the Commission, both within and outside the City. The term of this agreement is 20 years and provides for automatic extensions for additional terms of 20 years each, unless either party, by written notice to the other given at least 24 months prior to the expiration of the then term, elects to withdraw from or terminate this agreement. For these services the City will receive a sum no more than the equivalent of the sum represented by applying the City's millage rate designated and budgeted for recreational services to all taxable real and personal property located within the boundaries of the District. The transition under this agreement was completed January 1, 2009, and the Recreation Department is accounted for by the City as an enterprise fund.

B. Risk Management

The City is exposed to various risks of losses related to torts, including theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City is a member of the South Carolina Municipal Insurance and Risk Financing Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. The City pays an annual premium to the Municipal Insurance and Risk Financing Fund for its general insurance and workers' compensation. The South Carolina Municipal Insurance and Risk Financing Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims.

The City has not significantly reduced insurance coverages from the previous year and settled claims in excess of insurance coverage for the last three years were immaterial. For each of the insurance programs and public entity risk pools in which they participate, the City has effectively transferred all risk with no liability for unfunded claims.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN

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). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through 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 of the state.

Plan Description

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

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

In addition to the SCRS pension plan, the City also contributes to 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 SCRS as a condition of employment. This plan covers general employees, 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.

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; or to serve as 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. A brief summary of the benefit terms for each system is presented below.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits (Continued)

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 or retired members of employees who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the Board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent. For the year ended December 31, 2023, the City contributed \$1,715,091 to the SCRS plan and \$1,974,067 to the PORS plan.

Required employee contribution rates for the year ended December 31, 2023, are as follows:

South Carolina Retirement System

- 9.00% of earnable compensation from January 1st through June 30th
- 9.00% of earnable compensation from July 1st through December 31st

South Carolina Police Officers Retirement System

- 9.75% of earnable compensation from January 1st through June 30th
- 9.75% of earnable compensation from July 1st through December 31st

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions (Continued)

Required employer contribution rates for the year ended December 31, 2023, are as follows:

South Carolina Retirement System

17.41% of earnable compensation from January 1st through June 30th
 18.41% of earnable compensation from July 1st through December 31st
 Employer incidental death benefit: 0.15% of earnable compensation

South Carolina Police Officers Retirement System

19.84% of earnable compensation from January 1st through June 30th
 20.84% of earnable compensation from July 1st through December 31st
 Employer incidental death benefit: 0.20% of earnable compensation

Required and actual contributions are as follows:

	Plan's fiscal year ended June 30, 2023	City's fiscal year ended December 31, 2023
SCRS		
Governmental Activities		
Required contributions		
Actual contributions	\$ 1,030,838	\$ 1,091,655
	\$ 1,030,838	\$ 1,091,655
Business-type Activities		
Required contributions		
Actual contributions	\$ 588,703	\$ 623,436
	\$ 588,703	\$ 623,436
PORS		
Governmental Activities		
Required contributions		
Actual contributions	\$ 1,881,980	\$ 1,974,067
	\$ 1,881,980	\$ 1,974,067

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2022, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry Age	Entry Age
Actuarial assumptions:		
Investment rate of return	7.0%	7.0%
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	lesser of 1% or \$500

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 (2021 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 2021.

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

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component, which is summarized in the table below.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions and Methods (Continued)

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.62%	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 total pension liability was 7.00 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 State Code of Laws. Based on those assumptions, the City's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The table on the following page presents the sensitivity of the net pension liabilities to changes in the discount rate.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate (Continued)

The following table presents the sensitivity of the net pension liability to changes in the discount rate.

Sensitivity of the Net Position Liability to Changes in the Discount Rate			
	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Governmental activities			
SCRS	\$ 14,504,766	\$ 11,226,455	\$ 8,500,383
PORS	\$ 22,789,010	\$ 16,154,947	\$ 10,720,841
Business-type activities			
SCRS	\$ 8,283,555	\$ 6,410,230	\$ 4,854,500

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 valuation. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

As of December 31, 2023 (measurement date of June 30, 2023), the City's proportional share of the NPL amounts for SCRS and PORS are presented below:

System	Measurement Period Ended June 30,	
	2023	2022
SCRS		
Governmental activities	\$ 11,226,455	\$ 10,410,314
Business-type activities	\$ 6,410,230	\$ 5,696,745
City's proportion of the net pension liability	0.072947%	0.066442%
PORS		
Governmental activities	\$ 16,154,947	\$ 15,161,679
City's proportion of the net pension liability	0.530698%	0.505561%

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2023, the City recognized its proportionate share of collective pension expense of \$3,009,688 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 \$1,559,409 for a total of \$4,569,097 for governmental activities. Additionally, for the year ended December 31, 2023, the City recognized its proportionate share of collective pension expense of \$633,035 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 (\$331,619) for a total of \$301,416 for business-type activities.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

At December 31, 2023, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Governmental activities</i>		
Differences between expected and actual experience	\$ 955,177	\$ 230,288
Net difference between projected and actual earnings on pension plan investments	-	43,092
Assumption changes	523,603	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,152,989	2,022,489
Employer contributions subsequent to the measurement date	1,617,330	-
Total	\$ 8,249,099	\$ 2,295,869
	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Business-type activities</i>		
Differences between expected and actual experience	\$ 111,292	\$ 17,777
Net difference between projected and actual earnings on pension plan investments	-	8,775
Assumption changes	98,213	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	511,703	1,134,488
Employer contributions subsequent to the measurement date	324,768	-
Total	\$ 1,045,976	\$ 1,161,040

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

The City reported the following outflows of resources: \$1,617,330 and \$324,768 related to contributions subsequent to the measurement date in governmental and business-type activities, respectively, which will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in future years. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2023, was 3.910 and 4.130 years for SCRS and PORS, respectively.

The following schedule reflects the amortization of the City's proportional share of the net balance of remaining deferred outflows and inflows of resources:

Governmental Activities			
Measurement Period	Fiscal Year	SCRS	PORS
Ending June 30,	Ending December 31,		
2024	2024	\$ (461,934)	\$ 2,635,331
2025	2025	(809,466)	1,556,058
2026	2026	507,748	931,697
2027	2027	(6,634)	(16,900)
Total		\$ (770,286)	\$ 5,106,186

Business-type Activities			
Measurement Period	Fiscal Year	SCRS	PORS
Ending June 30,	Ending December 31,		
2024	2024	\$ (263,806)	\$ -
2025	2025	(462,280)	-
2026	2026	289,970	-
2027	2027	(3,716)	-
Total		\$ (439,832)	\$ -

Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for SCRS and PORS. The ACFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Payables to the Pension Plans

At December 31, 2023, the City reported payables of \$300,400 and \$387,887 for the outstanding amount of contributions due to SCRS and PORS, respectively. The liabilities will be paid in the normal course of paying year-end obligations.

Money Purchase Pension Plans

The City maintains a money purchase pension plan for grandfathered employees that are not in the SCRS and sworn police officers who have been employed for one year. The plan is administered through ICMA-IRC. The City contributes 1% of the annual compensation of the sworn police officers after one year of employment and an amount equal to the voluntary contributions up to a maximum of 2%. The City also contributes an amount up to 1% less than the City's contribution rate for SCRS and group life insurance, currently 18.41%, for grandfathered employees that are not in SCRS. All employees can also make voluntary, tax deferred contributions at an amount equal to the maximum amount allowed under Internal Revenue Service regulations. All money purchase pension plans are 100% vested immediately. Total contributions to the plan by the City in 2023 were \$103,248.

The City also maintains a money purchase pension plan for the City Administrator and others deemed eligible by a majority vote of City Council. The City contributes 8% of the employee's base salary per year, which is 100% vested immediately. Total contributions to the plan by the City were \$20,822 in 2023.

South Carolina State Firemen's Association Retirement Plan and Trust

In 2002, the City established a supplemental retirement plan for paid firemen under the provisions of the South Carolina Firemen's Association Retirement Plan and Trust, a defined contribution plan established under Section 401(a) of the Internal Revenue Code. The Plan is administered by a three to five member managing committee elected by the Fire Department employees. The Plan is available to all paid fire department employees with one year of service. Plan members may make voluntary contributions at an amount up to 10% of the employee's annual compensation. The assets of the Plan are held for the exclusive benefit of the Plan participants and their beneficiaries and are not available to creditors of the City. Employer contributions to the Plan are determined by the Managing Committee of the Fire Department from funds provided pursuant to Sections 23-9-450 and 23-9-460 of the Code of Laws of the State of South Carolina (firemen's insurance and inspection funds). Total contributions to the Plan by the City in 2023 were \$102,963, which is equivalent to the required contributions. The annual contribution is recorded as a disbursement in the Fireman's 1% Fiduciary Fund.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GOOSE CREEK, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budget</u> <u>Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
Revenues:			
Local revenues:			
Property taxes	\$ 6,503,975	\$ 6,399,312	\$ (104,663)
Licenses, permits, and franchise taxes	13,402,693	15,618,133	2,215,440
Charges for services	3,688,221	4,323,695	635,474
Fines and forfeitures	369,516	622,037	252,521
Miscellaneous	492,640	1,672,914	1,180,274
Total local revenues	<u>24,457,045</u>	<u>28,636,091</u>	<u>4,179,046</u>
State revenues	8,416,126	9,905,735	1,489,609
Federal revenues	433,450	793,778	360,328
Total revenues	<u>33,306,621</u>	<u>39,335,604</u>	<u>6,028,983</u>
Expenditures:			
Current:			
Legislative	452,619	485,044	(32,425)
Human resources	333,542	331,607	1,935
Administrative	2,965,237	2,855,331	109,906
Police	11,520,068	11,635,364	(115,296)
Fire	7,453,972	7,526,706	(72,734)
Sanitation	2,263,963	1,951,639	312,324
Maintenance	1,247,367	1,323,236	(75,869)
Garage	576,325	606,183	(29,858)
Court	602,389	596,688	5,701
Planning	1,166,444	1,077,109	89,335
Economic development	226,881	183,060	43,821
Information technology	1,233,043	1,000,399	232,644
Capital outlay	1,441,548	3,177,641	(1,736,093)
Total expenditures	<u>31,483,398</u>	<u>32,750,007</u>	<u>(1,266,609)</u>
Excess of revenues over expenditures	<u>1,823,223</u>	<u>6,585,597</u>	<u>4,762,374</u>
Other financing sources (uses):			
Transfers in	2,002,300	560,000	(1,442,300)
Transfers out	(3,691,941)	(3,704,201)	(12,260)
Sale of capital assets	14,750	175,975	161,225
Insurance proceeds	-	166,992	166,992
Total other financing uses, net	<u>(1,674,891)</u>	<u>(2,801,234)</u>	<u>(1,126,343)</u>
Net change in fund balances	<u>148,332</u>	<u>3,784,363</u>	<u>3,636,031</u>
Fund balances, beginning of year	<u>20,567,807</u>	<u>20,567,807</u>	<u>-</u>
Fund balances, end of year	<u>\$ 20,716,139</u>	<u>\$ 24,352,170</u>	<u>\$ 3,636,031</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA

**LOCAL HOSPITALITY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budget Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Local revenues:			
Licenses, permits, and franchise taxes	\$ 2,882,734	\$ 2,999,669	\$ 116,935
Miscellaneous	10,628	196,510	185,882
Total local revenues	<u>2,893,362</u>	<u>3,196,179</u>	<u>302,817</u>
Total revenues	<u>2,893,362</u>	<u>3,196,179</u>	<u>302,817</u>
Expenditures:			
Current:			
Administrative	777,506	554,771	222,735
Capital outlay	1,000,000	36,146	963,854
Debt service:			
Principal retirement	829,194	829,194	-
Interest	<u>149,769</u>	<u>148,665</u>	<u>1,104</u>
Total expenditures	<u>2,756,469</u>	<u>1,568,776</u>	<u>1,187,693</u>
Net change in fund balances	<u>136,893</u>	<u>1,627,403</u>	<u>1,490,510</u>
Fund balances, beginning of year	<u>3,299,923</u>	<u>3,299,923</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,436,816</u>	<u>\$ 4,927,326</u>	<u>\$ 1,490,510</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) NOTES TO BUDGETARY COMPARISON SCHEDULE- GENERAL FUND AND LOCAL HOSPITALITY TAX FUND FOR THE YEAR ENDED DECEMBER 31, 2023

Summary of Significant Accounting Policies

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Capital Projects Fund, and all special revenue funds except the Tourism Fund and the ARPA Fund. Budgets for the General Fund and the special revenue funds that are major funds are presented as required supplementary information.

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

- a. Prior to October 1, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to December 31, the budget is legally enacted through passage of an ordinance.
- d. The appropriated budget is prepared by fund, function, department, and object. The City Administrator is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The legal level of control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.
- e. Formal budgetary integration is employed as management control device during the year for the general, capital projects and certain special revenue funds.

All annual appropriations lapse at year-end and the City does not employ encumbrance accounting.

No supplemental budgetary appropriations were made during the year.

CITY OF GOOSE CREEK, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED DECEMBER 31,

SOUTH CAROLINA RETIREMENT SYSTEM

Plan Year Ended June 30	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.072947%	\$ 17,636,685	\$ 9,222,890	191.2%	58.60%
2022	0.066442%	16,107,059	7,911,727	203.6%	57.10%
2021	0.095047%	20,569,300	10,743,148	191.5%	60.70%
2020	0.089454%	22,857,126	9,979,828	229.0%	50.70%
2019	0.087530%	19,986,618	9,239,060	216.3%	54.40%
2018	0.086349%	19,348,162	8,948,204	216.2%	54.10%
2017	0.082518%	18,576,129	8,325,812	223.1%	53.30%
2016	0.079690%	17,021,666	7,712,178	220.7%	52.90%
2015	0.078252%	14,840,869	7,329,345	202.5%	57.00%
2014	0.078421%	13,501,496	7,268,870	185.7%	59.90%

POLICE OFFICERS RETIREMENT SYSTEM

Plan Year Ended June 30	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.530698%	\$ 16,154,947	\$ 9,298,317	173.7%	67.80%
2022	0.505561%	15,161,679	8,086,614	187.5%	66.40%
2021	0.236533%	6,085,800	3,596,158	169.2%	70.40%
2020	0.239700%	7,948,962	3,661,167	217.1%	58.80%
2019	0.248701%	7,127,613	3,633,446	196.2%	62.70%
2018	0.240285%	6,808,577	3,367,376	202.2%	61.70%
2017	0.241080%	6,604,451	3,288,380	200.8%	60.90%
2016	0.240285%	6,251,193	3,168,242	197.3%	60.40%
2015	0.244260%	5,323,638	3,068,544	173.5%	64.60%
2014	0.243021%	4,652,461	3,031,398	153.5%	67.50%

CITY OF GOOSE CREEK, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS FOR THE YEAR ENDED DECEMBER 31,

SOUTH CAROLINA RETIREMENT SYSTEM

Year Ended December 31	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 1,715,091	\$ 1,715,091	\$ -	\$ 9,492,866	18.07%
2022	1,423,948	1,423,948	-	8,324,301	17.11%
2021	1,485,236	1,485,236	-	9,278,678	16.01%
2020	1,666,245	1,666,245	-	10,708,518	15.56%
2019	1,434,565	1,434,565	-	9,518,470	15.07%
2018	1,285,666	1,285,666	-	9,143,274	14.06%
2017	1,087,319	1,087,319	-	8,645,818	12.58%
2016	912,261	912,261	-	8,064,153	11.31%
2015	816,113	816,113	-	7,432,654	10.98%
2014	787,330	787,330	-	7,268,870	10.83%

POLICE OFFICERS RETIREMENT SYSTEM

Year Ended December 31	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 1,974,067	\$ 1,974,067	\$ -	\$ 9,509,390	20.76%
2022	1,716,294	1,716,294	-	8,716,317	19.69%
2021	1,077,948	1,077,948	-	5,748,276	18.75%
2020	682,321	682,321	-	3,782,269	18.04%
2019	643,783	643,783	-	3,671,101	17.54%
2018	582,571	582,571	-	3,520,702	16.55%
2017	495,730	495,730	-	3,298,403	15.03%
2016	445,263	445,263	-	3,228,618	13.79%
2015	418,572	418,572	-	3,152,596	13.28%
2014	393,416	393,416	-	3,031,398	12.98%

CITY OF GOOSE CREEK, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS FOR THE YEAR ENDED DECEMBER 31,

Note: The actuarial assumptions used to determine the required contributions to the plans as noted on the previous page are as follows:

System	SCRS	PORS
Calculation date	July 1, 2021	July 1, 2021
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	26 years maximum, closed period	26 years maximum, closed period
Investment return	7.00%	7.00%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service.	3.50% plus step-rate increases for members with less than 21 years of service.
Mortality	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 multiplied by 107% for non-educators and 94% for educators.	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 127% and females rates are multiplied by 107%.

OTHER SUPPLEMENTARY INFORMATION

CITY OF GOOSE CREEK, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Special Revenue Funds					
	Impact Fee Fund	Confiscated Drug Monies Fund	E911 Fund	Tourism Fund	Victims' Assistance Fund	Opioid Grant Fund
ASSETS						
Cash	\$ -	\$ 187,620	\$ 229,033	\$ -	\$ -	\$ -
Receivables, net of allowance						
Fines	-	-	-	-	157,573	-
Due from other funds	5,845,139	-	-	166,094	-	65,183
Due from other governments	-	-	55,472	-	-	-
Total assets	<u>\$ 5,845,139</u>	<u>\$ 187,620</u>	<u>\$ 284,505</u>	<u>\$ 166,094</u>	<u>\$ 157,573</u>	<u>\$ 65,183</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 56,797	\$ -	\$ -	\$ -
Accrued salaries and related liabilities	-	-	-	-	5,050	650
Escrow payable	-	37,951	-	-	-	-
Due to other funds	-	-	-	-	25,128	-
Total liabilities	<u>-</u>	<u>37,951</u>	<u>56,797</u>	<u>-</u>	<u>30,178</u>	<u>650</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	157,573	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,573</u>	<u>-</u>
FUND BALANCES (DEFICIT)						
Restricted:						
Public safety	-	149,669	227,708	-	-	64,533
Tourism	-	-	-	166,094	-	-
Capital projects	5,845,139	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unassigned	-	-	-	-	(30,178)	-
Total fund balances (deficits)	<u>5,845,139</u>	<u>149,669</u>	<u>227,708</u>	<u>166,094</u>	<u>(30,178)</u>	<u>64,533</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 5,845,139</u>	<u>\$ 187,620</u>	<u>\$ 284,505</u>	<u>\$ 166,094</u>	<u>\$ 157,573</u>	<u>\$ 65,183</u>

Capital Projects Funds

Capital Projects Fund	Goose Creek Municipal Finance Corporation	Total Nonmajor Governmental Funds
\$ 1,508,025	\$ -	\$ 1,924,678
-	-	157,573
159,575	6,601	6,242,592
-	-	55,472
<u>\$ 1,667,600</u>	<u>\$ 6,601</u>	<u>\$ 8,380,315</u>
\$ -	\$ -	\$ 56,797
-	-	5,700
-	-	37,951
8,763	-	33,891
<u>8,763</u>	<u>-</u>	<u>134,339</u>
-	-	157,573
-	-	157,573
-	-	441,910
-	-	166,094
1,658,837	-	7,503,976
-	6,601	6,601
-	-	(30,178)
<u>1,658,837</u>	<u>6,601</u>	<u>8,088,403</u>
<u>\$ 1,667,600</u>	<u>\$ 6,601</u>	<u>\$ 8,380,315</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Special Revenue Funds					
	Impact Fee Fund	Confiscated Drug Monies Fund	E911 Fund	Tourism Fund	Victims' Assistance Fund	Opioid Grant Fund
Revenues:						
Local Revenue						
Fines and forfeitures	\$ -	\$ 3,208	\$ -	\$ -	\$ 70,860	\$ -
Miscellaneous	1,513,157	-	42,509	3,816	36	-
Total local revenues	1,513,157	3,208	42,509	3,816	70,896	-
State revenues	-	17,500	93,715	38,105	-	140,000
Total revenues	1,513,157	20,708	136,224	41,921	70,896	140,000
Expenditures:						
Current:						
Administrative	24,555	-	-	-	-	-
Police	-	2,439	208,081	-	71,835	52,878
Recreation	-	-	-	33,262	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	383,259	-	-	-	-	22,589
Total expenditures	407,814	2,439	208,081	33,262	71,835	75,467
Excess (deficiency) of revenues over (under) expenditures	1,105,343	18,269	(71,857)	8,659	(939)	64,533
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources, net	-	-	-	-	-	-
Net change in fund balances	1,105,343	18,269	(71,857)	8,659	(939)	64,533
Fund balances (deficits), beginning of year	4,739,796	131,400	299,565	157,435	(29,239)	-
Fund balances (deficits), end of year	\$ 5,845,139	\$ 149,669	\$ 227,708	\$ 166,094	\$ (30,178)	\$ 64,533

Capital Projects Funds

Capital Projects Fund	Goose Creek Municipal Finance Corporation	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 74,068
11,547	-	1,571,065
11,547	-	1,645,133
-	-	289,320
11,547	-	1,934,453
8,886	6,844	40,285
-	-	335,233
-	-	33,262
779,298	582,000	1,361,298
30,774	46,946	77,720
-	-	405,848
818,958	635,790	2,253,646
(807,411)	(635,790)	(319,193)
964,121	642,391	1,606,512
-	(152,754)	(152,754)
964,121	489,637	1,453,758
156,710	(146,153)	1,134,565
1,502,127	152,754	6,953,838
\$ 1,658,837	\$ 6,601	\$ 8,088,403

CITY OF GOOSE CREEK, SOUTH CAROLINA

COMPARATIVE SCHEDULES OF REVENUES - GENERAL FUND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
LOCAL REVENUES		
Property taxes		
Real and personal	\$ 5,261,783	\$ 6,009,351
Vehicle	886,223	937,965
Homestead tax	251,306	226,101
Total property taxes	6,399,312	7,173,417
Licenses and permits		
Business licenses	10,868,136	10,396,820
Building permits	1,696,735	1,705,975
Franchise fees	3,053,262	2,839,305
Total licenses and permits	15,618,133	14,942,100
Charges for services		
Police and fire	1,675,126	1,455,181
Sanitation fees	2,601,127	2,263,949
Administrative fees	47,442	52,848
Total charges for services	4,323,695	3,771,978
Fines and forfeitures		
Court fines	622,037	465,480
Miscellaneous		
Interest	1,339,228	241,272
Rent	46,285	68,065
Other	287,401	1,687,614
Total miscellaneous revenues	1,672,914	1,996,951
TOTAL LOCAL REVENUES	\$ 28,636,091	\$ 28,349,926
STATE REVENUES		
Inventory tax and manufacturers' exemption	\$ 41,186	\$ 25,329
Accommodations tax	28,036	28,200
Local government fund - quarterly	1,117,169	1,069,184
Local option sales tax - municipal revenue	2,367,392	2,238,843
Local option sales tax - rebatable	5,236,346	3,422,867
Grants	1,115,606	2,842,930
TOTAL STATE REVENUES	\$ 9,905,735	\$ 9,627,353
FEDERAL REVENUES		
Grants	\$ 793,778	\$ 380,669
TOTAL FEDERAL REVENUES	\$ 793,778	\$ 380,669

CITY OF GOOSE CREEK, SOUTH CAROLINA

**COMPARATIVE SCHEDULES OF EXPENDITURES - GENERAL FUND
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Expenditures:	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Personnel	Other	Total	Personnel	Other	Total
Current:						
Legislative	\$ 288,201	\$ 196,843	\$ 485,044	\$ 228,387	\$ 155,931	\$ 384,318
Human Resources	263,978	67,629	331,607	189,563	38,840	228,403
Administrative	1,665,140	1,190,191	2,855,331	1,608,551	648,576	2,257,127
Police	9,515,799	2,119,565	11,635,364	8,297,305	1,545,371	9,842,676
Fire	6,254,152	1,272,554	7,526,706	6,188,521	1,095,894	7,284,415
Sanitation	1,392,910	558,729	1,951,639	1,442,496	552,263	1,994,759
Maintenance	413,325	909,911	1,323,236	455,229	739,244	1,194,473
Garage	337,349	268,834	606,183	327,709	232,314	560,023
Court	443,262	153,426	596,688	329,852	113,130	442,982
Planning	919,903	157,206	1,077,109	553,178	102,503	655,681
Economic development	118,262	64,798	183,060	124,880	96,254	221,134
Information technology	407,556	592,843	1,000,399	376,292	485,915	862,207
Capital outlay	-	3,177,641	3,177,641	-	2,084,552	2,084,552
Total expenditures	<u>\$ 22,019,837</u>	<u>\$ 10,730,170</u>	<u>\$ 32,750,007</u>	<u>\$ 20,121,963</u>	<u>\$ 7,890,787</u>	<u>\$ 28,012,750</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA

**COMPARATIVE SCHEDULES OF EXPENSES
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023			2022		
	Personnel	Other	Total	Personnel	Other	Total
Water Department	\$ 1,327,897	\$ 3,601,270	\$ 4,929,167	\$ 1,527,591	\$ 8,964,621	\$ 10,492,212
Recreation Department						
Administration	655,502	674,225	1,329,727	719,513	563,789	1,283,302
Course and grounds	457,494	435,181	892,675	470,763	443,981	914,744
Cart rental	124,425	36,430	160,855	143,212	52,609	195,821
Pro shop	299,082	182,591	481,673	264,106	149,116	413,222
Food and beverage	253,704	461,138	714,842	254,733	360,749	615,482
Maintenance	796,637	892,226	1,688,863	772,531	437,933	1,210,464
Sports programs	340,296	266,788	607,084	320,403	263,425	583,828
Concessions	-	1,520	1,520	-	701	701
Community education	595,313	790,404	1,385,717	554,077	750,112	1,304,189
Special events	-	6,223	6,223	-	7,264	7,264
Community center	166,514	75,163	241,677	229,696	77,794	307,490
Pool	52,610	50,014	102,624	65,059	60,063	125,122
Tennis	-	2,752	2,752	-	14,975	14,975
Total recreation department expenses	<u>3,741,577</u>	<u>3,874,655</u>	<u>7,616,232</u>	<u>3,794,093</u>	<u>3,182,511</u>	<u>6,976,604</u>
Total operating expenses	<u>\$ 5,069,474</u>	<u>\$ 7,475,925</u>	<u>\$ 12,545,399</u>	<u>\$ 5,321,684</u>	<u>\$ 12,147,132</u>	<u>\$ 17,468,816</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED DECEMBER 31, 2023

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	N/A	N/A	\$ 1,266,468	\$ 1,266,468
Court fines and assessments remitted to State Treasurer	N/A	N/A	715,884	715,884
Total Court Fines and Assessments retained	N/A	N/A	\$ 550,584	\$ 550,584
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	N/A	N/A	\$ 9,740	\$ 9,740
Assessments retained	N/A	N/A	61,120	61,120
Total Surcharges and Assessments retained for victim services	N/A	N/A	\$ 70,860	\$ 70,860

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	\$ (29,239)	N/A	\$ (29,239)
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	-	N/A	-
Victim Service Assessments Retained by City/County Treasurer	61,120	N/A	61,120
Victim Service Surcharges Retained by City/County Treasurer	9,740	N/A	9,740
Interest Earned	36	N/A	36
Grant Funds Received			
Grant from:	-	N/A	-
General Funds Transferred to Victim Service Fund	-	N/A	-
Contribution Received from Victim Service Contracts:			
(1) Town of	-	N/A	-
(2) Town of	-	N/A	-
(3) City of	-	N/A	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 41,657	N/A	\$ 41,657

CITY OF GOOSE CREEK, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ 70,488	N/A	\$ 70,488
Operating Expenditures	1,347	N/A	1,347
Victim Service Contract(s):			
(1) Entity's Name	-	N/A	-
(2) Entity's Name	-	N/A	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	-	N/A	-
(2) Rape Crisis Center:	-	N/A	-
(3) Other local direct crime victims service agency:	-	N/A	-
Transferred to General Fund	-	N/A	-
Total Expenditures from Victim Service Fund/Program (B)	71,835	N/A	71,835
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	(30,178)	N/A	(30,178)
Less: Prior Year Fund Deficit Repayment	-	N/A	-
Carryforward Funds – End of Year	\$ (30,178)	N/A	\$ (30,178)

COMPLIANCE SECTION

CITY OF GOOSE CREEK, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing</u>	<u>Grant Identification Number</u>	<u>Expenditures</u>	<u>Passed through to Subrecipients</u>
<u>U.S. Department of Justice</u>				
Direct Awards:				
Patrick Leahy Bulletproof Vest Partnership Grant Program	16.607		\$ 12,173	\$ -
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01808-JAGX	14,008	-
Total U.S. Department of Justice			<u>26,181</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Passed through - South Carolina Department of Public Safety				
Highway Safety Cluster				
State and Community Highway Safety	20.600	PT-2023-HS-28-23	157,060	-
Impaired Driving Countermeasures	20.616	M5CS-2023-HS-49-23	64,320	-
Impaired Driving Countermeasures	20.616	M5HVE-2023-HS-50-23	135,232	-
Total Highway Safety Cluster			<u>356,612</u>	<u>-</u>
Total U.S. Department of Transportation			<u>356,612</u>	<u>-</u>
<u>U.S. Department of the Treasury</u>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	536,593	-
Total U.S. Department of the Treasury			<u>536,593</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
Direct Awards:				
Disaster Grants - Public Assistance	97.036	DR-4492-SC	23,720	-
Disaster Grants - Public Assistance	97.036	DR-4677-SC	135,696	-
			<u>159,416</u>	<u>-</u>
Assistance to Firefighters	97.044	EMW-2021- FG-04490	251,568	-
Total U.S. Department of Homeland Security			<u>410,984</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,330,370</u>	<u>\$ -</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Goose Creek, South Carolina (the "City") under programs of the federal government for the year ended December 31, 2023.

The information in the Schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

The City has elected not to use the 10% de Minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. NON-CASH AWARDS

The City did not receive any non-cash federal awards during the year ended December 31, 2023.



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
Goose Creek, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Goose Creek, South Carolina** (the "City") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 12, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Columbia, South Carolina
June 12, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **City of Goose Creek, South Carolina's** (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended December 31, 2023. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
June 12, 2024

CITY OF GOOSE CREEK, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION I
SUMMARY OF AUDIT 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 weaknesses identified? ___ Yes X No

Significant deficiencies identified? ___ Yes X No

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:
 Material weaknesses identified? ___ Yes X No

Significant deficiencies identified? ___ Yes X No

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

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

Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	U.S. Department of the Treasury COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? X Yes ___ No

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

CITY OF GOOSE CREEK, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
PRIOR YEAR FINDINGS AND RESPONSES

None reported.