ANDERSON
THE ELECTRIC CITY

Teamwork | Integrity | Professionalism

Annual Comprehensive Financial Report

Fiscal Year ending June 30, 2024

City of Anderson
South Carolina

CITY OF ANDERSON, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

Prepared By: Finance Department
Margot B. Martin
Chief Financial Officer

CITY OF ANDERSON, SOUTH CAROLINA

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December 5, 2024

The Honorable Mayor
Members of City Council
City of Anderson, South Carolina

Dear Mayor Roberts and City Council Members:

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

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

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

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

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

PROFILE

Community Profile

Anderson was named for General Robert Anderson, a Revolutionary War hero who was born in 1741 in August County, Va. As a young man, he came to South Carolina to help his good friend, Andrew Pickens, in surveying some land that had been given to the English Colony by the Indians. The City was founded in December 1826 and incorporated by an act of Legislature, December 9, 1833.

Due to the innovation of engineer William Whitner, Anderson was the first city in the United States to have a continuous supply of electric power. The electricity was supplied by a water mill located in the high shoal's area of the Rocky River in Anderson County. Several areas in Anderson are named in honor of William Whitner, including a downtown street. In 1897, the first cotton gin in the world to be operated by electricity was in Anderson County, earning the community the nickname "The Electric City".

City Government

Section 47-26 of the 1962 Code of Laws, as amended (Home Rule Act), requires that municipalities adopt a specific form of government. The City operates under Council-Manager form of government. The Council is composed of a Mayor and eight Council members. The Mayor and two Council members are elected at-large, and six Council members are elected on a single member ward basis. The Mayor and Council, elected for four-year staggered terms, are vested with the legislative and policymaking powers of the City. The Council appoints a City Manager who serves as the chief executive officer of the City and is responsible to the Council for proper administration of all affairs of the City. Nine division heads currently report to the City Manager and are responsible for the following functions: Police, Fire, Public Works, Electric City Utilities, City Attorney, Finance, Information Technology, Planning & Development, and Parks and Recreation.

The City operates and maintains various programs which are funded from City revenues, as reflected in its annual budget for fiscal year 2023 – 2024 and provides a full range of services contemplated by statute. These services include the public safety (police and fire) public works; utilities, recreational activities; planning; zoning and community services.

Budget Process

In accordance with the General Statutes of the State of South Carolina, the City Council is required to adopt an annual balanced budget prior to July 1st. The City uses the adopted budget as a management control device during the year. A balanced budget is achieved when the City is able to equate the revenues with expenditure over the business cycles.

The budget process begins in January with a special, comprehensive work session in which the Finance Division and City Manager's Office then meets with all Divisions to discuss current and future trends, needs, and goals of the City. During these meetings, the budget calendar is reviewed, and budget manuals are distributed to each division. These manuals contain a detailed description of the mechanics associated with the budget.

Each division then prepares a comprehensive list of objectives and funding requests they would like to have considered for the upcoming budget year.

During this time, the Finance Division prepares revenue estimates for both the current and upcoming years. Appropriate divisions also prepare their own revenue projections for those revenue items affecting their divisions.

Each division then submits their updated requests to the Finance Office to review program budgets and expenditure requests. The City Manager and Chief Financial Officer meet to review the requests, the goals of each department are reviewed, and expenditure requests are evaluated to determine the fiscal resources necessary to accomplish these goals.

Following these meetings, the City Manager's Office and the Finance Division meet to prepare a draft budget for submission to City Council. This draft budget is submitted to Council at formal budget workshops held in May and June. The public has an opportunity to comment on the budget at a designated public hearing. A public hearing and two readings are required for formal adoption of the budget. Amendments to the budget are allowable under South Carolina law and are made throughout the year, as necessary.

FACTORS AFFECTING ECONOMIC CONDITION

Local Economy

The City of Anderson is in the northwest corner of the state of South Carolina on the Piedmont Plateau. The City of Anderson is the county seat and the largest municipality in the county with a current population of approximately 29,771. The City is ideally located on the busy Interstate 85 corridor, to which much of its economic growth can be attributed. Anderson County, South Carolina lies midway between Atlanta, Georgia and Charlotte, North Carolina on the I-85 corridor, which is one of the nation's hottest growth areas and one of the heaviest traveled highways in the southeast. Business leaders and development officials in Anderson have taken advantage of this asset, and visible progress is the result. Anderson is a major contributor to the success of the upstate. Anderson offers all the basics upon which to build a thriving economy, including affordable land, a good transportation system, infrastructure, and many recreational amenities. The Anderson community offers the feel of small-town living with the attractions and business opportunities of larger cities only a short drive away. The City encompasses approximately 16.10 square miles.

Long-Term Financial Planning

The Mayor, City Council, and the City administration management team participated in its annual strategic planning retreat. This retreat helped establish a common set of core values and goals to guide the City to the highest level of service for the citizens of Anderson and to ensure that the City is positioned to operate efficiently and balance available resources to meet current and future obligations.

This year the focus was on continuing the development of the City's Comprehensive Annual Plan and incorporating the strategic plan that had been previously established. The strategic plan established priorities and goals to serve as a living document to guide staff at all levels and lead the City from vision to reality. Development of the Comprehensive plan includes refining and benchmarking the ideals, strategies and tactics associated with broad goals.

The issues most important to our citizens/residents include (1) Housing; (2) Education; (3) Jobs; (4) Healthcare; (5) Environment; (6) Safety; and (7) Infrastructure.

The City of Anderson's Pillars of Performance for defining and implementing its goals are indicative of the City's aspirational vision and strategic planning for the future.

Advance the Quality of life:

1. Provide a safe and secure environment:
    a. Improve response time to public safety calls.
    b. Utilize data analytics to target resources to decrease property and violent crime.
    c. Build resources to ensure the fire response rate serves growth.
    d. Maintain fire ISO rating.
2. Build Strong Communities:
    a. Partner to provide decent, safe and suitable housing through rehabilitation and new construction.
    b. Support vibrancy and beautification activities to create cohesive neighborhoods.
    c. Enhance code enforcement as a tool for safety and pride.
    d. Reduce blight through demolition and clearance projects.
    e. Improve infrastructure including public facilities, utilities, and transportation networks.
3. Value Culture and Public Spaces:
    a. Continue and expand our signature events.
    b. Support the addition of quality marquee events.
    c. Increase presence of vibrancy elements downtown and beyond urban core.
    d. Build and maintain attractive, world-class public spaces using creative placemaking principles.
4. Emphasize Recreation and Leisure Activities:
    a. Use the 2017 Recreation Master Plan as road map to create state-of-the-art recreational and leisure facilities.
    b. Provide inclusive, city-wide facilities and programming aimed at health and wellness (i.e., underserved areas, ADA compliance, etc.).
    c. Invest resources in city-wide beautification through maintenance and design.

Assure Sustainable Growth

1. Provide Connected Transportation Options:
    a. Broaden and improve city-wide transportation.
    b. Embrace regional mobility initiatives.
    c. Manage downtown parking to support growth.
    d. Maintain and expand pedestrian and bicycle routes to improve mobility networks.

2. Pursue Long-Term Infrastructure Projects:
    a. Continue to provide safe affordable drinking water.
    b. Manage sewer capacity for future growth.
    c. Mitigate stormwater effects.
    d. Maintain, preserve, and invest in City buildings.
    e. Continue to provide high value sanitation services.
    f. Maintain and improve streets and sidewalks.
    g. Use technology to increase capacity, leverage efficiency and secure data.

Attract Partners
1. Employees: Foster a High-Quality Work Experience:
    a. Underscore a culture of ownership and pride.
    b. Invest in professional growth and development.
    c. Create additional means to facilitate and value input from employees.
2. Legacy Institutions: Cultivate Relationships:
    a. Anderson University
    b. Anderson County
    c. AnMed Health
    d. Major industries
3. Business: Build Capacity Across Sectors:
    a. Expand city-wide business recruitment and retention strategies.
    b. Cultivate the entrepreneurial network.
    c. Develop partnerships to encourage city-wide private investment.
    d. Pursue strategic growth downtown using "Shock this Block" Downtown Master plan as a roadmap.
    e. Strengthen network with local and regional developers.
    f. Support workforce development.
4. Public: Engage in Key Initiatives:
    a. Provide ongoing safety education.
    b. Feature business and entrepreneur programming.
    c. Seek in-person engagement opportunities.
    d. Expand interactive online communications.

Financial Policies

The Statement of Financial Policies presents policies that the City follows in managing its financial and budgetary affairs.

Operating Budget Policies
1. Essential City services will receive first priority. For the purpose of this policy, these services are those that protect lives and property.
2. The City will avoid budgetary procedures that balance current expenditures by obligating future year funds.
3. The City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.

Revenue Policies
1. The City will try to maintain a diversified and stable revenue system.
2. The City will follow an aggressive policy of collecting revenues.
3. The City will consider market rates and rates charged by other municipalities of similar size for charges for services.
4. Enterprise funds will be self-supporting.

Investment Policies
1. The City's investment portfolio will be diversified to avoid incurring unreasonable risks.
2. The City will obtain the best possible return on all investments within the limits of State law, local ordinances and prudent investment practices.
3. The CFO will receive a monthly investment report outlining the nature, value, yield, purchase price and any other pertinent information.

Accounting, Auditing and Financial Reporting Policies
1. An independent audit will be performed annually.
2. The City will issue annual financial reports in accordance with GAAP as outlined by the Governmental Accounting, Auditing, and Financial Reporting ("GAAFR") book.

Reserved and Unreserved Fund Balance Policies

The City seeks to maintain a prudent level of financial resources to protect against reducing levels of service because of temporary shortfalls or unpredicted one-time expenditures.

Major Initiatives

For the twentieth year, the Mayor, City Council, and the City Administrative team participated in a planning retreat. This retreat helped identify the major issues facing the City and incorporating our long term goals.

The City of Anderson exists to provide for the safety and general well-being of its citizens and visitors. The City strives to create, enhance, and maintain a positive quality of life and a healthy environment in which to live, work, and play. The City seeks to create an environment, which fosters economic development and economic opportunity.

City Council and management want to ensure that the residents in the City of Anderson are provided the most efficient and effective services at the most affordable costs.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Anderson, South Carolina for its ACFR for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The City of Anderson has received this award for twenty-nine (29) consecutive years.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

The City of Anderson also received the Certificate for Excellence in Distinguished Budget Presentation from the GFOA for our Annual Adopted Budget for the fiscal year ended June 30, 2024. The City has received this award for nineteen years.

Acknowledgments

We appreciate the support of the Mayor and Council by encouraging excellence in financial reporting through participation in the Certificate of Achievement for Excellence in Financial Reporting Program of the GFOA.

The preparation of the ACFR was made possible by the hard work of the Finance Division. Each division member has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully Submitted,

David McCuen

David E. McCuen IV
City Manager

Margot B. Martin

Margot B. Martin
Chief Financial Officer

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CITY OF ANDERSON, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS AND MANAGEMENT TEAM
For Fiscal Year 2023-2024

MAYOR
Terence V. Roberts

MAYOR PRO-TEM/AT-LARGE SEAT 8
John M. Roberts/At-Large Seat 8

COUNCILMEMBER SEAT 1
Kyle L. Newton

COUNCILMEMBER SEAT 2
Luis Martinez II

COUNCILMEMBER SEAT 3
Jeffrey D. Roberts

COUNCILMEMBER SEAT 4
James A. Stewart

COUNCILMEMBER SEAT 5
Beatrice R. Thompson

COUNCILMEMBER SEAT 6
Richard A. Laughridge

COUNCILMEMBER AT-LARGE SEAT 7
Matthew C. Harbin

CITY MANAGER
David E. McCuen IV

ASSISTANT CITY MANAGER
Andrew C. Strickland

CHIEF FINANCIAL OFFICER
Margot B. Martin

CITY ATTORNEY
J. Franklin McClain

POLICE CHIEF
James S. Stewart

FIRE CHIEF
Charles V. King

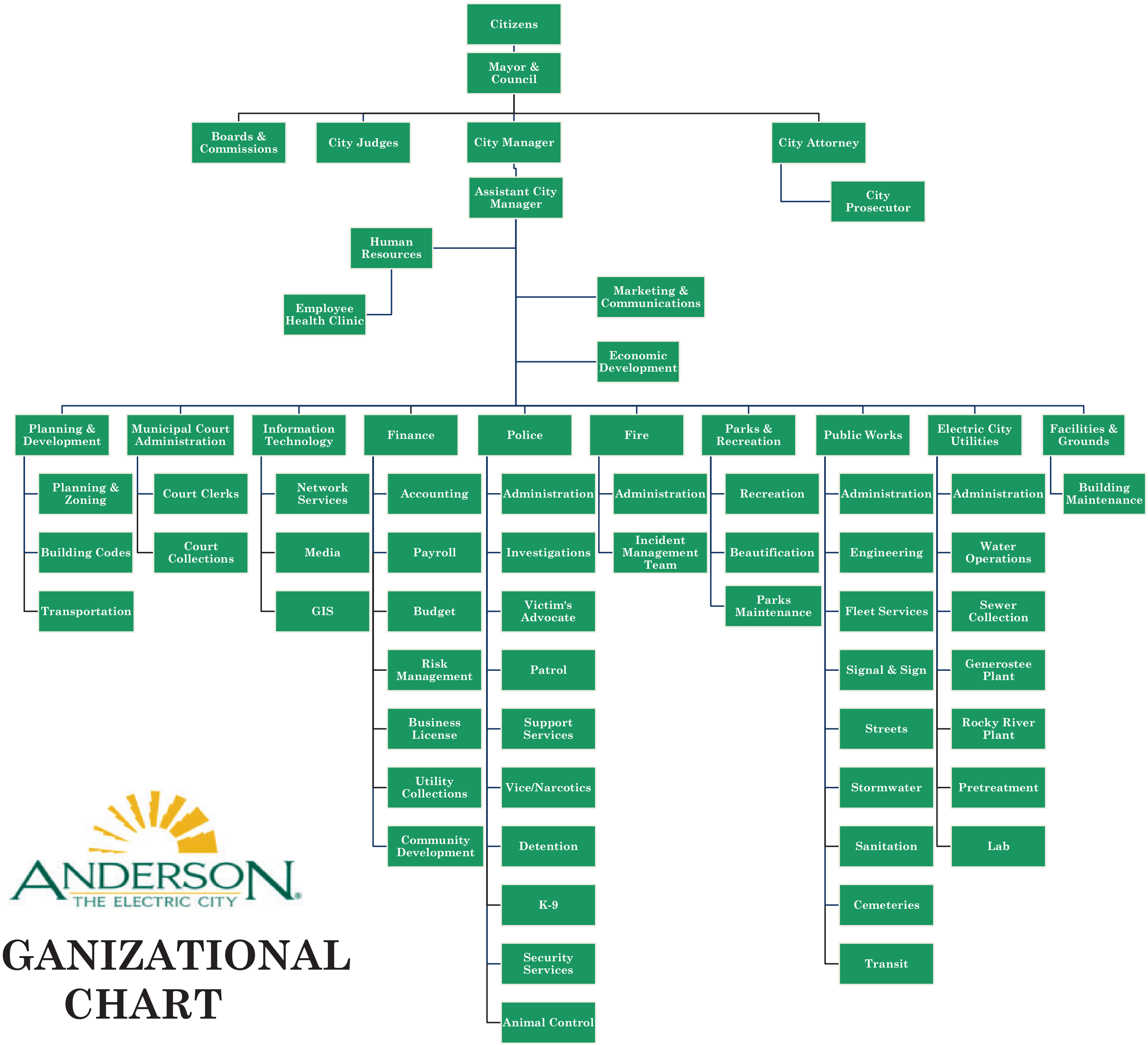
PLANNING & DEVELOPMENT DIRECTOR
Maurice L. McKenzie

PUBLIC WORKS DIRECTOR
Kenneth M. Mullinax

UTILITIES DIRECTOR
T. Scott Banks

PARKS & RECREATION DIRECTOR
Angela Watkins

CHIEF INFORMATION OFFICER
Jason Nixon



ANDERSON THE ELECTRIC CITY

ORGANIZATIONAL CHART

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Anderson
South Carolina

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Executive Director/CEO

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Greene Finney Cauley, LLP
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of City Council
City of Anderson
Anderson, 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 Anderson, South Carolina (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards (“Government Auditing Standards”)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 5, 2024

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

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and its deferred inflows of resources at the close of the current year by approximately $112,936,000 (*net position*). Of this amount, approximately $52,546,000 and $60,390,000 were related to the City's governmental and business-type activities, respectively. In addition, the City's unrestricted net position (which may be used to meet the government's ongoing obligations to citizens and creditors) was approximately ($5,021,000) for its governmental activities and approximately $11,330,000 for its business-type activities.
- The government's total net position increased by approximately $4,277,000 for governmental activities and approximately $4,925,000 for business-type activities compared to the prior year net position.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately $21,889,000, an increase of approximately $1,626,000 over the prior year's fund balances.
- The City's General Fund reported total fund balance of approximately $13,097,000. Approximately 94% of this total amount, or approximately $12,258,000, is available for spending at the government's discretion (*unassigned fund balance*). The unassigned fund balance for the General Fund was approximately 37% of total General Fund expenditures.
- The City's governmental activities capital assets increased by approximately $742,000 (1%) during the current fiscal year primarily due to capital asset additions of approximately $5,343,000, partially offset by depreciation expense and net disposals of capital assets of approximately $4,470,000 and $131,000, respectively. The City's business-type activities capital assets increased by approximately $838,000 (1%) during the current year primarily due to capital asset additions of approximately $6,634,000, partially offset by depreciation expense and net disposals of capital assets of approximately $5,774,000 and $22,000, respectively.
- The City's governmental activities total debt (including infrastructure reimbursement obligations) decreased by approximately $1,346,000 (8%) during the current year primarily due to regularly scheduled principal payments of approximately $1,451,000, partially offset by the addition of a financed purchase agreement of approximately $105,000. The City's business-type activities total debt decreased approximately $5,055,000 (7%) during the current year due to regularly scheduled principal payments and amortization of premiums.
- The City received an "Aa3" and "A+" ratings from Moody's Investors Service and Standard and Poor's, respectively, for its water and sewer system revenue bonds. These ratings are a reflection of the City's strong financial stability.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent 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.

The government-wide financial statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include general government, public safety, public works, community and economic development, cemetery, recreation, sanitation, and advertising and tourism. Taxes, business licenses, building permits, fines, fees, and state and federal grant revenues finance most of these activities. The business-type activities are the City's sewer, water, storm water, and transit operations for which it charges its customers a fee to provide.

The government-wide financial statements can be found as listed in the table of contents.

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

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

The City maintained twelve (12) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, Hospitality Fee Fund, Community Development Fund, Perpetual Care Fund, Accommodations Tax Fund, Cemetery Fund, Parks and Recreation Fund, Sanitation Fund, Public Facilities Corporation Fund, Firefighters' 1% Fund, Capital Replacement Fund, and the Transportation Investment Fund. The governmental fund financial statements can be found as listed in the table of contents.

Proprietary Funds – The City maintains one type of proprietary fund. *Enterprise Funds* are used to account for operations that (a) are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City uses four enterprise funds to account for its sewer, water, storm water, and transit operations. The proprietary fund financial statements can be found as listed in the table of contents.

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. *Pension Trust* funds account for resources that are required to be held in trust for the members and beneficiaries of defined benefit plans. The General Employees' Retirement Plan Fund is used to account for the City's single-employer defined benefit retirement plan. *Custodial* funds are used to account for assets the City holds on behalf of others. The Seizure and Commissary Fund is used to account for monies that were seized during a law enforcement action or received and held for commissary services. The financial statements of the fiduciary funds can be found as listed in the table of contents.

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

Other Information – In addition to the financial statements and accompanying notes, this report includes certain required supplementary information. Regarding the City's major governmental fund, the City adopts an annual budget for its General Fund, as required by the General Statutes. A required budgetary comparison schedule has been provided for the General Fund and the Hospitality Fee Fund to demonstrate compliance with its budget. The City sponsors (a) the General Employees' Retirement Plan ("City Pension Plan"), a single-employer defined benefit pension plan, and (b) the retiree healthcare plan, a defined benefit other postemployment benefit ("OPEB") plan ("OPEB Plan"). The City has provided the required schedules for the City Pension Plan and OPEB Plan as required by GAAP. Required pension schedules have also been included which provide relevant information regarding the City's participation in the South Carolina Police Officers Retirement System ("State Retirement Plan"), a cost-sharing multiple-employer defined benefit plan. Required supplementary information can be found as listed in the table of contents.

Supplementary information, which includes combining and individual fund financial schedules, budgetary schedules of the City's governmental and proprietary funds, a schedule of fines, assessments, and surcharges, and schedules of budgeted to actual costs for the SC Department of Transportation, are presented immediately following the required supplementary information. These schedules can be found as listed in the table of contents.

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Figure A-1
Major Features of the City of Anderson's Government-Wide and Fund Financial Statements

		Fund Financial Statements		
	Government-Wide Financial Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds).	The activities of the City that are not proprietary or fiduciary.	Activities the City operates similar to private businesses.	Instances in which the City is the trustee or agent for someone else's resources.
Required Financial Statements	▪ Statement of Net Position. ▪ Statement of Activities.	▪ Balance Sheet. ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances.	▪ Statement of Net Position ▪ Statement of Revenues, Expenses, and Changes in Net Position. ▪ Statement of Cash Flows.	▪ Statement of Assets and Liabilities and Statement of Fiduciary Net Position. ▪ Statement of Changes in Fiduciary Net Position.
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of Balance Sheet Information	All balance sheet elements - both financial and capital, and short-term and long-term.	All balance sheet elements that come due during the year or soon, thereafter. No capital assets or long-term obligations are included.	All balance sheet elements - both financial and capital, and short-term and long-term.	All balance sheet elements - short-term and long-term.
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and Other Assets	$ 36,628,668	38,959,317	23,333,734	22,566,113	59,962,402	$ 61,525,430
Capital Assets, Net	62,793,768	62,051,663	111,015,402	110,177,732	173,809,170	172,229,395
Total Assets	99,422,436	101,010,980	134,349,136	132,743,845	233,771,572	233,754,825
Deferred Outflows of Resources	6,716,165	12,929,609	7,339,414	5,737,273	14,055,579	18,666,882
Liabilities						
Long-Term Liabilities	17,445,364	18,491,315	70,801,884	75,816,337	88,247,248	94,307,652
OPEB Liability - City Plan	639,422	638,615	107,810	110,289	747,232	748,904
Net Pension Liability - City Retirement Plan	2,825,291	10,134,172	7,655,946	4,870,808	10,481,237	15,004,980
Net Pension Liability - State Retirement Plan	16,170,483	16,685,888	-	-	16,170,483	16,685,888
Other Liabilities	13,299,558	17,052,797	731,167	1,934,290	14,030,725	18,987,087
Total Liabilities	50,380,118	63,002,787	79,296,807	82,731,724	129,676,925	145,734,511
Deferred Inflows of Resources	3,212,533	2,668,356	2,001,235	284,013	5,213,768	2,952,369
Net Position						
Net Investment in Capital Assets	48,193,111	46,795,405	43,528,608	38,546,042	91,721,719	85,341,447
Restricted	9,373,897	9,466,838	5,531,576	5,187,255	14,905,473	14,654,093
Unrestricted	(5,021,058)	(7,992,797)	11,330,324	11,732,084	6,309,266	3,739,287
Total Net Position	$ 52,545,950	48,269,446	60,390,508	55,465,381	112,936,458	$ 103,734,827

The City's total assets and deferred outflows of resources decreased approximately $4,595,000 from the prior year to approximately $247,827,000 at June 30, 2024. Deferred outflows decreased approximately $4,611,000 primarily due to net decreases in pension charges. Current and Other Assets decreased approximately $1,563,000 from the prior year primarily due to decreases in prepaids and inventories and community and business development notes receivable. Net capital assets increased approximately $1,580,000 primarily due to capital asset additions of approximately $11,977,000 exceeding depreciation expense and net disposals of approximately $10,397,000.

Total liabilities and deferred inflows of resources decreased approximately $13,796,000 from the prior year. The decrease is primarily due to decreases in the City's pension plan, decreases in the state's pension plan, decreases long-term liabilities due to regularly scheduled principal payments and decreases other liabilities, partially offset by net increases in the deferred pension/OPEB credits related to the City's pension/OPEB plans.

The City's net position increased by approximately $9,202,000 during the current fiscal year due to current year revenues exceeding current year expenses. Please see discussion following the next table regarding this increase.

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (net position) by approximately $112,936,000 at June 30, 2024. The largest portion of the City's net position of approximately $91,722,000 (approximately 81%) reflects its investment in capital assets (i.e., land, buildings, equipment, infrastructure, etc.) less any related outstanding debt and lease obligations used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt generally must be provided from other sources, since generally the capital assets themselves cannot be used to liquidate these liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

An additional portion of the City's net position of approximately $14,905,000 (approximately 13%) represents resources that are subject to external restrictions on how they may be used. This portion of net position is restricted primarily for debt service or special revenue programs which are restricted by the revenue source (i.e. hospitality fee, accommodations tax, etc.).

The remaining portion of the City's net position is unrestricted net position of approximately $6,309,000 (approximately 6%) may be used to meet the government's ongoing obligations to citizens and creditors. The following table shows the changes in the City's net position for 2024 compared to 2023.

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	$ 7,261,506	6,537,785	27,170,168	25,924,853	34,431,674	$ 32,462,638
Operating Grants and Contributions	6,283,733	2,579,601	1,074,105	1,561,152	7,357,838	4,140,753
Capital Grants and Contributions	408,401	1,542,033	487,628	346,666	896,029	1,888,699
General Revenues:						
Taxes	32,933,768	31,640,674	-	-	32,933,768	31,640,674
Other	2,279,156	1,546,261	591,798	229,669	2,870,954	1,775,930
Total Revenues	49,166,564	43,846,354	29,323,699	28,062,340	78,490,263	71,908,694
Expenses:						
General Government	8,827,467	8,464,241	-	-	8,827,467	8,464,241
Public Safety	19,530,948	18,315,031	-	-	19,530,948	18,315,031
Public Works	4,119,265	5,252,314	-	-	4,119,265	5,252,314
Community & Economic Development	2,308,831	2,071,089	-	-	2,308,831	2,071,089
Cemetery	559,455	557,141	-	-	559,455	557,141
Recreation	3,810,756	5,022,446	-	-	3,810,756	5,022,446
Sanitation	3,170,481	2,742,774	-	-	3,170,481	2,742,774
Advertising and Tourism	359,306	284,210	-	-	359,306	284,210
Interest	449,428	449,783	-	-	449,428	449,783
Sewer	-	-	12,213,907	11,942,851	12,213,907	11,942,851
Water	-	-	10,625,469	9,477,144	10,625,469	9,477,144
Storm Water	-	-	1,090,841	1,007,225	1,090,841	1,007,225
Transit	-	-	2,222,478	1,814,223	2,222,478	1,814,223
Total Expenses	43,135,937	43,159,029	26,152,695	24,241,443	69,288,632	67,400,472
Change in Net Position Before Transfers	6,030,627	687,325	3,171,004	3,820,897	9,201,631	4,508,222
Transfers In (Out)	(1,754,123)	1,073,322	1,754,123	(1,073,322)	-	-
Change in Net Position	4,276,504	1,760,647	4,925,127	2,747,575	9,201,631	4,508,222
Net Position, Beginning of Year	48,269,446	46,508,799	55,465,381	52,717,806	103,734,827	99,226,605
Net Position, End of Year	$ 52,545,950	48,269,446	60,390,508	55,465,381	112,936,458	$ 103,734,827

Governmental Activities: Governmental activities increased the City's net position by approximately $4,277,000 in the current year. Key changes in governmental activities revenues and expenses compared to the prior year were as follows:

- Total governmental activities revenues for 2024 increased approximately $5,320,000 (12%) from the prior year and were approximately $49,167,000 primarily due to increases in tax collections (higher assessed values), business licenses, and operating grants and contributions.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

- Total governmental activities expenses have decreased due to City's pension plan adjustments, partially offset by increases in salaries and benefits and depreciation expense for an overall decrease of approximately $23,000 (<1%) from the prior year.

Business-Type Activities: Net position for business-type activities (sewer, water, storm water, and transit) increased by approximately $4,925,000. Please see "Proprietary Funds" discussion in the following section for details.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of approximately $21,889,000, an increase of approximately $1,626,000 over the prior year fund balance. Please see below and the discussion in the General Fund Budgetary Highlights section for more information on this change.

Approximately 55% or $11,987,000 of the total governmental fund balance constitutes unassigned fund balance. The remainder of the fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been set aside/constrained for (1) prepaids and inventory ($229,000; nonspendable), (2) Permanent Fund principal ($2,250,000; nonspendable), (3) unspent debt proceeds ($132,000; restricted), (4) perpetual care ($755,000; restricted), (5) tourism related expenditures ($5,593,000; restricted), (6) community development ($204,000; restricted), (7) cemetery ($109,000; restricted), (8) public safety ($1,000; restricted), (9) capital projects ($118,000; assigned), (10) emergency management costs ($1,000; assigned), and (11) appropriated for use in the fiscal year 2025 ("FY 25") budget ($511,000; assigned).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was approximately $13,097,000. As a measure of the General Fund's liquidity, it may be useful to compare total unassigned fund balance to total General Fund expenditures. The total unassigned fund balance of the General Fund ($12,258,000) represents approximately 37% of total General Fund expenditures for the current year.

The fund balance for the General Fund increased by approximately $1,780,000, or 16%, in the current year compared to a decrease of approximately $87,000, or 1%, in the prior year. The City's taxes, business license, and restricted intergovernmental revenue collections were $2,385,000 higher than budgeted, which helped offset planned use of fund balance for capital projects this year, with an increase of $1,780,000 in fund balance, compared with budgeted plan use of fund balance of $808,000. Total revenues, transfers in, issuance of a financed purchase, and sale of capital assets of approximately $43,110,000 exceeded expenditures and transfers out of approximately $41,330,000.

The Hospitality Fee Fund is another major fund of the City. At the end of the current fiscal year, the total fund balance was approximately $4,268,000 and is restricted for tourism related costs. The fund balance for the Hospitality Fee Fund decreased by approximately $491,000, or 10%, in the current year compared to a decrease of approximately $1,103,000, or 19%, in the prior year. Expenditures and transfers out of approximately $5,809,000 exceeded revenues and transfers in of approximately $5,318,000. This decrease in fund balance is primarily due to significant expenditures for capital projects that included the Linley Park project.

In addition, the fund balances of the other governmental funds increased by approximately $337,000, or 8%, over the prior year ending fund balances which was primarily due to an increase in the Accommodations Tax Fund of approximately $270,000 and an increase in the Community Development Fund of approximately $107,000 (which was primarily due to a significant decrease in expenditures over the prior year).

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Net position of the Sewer, Water, Storm Water, and Transit enterprise funds at the end of the current year amounted to approximately $60,391,000. Details on changes in the City's proprietary funds were as follows:

- Sewer Fund – total sewer operating revenues of $15,143,000 increased approximately $890,000 or 6% from the prior year primarily due to an increase in population. Sewer operating expenses of $10,715,000 increased approximately $510,000 or 5% from the prior year primarily due to inflation and increased costs for chemicals and electricity. Net position increased approximately $5,186,000 as a result of revenues exceeding expenses.
- Water Fund – total water operating revenues of $10,434,000 increased approximately $282,000 or 3% from the prior year primarily due to an increase in population. Water operating expenses of $10,127,000 increased $1,190,000 or 13% from the prior year primarily due to higher administration, pension, and water distribution and storage costs. Net position decreased approximately $506,000 from the prior year due to expenses exceeding revenues.
- Nonmajor Enterprise Funds – total operating revenues of $1,594,000 increased approximately $74,000 or 5% from the prior year primarily due to an increase in transit revenues. Total operating expenses of $3,298,000 increased approximately $494,000 or 18% from the prior year due to increases in salary and benefit costs. Net position increased approximately $245,000 from the prior year due to revenues exceeding expenses.

Fiduciary Funds. The City's Pension Trust Fund is used to account for the City's Pension Plan. During calendar year 2024, the City Pension Plan's net position increased approximately $3,549,000 to approximately $36,619,000 at June 30, 2024, primarily due to an increase in market value of investments of approximately $4,544,000, employer contributions of approximately $1,020,000, and interest and dividends of approximately $769,000, partially offset by benefit and administrative payments of approximately $2,784,000. The Seizure and Commissary Fund ("Custodial Fund") is used to account for monies that were seized during a law enforcement action or received and held for commissary services. The balance held in the Custodian Fund was approximately $136,000 at June 30, 2024.

General Fund Budgetary Highlights. If budget amendments are made, they generally fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services. The City's amendments to its original 2024 General Fund budget were added as follows:

- Expenditures and grant revenue for Brownfields Grant
- Expenditures and revenue for South Carolina Municipal Insurance Trust return surplus
- Expenditures and revenue for the fire division overtime
- Expenditures and grant revenue for police division Body Armor Grant
- Expenditures and grant revenue for Project Safe Neighborhoods
- Expenditures and grant revenue for Highway Safety Grant
- Expenditures and revenue for police E Share revenues
- Expenditures and revenue for police DEA overtime
- Expenditures and grant revenue for Justice Assistance Grant
- Expenditures and grant revenue American Rescue Plan Grant
- Expenditures and revenue for insurance proceeds

The City's actual results for the General Fund were different than the final budgeted amounts due to the following:

- Property taxes, retail business licenses, franchise fees, MASC collections, and federal grants coming in much higher than budget primarily due to stronger collections than expected and a growing economy.
- Expenditures came in under budget primarily due to staffing vacancies throughout the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of June 30, 2024 and June 30, 2023, amounted to approximately $173,809,000 and $172,229,000 (net of accumulated depreciation), respectively. This investment in capital assets includes land, construction in progress, buildings, improvements, vehicles, machinery and equipment, water and sewer lines, and other infrastructure.

The City's capital assets (net of depreciation) as of June 30, 2024 and June 30, 2023 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	$ 6,894,681	6,161,470	1,889,949	1,889,949	8,784,630	$ 8,051,419
Construction in Progress	3,818,133	1,309,605	1,575,947	1,666,851	5,394,080	2,976,456
Buildings and Improvements	66,057,455	65,592,579	151,162,986	145,695,502	217,220,441	211,288,081
Water Tanks and Lines	-	-	45,516,313	44,669,152	45,516,313	44,669,152
Infrastructure	16,256,743	16,259,356	-	-	16,256,743	16,259,356
Machinery and Equipment	4,781,213	4,527,822	3,639,869	3,831,881	8,421,082	8,359,703
Furniture and Fixtures	21,235	31,714	413,737	413,737	434,972	445,451
Vehicles	13,085,496	14,188,762	6,498,254	6,631,564	19,583,750	20,820,326
Capital Assets, Gross	110,914,956	108,071,308	210,697,055	204,798,636	321,612,011	312,869,944
Accumulated Depreciation	48,121,188	46,019,645	99,681,653	94,620,904	147,802,841	140,640,549
Capital Assets, Net	$ 62,793,768	62,051,663	111,015,402	110,177,732	173,809,170	$ 172,229,395

The total increase in the City's capital assets for the current fiscal year was approximately $1,580,000 (1%). Major capital asset events during the current year included the following:

- Capital asset additions of approximately $5,343,000 for governmental activities which consisted primarily of the following:
    - Additions related to construction in progress of approximately $3,239,000 which were primarily related to the Linley Park additions ($2,247,000), the recreation roof project ($578,000), the Bea Thompson Park project ($275,000), and other capital projects ($139,000).
    - Land for approximately $733,000.
    - Buildings and improvements for approximately $75,000.
    - Purchase of vehicles for approximately $610,000.
    - Purchases of machinery and equipment and other assets for approximately $686,000.
- Capital asset additions of approximately $6,634,000 for business-type activities which consisted primarily of the following:
    - Additions related to construction in progress of approximately $5,860,000 primarily related to the Cox Creek sewer interceptors ($2,677,000), the North Street sewer lines ($833,000), the Generostee Creek sewer relief ($830,000), the storm system improvements ($449,000) the Heritage Hills stormwater project ($207,000), and other projects ($864,000).
    - Purchase of vehicles for approximately $91,000.
    - Buildings and improvements for approximately $264,000.
    - Water tank and lines for approximately $232,000.
    - Purchase of various equipment and other assets of approximately $187,000.
- Depreciation expense of approximately $4,470,000 for governmental activities and approximately $5,774,000 for business-type activities.
- Disposals of approximately $131,000 for governmental activities and approximately $22,000 for business-type activities.

Additional information regarding the City's capital assets can be found in Note III.E in the notes to the financial statements.

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration

As of June 30, 2024 and June 30, 2023, the City had total outstanding debt (including infrastructure reimbursement obligations) of approximately $83,857,000 and $90,258,000, respectively. Of the City's total long-term obligations at June 30, 2024, approximately $818,000 was general obligation debt which is backed by the full faith and credit of the City. The City's total debt (including infrastructure reimbursement obligations) as of June 30, 2024 and June 30, 2023 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Debt:						
General Obligation Bonds	$ 818,000	1,018,000	-	-	818,000	$ 1,018,000
Revenue Bonds *	5,934,000	6,211,000	64,069,315	68,848,986	70,003,315	75,059,986
Special Obligation Bond	6,241,000	6,658,000	-	-	6,241,000	6,658,000
SC State Revolving Fund Loans	-	-	5,083,113	5,358,687	5,083,113	5,358,687
Financed Purchases	939,669	1,348,000	-	-	939,669	1,348,000
Infrastructure Reimbursement	772,089	815,368	-	-	772,089	815,368
Total Debt	$ 14,704,758	16,050,368	69,152,428	74,207,673	83,857,186	$ 90,258,041

* Including deferred items (i.e. discounts, premiums, etc.).

The total decrease in the City's debt (including infrastructure reimbursement obligations) for the current year was approximately $6,401,000 or 7%. Major 2024 events for the City's governmental and business-type activities were as follows:

- The City's governmental activities total debt decreased by approximately $1,346,000 (8%) during the current year primarily due to regularly scheduled principal payments of approximately $1,451,000, partially offset by and addition of a financed purchase agreement of approximately $105,000

- The City's business-type activities total debt decreased approximately $5,055,000 (7%) during the current year due to regularly scheduled principal payments and amortization of premiums.

The State of South Carolina limits the amount of general obligation debt that a unit of government can issue up to 8% of the total assessed value of taxable property located within that government's boundaries. As of June 30, 2024, the City had $818,000 of bonded debt subject to the 8% limit of approximately $11,105,000 resulting in an unused legal debt margin of approximately $10,287,000.

Additional information regarding the City's long-term obligations can be found in Note III.F in the notes to the financial statements.

ECONOMIC FACTORS AND FY 25 BUDGET FOR THE CITY

The City's elected officials and staff considered many factors when setting the FY 25 budget. The state of the economy, tourism activity, anticipated building activity, future capital needs, and the best interests of the City's residents were all taken into account. Key budget highlights were as follows:

- The City's growth is reflected with an increase in the FY 25 budget of $400,000 for an increase in property tax revenues for annexed properties and new business developments in the City for a total budget of $15,380,000 for property tax collections.
- The business license revenue is budgeted at $11,850,000, an increase of $690,000 from the prior year budget.

ECONOMIC FACTORS AND FY 25 BUDGET FOR THE CITY (CONTINUED)

- The hospitality fee collections are budgeted at $4,300,000, an increase of $300,000 from the prior year budget, as collections continue to increase.
- The FY 25 sewer and stormwater budgets decreased by approximately $694,000 and $76,300, respectively, due to decreases in capital spending. The water fund budget increased $578,780 due to increase in capital. There are no rate increases for the utility funds in FY 25.
- Transfers from the Sewer, Water, Storm Water and Hospitality Fee Funds to the General Fund are budgeted to be approximately $2,743,680 for FY 25. Hospitality monies are used to help fund the parks IT and police security. Also, the City's administration, finance, public works, and other areas provide services to all funds but are paid by the General Fund. The transfers from the utility funds help offset the cost born completely by the General Fund.
- The City budgeted for a planned use of fund balance of approximately $4,260,000, including $511,000 for the General Fund.

REQUESTS FOR CITY INFORMATION

This financial report is designed to provide a general overview of the City of Anderson's finances for all those with an interest in the government's financing. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, City of Anderson, 401 S. Main Street, Anderson, South Carolina 29624 or visit our website at www.cityofandersonsc.com.

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Basic Financial Statements

CITY OF ANDERSON, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Cash Equivalents	$ 10,279,049	12,330,210	$ 22,609,259
Cash and Cash Equivalents, Restricted	16,086,083	7,941,662	24,027,745
Investments	225,000	1,850,000	2,075,000
Investments, Restricted	2,479,434	-	2,479,434
Receivables, Net:			
Interest	28,131	-	28,131
Property Taxes	669,917	-	669,917
Accounts	725,316	696,936	1,422,252
Utilities	2,701,527	-	2,701,527
Lease	246,398	-	246,398
Other	81,345	-	81,345
Intergovernmental Receivables	1,947,308	489,550	2,436,858
Community and Business Development Note Receivables	929,893	-	929,893
Prepaids and Inventories	229,267	25,376	254,643
Capital Assets:			
Non-Depreciable	10,712,814	3,465,896	14,178,710
Depreciable, Net	52,080,954	107,549,506	159,630,460
TOTAL ASSETS	**99,422,436**	**134,349,136**	**233,771,572**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Refunding Charges	-	1,668,243	1,668,243
Deferred Other Postemployment Benefit Charges - City Plan	275,166	-	275,166
Deferred Pension Charges - City Pension Plan	3,242,627	5,671,171	8,913,798
Deferred Pension Charges - State Retirement Plan	3,198,372	-	3,198,372
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**6,716,165**	**7,339,414**	**14,055,579**
LIABILITIES			
Accounts Payable	1,650,783	688,964	2,339,747
Accrued Interest Payable	113,408	1,267,359	1,380,767
Accrued Salaries and Benefits	1,613,176	-	1,613,176
Customer Deposits	-	841,011	841,011
Other Accrued Liabilities	1,285	463,273	464,558
Intergovernmental Payables	21,847	-	21,847
Internal Balances	2,529,440	(2,529,440)	-
Unearned Revenues	7,369,619	-	7,369,619
Non-Current Liabilities:			
Long-Term Obligations - Due Within One Year	2,963,000	5,428,383	8,391,383
Long-Term Obligations - Due in More Than One Year	14,482,364	65,373,501	79,855,865
Total Other Postemployment Benefit Liability - City Plan - Due in More Than One Year	639,422	107,810	747,232
Total Pension Liability - City Pension Plan - Due in More Than One Year	2,825,291	7,655,946	10,481,237
Total Pension Liability - State Retirement Plan - Due in More Than One Year	16,170,483	-	16,170,483
TOTAL LIABILITIES	**50,380,118**	**79,296,807**	**129,676,925**
DEFERRED INFLOWS OF RESOURCES			
Deferred Lease Revenue	240,217	-	240,217
Deferred Refunding Credits	-	227,793	227,793
Deferred Other Postemployment Benefit Credits - City Plan	985,596	-	985,596
Deferred Pension Credits - City Plan	654,459	1,773,442	2,427,901
Deferred Pension Credits - State Retirement Plan	1,332,261	-	1,332,261
TOTAL DEFERRED INFLOWS OF RESOURCES	**3,212,533**	**2,001,235**	**5,213,768**
NET POSITION			
Net Investment in Capital Assets	48,193,111	43,528,608	91,721,719
Restricted For:			
Debt Service	-	5,531,576	5,531,576
Perpetual Care	755,388	-	755,388
Transportation Investment - Nonexpendable	2,250,000	-	2,250,000
Community Development	1,133,579	-	1,133,579
Tourism Related Costs	5,118,252	-	5,118,252
Other	116,678	-	116,678
Unrestricted	(5,021,058)	11,330,324	6,309,266
TOTAL NET POSITION	**$ 52,545,950**	**60,390,508**	**$ 112,936,458**

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

CITY OF ANDERSON, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
					Primary Government		
PRIMARY GOVERNMENT:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	$ 8,860,467	2,838,421	273,221	-	(5,748,825)	-	$ (5,748,825)
Public Safety	19,497,948	2,467,101	4,986,810	408,401	(11,635,636)	-	(11,635,636)
Public Works	4,119,265	397,525	155,366	-	(3,566,374)	-	(3,566,374)
Community and Economic Development	2,308,831	206,358	868,336	-	(1,234,137)	-	(1,234,137)
Cemetery	559,455	258,731	-	-	(300,724)	-	(300,724)
Recreation	3,810,756	300,100	-	-	(3,510,656)	-	(3,510,656)
Sanitation	3,170,481	793,270	-	-	(2,377,211)	-	(2,377,211)
Advertising and Tourism	359,306	-	-	-	(359,306)	-	(359,306)
Interest on Long-Term Obligations	449,428	-	-	-	(449,428)	-	(449,428)
Total Governmental Activities	**43,135,937**	**7,261,506**	**6,283,733**	**408,401**	**(29,182,297)**	**-**	**(29,182,297)**
Business-Type Activities:							
Sewer	12,213,907	15,142,565	-	241,080	-	3,169,738	3,169,738
Water	10,625,469	10,433,764	-	246,548	-	54,843	54,843
Storm Water	1,090,841	1,170,879	-	-	-	80,038	80,038
Transit	2,222,478	422,960	1,074,105	-	-	(725,413)	(725,413)
Total Business-Type Activities	**26,152,695**	**27,170,168**	**1,074,105**	**487,628**	**-**	**2,579,206**	**2,579,206**
TOTAL - PRIMARY GOVERNMENT	**$ 69,288,632**	**34,431,674**	**7,357,838**	**896,029**	**(29,182,297)**	**2,579,206**	**(26,603,091)**
General Revenues and Transfers:							
General Revenues:							
Taxes:							
Property Taxes					15,581,863	-	15,581,863
Hospitality Fees					4,278,852	-	4,278,852
Accommodations Taxes					647,485	-	647,485
Franchise Taxes					7,042,309	-	7,042,309
Business Licenses					5,322,209	-	5,322,209
Other Taxes					61,050	-	61,050
Intergovernmental Revenue - Unrestricted					700,124	-	700,124
Investment Income					1,449,056	591,798	2,040,854
Miscellaneous					125,508	-	125,508
Gain on Sale of Assets					4,468	-	4,468
Transfers In (Out)					(1,754,123)	1,754,123	-
Total General Revenues and Transfers					33,458,801	2,345,921	35,804,722
CHANGE IN NET POSITION					**4,276,504**	**4,925,127**	**9,201,631**
NET POSITION, BEGINNING OF YEAR					48,269,446	55,465,381	103,734,827
NET POSITION, END OF YEAR					**52,545,950**	**60,390,508**	**$ 112,936,458**

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

CITY OF ANDERSON, SOUTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

	GENERAL	HOSPITALITY FEE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	$ 10,200,191	-	78,858	$ 10,279,049
Cash and Cash Equivalents, Restricted	9,718,054	3,817,014	2,551,015	16,086,083
Investments	225,000	-	-	225,000
Investments, Restricted	-	425,000	2,054,434	2,479,434
Receivables, Net:				
Interest	503	-	27,628	28,131
Property Taxes	669,917	-	-	669,917
Accounts	-	345,208	380,108	725,316
Utilities	2,701,527	-	-	2,701,527
Lease	246,398	-	-	246,398
Other	-	-	81,345	81,345
Intergovernmental Receivables	1,947,308	-	-	1,947,308
Due From Other Funds	811,918	320,835	122,098	1,254,851
Prepaids and Inventories	196,584	-	32,683	229,267
TOTAL ASSETS	**$ 26,717,400**	**4,908,057**	**5,328,169**	**$ 36,953,626**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 925,560	639,833	85,390	$ 1,650,783
Accrued Salaries and Benefits	1,611,966	70	2,425	1,614,461
Intergovernmental Payables	21,847	-	-	21,847
Due To Other Funds	3,067,416	-	716,875	3,784,291
Unearned Revenues	7,369,619	-	-	7,369,619
TOTAL LIABILITIES	**12,996,408**	**639,903**	**804,690**	**14,441,001**
DEFERRED INFLOWS OF RESOURCES				
Deferred Lease Revenue	240,217	-	-	240,217
Unavailable Revenue - Property Taxes	383,315	-	-	383,315
TOTAL DEFERRED INFLOWS OF RESOURCES	**623,532**			**623,532**
FUND BALANCES				
Nonspendable:				
Prepaid and Inventories	196,584	-	32,683	229,267
Permanent Fund Principal	-	-	2,250,000	2,250,000
Restricted For:				
Capital Equipment - Unspent Debt Proceeds	131,694	-	-	131,694
Perpetual Care	-	-	755,388	755,388
Tourism Related Costs	-	4,268,154	1,324,697	5,592,851
Community Development	-	-	203,686	203,686
Cemetery	-	-	109,227	109,227
Public Safety	-	-	751	751
Assigned For:				
Capital Projects	-	-	117,626	117,626
Emergency Management Costs	675	-	-	675
Appropriated for Use in Fiscal Year 2025 Budget	511,000	-	-	511,000
Unassigned	12,257,507	-	(270,579)	11,986,928
TOTAL FUND BALANCES	**13,097,460**	**4,268,154**	**4,523,479**	**21,889,093**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 26,717,400**	**4,908,057**	**5,328,169**	**$ 36,953,626**

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

CITY OF ANDERSON, SOUTH CAROLINA

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

JUNE 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	**$ 21,889,093**
Amounts reported for the governmental activities in the Statement of Net Position are different because of the following:	
Property taxes and other receivables that will be collected in the future, but are not available soon enough to pay for the current period's expenditures, and therefore have been deferred in the governmental funds.	383,315
Community and business development note receivables are not available to pay for current period expenditures and thus are not recognized in the governmental funds but are recognized in the Statement of Net Position.	929,893
Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds. The cost of the capital assets was $110,914,956 and the accumulated depreciation was $48,121,188.	62,793,768
Accrued interest on the long-term obligations in governmental accounting is not due or payable in the current period, therefore, they have not been reported as a liability in the funds.	(113,408)
The City's net pension liability, deferred outflows of resources, and deferred inflows of resources related to the City Pension Plan are not reported in the governmental funds but are in the Statement of Net Position.	(237,123)
The City's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to their participation in the State Retirement Plan are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(14,304,372)
The City's net other postemployment benefits ("OPEB") liability, deferred outflows of resources, and deferred inflows of resources related to the City's OPEB Plan are not reported in the governmental funds but are in the Statement of Net Position.	(1,349,852)
Long-term liabilities, including debt payable, are not due or payable in the current period and therefore are not reported as liabilities in the funds but are recorded in the Statement of Net Position. Long-term liabilities at year-end consisted of the following:	
Debt Obligations	(13,932,669)
Infrastructure Reimbursement Obligations	(772,089)
Compensated Absence Obligations	(2,740,606)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	**$ 52,545,950**

CITY OF ANDERSON, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

	GENERAL	HOSPITALITY FEE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Property Taxes, Penalties, and Interest	$ 15,551,572	-	-	$ 15,551,572
Hospitality Fees	-	4,278,852	-	4,278,852
Accommodations Taxes	43,216	-	604,269	647,485
Licenses and Permits	12,892,744	-	-	12,892,744
Unrestricted Intergovernmental Revenue	700,124	-	-	700,124
Restricted Intergovernmental Revenue	5,710,585	-	868,336	6,578,921
Sales and Services	371,242	-	1,399,360	1,770,602
Fines and Forfeitures	229,782	-	-	229,782
Prisoner Per Diem	1,487,809	-	-	1,487,809
Program Income	-	-	421,962	421,962
Insurance	-	-	80,214	80,214
Capital Fees			680,205	680,205
Investment Earnings	1,094,941	231,666	122,449	1,449,056
Miscellaneous	2,538,498	-	6,583	2,545,081
TOTAL REVENUES	**40,620,513**	**4,510,518**	**4,183,378**	**49,314,409**
EXPENDITURES				
Current:				
General Government	7,757,057	-	-	7,757,057
Public Safety	18,323,598	-	80,463	18,404,061
Public Works	3,468,158	-	-	3,468,158
Community and Economic Development	1,008,643	-	1,198,832	2,207,475
Cemetery	-	-	539,936	539,936
Recreation	-	984,088	2,811,591	3,795,679
Sanitation	-	-	3,059,864	3,059,864
Advertising and Tourism	-	-	346,771	346,771
Nondepartmental	1,464,456	-	3,002	1,467,458
Capital Outlay	372,318	2,261,594	497,268	3,131,180
Debt Service:				
Principal Retirement	539,615	417,000	451,000	1,407,615
Interest and Fees	93,352	145,361	218,491	457,204
Bond Issuance Costs	-	1,200	-	1,200
TOTAL EXPENDITURES	33,027,197	3,809,243	9,207,218	46,043,658
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**7,593,316**	**701,275**	**(5,023,840)**	**3,270,751**
OTHER FINANCING SOURCES (USES)				
Financed Purchase Issued	105,284	-	-	105,284
Sale of Capital Assets	4,468	-	-	4,468
Transfers In	2,379,530	807,708	5,434,407	8,621,645
Transfers Out	(8,302,299)	(2,000,000)	(73,469)	(10,375,768)
TOTAL OTHER FINANCING SOURCES (USES)	(5,813,017)	(1,192,292)	5,360,938	(1,644,371)
NET CHANGES IN FUND BALANCES	**1,780,299**	**(491,017)**	**337,098**	**1,626,380**
FUND BALANCES, BEGINNING OF YEAR	11,317,161	4,759,171	4,186,381	20,262,713
FUND BALANCES, END OF YEAR	**$ 13,097,460**	**4,268,154**	**4,523,479**	**$ 21,889,093**

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

CITY OF ANDERSON, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	**$**	**1,626,380**
Amounts reported for the governmental activities in the Statement of Activities are different because of the following:		
Property taxes and other revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenues in the Statement of Activities.		30,291
The repayment of principal by debtors to the City is considered income in the governmental funds, but the repayment is shown as a reduction of the notes receivable amounts in the Statement of Net Position.		(215,604)
Debt proceeds provide current financial resources to governmental funds, but issuing debt also increases long-term liabilities in the Statement of Net Position.		(105,284)
Debt principal payments, as well as infrastructure reimbursement payments, are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		1,450,894
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		8,976
Changes in the City's net pension liability, deferred outflows of resources, and deferred inflows of resources related to the City Pension Plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities		336,122
Changes in the City's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the State Retirement Plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities		602,312
Changes in the City's net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to the City's OPEB Plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities		99,971
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.		(299,659)
In the Statement of Activities the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.		(131,235)
Property donated to the City is not reported in the governmental funds as it is not considered a current financial resource but is recorded as revenue in the Statement of Activities.		33,000
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, capital outlay expenditures that qualify as capital asset additions are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions of $5,343,054 ($33,000 was related to donated assets for public safety) exceeded depreciation expense of $4,469,714 in the current period.		840,340
TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	**$**	**4,276,504**

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

CITY OF ANDERSON, SOUTH CAROLINA

STATEMENT OF NET POSITION -
PROPRIETARY FUNDS

JUNE 30, 2024

	ENTERPRISE FUNDS			
	SEWER FUND	WATER FUND	NONMAJOR FUNDS	TOTAL
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 8,775,262	2,600,174	954,774	$ 12,330,210
Cash and Cash Equivalents, Restricted	6,176,434	1,600,179	165,049	7,941,662
Investments	1,375,000	425,000	50,000	1,850,000
Accounts Receivable, Net	696,934	2	-	696,936
Intergovernmental Receivables	-	-	489,550	489,550
Due From Other Funds	1,252,060	1,250,767	173,645	2,676,472
Prepaid and Inventories	16,485	6,436	2,455	25,376
Total Current Assets	18,292,175	5,882,558	1,835,473	26,010,206
Non-Current Assets:				
Capital Assets:				
Non-Depreciable	2,600,830	498,343	366,723	3,465,896
Depreciable, Net	77,100,133	22,586,887	7,862,486	107,549,506
Total Non-Current Assets	79,700,963	23,085,230	8,229,209	111,015,402
TOTAL ASSETS	**97,993,138**	**28,967,788**	**10,064,682**	**137,025,608**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Refunding Charges	1,668,243	-	-	1,668,243
Deferred Pension Charges - City Pension Plan	1,774,863	2,903,233	993,075	5,671,171
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**3,443,106**	**2,903,233**	**993,075**	**7,339,414**
LIABILITIES				
Current Liabilities:				
Accounts Payable	309,979	337,873	41,112	688,964
Accrued Interest Payable	900,252	364,779	2,328	1,267,359
Customer Deposits	-	841,011	-	841,011
Other Accrued Liabilities	462,906	367	-	463,273
Due To Other Funds	66,080	69,986	10,966	147,032
Current Portion of Debt Service Rebate	612,478	-	-	612,478
Current Portion of Compensated Absences	70,234	61,223	28,414	159,871
Current Portion of Debt	2,939,191	1,612,115	104,728	4,656,034
Total Current Liabilities	5,361,120	3,287,354	187,548	8,836,022
Non-Current Liabilities:				
Total Other Postemployment Benefit Liability - City Plan	35,317	53,905	18,588	107,810
Total Pension Liability - City Plan	2,392,528	3,933,781	1,329,637	7,655,946
Debt Service Rebate, Less Current Portion	530,249	-	-	530,249
Compensated Absences, Less Current Portion	110,728	161,070	75,058	346,856
Debt, Less Current Portion	47,768,702	16,211,513	516,181	64,496,396
Total Long-Term Liabilities	50,837,524	20,360,269	1,939,464	73,137,257
TOTAL LIABILITIES	**56,198,644**	**23,647,623**	**2,127,012**	**81,973,279**
DEFERRED INFLOWS OF RESOURCES				
Deferred Refunding Credits	-	227,793	-	227,793
Deferred Pension Credits - City Pension Plan	554,211	911,231	308,000	1,773,442
TOTAL DEFERRED INFLOWS OF RESOURCES	**554,211**	**1,139,024**	**308,000**	**2,001,235**
NET POSITION				
Net Investment in Capital Assets	30,871,593	5,033,809	7,623,206	43,528,608
Restricted for Debt Service	4,133,455	1,235,400	162,721	5,531,576
Unrestricted	9,678,341	815,165	836,818	11,330,324
TOTAL NET POSITION	**$ 44,683,389**	**7,084,374**	**8,622,745**	**$ 60,390,508**

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

CITY OF ANDERSON, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

	ENTERPRISE FUNDS			
	SEWER FUND	WATER FUND	NONMAJOR FUNDS	TOTAL
OPERATING REVENUES				
Charges for Services	$ 11,837,276	9,724,198	1,537,484	$ 23,098,958
Cost Recovery Charges	2,651,247	-	-	2,651,247
Pretreatment Fees	248,736	-	-	248,736
Permits and Fees	220,000	251,416	-	471,416
Other Operating Fees	185,306	458,150	56,355	699,811
TOTAL OPERATING REVENUES	**15,142,565**	**10,433,764**	**1,593,839**	**27,170,168**
OPERATING EXPENSES				
Administrative	1,118,819	1,741,821	1,164,542	4,025,182
Operating	-	-	880,706	880,706
Sewer Line	1,555,208	-	-	1,555,208
Plant	3,529,078	-	-	3,529,078
Sewer Lab	50,111	-	-	50,111
Pretreatment	139,890	-	-	139,890
Municipal Business Center	-	151,428	-	151,428
Water Distribution and Storage	-	3,318,584	-	3,318,584
Garage	-	-	368,165	368,165
Nondepartmental	461,913	218,465	131,755	812,133
Purchased Water	-	3,495,798	-	3,495,798
Depreciation and Amortization	3,859,623	1,200,885	753,120	5,813,628
TOTAL OPERATING EXPENSES	**10,714,642**	**10,126,981**	**3,298,288**	**24,139,911**
OPERATING INCOME (LOSS)	**4,427,923**	**306,783**	**(1,704,449)**	**3,030,257**
NON-OPERATING REVENUES (EXPENSES)				
Federal Grants	-	-	810,244	810,244
State Grants	-	-	263,861	263,861
Interest Earned on Investments	435,223	124,443	32,132	591,798
Interest on Long-Term Obligations	(1,480,773)	(494,596)	(15,031)	(1,990,400)
Gain (Loss) on Sale of Capital Assets	(18,492)	(3,892)	-	(22,384)
TOTAL NON-OPERATING REVENUES (EXPENSES)	**(1,064,042)**	**(374,045)**	**1,091,206**	**(346,881)**
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	**3,363,881**	**(67,262)**	**(613,243)**	**2,683,376**
Capital Contributions - Capacity Fees	112,200	190,800	-	303,000
Donated Capital Assets	128,880	55,748	-	184,628
Transfers In	2,420,889	-	1,130,417	3,551,306
Transfers Out	(840,000)	(685,000)	(272,183)	(1,797,183)
CHANGE IN NET POSITION	**5,185,850**	**(505,714)**	**244,991**	**4,925,127**
NET POSITION, BEGINNING OF YEAR	39,497,539	7,590,088	8,377,754	55,465,381
NET POSITION, END OF YEAR	**$ 44,683,389**	**7,084,374**	**8,622,745**	**$ 60,390,508**

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

CITY OF ANDERSON, SOUTH CAROLINA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2024

	ENTERPRISE FUNDS			
	SEWER FUND	WATER FUND	NONMAJOR FUNDS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	$ 16,135,561	10,450,388	1,615,569	$ 28,201,518
Payments to Suppliers for Goods and Services	(3,969,738)	(4,158,172)	(1,606,889)	(9,734,799)
Payments for Personal Services	(2,860,814)	(3,358,280)	(349,311)	(6,568,405)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	9,305,009	2,933,936	(340,631)	11,898,314
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
State and Federal Grants	-	-	846,416	846,416
Transfers to Other Funds	(840,000)	(794,428)	(272,183)	(1,906,611)
Transfers from Other Funds	2,666,463	-	889,085	3,555,548
NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES	1,826,463	(794,428)	1,463,318	2,495,353
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions - Capacity Fees and Grants	112,200	190,800	-	303,000
Acquisition of Capital Assets	(4,865,712)	(458,091)	(1,125,867)	(6,449,670)
Bond, Revolving Fund Loan Principal Payments	(3,169,168)	(1,174,000)	(102,405)	(4,445,573)
Bond, Revolving Fund Loan Interest Payments	(1,930,901)	(758,908)	(15,415)	(2,705,224)
Debt Service Rebate Payments	(566,274)	-	-	(566,274)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(10,419,855)	(2,200,199)	(1,243,687)	(13,863,741)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Earnings	435,223	124,443	32,132	591,798
Short Term Investments, Net	4,340,297	1,460,000	110,000	5,910,297
NET CASH PROVIDED BY INVESTING ACTIVITIES	4,775,520	1,584,443	142,132	6,502,095
NET INCREASE (DECREASE) IN RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS	**5,487,137**	**1,523,752**	**21,132**	**7,032,021**
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, Beginning of Year	9,464,559	2,676,601	1,098,691	13,239,851
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, End of Year	**$ 14,951,696**	**4,200,353**	**1,119,823**	**$ 20,271,872**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:				
Operating Income (Loss)	$ 4,427,923	306,783	(1,704,449)	$ 3,030,257
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:				
Depreciation and Amortization Expense	3,859,623	1,200,885	753,120	5,813,628
Change in Accounts Representing Operating Activities:				
Accounts Receivable	381,206	(2)	21,730	402,934
Prepaids and Inventory	118,675	18,258	41,925	178,858
Accounts Payable	(905,686)	(9,375)	33,339	(881,722)
Customer Deposits	-	16,626	-	16,626
Other Accrued Liabilities	(127,348)	(23)	(317)	(127,688)
Compensated Absences	647	(5,913)	541	(4,725)
Other Post Employment Benefits	(2,039)	2,318	(2,758)	(2,479)
Debt Service Rebate	611,790	-	-	611,790
Net Pension Liability	858,686	1,479,503	446,949	2,785,138
Deferred Pension Charges	(465,167)	(974,335)	(234,388)	(1,673,890)
Deferred Pension Credits	546,699	899,211	303,677	1,749,587
Net Cash Provided by (Used in) Operating Activities	$ 9,305,009	2,933,936	(340,631)	$ 11,898,314
Noncash Investing and Capital and Related Financing Items:				
Donated Capital Assets	$ 128,880	55,748	-	$ 184,628

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

CITY OF ANDERSON, SOUTH CAROLINA

STATEMENT OF NET POSITION -
FIDUCIARY FUND - CUSTODIAL FUND

JUNE 30, 2024

	SEIZURE AND COMMISSARY FUND
ASSETS	
Cash and Cash Equivalents	$ 136,252
TOTAL ASSETS	**$ 136,252**
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	$ 136,252
TOTAL NET POSITION	**$ 136,252**

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

CITY OF ANDERSON, SOUTH CAROLINA

STATEMENT OF CHANGES IN NET POSITION -
FIDUCIARY FUND - CUSTODIAL FUND

YEAR ENDED JUNE 30, 2024

	SEIZURE AND COMMISSARY FUND
ADDITIONS	
Contributions:	
Inmates	$ 450,200
Total Contributions	450,200
Confiscated Property	30,435
TOTAL ADDITIONS	**480,635**
DEDUCTIONS	
Supplies and Services	301,837
Inmate Refunds	130,649
Transfer to Forfeitures Fund	13,947
TOTAL DEDUCTIONS	446,433
NET INCREASE IN NET POSITION	**34,202**
NET POSITION, BEGINNING OF YEAR	102,050
NET POSITION, END OF YEAR	**$ 136,252**

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

CITY OF ANDERSON, SOUTH CAROLINA

STATEMENT OF NET POSITION -
FIDUCIARY FUND - PENSION TRUST FUND

DECEMBER 31, 2023

		GENERAL EMPLOYEES' RETIREMENT PLAN
ASSETS		
Cash and Cash Equivalents	$	1,003,038
Investments:		
Commingled Domestic Equity Funds		20,314,745
Commingled Foreign Equity Funds		3,577,493
Commingled Domestic Bond Funds		11,461,811
Accounts Receivable:		
Contributions		235,349
Interest		27,049
TOTAL ASSETS	**$**	**36,619,485**
NET POSITION		
Restricted for Pensions	$	36,619,485
TOTAL NET POSITION	**$**	**36,619,485**

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

CITY OF ANDERSON, SOUTH CAROLINA

STATEMENT OF CHANGES IN NET POSITION -
FIDUCIARY FUND - PENSION TRUST FUND

YEAR ENDED DECEMBER 31, 2023

	GENERAL EMPLOYEES' RETIREMENT PLAN
ADDITIONS	
Contributions:	
Employer	$ 1,019,983
Total Contributions	1,019,983
Investment Earnings:	
Interest	39,155
Dividends	730,463
Realized and Unrealized Appreciation in Fair Value of Investments	4,543,962
Total Investment Earnings	5,313,580
TOTAL ADDITIONS	**6,333,563**
DEDUCTIONS	
Pension Benefits	2,697,200
Administrative Expenses	87,285
TOTAL DEDUCTIONS	2,784,485
NET INCREASE IN NET POSITION	**3,549,078**
NET POSITION, BEGINNING OF YEAR	33,070,407
NET POSITION, END OF YEAR	**$ 36,619,485**

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

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The City of Anderson ("City") was founded in December 1826 and incorporated by an act of the State of South Carolina Legislature on December 9, 1833. Section 47-26 of the 1962 South Carolina Code of Laws, as amended (Home Rule Act), requires that municipalities adopt a specific form of government. The City operates under the Council-Manager form of government. The Council is composed of a Mayor and eight Council members. The Mayor and two Council members are elected at-large and six Council members are elected on a single member ward basis. The Mayor and Council, elected for four-year staggered terms, are vested with the legislative and policymaking powers of the City. The Council appoints a City Manager who serves as the chief executive officer of the City and is responsible to the Council for proper administration of all affairs of the City.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

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

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

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

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

Blended Component Unit

The City of Anderson Public Facilities Corporation ("Corporation") is a blended component unit of the City. The Corporation is a South Carolina non-profit corporation organized in February 2020 exclusively for charitable, religious, education, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The Corporation was created for the specific purpose of operating exclusively for the benefit of the City. The Corporation issued an Installment Purchase Revenue Bond in February 2020 for the construction of a new parking garage. The Corporation and the City have entered into a Municipal Facilities Purchase and Occupancy Agreement whereby the City will occupy and use the facilities and the City, subject to annual appropriation by City Council, will make semi-annual acquisition payments to the Corporation in amounts sufficient to enable the Corporation to pay the debt service owed on the debt.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Blended Component Unit (Continued)

The Corporation is governed by a board of directors ("Board") which consists of the (a) City Manager, (b) Assistant City Manager, and (c) City Finance Director. City Council has the power at any time to remove a director with or without cause and to appoint a successor for such director. The Corporation is included as a nonmajor special revenue fund in the City's governmental fund financial statements. Separate financial statements for the Corporation are not issued.

Related Organizations

Anderson Regional Joint Water System ("System") was formed as a partnership of rural and municipal water districts devoted to providing a high-quality, clean, safe, reliable, economical flow of treated water to its wholesale customers in Anderson and Pickens counties. The System is governed by a thirteen-member Board of Commissioners (one commissioner serves two of the member agencies) for which the City serves as a member and its largest customer. Each member of the Board represents a water district or municipality that purchases its water from the Joint Water System. Currently, there are fourteen (14) member agencies in Anderson and Pickens Counties. The City has the responsibility of appointing one board member but this appointment does not represent a majority or controlling interest in the System. The System does not have significant exclusive operational or financial relationships with the City. Therefore, it is not considered to be a component unit as defined by GAAP.

The City, the County of Anderson, and the City of Belton in 2006 joined together to form the Home Consortium ("Consortium"). The Consortium was formed to make available federal funds through the US Department of Housing and Urban Development Home program. The Consortium does not have an official board or council. The City is eligible to receive 35% of the funds allocated to the Consortium (after certain defined fees and administrative expenses of the Consortium). The City does not have financial accountability for the Consortium but merely reports its portion of the revenues and expenditures earned/incurred related to the HOME program. The Consortium is not considered to be a component unit as defined by GAAP.

Major Operations

The City's major operations as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, sewer and water, transit services and general administration.

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City (the "Primary Government"). For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these financial statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

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

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

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

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

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

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

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

Governmental Fund Types are those through which most governmental functions of the City are financed. The City's expendable financial resources and related assets and liabilities (except for those accounted for in the Proprietary Funds and Fiduciary Funds) are accounted for through governmental funds. Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Following are the City's major and non-major governmental funds:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The ***Hospitality Fee Fund, a major special revenue fund,*** and a budgeted fund, is used to account for hospitality tax revenues paid for by businesses within the City limits that are legally restricted for tourism related costs

Non-major special revenue funds consist of the following:

Community Development Fund	Perpetual Care Fund
Accommodations Tax Fund	Cemetery Fund
Parks and Recreation Fund	Sanitation Fund
Public Facilities Corporation Fund	Firefighters' 1% Fund

The ***Capital Replacement Fund, a non-major capital projects fund*** and a budgeted fund, is used to account for and report resources that are received from the City's capital fee or that are transferred from other funds to provide resources for future capital asset purchases. The capital fee revenues are by ordinance committed for capital replacement purposes. Any unspent capital fee funds will be shown as committed fund balance in this fund.

The ***Permanent Fund, a non-major fund*** and a budgeted fund, is used to account for and report resources that are endowed to the City in trust, for which only the interest earnings may be used by the City for various restricted purposes as specified by the private donors. The City's Transportation Investment Fund is used to account for a $2,250,000 contribution to the City from a local utility company to divest itself of the transit operations. The original contribution and subsequent investment earnings are restricted by City Council as to amount and nature of allowable expenditures with a portion being available for transit operations. This is a budgeted fund and any remaining fund balance is restricted.

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The **Sewer Fund, a major fund,** is used to account for the City's sewer operations. The City operates two wastewater treatment facilities and provides sewer taps for the City and the surrounding areas. This is a budgeted fund.

The **Water Fund, a major fund,** is used to account for the City's water operations. The City owns the water mains and lines and provides water services for the City and the surrounding areas. This is a budgeted fund.

The **Storm Water Utility Fund, a non-major fund,** is used to account for the City's storm water drainage operations. This is a budgeted fund.

The **Transit Fund, a non-major fund,** is used to account for the City's transit operations. The City provides transit services for citizens of the City by maintaining six bus routes. This is a budgeted fund.

Fiduciary Fund Types include the ***Pension Trust Fund*** and the ***Custodial Fund***. These funds are used to account for assets held by the City in a trustee capacity for individuals, other governments, and/or other funds and are accounted for in essentially the same manner as Proprietary Funds. Pension Trust funds account for resources that are required to be held in trust for the members and beneficiaries of defined benefit plans. The General Employees' Retirement Plan Fund is used to account for the City's single-employer defined benefit retirement plan. The General Employees' Retirement Plan Fund is shown on a calendar year basis since the plan's year end is December 31st. Custodial funds are generally used to account for miscellaneous assets that the government holds on behalf of others. The Seizure and Commissary Fund is used to account for money that was seized during a law enforcement action or received and held for commissary services.

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

1. Cash, Cash Equivalents, and Investments

The City considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and money market mutual funds to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) and other non-money market mutual funds are reported as investments.

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

(a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

(b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

(c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

(d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.

(e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

(f) Repurchase agreements when collateralized by securities as set forth in this section.

(g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

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

- Money market mutual funds ("MMMF") are generally open-ended funds that invest in short term debt securities (including obligations of the United States and related agencies) that generally have a weighted average maturity of 60 days or less and do not invest more than 5% in any one issuer, except for government securities and repurchase agreements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

- South Carolina Local Government Investment Pool ("LGIP" or "Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"* and GASB Statement No. 72 *"Fair Value Measurement and Application"*, investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of $1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

- Certificates of Deposit ("CD") are bond-type investments issued by a bank when a person or company deposits a certain amount of money for a determined amount of time. The maturity can be up to five years, and interest is paid to the holder of the CD at an agreed upon rate. Money removed before maturity is subject to a penalty.

- US securities are generally treasury notes, treasury bonds, treasury bills, and related securities which are debt obligations of the U.S. government (lending money to the federal government for a specified period of time). These debt obligations are backed by the "full faith and credit" of the government, and thus by its ability to raise tax revenues and print currency, U.S. Treasury securities are considered the safest of all investments.

- Agency securities are securities that are generally backed by mortgage loans, and due to their creation from particular corporations that are sponsored by the U.S. government, they enjoy credit protection based on either an implicit or explicit guarantee from the U.S. Government.

2. Receivables and Payables

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

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

3. Inventories and Prepaid Items

Inventories of materials, supplies and gasoline are stated at average cost, which approximates market. In the governmental and enterprise funds, the costs of inventories and prepaid items are accounted for using the consumption method (treated as an expenditure/expense when consumed).

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets

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

The City defines capital assets as assets with an initial, individual cost of more than $15,000 (amount not rounded) or groupings of similar items with individual costs is less than $15,000, but when purchased together the total is greater than $150,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if not purchased or constructed. Donated capital assets are recorded at estimated acquisition value (as estimated by the City) at the date of donation.

Public domain ("infrastructure") general capital assets acquired prior to July 1, 2002, consist of the road network (roads, bridges, curbs and gutters, streets, and sidewalks, drainage systems, lighting systems) and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980. These assets are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated on the straight-line method using the following estimated useful lives:

Buildings and Improvements	15 - 40 years
Infrastructure	20 - 40 years
Distribution Systems	15 - 40 years
Furniture and Fixtures	5 - 10 years
Equipment	3 - 10 years
Vehicles	5 - 10 years

5. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Unused vacation is accumulated in varying amounts based on years of service to a maximum amount of 30 days, and sick leave is accumulated to a maximum amount of 120 days. Sick leave with pay may be taken by an eligible employee but only for personal illness or the illness of a member of the employee's immediate family.

Sick leave for a regular, full-time employee with the City with 15 consecutive years of service that (a) retires from the City or (b) who is separated from the City on some basis other than involuntary termination for violation of the City's disciplinary rules is eligible for the cash value of his/her personal accrued sick leave at the time of termination or retirement. This benefit shall be made in $1,000 monthly installments until the cash value has been exhausted. This liability is included in the compensated absence liability.

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16 "*Accounting for Compensated Absences*." The entire compensated absence liability and expense is reported on the government-wide financial statements. Governmental funds will only recognize compensated absences liability if they have matured, for example, as a result of employee resignations or retirements, and is due and payable.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. Accrued Liabilities and Long-Term Obligations

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

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

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

7. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has three types of deferred outflows of resources: (1) The City reports *deferred refunding charges* in its Statements of Net Position. If material, deferred refunding charges, which is the difference between the reacquisition price and the net carrying amount of the defeased debt, are deferred and amortized over the life of the refunding bonds, which has the same maturity as the bonds that were refunded. Amortization of deferred refunding charges is included in depreciation and amortization expense. (2) The City also reports *deferred pension charges* in its Statements of Net Position in connection with the City Pension Plan and/or their participation in the State Retirement Plan. (3) The City reports *deferred other postemployment benefit ("OPEB") charges* in its Statement of Net Position in connection with the City's Defined Benefit Retiree Healthcare Plan. The *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has five types of deferred inflows of resources. (1) The City reports *unavailable revenue* only in the governmental funds balance sheet; it is deferred and recognized as an inflow of resources (revenues) in the period the amounts become available. (2) The City also reports *deferred pension credits* in its Statements of Net Position in connection with the City Pension Plan and/or their participation in the State Retirement Plan. (3) The City reports *deferred OPEB credit* in its Statements of Net Position in connection with the City's Defined Benefit Retiree Healthcare Plan. The *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP. (4) The City reports *deferred refunding credits* in its Statements of Net Position. If material, deferred refunding credits, which is the difference between the reacquisition price and the net carrying amount of the defeased debt, are deferred and amortized over the life of the refunding bonds, which has the same maturity as the bonds that were refunded. Amortization of deferred refunding credits is included in depreciation and amortization expense. (5) The City reports *deferred lease revenue* on the governmental funds Balance Sheet and the government-wide Statement of Net Position; it is amortized in a systematic and rational method and recognized as an inflow of resources in future periods.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Fund Balance

In accordance with GAAP, the City classifies its governmental fund balances as follows:

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

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

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

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. City Council reserves the right to assign fund balance.

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

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

9. Net Position

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

10. Pensions and Other Postemployment Benefits

In government-wide financial statements, pensions and OPEB are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.B and Note IV.C and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Pensions and Other Postemployment Benefits (Continued)

The City recognizes net pension and total OPEB liabilities (assets) for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the City's fiscal year-end. Changes in the net pension and total OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and total OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

11. Fair Value

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

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

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

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

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Encumbrances

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

13. Accounting Estimates

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

14. Comparative Data

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City follows the following procedures in establishing its annual budgets:

1. On or before the first Friday in March of each year, all departments/agencies of the government submit requests for appropriation to the City Manager so that a budget may be prepared. The budget is prepared by fund, function and department, and includes information on the past year, the current year budget and requested appropriations for the next fiscal year.

2. In May of each year, the proposed budget is presented to the City Council for review. The City adopts the budget ordinance before June 30 of each year. Amounts transferred between departments within any fund and any revisions that do not alter the total expenditures of any fund do not have to be approved by City Council. Changes that alter total expenditures of any fund must be changed by an affirmative vote of a majority of City Council. Budgeted expenditure appropriations lapse at year-end.

3. Legally adopted budgets are employed as a management control device during the year for the General Fund, Hospitality Fee Fund, Community Development Fund, Perpetual Care Fund, Accommodations Tax Fund, Cemetery Fund, Parks and Recreation Fund, Sanitation Fund, Capital Replacement Fund, and Transportation Investment Fund. The City also adopts budgets for all proprietary funds. All annual appropriations lapse at fiscal year-end. Expenditures may not legally exceed appropriations on the fund level.

4. The budgets for the budgeted funds are legally adopted on a basis consistent with GAAP. The budgets at the end of the year for these funds represent the budgets adopted and amended by the City Council.

5. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting (under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation) is utilized in the governmental funds. Encumbrances by fund type and constraint will be disclosed in the notes at year end if significant. Encumbrances outstanding at year end lapse and generally are re-appropriated in the following year's budget.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City does not have a formal deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2024, none of the City's bank balances of approximately $16,496,000 (with a carrying value of approximately $15,700,000) were exposed to custodial credit risk.

Investments - Non-Pension Trust Fund

As of June 30, 2024, the City had the following non-pension trust fund investments and maturities:

Investment Type	Fair Value Level [1]	Credit Rating ^	Fair Value	Investment Maturities in Years < 1 yr	1 - 3 yrs	3 - 5 yrs	> 5 yrs
LGIP	N/A	NR, NR	$24,593,645	24,593,645	-	-	$ -
MMMF	Level 1	AAAm, Aaa-mf	6,479,721	6,479,721	-	-	-
CDs	Level 1	~	3,292,886	2,726,490	566,396	-	-
US Securities	Level 1	*	105,492	-	-	105,492	-
Agency Securities	Level 1	AA+, Aaa	1,155,618	249,088	339,424	198,525	368,581
Total			$35,627,362	34,048,944	905,820	304,017	$ 368,581

[1] See Note I.C.11 for details of the City's fair value hierarchy
^ If available, credit ratings are for Standard & Poor's and Moody's Investors Service.
~ Certificates of Deposit are covered by FDIC insurance and thus no credit ratings are required.
* U.S. government securities are not considered to have credit risk. Credit ratings for these investments have not been disclosed.
NR – Not rated.

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

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina.

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

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

Certain cash, cash equivalents and investments of the City are legally restricted for specified purposes. The major types of restrictions at June 30, 2024 were (a) those imposed by the revenue source (i.e. hospitality fees, accommodation taxes, grants, etc.), (b) debt service reserve funds, (c) permanent fund contribution, and (d) unspent debt proceeds.

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

A. Deposits and Investments (Continued)

Reconciliation to the Financial Statements – Non-Pension Trust Fund

A reconciliation of cash and investments for all activities, except for the City's pension trust fund, is as follows:

Description	Amount
Carrying Amount of Deposits	$ 15,700,327
Fair Value of Investments	35,627,362
Total Deposits and Investments	$ 51,327,689
Statement of Net Assets:	
Cash and Cash Equivalents	$ 22,609,259
Cash and Cash Equivalents, Restricted	24,027,745
Investments	2,075,000
Investments, Restricted	2,479,433
Statement of Fiduciary Net Assets - Agency Funds	
Cash and Cash Equivalents	136,252
Total Cash, Cash Equivalents, and Investments	$ 51,327,689

Investments – Fiduciary Fund – Pension Trust Fund

The City's investment policy for its General Employees' Retirement Plan Fund ("City Pension Plan") requires the overall asset investment allocation mix for the City Pension Plan includes various asset classes and investment management styles that, in total, are expected to offer the opportunity to diversify the portfolio in a manner consistent with the specified risk and return requirements of the portfolio. See Note IV.B for more details on the City Pension Plan's investment policy.

The Pension Trust Fund's investments at December 31, 2023 are shown in the following table. The Pension Plan reports its investments at fair value.

Investment Type	Fair Value Level (1)	Credit Rating ^	Fair Value	Investment Maturities in Years	
				Less than 1 yr	>5 Years
Money Market Mutual Funds	Level 1	AAAm, Aaa-mf, AAAmmf	$ 1,003,038	1,003,038	$ -
Domestic Equity Funds	Level 1	~	20,314,745	~	~
Foreign Equity Funds	Level 1	~	3,577,493	~	~
Domestic Bond Funds	Level 1	NR, NR	11,461,811	-	11,461,811
Total			$ 36,357,087	1,003,038	$ 11,461,811

~ Credit ratings and weighted average maturities are not applicable for equities or equity funds.

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

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

NR - Not rated.

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

A. Deposits and Investments (Continued)

Investments – Fiduciary Fund – Pension Trust Fund (Continued)

Interest Rate Risk for Pension Trust Fund: The Pension Plan does not have a formal interest rate risk policy. The investment guidelines of the Pension Plan are based upon an investment horizon of greater than five years. The Pension Plan's strategic asset allocation is also based on this long-term perspective. Short-term liquidity requirements are anticipated to be covered by the annual contribution from the City.

Custodial Credit Risk for Investments for Pension Trust Fund: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Pension Plan does not have an investment policy for custodial credit risk.

Credit Risk for Investments for Pension Trust Fund: Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Pension Plan does not have an investment policy for credit risk but relies on the prudent expert to make credit risk determinations.

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

B. Receivables and Unavailable/Unearned Revenues

Property Taxes

Gross property taxes receivable of approximately $670,000 represent current real and personal property as well as delinquent real and personal property taxes for the past ten years, less an allowance for amounts estimated to be uncollectible of approximately $118,000. All net property taxes receivable at year end, except those collected within 60 days, are recorded as unavailable revenue on the governmental fund financial statements and thus not recognized as revenue until collected in the governmental funds.

Property taxes are assessed and collected by Anderson County. The County levies its real property taxes each September based upon current assessed valuation. Assessed values are established by the County Assessor, the County Auditor, and the South Carolina Department of Revenue and Taxation at various rates of 4 to 6 percent of the estimated market value. Real property and all personal property taxes other than vehicle property taxes attach as an enforceable lien on property as of January 16th. Taxes are levied and billed in September on all property other than vehicles and are payable without penalty until January 15th of the following year. Penalties are assessed on unpaid taxes on the following dates:

January 16th	3%
February 2nd	an additional 7%
March 17th	an additional 5%

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

The City's fiscal year 2024 real and business personal property taxes (which was for tax year 2023) were levied in September 2023 based on a millage rate of 109 mills (no change from the prior year). The City's assessed value of real and personal property was approximately $138.8 million for tax year 2023. Any amounts received by Anderson County but not yet remitted to the City at year end are included in the caption "Intergovernmental Receivables" in the balance sheet and statement of net position.

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

B. Receivables and Unavailable/Unearned Revenues (Continued)

Community and Business Development Note Receivables

The City has approximately 80 outstanding notes receivable funded with the proceeds from the Community Development notes payable. Normally these notes are issued in varying amounts not to exceed $25,000 with interest rates ranging from 0% to 3% for loan periods of 20 years or less. With the Neighborhood Stabilization Program which the City was a participant, some of the loan amounts exceed $25,000. At June 30, 2024, the outstanding notes receivable balance was approximately $823,000.

The City has approximately 10 active outstanding business development notes receivable funded through the business development portion of the Community Development Block Grant program. These amounts are issued in varying amounts at varying interest rates for loan periods of 10 years to 17 years. At June 30, 2024, the outstanding notes receivable balance was approximately $107,000.

Intergovernmental and Other Receivables

The City has receivables related to water, sewer, storm water, and sanitation utility fee billings (which are billed in the General Fund and recorded as an interfund payable to the enterprise funds), Hospitality Fee Fund, and other miscellaneous receivables. Water, sewer, storm water, and sanitation utility fees are billed every week for the previous four weeks of service. There was an allowance for amounts estimated to be uncollectible of approximately $853,000 related to the City's utilities.

Reconciliation of Governmental Funds Receivable Balances to the Financial Statements

The net receivables of the City's governmental funds at June 30, 2024 consisted of the following:

Description	General Fund	Hospitality Fee Fund	Community Development Fund	Perpetual Care Fund	Accommodations Tax Fund	Parks and Recreation Fund	Sanitation Fund	Transportation Investment Fund	Totals
Property Taxes, Net	$ 669,917	-	-	-	-	-	-	-	$ 669,917
Utilities	2,701,527	-	-	-	-	-	-	-	2,701,527
Accommodations Taxes	-	-	-	-	380,108	-	-	-	380,108
Hospitality Fees	-	345,208	-	-	-	-	-	-	345,208
Interest	503	-	-	6,204	-	-	-	21,424	28,131
MASC Fees	125,359	-	-	-	-	-	-	-	125,359
Franchise Fees	553,828	-	-	-	-	-	-	-	553,828
Aid to Subdivisions	181,552	-	-	-	-	-	-	-	181,552
Prisoner Per Diem	127,297	-	-	-	-	-	-	-	127,297
Grants	229,462	-	-	-	-	-	-	-	229,462
Other	729,810	-	70,582	-	-	10,638	125	-	811,155
Net Receivables	$ 5,319,255	345,208	70,582	6,204	380,108	10,638	125	21,424	$ 6,153,544

Unavailable and Unearned Revenues

Governmental funds defer revenue in connection with receivables for revenues that are not considered to be available (a component of deferred inflows of resources) to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). As of June 30, 2024, the City had unearned revenue (unused stimulus grants) of approximately $7,370,000 and unavailable revenue (property taxes and grants) of approximately $383,000.

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

C. Lease Receivable and Deferred Lease Revenue

The City entered into an agreement with a tenant for the use of the roof of the City's parking facility to operate a restaurant. The lease term is 120 months beginning on April 1, 2023 and terminating on March 31, 2033. Monthly lease payments are $2,362.

The City recorded a lease receivable for the year ended June 30, 2023, using future lease payments to be received to measure the lease receivable. In addition, the lease receivable was discounted to a net present value using a 2.45% interest rate. At June 30, 2024, the City reported a lease receivable of approximately $246,000 and a corresponding deferred lease revenue of approximately $240,000 as required by GASB Statement No. 87 "*Leases*".

For the year ended June 30, 2024, the City received approximately $28,000 from the tenant, primarily consisting of lease revenue with minimal lease interest revenue. Future lease payments due to the City under the agreement are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 23,297	5,778	$ 29,075
2026	24,472	5,194	29,666
2027	25,681	4,581	30,262
2028	26,927	3,938	30,865
2029	28,210	3,264	31,474
2030-2033	117,811	5,678	123,489
Totals	$ 246,398	28,433	$ 274,831

D. Interfund Receivables, Payables, and Transfers

Interfund Receivables and Payables

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

Fund	Receivables	Payables
Major Governmental Funds:		
General Fund	$ 811,918	$ 3,067,416
Hospitality Fee Fund	320,835	-
Major Enterprise Funds:		
Sewer Fund	1,252,060	66,080
Water Fund	1,250,767	69,986
Other Non-Major Funds:		
Other Governmental Funds	122,098	716,875
Other Enterprise Funds	173,645	10,966
Totals	$ 3,931,323	$ 3,931,323

The interfund receivables and payables are a result of the General Fund financing salaries and other operating expenditures for Grant Funds and Special Revenue Funds. During 2013, the General Fund loaned the Community Development Fund monies to pay off its line of credit with a local bank. The loan outstanding at June 30, 2024 was approximately $23,000 and will be repaid from community development program revenue in the coming years. During the year ended June 30, 2002, the City began providing water service in addition to sewer service. The General Fund acts as an agent for the utility funds billings and collections.

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

D. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Receivables and Payables (Continued)

Thus, utility receivables are recorded in the General Fund and the revenue is recorded in the corresponding utility fund – water, sewer, storm water, capital and sanitation funds. The General Fund also processes vendor payments and payroll transactions for the utility funds. Utility and construction payables are recorded in the General Fund and the expense is recorded in the appropriate fund. Amounts to be paid between the funds are accounted for in the "due from other funds" or "due to other funds" on the balance sheet.

Interfund Transfers

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

Fund	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	$ 2,379,530	$ 8,302,299
Hospitality Fee Fund	807,708	2,000,000
Major Enterprise Funds:		
Sewer Fund	2,420,889	840,000
Water Fund	-	685,000
Other Non-Major Funds:		
Other Governmental Funds	5,434,407	73,469
Other Enterprise Funds	1,130,417	272,183
Totals	$ 12,172,951	$ 12,172,951

During the course of normal operations and in order to support the numerous functions of the City, transactions between funds may occur. The City uses transfers to move unrestricted receipts so that they may be used for various programs in other funds and to cover costs for capital improvement projects at the City. Transfers are most commonly made for debt service and grant matches. Funds are transferred to the General Fund from Water and Sewer Funds in lieu of property taxes and franchise fees. Transfers to the Cemetery Fund, Parks and Recreation Fund, and Sanitation Fund were to cover costs of these operations that could not be covered by the revenues of these operations. Transfers from the General Fund to the Hospitality Fee Fund were to cover federal grant project costs. Transfers from the General Fund to the Public Facilities Corporation Fund were to support debt service payments. Council approves the amount transferred annually during the budget process.

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

E. Capital Assets

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Non-Depreciable:					
Land	$ 6,161,470	733,211	-	-	$ 6,894,681
Construction In Progress	1,309,605	3,238,719	63,400	(666,791)	3,818,133
Total Capital Assets, Non-Depreciable	7,471,075	3,971,930	63,400	(666,791)	10,712,814
Capital Assets, Depreciable:					
Buildings and Improvements	65,592,579	75,245	277,160	666,791	66,057,455
Furniture and Fixtures	31,714	-	10,479	-	21,235
Vehicles	14,188,762	609,496	1,485,935	(226,827)	13,085,496
Machinery and Equipment	4,527,822	686,383	769,756	336,764	4,781,213
Infrastructure	16,259,356	-	2,613	-	16,256,743
Total Capital Assets, Depreciable	100,600,233	1,371,124	2,545,943	776,728	100,202,142
Less: Accumulated Depreciation for:					
Buildings and Improvements	20,083,599	2,400,673	241,598	-	22,242,674
Furniture and Fixtures	31,714	-	10,479	-	21,235
Vehicles	11,120,975	993,675	1,453,662	(226,827)	10,434,161
Machinery and Equipment	3,398,430	629,035	769,756	336,764	3,594,473
Infrastructure	11,384,927	446,331	2,613	-	11,828,645
Total Accumulated Depreciation	46,019,645	4,469,714	2,478,108	109,937	48,121,188
Total Capital Assets, Depreciable, Net	54,580,588	(3,098,590)	67,835	666,791	52,080,954
Governmental Activities Capital Assets, Net	$ 62,051,663	873,340	131,235	-	$ 62,793,768

Ongoing construction in progress in the City's governmental activities primarily relates to Linley Park updates and the recreation center roof replacement. Total outstanding construction commitments related to these projects at June 30, 2024 were approximately $11,979,000.

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

E. Capital Assets (Continued)

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

Functions/Programs	Capital Asset Additions	Depreciation Expense
General Government	$ 253,999	$ 944,462
Public Safety	231,142	937,957
Public Works	184,909	674,373
Community and Economic Development	759,297	825,224
Recreation	1,118,200	1,087,698
Nondepartmental	2,795,507	-
Total - Governmental Activities	$ 5,343,054	$ 4,469,714

The City received donated capital assets for approximately $33,000 (which is included in the above totals).

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities					
Capital Assets, Non-Depreciable:					
Land	$ 1,889,949	-	-	-	$ 1,889,949
Construction In Progress	1,666,851	5,860,327	-	(5,951,231)	1,575,947
Total Capital Assets, Non-Depreciable	3,556,800	5,860,327	-	(5,951,231)	3,465,896
Capital Assets, Depreciable:					
Buildings and Improvements	145,695,502	263,995	74,540	5,278,029	151,162,986
Water Tanks and Lines	44,669,152	231,884	57,925	673,202	45,516,313
Machinery and Equipment	3,831,881	186,969	378,981	-	3,639,869
Furniture and Fixtures	413,737	-	-	-	413,737
Vehicles	6,631,564	91,122	114,495	(109,937)	6,498,254
Total Capital Assets, Depreciable	201,241,836	773,970	625,941	5,841,294	207,231,159
Less: Accumulated Depreciation for:					
Buildings and Improvements	68,786,909	3,689,558	70,648	-	72,405,819
Water Tanks and Lines	17,853,866	1,303,345	57,925	-	19,099,286
Machinery and Equipment	3,453,584	250,421	360,489	-	3,343,516
Furniture and Fixtures	413,737	-	-	-	413,737
Vehicles	4,112,808	530,920	114,496	(109,937)	4,419,295
Total Accumulated Depreciation	94,620,904	5,774,244	603,558	(109,937)	99,681,653
Total Capital Assets, Depreciable, Net	106,620,932	(5,000,274)	22,383	5,951,231	107,549,506
Business-Type Activities Capital Assets, Net	$ 110,177,732	860,053	22,383	-	$ 111,015,402

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

E. Capital Assets (Continued)

Ongoing construction in progress in the City's business-type activities primarily relates to various sewer, water, and storm water projects. Total outstanding construction commitments related to these projects at June 30, 2024 were approximately $1,607,000.

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

Functions/Programs	Capital Asset Additions	Depreciation Expense
Sewer	$ 4,994,591	$ 3,787,874
Water	513,838	1,233,249
Storm Water	1,125,868	377,437
Transit	-	375,684
Total - Business-Type Activities	$ 6,634,297	$ 5,774,244

The City's business-type activities receive from time to time donated capital assets (generally water and sewer lines) from subdivisions/projects that are given to the City from various parties. In 2024, the City received donations of approximately $185,000 (which are included in the above totals) primarily in donated sewer and water lines.

F. Long-Term Obligations

The City issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds ("GOB") and General Obligation Refunding Bonds ("GORB") are direct obligations and pledge the full faith and credit of the City and are subject to the 8% debt limit requirement if not issued under a bond referendum. Special Obligation Bonds ("SOB") are considered a special obligation of the City and are payable solely from a pledge of hospitality fees. Revenue Bonds ("RB") and Refunding Revenue Bonds ("RRB") are obligations of the City that are secured by revenue from the water and sewer utility funds.

The South Carolina Drinking Water State Revolving Fund Loans ("SRF") are long-term debt-financing loans offered by the State of South Carolina to provide low-interest loans to communities for construction of drinking water facilities. The SRF is sponsored by EPA under authority of the federal Safe Drinking Water Act. The South Carolina Water Pollution Control Revolving Fund Loans ("RFL") are long-term debt-financing loans offered by the State of South Carolina to provide low-interest loans to communities for the construction of storm water facilities. The SRF and RFL loans are generally secured by a pledge of and lien on all revenues derived from the operation of the project system and all funds and accounts derived from such revenues as well as a requirement on the State Treasury to remit all delinquent payments until the loan is fully paid. Financed Purchase ("FP") obligations are special obligations of the City payable from the general revenues of the City. The full faith, credit, and taxing powers of the City are not pledged for the payment of SOB, RB, RRB, SRF, RFL, and FP obligations nor the interest thereon.

The Corporation (blended component unit) issued Installment Purchase Revenue Bonds ("IPRB") for a major infrastructure project (parking garage) for the City. The IPRB are obligations of the Corporation and will be repaid via semi-annual acquisition payments (subject to annual appropriation by City Council) made by the City to the Corporation in amounts sufficient to enable the Corporation to pay the debt service owed on the debt. The full faith, credit, and taxing powers of the City are not pledged for the payment of IPRB nor the interest thereon.

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

F. Long-Term Obligations (Continued)

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

Details on the City's outstanding debt as of June 30, 2024 are as follows:

	Balance at June 30, 2024
General Obligation Refunding Bonds – DBP	
$1,588,000 general obligation refunding bond issued in May 2020 ("GORB – 05/20"), due in annual installments of $178,000 to $225,000 beginning April 1, 2021 through April 1, 2028, plus interest at 1.64% due semi-annually. The proceeds of this issue were used to current refund the June 2008 general obligation bonds ("GOB – 06/08"). The GOB – 06/08 proceeds were used for construction costs of a new fire station, purchase of a fire truck, and other cost of issuance.	$ 818,000
Special Obligation Bond – DBP	
$7,000,000 special obligation bond (hospitality fee pledge) issued in August 2021 ("SOB – 08/21"), due in annual installments of $342,000 to $539,000 beginning February 1, 2023 through February 1, 2037, plus interest at 1.99% due annually. Proceeds were used for the construction of a new recreation complex, park upgrades/amenities and playground equipment, and the cost of issuance.	6,241,000
Installment Purchase Revenue Bonds - DBP	
$7,000,000 installment purchase revenue bonds issued by the Corporation (blended component unit) in March 2020 ("IPRB – 03/20"), due in annual installments of $261,000 to $469,000 beginning March 1, 2021 through March 1, 2040, plus interest at 3.34%, due semi-annually. The proceeds from this issue are being used for the construction of a new parking garage, and the cost of issuance.	5,934,000
Revenue Bonds – PT	
$40,200,000 water and sewer system refunding revenue bonds issued in May 2016 ("RB – 05/16"), due in annual installments of $1,275,000 to $2,810,000 beginning July 1, 2020 through July 1, 2039, plus interest at 3.00% to 5.00%, due semi-annually. The proceeds from this issue were used to advance refund part of the RB – 03/09. A net premium on the issuance of these bonds was received of approximately $4,802,000 and debt issuance costs were incurred of approximately $450,000. The refunding resulted in a deferred loss on refunding of approximately $5,502,000. $18,040,000 of these bonds were refunded with the RRB – 11/21 noted below.	16,735,000
$23,255,000 water and sewer system refunding revenue bonds issued in November 2021 "RRB-11/21"), due in annual installments of $110,000 to $2,635,000 beginning July 1, 2022 through July 1, 2039, plus interest at 2.25% to 5.00%, due semi-annually. The proceeds from this issue were used to currently refund all of the SRF – 08/07 and SRF – 02/08, and partially refund $18,040,000 of the RB – 05/16. A premium received on the issuance of these bonds was approximately $2,591,000 (which resulted in an effective interest rate of 2.25%) and debt issuance costs were incurred of approximately $340,000. The refunding resulted in a deferred loss of approximately $266,000.	$ 22,830,000

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

F. Long-Term Obligations (Continued)

	Balance at June 30, 2024
Revenue Bonds – PT (Continued)	
$20,425,000 water and sewer system refunding revenue bonds issued in April 2022 ("RRB – 4/22"), due in annual installments of $950,000 to $3,060,000 beginning July 1, 2023 through July 1, 2032, plus interest at 5.00%, due semi-annually. The proceeds from this issue were used to advance refund $23,325,000 of the water and sewer system refunding revenue bonds issued in April 2012. A premium on the issuance of these bonds was received of approximately $3,428,000 (which resulted in an effective interest rate of 1.51%) and debt issuance costs were incurred of approximately $281,000. The refunding resulted in a deferred gain of approximately $832,000.	$ 18,020,000
South Carolina Revolving Loans – DBP	
$5,966,713 South Carolina Water Pollution Control Revolving Loan finalized in May of 2017 ("SRF – 5/17"), due in 120 equal quarterly installments of $63,860 for the first 80 payments and then $46,015 thereafter, which includes interest at 1.80%. Proceeds from this loan are being used for the pump station replacement project.	4,462,206
$469,000 South Carolina Water Pollution Control Revolving Loan finalized in July of 2009 ("RFL – Orr Street"), received an interest rate reduction in FY 2012, which resulted in a shorter term, due in 71 equal quarterly installments of $7,314 beginning February 1, 2012 thru August 1, 2029 which includes interest at 2.25%. The proceeds from this loan were used for storm water facilities.	144,483
$1,410,598 South Carolina Water Pollution Control Revolving Loan, a direct placement, finalized in June of 2010 ("RFL – Huntington Hills"), received an interest rate reduction in FY 2012, which resulted in a shorter term, due in 73 equal quarterly installments of $22,141 beginning February 1, 2012 thru February 1, 2030 which includes interest at 2.25%. The proceeds from this loan were used for storm water facilities in the City.	476,426
Financed Purchase Obligations – DBP	
$855,000 financed purchase agreement, a direct placement, was entered into in November 2019 ("FP – 11/19"), with five annual payments (including interest) of approximately $180,000 beginning November 1, 2020 through November 1, 2024 which includes interest at 1.78%. The proceeds from this financed purchase obligation were used for the purchase of various vehicles, equipment, and other capital assets.	177,000
$1,650,000 financed purchase agreement, a direct placement, was entered into in July 2021 ("FP – 07/21"), with five annual payments (including interest) of approximately $338,000 beginning June 1, 2022 through June 1, 2026 which includes interest at .8806%. The proceeds from this financed purchase obligation were used primarily for the purchase of garbage trucks, a bucket truck, a flat bed truck, various vehicles, and the cost of issuance.	667,000
$105,284 financed purchase agreement, a direct placement, was entered into in November 2023 ("FP – 11/23"), with sixty monthly payments (including interest) of approximately $3,000 beginning November 1, 2023 through October 1, 2028 which includes interest at 16.34%. The proceeds from this financed purchase obligation were used primarily for the purchase of audio visual equipment.	$ 95,669

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

F. Long-Term Obligations (Continued)

Infrastructure Reimbursement Obligations	Balance at June 30, 2024
The City entered into an infrastructure reimbursement agreement in November 2017 with Tetra Investment, LLC ("Tetra") in relation to the development of a commercial property that qualified under the City's Infrastructure Reimbursement Program. Related to the significant investment by Tetra, the City agreed to reimburse the developer in annual installments for ten years or until the reimbursement is complete, whichever comes first, as long as certain terms and conditions are met as noted in the agreement. These terms and conditions were met as of June 30, 2022. The City expects that all reimbursement payments will be made.	$ 624,138
The City entered into an infrastructure reimbursement agreement in November 2011 with Americas Home Place, Inc. (the "Developer") in relation to the development of a residential subdivision that qualified under the City's Infrastructure Reimbursement Program. Related to the significant investment by the Developer, the City agreed to reimburse the developer in three phases or until the reimbursement is complete, whichever comes first, as long as certain terms and conditions are met as noted in the agreement. These terms and conditions were met as of June 30, 2021. The City expects that all reimbursement payments will be made.	$ 147,951

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

Long-Term Obligations	Type of Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:						
Debt:						
General / Special Obligation Bonds:						
GORB – 05/20	DBP	$ 1,018,000	-	200,000	818,000	$ 206,000
SOB - 08/21	DBP	6,658,000	-	417,000	6,241,000	425,000
Total General / Special Obligation Bonds		7,676,000	-	617,000	7,059,000	631,000
Installment Purchase Revenue Bonds						
IPRB – 03/20	DBP	6,211,000	-	277,000	5,934,000	287,000
Financed Purchases:						
FP – 11/19	DBP	351,000	-	174,000	177,000	177,000
FP - 07/21	DBP	997,000	-	330,000	667,000	332,000
FP - 05/23	DBP	-	105,284	9,615	95,669	16,521
Total Financed Purchases		1,348,000	105,284	513,615	939,669	525,521
Total Debt		15,235,000	105,284	1,407,615	13,932,669	1,443,521
Infrastructure Reimbursement	N/A	815,368	-	43,279	772,089	159,910
Compensated Absences	N/A	2,440,947	1,575,639	1,275,980	2,740,606	1,359,569
Total Governmental Activities		$ 18,491,315	1,680,923	2,726,874	17,445,364	$ 2,963,000

Resources from the General Fund and Hospitality Fee Fund have been used to liquidate all of the other governmental activities' long-term obligations.

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

F. Long-Term Obligations (Continued)

Article Eight, Section Seven of the South Carolina Constitution of 1895, as amended, provides that no City or Town shall incur any bonded debt which shall exceed eight percent (8%) of the assessed value of the property therein and no such debt shall be created without the electors of such City or Town voting in favor of such further bonded debt. Prior to Home Rule Act of July 1, 1976, the bonded debt exemption was thirty five percent (35%). In 1976, the General Assembly reduced the general obligation debt limit without voter approval to eight percent (8%) of assessed valuation; whereas, with a referendum any amount can be floated. As of June 30, 2024, the City had $818,000 of bonded debt subject to the 8% limit of approximately $11,105,000 resulting in an unused legal debt margin of approximately $10,287,000.

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

Long-Term Obligations	Type of Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:						
Debt:						
Revenue Bonds:						
RB – 05/16	PT	$ 18,185,000	-	1,450,000	16,735,000	$ 1,520,000
RRB – 11/21	PT	23,145,000	-	315,000	22,830,000	335,000
RRB – 04/22	PT	20,425,000	-	2,405,000	18,020,000	2,520,000
Total Revenue Bonds		61,755,000	-	4,170,000	57,585,000	4,375,000
SC State Revolving Fund Loans:						
SRF – 05/17	DBP	4,635,373	-	173,167	4,462,206	176,306
RFL – Orr Street	DBP	170,125	-	25,642	144,483	26,224
RFL – Huntington Hills	DBP	553,189	-	76,763	476,426	78,504
Total SC State Revolving Fund Loans		5,358,687	-	275,572	5,083,115	281,034
Subtotal		67,113,687	-	4,445,572	62,668,115	4,656,034
Issuance Premiums	N/A	7,093,986	-	609,671	6,484,315	-
Total Debt		74,207,673	-	5,055,243	69,152,430	4,656,034
Compensated Absences	N/A	511,452	184,901	189,624	506,729	159,871
Debt Service Rebate	N/A	1,097,211	611,790	566,274	1,142,727	612,478
Total Business-Type Activities		$ 75,816,336	796,691	5,811,141	70,801,886	$ 5,428,383

Resources from the Water and Sewer Funds have been used to liquidate the revenue bonds. Resources from the Sewer Fund have been used to liquidate the debt service rebate liability. Resources from the Water Fund have been used to liquidate the SRF loans. Resources from the Storm Water Fund have been used to liquidate the RFL loans. The Sewer Fund, Water Fund, Storm Water Fund, and Transit Fund have typically been used in prior years to liquidate their respective liabilities for compensated absences.

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

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

F. Long-Term Obligations (Continued)

The order of priority for pledges and security on the capital assets of the City's water/sewer activities is the revenue bonds and the state revolving fund loans. The revenue bonds and the South Carolina revolving fund loans require the City to maintain user rates sufficient to generate net earnings, as defined by the agreements, ranging from 110% to 120% of the combined annual principal and interest payments. The revenue bonds and state revolving fund loans contain significant requirements for annual debt service, various restrictive covenants which require the City to maintain various restricted cash and investment accounts and to meet various other general requirements. The City is in compliance with all such significant financial covenants and restrictions at June 30, 2024.

Presented below is a summary of direct borrowing/placement debt service requirements to maturity by year for the City's governmental activities as of June 30, 2024:

	Debt		Financed Purchases		
Year Ending June 30,	Principal	Interest	Principal	Interest	Total
Governmental Activities:					
2025	$ 918,000	335,807	525,521	23,455	$ 1,802,783
2026	945,000	314,385	354,432	14,470	1,628,287
2027	968,000	292,336	22,856	8,096	1,291,288
2028	945,000	269,708	26,884	4,068	1,245,660
2029	787,000	247,260	9,976	349	1,044,585
2030-2034	4,249,000	923,880	-	-	5,172,880
2035-2039	3,712,000	359,625	-	-	4,071,625
2040	469,000	15,663	-	-	484,663
Totals	$ 12,993,000	2,758,664	939,669	50,438	$ 16,741,771

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

	Direct Borrowing/Placement		Publicly Traded		
Year Ending June 30,	Principal	Interest	Principal	Interest	Total
Business-Type Activities:					
2025	$ 281,034	92,225	4,375,000	2,393,913	$ 7,142,172
2026	286,606	86,654	4,590,000	2,169,788	7,133,048
2027	292,289	80,970	4,810,000	1,934,788	7,118,047
2028	298,086	75,173	5,065,000	1,687,913	7,126,172
2029	304,000	69,260	5,310,000	1,428,538	7,111,798
2030-2034	1,072,901	278,038	16,975,000	4,327,313	22,653,252
2035-2039	1,022,029	183,792	13,825,000	1,326,259	16,357,080
2040-2044	817,342	102,963	2,635,000	29,643	3,584,948
2045-2048	708,828	27,418	-	-	736,246
Totals	$ 5,083,115	996,493	57,585,000	15,298,155	$ 78,962,763

IV. OTHER INFORMATION

A. Risk Management

Participation in Public Entity Risk Pools for Property and Casualty Insurance

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

The City pays an annual premium to SCMIRF for its general risk insurance. For the year ended June 30, 2024, the City's total general risk insurance expense was approximately $1,686,000. SCMIRF is self-sustaining through member premiums and reinsures through commercial companies. SCMIRF's net position from its most recently issued audited financial statements at December 31, 2023, totaled approximately $8,550,000. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

The City pays an annual premium to SCMIT for its workers compensation insurance. For the year ended June 30, 2024, the City's total workers compensation insurance expense was approximately $760,000. The Trust uses reinsurance agreements to reduce its exposure to large workers' compensation losses. SCMIT's net position from its most recently issued audited financial statements at December 31, 2023, totaled approximately $43,867,000. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

Health Insurance

The City has a fully insured health insurance program for the City's employees in which the City pays a monthly premium for this coverage and has no additional liability related to health insurance. The City has not significantly reduced insurance coverages from the previous year.

B. Retirement Plans

City Pension Plan

Plan Description

The General Employees' Retirement Plan ("City Pension Plan") is a single-employer defined benefit pension plan administered by the City of Anderson. It provides retirement, disability, and death benefits to plan members and beneficiaries at the discretion of City Council. Currently, all employees of the City, except for fire and police department personnel, are eligible to participate in the City Pension Plan. The City Administrator, City Clerk and Treasurer, and one other Employee (appointed by City Council) comprise the Pension Plan Committee ("Committee") which administers the City Pension Plan. City Council has the authority to establish and amend benefit provisions for the City Pension Plan. The City Pension Plan's year end is December 31st. The City Pension Plan does not issue a stand-alone financial report. Plan information from the latest actuarial report may be obtained by contacting the City of Anderson Finance Department, 401 S. Main Street, Anderson, South Carolina 29624.

The City Pension Plan provides for a normal retirement age of 65 with 5 years of service with an additional early retirement with the earlier of age 55 with 5 years of service or 30 years of service, with no reduction in benefits. Elected officials' normal retirement dates will now be defined as age 65 with 8 years of service, with an additional early retirement date of age 55 with 8 years of service, with no reduction in benefits. Cost-of-living adjustments are ad-hoc (and thus none are assumed unless). The normal retirement benefit is 1.82% of final average earnings times years of benefit service. The City Pension Plan also provides for disability, delayed, and pre-retirement death, and termination benefits.

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued

City Pension Plan (Continued)

Plan Description (Continued)

Employer membership data consists of the following: retirees and beneficiaries receiving benefits – 175; vested inactive employees not yet receiving benefits – 47; and active employees/officials – 202. Covered payroll for year ended December 31, 2023, was approximately $11,224,000; average pay was approximately $45,000; average age was approximately 50.7; and average past service was approximately 10.6 years.

Basis of Accounting

The City Pension Plan's financial statements are prepared using the accrual basis of accounting. Employer contributions, benefit payments, and refunds are all recognized when due. All investments are reported at fair value. Securities traded on a national or international exchange are reported at the last reported sales price at current exchange rates. Securities without an established market are reported at estimated fair value. Administrative costs are paid out of the fund's net position.

Plan Investments

The investment objective of the City Pension Plan is to (a) have the ability to pay all benefits and expense obligations when due, (b) control costs of administering the Pension Plan and managing the investments, (c) maximize return within reasonable and prudent levels of risks in order to minimize contributions, and (d) to adhere to the following general safe harbor rules:

- Use prudent experts to make the investment decisions.
- Demonstrate that the prudent expert was selected by following a due diligence process.
- Give the prudent expert discretion over the assets.
- Have the prudent expert acknowledge their co-fiduciary status.
- Monitor the activities of the prudent expert to ensure that the expert is performing the agreed upon tasks.

It is the policy of the Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. This policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

To achieve the above investment objectives, City Council has appointed Synovus Trust Company to serve as Trustee, with their duties and responsibilities described in the executed trust agreement. The City Pension Plan's current target asset allocation as of December 31, 2023 is summarized in the following table:

Asset Class	Target Allocation
Cash and Money Market Funds	2.0%
Fixed Income	33.0%
Global Equity	65.0%

For the year ended December 31, 2023, the annual money-weighted rate of return on City Pension Plan investments, net of City Pension Plan investment expenses, was 16.58%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested. For more information on the actual investments being held by the City Pension Plan and any significant concentration risk as of December 31, 2023, see Note III.A for details.

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

City Pension Plan (Continued)

Plan Contributions

In accordance with the City Pension Plan document, the City makes contributions in amounts determined by the Committee, based on recommendations of the City Pension Plan's actuary. The actuarial determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. As such, the City has established a funding policy of 9.10% of compensation being contributed to the City Pension Plan. Participant contributions are not permitted or required.

Plan Actuarial Assumptions

The total pension liability was determined by an actuarial valuation on January 1, 2024, using the following key actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2024
Actuarial Cost Method:	Entry Age
Amortization Method:	Level Percent of Pay
Actuarial Asset Valuation Method:	Market Value
Actuarial Assumptions:	
Assumed Rate of Return on Investments:	7.5%, net of investment expenses, including inflation
Discount Rate:	6.40% for the single equivalent discount rate at measurement date
Mortality Rate:	For pre-retirement members, the PUB-2010(G) Mortality Table for Employees ("PUB-2010") with a 135% multiplier for both males and females. For post-retirement members, the gender distinct 2020 Public Retirees of South Carolina Mortality Table ("2020 PRSC") with a 97% multiplier for males and a 107% multiplier for females projected generationally using 80% of Scale UMP.
Rates of Disability:	Hallman & Lorber Disability Table
Salary Increases:	3.5% including inflation
Survivor Benefits:	50% of monthly benefits
Inflation Rate:	2.25%
Changes in Actuarial Assumptions:	None noted

Generally, there has been no assumption made about any ad hoc cost-of-living adjustments for the pensioners, as historically this decision has been made by considering the value of the current net pension liability (asset). The current valuation does not recognize an ad-hoc cost of living increase.

The discount rate used to measure the total pension liability was 6.40 percent (5.83 percent in the prior year). The projection of cash flows used to determine the discount rate assumed that the City's contributions will continue to be made at their current funding percent of compensation. Based on this assumption, the City Pension Plan's 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 investments was applied to all periods of projected benefit payments to determine the total pension liability.

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

City Pension Plan (Continued)

Plan Actuarial Assumptions (Continued)

The longer-term expected rate of return on City Pension Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of City Pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash and Money Market Funds	2.90%
Fixed Income	5.10%
Global Equity	7.80%

Changes in the Net Pension Liability (Asset)

The components of the change in the City Pension Plan's liability (asset) for the year ended December 31, 2023 were as follows:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
Balance at December 31, 2022	$ 48,075,387	33,070,407	$ 15,004,980
Changes for the Year:			
Service Cost	1,167,300	-	1,167,300
Interest	2,724,172	-	2,724,172
Differences between Expected and Actual Experience	861,657	-	861,657
Change in Assumptions	(3,030,594)	-	(3,030,594)
Contributions - Employer	-	1,019,983	(1,019,983)
Net Investment Income	-	5,313,580	(5,313,580)
Benefit Payments, Net	(2,697,200)	(2,697,200)	-
Administrative Expenses	-	(87,285)	87,285
Net Changes	(974,665)	3,549,078	(4,523,743)
Balance at December 31, 2023	$ 47,100,722	36,619,485	$ 10,481,237
City Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)			
Beginning of the Year	68.79%		
End of the Year	77.75%		

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

City Pension Plan (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City Pension Plan as of December 31, 2023, calculated using the discount rate of 6.40 percent, as well as what the City Pension Plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.40 percent) or 1-percentage-point higher (7.40 percent) than the current rate:

	1% Decrease (5.40%)	Current Discount Rate (6.40%)	1% Increase (7.40%)
City Pension Plan's Net Pension Liability (Asset)	$ 16,010,645	10,481,237	$ 5,838,059

City's Recognition of a Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources

As allowed by GASB #68, the City is reporting on its government-wide and proprietary fund financial statements its net pension liabilities and related deferred outflows and inflows of resources using information from the City Pension Plan actuarial valuation as of January 1, 2024. The City Pension Plan's Total Pension Liability as of December 31, 2023 (measurement date) was approximately $47,101,000, less the City Pension Plan's Fiduciary Net Position of approximately $36,619,000, resulting in a Net Pension Liability of approximately $10,481,000 at December 31, 2023. For the year ended June 30, 2024, the City recognized pension expense of approximately $3,548,000. At June 30, 2024, the City reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the City Pension Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
City Pension Plan:		
Differences Between Expected and Actual Experience	$ 1,052,565	$ (28,681)
Change in Assumptions	4,726,166	(2,399,220)
Net Difference Between Projected and Actual Earnings on Investments	2,626,839	-
City's Contributions Subsequent to the Measurement Date	508,228	-
Total City Pension Plan	$ 8,913,798	$ (2,427,901)

Approximately $508,000 that was reported as deferred outflows of resources as of June 30, 2024 related to the City's contributions to the City Pension Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as an increase (decrease) in pension expense as follows:

Year Ended June 30,	City Pension Plan
2025	$ 1,885,347
2026	2,328,568
2027	2,705,135
2028	(941,381)
Total	$ 5,977,669

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

City Pension Plan (Continued)

Payable to City Pension Plan

The City reported a payable of approximately $235,000 to the City Pension Plan as of June 30, 2024, representing required employer contributions for the fourth quarter of fiscal year 2024. This amount is included in Accrued Salaries and Benefits on the financial statements and was paid in July 2024.

State Retirement Plan

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

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

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

Plan Description

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

Plan Membership

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

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

State Retirement Plan (Continued)

Plan Membership (Continued)

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

Plan Benefits

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

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

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

Plan Contributions

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

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

State Retirement Plan (Continued)

Plan Contribution (Continued)

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

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

	PORS Rates
	2024
Employer Contribution Rate: ^	
Retirement	20.84%
Incidental Death Benefit	0.20%
Accidental Death Contributions	0.20%
	21.24%
Employee Contribution Rate ^	9.75%

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

The actual and required contribution to the PORS was approximately $2,136,000 for the year ended June 30, 2024 and include the nonemployer contribution noted below.

Nonemployer Contribution

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("State") funded 1 percent of the PORS contribution increases for the year ended June 30, 2024. The State's budget appropriated these funds directly to the PEBA for the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2024 was approximately $67,000 for the PORS. This contribution (on-behalf benefit) from the State was recognized as miscellaneous revenue and pension expenditure in the City's governmental fund financial statements.

Actuarial Assumptions and Methods

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

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

State Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued)

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

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

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

* Includes inflation at 2.25%.

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

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

Long-Term Expected Rate of Return

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

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

State Retirement Plan (Continued)

Long-Term Expected Rate of Return (Continued)

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

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%**	31.00%	0.08%
Private Equity	**9.0%**	10.91%	0.98%
Private Debt	**7.0%**	6.16%	0.43%
Real Assets	**12.0%**		
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
Total Expected Real Rate of Return	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

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

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

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
PORS	$ 9,450,021,576	6,405,925,370	$ 3,044,096,206	67.8%

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

At June 30, 2024, the City reported a liability of approximately $16,170,000 for its proportionate share of the NPL for the PORS. The NPL was measured as of June 30, 2023, and the TPL for the Plan used to calculate the NPL was determined based on the most recent actuarial valuation report of July 1, 2022 that was projected forward to the measurement date. The City's proportion of the NPL was based on a projection of the City's long-term share of contributions to the Plan relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2023 measurement date, the City's PORS proportion was 0.53121 percent, which was a decrease of 0.02518 from its proportion measured as of June 30, 2022.

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

State Retirement Plan (Continued)

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

For the year ended June 30, 2024, the City recognized pension expense of approximately $1,533,000 for the PORS. At June 30, 2024, the City reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
PORS		
Differences Between Expected and Actual Experience	$ 760,997	$ 199,347
Change in Assumptions	351,936	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	27,752
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	17,370	1,105,162
Employer Contributions Subsequent to the Measurement Date	2,068,069	-
Total PORS	$ 3,198,372	$ 1,332,261

Approximately $2,068,000 that was reported as deferred outflows of resources related to the City's contribution subsequent to the measurement date to the PORS will be recognized as a reduction of the NPL in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	PORS
2025	$ (43,094)
2026	(776,313)
2027	634,367
2028	(16,918)
Total	$ (201,958)

Discount Rate

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

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

State Retirement Plan (Continued)

Sensitivity Analysis

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

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability of the PORS	$ 22,810,910	16,170,483	$ 10,731,144

Plan's Fiduciary Net Position

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

Payable to Plan

The City reported a payable of approximately $250,000 to the PEBA as of June 30, 2024, representing the required employer and employee contribution for the month of June 2024 for the PORS. This amount is included in Accrued Salaries and Benefits on the financial statements and was paid in July 2024.

All Pension Plans

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

Pension Plan	Net Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PORS	$ 16,170,483	3,198,372	1,332,261	$ 1,533,158
City Pension Plan	10,481,237	8,913,798	2,427,901	3,547,603
Total	$ 26,651,720	12,112,170	3,760,162	$ 5,080,761

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan

Plan Description

The City of Anderson Defined Benefit Retiree Healthcare Plan is a single-employer defined benefit OPEB plan ("OPEB Plan") administered by the City. Employees who are retired under the City Pension Plan or under the South Carolina Police Officers Retirement System and receive benefits upon retirement are eligible to remain on the City's health and dental plan. More information regarding the PEBA and the South Carolina Police Officers Retirement System eligibility may be found in Note IV.B.

Plan Membership

As of January 1, 2023, the last actuarial valuation, the following employees were covered by the OPEB Plan's benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefit Payments	19
Active Members	383
Total Membership	402

Plan Benefits and Contributions

The City's OPEB Plan currently participates in the State Health Plan, which is administered by the PEBA. The PEBA is responsible for establishing and amending the provisions, benefits, and contribution requirements of those entities that participate in the State Health Plan. The primary benefits of the OPEB Plan include medical, prescription, and dental coverages for retirees and their eligible dependents. Retiree contributions requirements for the City are established and amended by the City Council.

Currently, retirees and dependents must pay the full group blended premium rate (implicit subsidy) as determined by the PEBA. The current average medical premium prior to Medicare eligibility is approximately $591.62 for retirees and $1,285.24 for retiree and spouse. Coverage can continue up to age 65 for the retiree and spouse. Dental coverage is also available. The retiree must pay 100% of the published premium rate for dental coverage. Employees who meet the definition of disabled as defined by Medicare are allowed to continue spouse coverage.

Actuarial Assumptions and Method

Actuarial valuations of the OPEB 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, inflation, healthcare cost trend rates, and future salary changes. Amounts determined regarding the total OPEB liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan (the plan as understood by the employer and its members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions and Method (Continued)

The following table provides a summary of the significant actuarial assumptions and methods used in the latest actuarial valuation for the OPEB Plan.

Actuarial Valuation Date	January 1, 2023
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	N/A (No Assets)
Actuarial Assumptions:	
Inflation	City Pension Plan - 2.25%; PORS - 2.25%
Investment Return	N/A (No Assets)
Discount Rate	3.86% (previous measurement date was 3.69%)
Healthcare Cost Trend Rate	5.75% for 2024 decreasing to an ultimate rate of 4.00% by 2036
Payroll Growth	City Retirement Plan - 3.50%; PORS - 3.50% - 10.50%
Coverage Elections	15% of eligible retirees will elect coverage and 5% of those will elect two person coverage upon retirement
Mortality Table	City Pension Plan - PUB-2010(G) Mortality Table with a 135% Multiplier; PORS - PUB-2010(S) Mortality Table with a 100% Multiplier
Assumption Changes	Healthcare trend was updated. Discount rate was changed from 3.69% to 3.86%.

The actuarial assumptions used above were based on the results of the 2023 actuarial experience study.

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

The City's total OPEB liability was determined by the actuary and is based on an actuarial valuation as of January 1, 2023. The total pension liability was rolled-forward to the June 30, 2023 measurement date using generally accepted actuarial principles.

	Total OPEB Liability
Balance as of the June 30, 2022 Measurement Date	$ 748,904
Changes for the year:	
Service Cost	41,450
Interest	26,916
Difference Between Expected/Actual Experience	(16,629)
Changes of Assumptions or Other Inputs	(14,482)
Benefit Payments and Implicit Subsidy Credit	(38,927)
Net Changes	(1,672)
Balance as of the June 30, 2023 Measurement Date	$ 747,232

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

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

For the year ended June 30, 2024, the City recognized OPEB expense of approximately $59,000. At June 30, 2024, the City reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 112,224	$ 34,809
Changes of Assumptions	124,015	950,787
Employer Contributions Subsequent to the Measurement Date	38,927	-
Total	$ 275,166	$ 985,596

Approximately $39,000 that was reported as deferred outflows of resources related to the City's contributions subsequent to the measurement date to the OPEB Plan will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the OPEB Plan will increase (decrease) OPEB expense as follows:

Year Ended June 30,	Total
2025	$ (127,124)
2026	(127,124)
2027	(119,589)
2028	(113,310)
2029	(107,889)
Thereafter	(154,321)
Total	$ (749,357)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.86% at the June 30, 2023 measurement date. As defined by Paragraph 155 of GASB Statement No. 75, the discount rate used was the 20-year tax-exempt municipal bond (rating AA/Aa or higher) rate ("Municipal Bond Index Rate"). The Municipal Bond Index Rate used for this purpose is the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer (www.bondbuyer.com). On the prior measurement date, the Municipal Bond Index Rate was 3.69%.

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

The following table presents the sensitivity of the City's total OPEB liability to changes in the discount rate, calculated using the discount rate of 3.86%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (2.86%) or 1% point higher (4.86%) than the current rate:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Total OPEB Liability	$ 822,222	747,232	$ 681,250

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

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

The following table presents the sensitivity of the City's total OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 5.75% decreasing to 4.00%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (4.75% decreasing to 3.00%) or 1% point higher (6.75% decreasing to 5.00%) than the current rate:

	1% Decrease (4.75% decreasing to 3.00%)	Current Healthcare Cost Trend Rate (5.75% decreasing to 4.00%)	1% Increase (6.75% decreasing to 5.00%)
Total OPEB Liability	$ 677,791	747,232	$ 849,704

D. Contingent Liabilities and Commitments

Litigation

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

Grants

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

Water Agreement

The City joined the System in 2002 and entered into a water sale and purchase agreement with the System. The agreement provides for the following:

- Allocates a percentage of the water treatment plant's total capacity to each member with the member agreeing to pay the System's debt service monthly based on its respective percentage of plant capacity together with certain operating expenses proportionate to its percentage of plant capacity. The City's proportion of plant capacity is 32.7% or 10.46 million gallons per day ("MGD") of the total plant capacity of 32 MGD.

- The cost of future capital improvements not increasing the system's capacity will be shared by the members according to their respective percentage of plant capacity.

- All amounts paid by the members not required to fund debt service will be deposited into a Facilities Renewal and Replacement Fund. Any surplus existing in this fund at year-end will be paid to members based on their respective percentage of plant capacity.

The members of the System also entered into an operating agreement dated April 17, 2002. This agreement provides for the System to sell water to the City on a wholesale basis using existing water transmission mains with each owner agreeing to pay all costs in maintaining their own water transmission mains. The agreement is for 99 years or until additional transmission mains are constructed that enable all of the System's wholesale customers to receive water without utilizing the City's transmission mains, water tanks, and booster station.

IV. OTHER INFORMATION (CONTINUED)

D. Contingent Liabilities and Commitments (Continued)

Water Agreement (Continued)

In 2005, the members of the system approved the first amendment to the water sale and purchase agreement. This amendment provided for a 13 MGD treatment plant expansion to meet the present and future water needs of the member agencies. The City's portion of this expansion is 28.15% or 3.66 MGD. Currently, the City owns 31.4% or 14.12 MGD of the total 45 MGD treatment capacity. The total outstanding net debt of the System was approximately $44,894,000 at June 30, 2024. The City paid the System approximately $1,416,000 in monthly operation and maintenance charges and $2,080,000 in capital charges (debt service charges) during fiscal year 2024.

Other Commitments

In November 2018, the City entered into multiple agreements with American Tank Maintenance ("ATM") for water tank maintenance and asset management. The City agreed to a total cost of $2,138,000 over the next 10 years. Through June 30, 2024, approximately $969,000 has been paid to ATM for water tank maintenance with a remaining outstanding commitment of approximately $1,169,000.

In October 2022, the City ordered two fire trucks and related equipment for approximately $1,480,000. These fire trucks have not been received yet.

E. Cost Recovery

The City adopted an indirect cost recovery policy of charging the Transit Fund for specialized services provided by the General Fund. The cost recovery charge to the Transit Fund was based on the indirect cost method which uses a ratio to allocate available costs. These charges are reported as expenditures or expenses in the funds making the payment, and reported as revenue in the General Fund.

F. Subsequent Event

In October 2024, the City amended its contract with Edifice, LLC for Cater's Lake Park improvements by approximately $5,854,000 for a total guaranteed maximum price of approximately $5,884,000.

In November 2024, the City issued a $11,115,000 Special Obligation Bond (Hospitality Fee Pledge) for Linley Park, Cater's Lake Park and other necessary capital projects and upgrades. Principal is due in annual installments of $250,000 to $820,000 beginning February 1, 2026 through February 1, 2045, plus interest from 4.00% to 5.00% due semiannually.

In November 2024, the City entered into a financed purchase agreement in the amount of $4,235,000 for the purpose of acquiring equipment for the public works and utilities divisions. Principal is due in annual installments of $167,000 to $639,000 beginning November 1, 2025 through November 1, 2034, plus interest at 3.96% due annually.

Required Supplementary Information

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BUDGETARY COMPARISON SCHEDULES

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

The **Hospitality Fee Fund**, is a special revenue fund that is used to account for hospitality tax revenues paid for by businesses within the City limits that are legally restricted for tourism related costs

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THE ELECTRIC CITY

CITY OF ANDERSON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

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

YEAR ENDED JUNE 30, 2024

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Property Taxes, Penalties and Interest	$ 14,980,000	14,980,000	15,551,572	$ 571,572
Licenses and Permits:				
Business Licenses	4,800,000	4,800,000	5,322,209	522,209
Franchise Fees	2,285,000	2,285,000	2,655,649	370,649
MASC Collection Program	4,075,000	4,075,000	4,386,659	311,659
Permits	453,650	453,650	528,227	74,577
	11,613,650	11,613,650	12,892,744	1,279,094
Unrestricted Intergovernmental Revenue:				
Accommodation Taxes	50,000	50,000	43,216	(6,784)
Local Government Fund	691,627	691,627	700,124	8,497
	741,627	741,627	743,340	1,713
Restricted Intergovernmental Revenue:				
Federal Grants	115,001	4,688,089	5,114,345	426,256
State Grants	150,000	268,032	323,019	54,987
ANATS	220,000	220,000	273,221	53,221
	485,001	5,176,121	5,710,585	534,464
Sales And Services:				
Towing Fees	236,000	236,000	124,900	(111,100)
Other	257,475	257,475	246,342	(11,133)
	493,475	493,475	371,242	(122,233)
Fines and Forfeitures:				
Court and Police Fines	290,000	290,000	229,782	(60,218)
Prisoner Per Diem	1,950,000	1,950,000	1,487,809	(462,191)
	2,240,000	2,240,000	1,717,591	(522,409)
Investment Earnings	375,000	375,000	1,094,941	719,941
Miscellaneous Revenues:				
Miscellaneous	2,827,569	2,975,955	2,538,498	(437,457)
	2,827,569	2,975,955	2,538,498	(437,457)
TOTAL REVENUES	**$ 33,756,322**	**38,595,828**	**40,620,513**	**$ 2,024,685**

(Continued)

CITY OF ANDERSON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

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

YEAR ENDED JUNE 30, 2024

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
EXPENDITURES				
General Government:				
City Council	$ 1,103,614	1,103,614	1,001,500	$ 102,114
Courts	639,916	639,916	542,001	97,915
City Manager	813,919	813,919	807,925	5,994
Election Board	13,800	13,800	13,617	183
Employee Clinic	227,000	227,000	204,561	22,439
Building Inspection	720,120	720,120	705,622	14,498
Facilities and Grounds	431,382	487,258	582,921	(95,663)
Law	431,696	431,696	432,356	(660)
Finance	926,816	926,816	871,896	54,920
Human Resources	397,600	397,600	289,268	108,332
Planning	690,652	691,066	542,092	148,974
Public Buildings	273,950	218,074	189,587	28,487
Information Technology	1,450,926	1,450,926	1,573,711	(122,785)
	8,121,391	8,121,805	7,757,057	364,748
Public Safety:				
Police	12,270,566	13,075,669	12,679,748	395,921
Fire	5,357,537	5,441,445	5,837,706	(396,261)
	17,628,103	18,517,114	18,517,454	(340)
Public Works:				
Garage	740,013	723,813	725,190	(1,377)
Engineering	213,952	213,952	184,741	29,211
Signal and Sign	1,116,265	1,122,998	1,185,032	(62,034)
Streets	1,474,520	1,452,360	1,201,160	251,200
Transportation	-	43,361	43,358	3
Public Works Complex	173,386	311,668	307,139	4,529
	3,718,136	3,868,152	3,646,620	221,532
Economic Development	881,956	881,956	1,008,643	(126,687)
Nondepartmental:				
Workers Compensation Insurance	430,000	564,867	476,811	88,056
Other Insurance	793,000	793,000	805,875	(12,875)
Christmas Bonus	152,000	152,000	128,400	23,600
Employee Benefits	15,000	15,000	30,762	(15,762)
Miscellaneous	20,000	20,000	22,608	(2,608)
	$ 1,410,000	1,544,867	1,464,456	$ 80,411

(Continued)

CITY OF ANDERSON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

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

YEAR ENDED JUNE 30, 2024

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
EXPENDITURES (CONTINUED)				
Debt Service:				
Principal	$ 530,000	530,000	539,615	$ (9,615)
Interest and Bank Fees	55,475	55,475	93,352	(37,877)
	585,475	585,475	632,967	(47,492)
TOTAL EXPENDITURES	**32,345,061**	**33,519,369**	**33,027,197**	**492,172**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**1,411,261**	**5,076,459**	**7,593,316**	**2,516,857**
OTHER FINANCING SOURCES (USES)				
Financed Purchase Issued	-	-	105,284	105,284
Sale of Capital Assets	-	-	4,468	4,468
Transfers In	2,064,148	2,248,310	2,379,530	131,220
Transfers Out	(3,973,409)	(8,133,234)	(8,302,299)	(169,065)
TOTAL OTHER FINANCING SOURCES (USES)	**(1,909,261)**	**(5,884,924)**	**(5,813,017)**	**71,907**
NET CHANGE IN FUND BALANCES	**(498,000)**	**(808,465)**	**1,780,299**	**2,588,764**
FUND BALANCES, BEGINNING OF YEAR	**11,317,161**	**11,317,161**	**11,317,161**	**-**
FUND BALANCES, END OF YEAR	**$ 10,819,161**	**10,508,696**	**13,097,460**	**$ 2,588,764**

Note: The notes to the budgetary comparison schedule is an integral part of this schedule.
Note: The City's original and final budget reflected an expected use of fund balance of approximately $498,000 and $808,000, respectively.

CITY OF ANDERSON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

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

YEAR ENDED JUNE 30, 2024

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Hospitality Fees	$ 3,966,000	3,966,000	4,278,852	$ 312,852
Investment Earnings	65,000	65,000	231,666	166,666
TOTAL REVENUES	**4,031,000**	**4,031,000**	**4,510,518**	**479,518**
EXPENDITURES				
Current:				
Recreation	1,751,114	1,751,114	984,088	767,026
Capital Outlay	1,453,886	2,261,594	2,261,594	-
Debt Service:				
Principal	417,000	417,000	417,000	-
Interest and Fees	133,176	133,176	145,361	(12,185)
Bond Issuance Costs	-	-	1,200	(1,200)
TOTAL EXPENDITURES	**3,755,176**	**4,562,884**	**3,809,243**	**753,641**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**275,824**	**(531,884)**	**701,275**	**1,233,159**
OTHER FINANCING SOURCES (USES)				
Transfers In	-	807,708	807,708	-
Transfers Out	(2,000,000)	(2,000,000)	(2,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	**(2,000,000)**	**(1,192,292)**	**(1,192,292)**	**-**
NET CHANGE IN FUND BALANCES	**(1,724,176)**	**(1,724,176)**	**(491,017)**	**1,233,159**
FUND BALANCES, BEGINNING OF YEAR	4,759,171	4,759,171	4,759,171	-
FUND BALANCES, END OF YEAR	**$ 3,034,995**	**3,034,995**	**4,268,154**	**$ 1,233,159**

Note: The notes to the budgetary comparison schedule is an integral part of this schedule.
Note: The City’s original budget and final budget reflected an expected use of fund balance of approximately $1,724,000.

NOTE 1 – BASIS OF ACCOUNTING

The General Fund and Hospitality Fee Fund budgetary comparison schedules have been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. See Note II.A in the notes to the financial statements for more information on the City's budgetary information.

CITY OF ANDERSON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULE

CITY OF ANDERSON DEFINED BENEFIT RETIREE HEALTHCARE PLAN -
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST SEVEN FISCAL YEARS

	Year Ended June 30,						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:							
Service Cost	$ 41,450	52,481	138,310	107,063	102,035	98,233	$ 101,280
Interest	26,916	17,663	36,729	46,667	51,215	45,070	37,466
Differences Between Expected and Actual Experience	(16,629)	-	166,527	-	(41,838)	-	-
Changes of Assumptions	(14,482)	(121,913)	(1,150,196)	212,599	(60,049)	(49,147)	(89,075)
Benefit Payments, Including Refunds of Member Contributions	(38,927)	(34,162)	(36,937)	(38,547)	(44,274)	(29,300)	(27,200)
Net Change in Total OPEB Liability	(1,672)	(85,931)	(845,567)	327,782	7,089	64,856	22,471
Total OPEB Liability - Beginning of Year	748,904	834,835	1,680,402	1,352,620	1,345,531	1,280,675	1,258,204
Total OPEB Liability - End of Year	$ 747,232	748,904	834,835	1,680,402	1,352,620	1,345,531	$ 1,280,675
Covered - Employee Payroll	$ 17,418,846	16,627,373	16,627,373	17,035,144	17,035,144	16,783,662	$ 16,783,662
Total OPEB Liability as a Percentage of Covered - Employee Payroll	4.29%	4.50%	5.02%	9.86%	7.94%	8.02%	7.63%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).
The City adopted GASB #75 during the year ended June 30, 2018. Information is not available for prior years.
The City has no assets accumulated in a trust.
Significant Changes of Assumptions

	2024	2023	2022	2021	2020	2019	2018
Discount Rate	3.86%	3.69%	2.16%	2.21%	3.50%	3.87%	3.56%

CITY OF ANDERSON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

CITY OF ANDERSON GENERAL EMPLOYEES' RETIREMENT PLAN -
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

LAST TEN FISCAL YEARS

	Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	$ 1,167,300	728,727	785,417	762,433	561,424	588,398	487,888	455,424	460,758	$ 447,217
Interest	2,724,172	2,754,310	2,626,231	2,539,992	2,092,753	2,033,981	1,958,735	1,895,166	1,807,227	1,733,885
Benefit Changes	-	774,418	616,448	5,483	395,440	366,088	-	-	-	-
Differences Between Expected and Actual Experience	861,657	591,113	(66,094)	52,817	(133,957)	(201,124)	831,310	82,111	307,876	20,524
Changes of Assumptions	(3,030,594)	7,769,000	149,243	-	5,193,363	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,697,200)	(2,532,615)	(2,274,460)	(2,147,265)	(2,144,404)	(1,863,038)	(1,710,481)	(1,524,674)	(1,271,356)	(1,203,192)
Net Change in Total Pension Liability	(974,665)	10,084,953	1,836,785	1,213,460	5,964,619	924,305	1,567,452	908,027	1,304,505	998,434
Total Pension Liability - Beginning of Year	48,075,387	37,990,434	36,153,649	34,940,189	28,975,570	28,051,265	26,483,813	25,575,786	24,271,281	23,272,847
Total Pension Liability - End of Year	$ 47,100,722	48,075,387	37,990,434	36,153,649	34,940,189	28,975,570	28,051,265	26,483,813	25,575,786	$ 24,271,281
Plan Fiduciary Net Position:										
Employer Contribution	$ 1,019,983	918,301	1,019,505	871,815	831,952	882,563	793,315	643,602	661,157	$ 652,392
Net Investment Income	5,313,580	(7,222,675)	4,811,272	4,830,620	6,324,278	(1,208,821)	4,949,221	1,801,545	(105,671)	1,575,275
Benefit Payments, Including Refunds of Member Contributions	(2,697,200)	(2,532,615)	(2,274,460)	(2,147,265)	(2,144,404)	(1,863,038)	(1,710,481)	(1,524,674)	(1,271,356)	(1,203,192)
Administrative Expenses	(87,285)	(110,226)	(113,075)	(122,273)	(108,932)	(78,550)	(85,202)	(81,576)	(84,166)	(85,160)
Other	-	-	18,251	(17,493)	9,243	7,664	-	-	-	-
Net Change in Plan Fiduciary Net Position	3,549,078	(8,947,215)	3,461,493	3,415,404	4,912,137	(2,260,182)	3,946,853	838,897	(800,036)	939,315
Plan Fiduciary Net Position - Beginning of Year	33,070,407	42,017,622	38,556,129	35,140,725	30,228,588	32,488,770	28,541,917	27,703,020	28,503,056	27,563,741
Plan Fiduciary Net Position - End of Year	$ 36,619,485	33,070,407	42,017,622	38,556,129	35,140,725	30,228,588	32,488,770	28,541,917	27,703,020	$ 28,503,056
Net Pension Liability (Asset) - End of Year	$ 10,481,237	15,004,980	(4,027,188)	(2,402,480)	(200,536)	(1,253,018)	(4,437,505)	(2,058,104)	(2,127,234)	$ (4,231,775)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.75%	68.79%	110.60%	106.65%	100.57%	104.32%	115.82%	107.77%	108.32%	117.44%
Covered Payroll	$ 11,223,829	10,196,869	9,738,069	9,701,338	9,462,316	8,255,005	7,453,840	6,914,342	6,582,741	$ 6,733,049
Net Pension Liability as a Percentage of Covered Payroll	93.38%	147.15%	-41.36%	-24.76%	-2.12%	-15.18%	-59.53%	-29.77%	-32.32%	-62.85%

Notes to Schedule:

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Significant Benefit Changes: Ad-hoc COLA Granted	0.00%	3.25%	3.00%	0.00%	2.25%	2.00%	2.00%	2.00%	2.25%	1.50%
Significant Changes of Assumptions	(5)	(4)	(3)	(2)	(1)	None	None	None	None	None

(1) The retirement and mortality assumptions were changed to those used in the July 1, 2021 Actuarial Valuation of the South Carolina Retirement System. The retirement rates were updated to assume no retirements prior to age 65.

(2) The actuarial equivalence mortality basis was changed from UP-84 to a unisex table composed of the 2016 Public Retirees of South Carolina Mortality Table for Males with a 100% multiplier and the 2016 Public Retirees of South Carolina Mortality Table for Females with a 111% multiplier blended 50% male and 50% female.

(3) The pre-retirement mortality was changed from the 2016 Public Retirees of South Carolina Mortality Table for Males with a 95% multiplier for both males and females to the PUB-2010(G) Mortality Table for Employees with a 135% multiplier for both males and females. The post-retirement mortality was changed from the 2016 Public Retirees of South Carolina Mortality Table with a 100% multiplier for males and a 111% multiplier for females projected generationally using 80% of Scale UMP to the 2020 Public Retirees of South Carolina Mortality Table with a 97% multiplier for males and a 107% multiplier for females projected generationally using 80% of Scale

(4) Discount rate was lowered from 7.50% to 5.83% for the January 1, 2023 Actuarial Valuation.

(5) Discount rate was increased from 5.83% to 6.40% for the January 1, 2024 Actuarial Valuation.

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

CITY OF ANDERSON GENERAL EMPLOYEES' RETIREMENT PLAN - SCHEDULE OF CONTRIBUTIONS

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 1,022,890	984,900	979,397	910,484	857,920	878,039	355,107	318,183	187,740	$ 170,385
Contributions in Relation to the Actuarially Determined Contribution:										
Employer Contribution	1,022,890	984,900	979,397	910,484	857,920	878,039	793,315	643,602	661,157	652,392
Total Contributions	1,022,890	984,900	979,397	910,484	857,920	878,039	793,315	643,602	661,157	652,392
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	(438,208)	(325,419)	(473,417)	$ (482,007)
Covered Payroll	$ 11,127,845	10,482,390	9,374,704	9,701,338	9,462,316	8,255,005	7,453,840	6,914,342	6,582,741	$ 6,733,049
Contributions as a Percentage of Covered Payroll	9.19%	9.40%	10.45%	9.39%	9.07%	10.64%	10.64%	9.31%	10.04%	9.69%

Notes to Schedule:

Valuation Date:	Actuarially determined contribution rates are calculated as of January 1st each year, at the beginning of the fiscal year in which contributions are reported.
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll
Asset Valuation Method	Market Value
Inflation	2.25%
Salary Increases	3.5% including Inflation
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Retirement Age	Plan Normal Retirement Date
Mortality	For pre-retirement members, the PUB-2010(G) Mortality Table for Employees ("PUB-2010") with a 135% multiplier for both males and females. For post-retirement members, the gender distinct 2020 Public Retirees of South Carolina Mortality Table ("2020 PRSC") with a 97% multiplier for males and a 107% multiplier for females projected generationally using 80% of Scale UMP.

CITY OF ANDERSON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

CITY OF ANDERSON GENERAL EMPLOYEES' RETIREMENT PLAN -
SCHEDULE OF INVESTMENT RETURNS

LAST TEN FISCAL YEARS

	Year Ended December 31,									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Annual Money-Weighted Rate of Return, Net of Investment Expense	16.58%	-17.63%	12.81%	14.03%	21.54%	-3.78%	17.72%	6.64%	-0.38%	5.81%

CITY OF ANDERSON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

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

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
City of Anderson's Proportion of the Net Pension Liability (Asset)	0.53121%	0.55639%	0.59388%	0.60025%	0.58485%	0.54537%	0.52104%	0.49927%	0.50976%	0.50632%
City of Anderson's Proportionate Share of the Net Pension Liability (Asset)	$16,170,483	16,685,888	15,279,943	19,905,615	16,761,409	15,453,236	14,274,263	12,663,781	11,110,223	$ 9,693,052
City of Anderson's Covered Payroll	$ 9,307,255	8,805,085	8,911,384	9,067,686	8,461,617	7,728,671	7,217,338	6,555,840	6,512,693	$ 6,285,506
City of Anderson's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	173.74%	189.50%	171.47%	219.52%	198.09%	199.95%	197.78%	193.17%	170.59%	154.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.80%	66.40%	70.37%	58.79%	62.69%	61.73%	60.94%	60.44%	64.57%	67.55%

Notes to Schedule:

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

CITY OF ANDERSON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 2,136,187	1,883,788	1,694,098	1,625,436	1,653,946	1,458,783	1,224,221	998,880	874,549	$ 847,301
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the City	2,068,785	1,816,386	1,626,696	1,558,033	1,586,543	1,391,380	1,155,805	998,880	874,549	847,301
Contributions from the State	67,402	67,402	67,402	67,403	67,403	67,403	68,416	-	-	-
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	-	-	$ -
City of Anderson's Covered Payroll	$10,057,376	9,307,255	8,805,085	8,911,384	9,067,686	8,461,617	7,728,671	7,217,338	6,555,840	$ 6,512,693
Contributions as a Percentage of Covered Payroll	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	15.84%	13.84%	13.34%	13.01%

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Supplementary Information

CITY OF ANDERSON, SOUTH CAROLINA

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

	SPECIAL REVENUE FUNDS	
	COMMUNITY DEVELOPMENT FUND	PERPETUAL CARE FUND
ASSETS		
Cash and Cash Equivalents	$ -	-
Cash and Cash Equivalents, Restricted	471,119	187,285
Investments, Restricted	-	555,115
Receivables, Net		
Interest	-	6,204
Accounts	-	-
Other	70,582	-
Due from Other Funds	-	6,784
Prepaids and Inventories	-	-
TOTAL ASSETS	**$ 541,701**	**755,388**
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	$ 6,014	-
Accrued Salaries and Benefits	198	-
Due to Other Funds	331,803	-
TOTAL LIABILITIES	**338,015**	**-**
FUND BALANCES		
Nonspendable:		
Prepaid and Inventories	-	-
Permanent Fund Principal	-	-
Restricted For:		
Perpetual Care	-	755,388
Tourism Related Costs	-	-
Community Development	203,686	-
Cemetery	-	-
Public Safety	-	-
Assigned For:		
Capital Projects	-	-
Unassigned	-	-
TOTAL FUND BALANCES	**203,686**	**755,388**
TOTAL LIABILITIES AND FUND BALANCES	**$ 541,701**	**755,388**

SPECIAL REVENUE FUNDS			
ACCOMMODATIONS TAX FUND	CEMETERY FUND	PARKS AND RECREATION FUND	SANITATION FUND
-	-	-	$ -
949,677	141,842	32,125	4,037
-	-	-	-
-	-	-	-
380,108	-	-	-
-	-	10,638	125
-	-	4,428	59,735
-	6,700	5,474	20,509
1,329,785	**148,542**	**52,665**	**$ 84,406**
5,088	9,467	21,329	$ 30,175
-	2,083	144	-
-	21,065	68,352	250,000
5,088	**32,615**	**89,825**	**280,175**
-	6,700	5,474	20,509
-	-	-	-
-	-	-	-
1,324,697	-	-	-
-	-	-	-
-	109,227	-	-
-	-	-	-
-	-	-	-
-	-	(42,634)	(216,278)
1,324,697	**115,927**	**(37,160)**	**(195,769)**
1,329,785	**148,542**	**52,665**	**$ 84,406**

(Continued)

CITY OF ANDERSON, SOUTH CAROLINA

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2024

	SPECIAL REVENUE FUND	
	PUBLIC FACILITIES CORPORATION FUND	FIREFIGHTERS' 1% FUND
ASSETS		
Cash and Cash Equivalents	$ 604	-
Cash and Cash Equivalents, Restricted	934	751
Investments, Restricted	-	-
Receivables, Net		
Interest	-	-
Accounts	-	-
Other	-	-
Due from Other Funds	-	-
Prepaids and Inventories	-	-
TOTAL ASSETS	**$ 1,538**	**751**
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	$ -	-
Accrued Salaries and Benefits	-	-
Due to Other Funds	-	-
TOTAL LIABILITIES	**-**	**-**
FUND BALANCES		
Nonspendable:		
Prepaid and Inventories	-	-
Permanent Fund Principal	-	-
Restricted For:		
Perpetual Care	-	-
Tourism Related Costs	-	-
Community Development	-	-
Cemetery	-	-
Public Safety	-	751
Assigned For:		
Capital Projects	1,538	-
Unassigned	-	-
TOTAL FUND BALANCES	**1,538**	**751**
TOTAL LIABILITIES AND FUND BALANCES	**$ 1,538**	**751**

CAPITAL PROJECTS FUND	PERMANENT FUND		
CAPITAL REPLACEMENT FUND	**TRANSPORTATION INVESTMENT FUND**	**TOTAL OTHER GOVERNMENTAL FUNDS**	
78,254	-	$	78,858
-	763,245		2,551,015
-	1,499,319		2,054,434
-	21,424		27,628
-	-		380,108
-	-		81,345
51,151	-		122,098
-	-		32,683
129,405	**2,283,988**	**$**	**5,328,169**
13,317	-	$	85,390
-	-		2,425
-	45,655		716,875
13,317	**45,655**		**804,690**
-	-		32,683
-	2,250,000		2,250,000
-	-		755,388
-	-		1,324,697
-	-		203,686
-	-		109,227
-	-		751
116,088	-		117,626
-	(11,667)		(270,579)
116,088	**2,238,333**		**4,523,479**
129,405	**2,283,988**	**$**	**5,328,169**

CITY OF ANDERSON, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUNDS	
	COMMUNITY DEVELOPMENT FUND	PERPETUAL CARE FUND
REVENUES		
Accommodations Taxes	$ -	-
Federal Grants	868,336	-
Program Income	421,962	-
Cemetery Fees	-	-
Recreation Fees	-	-
Sanitation Fees	-	-
Insurance	-	-
Capital Fees	-	-
Investment Earnings	-	24,035
Miscellaneous	-	-
TOTAL REVENUES	**1,290,298**	**24,035**
EXPENDITURES		
Current:		
Administration	114,735	-
Community Development	1,084,097	-
Cemetery	-	-
Recreation	-	-
Sanitation	-	-
Advertising and Tourism	-	-
Public Safety	-	-
Nondepartmental	-	-
Capital Outlay	-	-
Debt Service:		
Principal	-	-
Interest and Fees	-	-
TOTAL EXPENDITURES	**1,198,832**	**-**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**91,466**	**24,035**
OTHER FINANCING SOURCES (USES)		
Transfers In	15,081	17,524
Transfers Out	-	(10,740)
TOTAL OTHER FINANCING SOURCES (USES)	**15,081**	**6,784**
NET CHANGE IN FUND BALANCES	**106,547**	**30,819**
FUND BALANCES, BEGINNING OF YEAR	97,139	724,569
FUND BALANCES, END OF YEAR	**$ 203,686**	**755,388**

SPECIAL REVENUE FUNDS			
ACCOMMODATIONS TAX FUND	CEMETERY FUND	PARKS AND RECREATION FUND	SANITATION FUND
604,269	-	-	$ -
-	-	-	-
-	-	-	-
-	258,731	-	-
-	-	338,732	-
-	-	-	801,897
-	-	-	-
-	-	-	-
12,546	-	-	-
-	-	-	-
616,815	**258,731**	**338,732**	**801,897**
-	-	-	-
-	-	-	-
-	539,936	-	-
-	-	2,811,591	-
-	-	-	3,059,864
346,771	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
346,771	**539,936**	**2,811,591**	**3,059,864**
270,044	**(281,205)**	**(2,472,859)**	**(2,257,967)**
-	238,603	2,417,653	2,261,099
-	(17,524)	-	-
-	**221,079**	**2,417,653**	**2,261,099**
270,044	**(60,126)**	**(55,206)**	**3,132**
1,054,653	176,053	18,046	(198,901)
1,324,697	**115,927**	**(37,160)**	**$ (195,769)**

(Continued)

CITY OF ANDERSON, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2024

	SPECIAL REVENUE FUND	
	PUBLIC FACILITIES CORPORATION FUND	FIREFIGHTERS' 1% FUND
REVENUES		
Accommodations Taxes	$ -	-
Federal Grants	-	-
Program Income	-	-
Cemetery Fees	-	-
Recreation Fees	-	-
Sanitation Fees	-	-
Insurance	-	80,214
Capital Fees	-	-
Investment Earnings	-	-
Miscellaneous	564	-
TOTAL REVENUES	**564**	**80,214**
EXPENDITURES		
Current:		
Administration	-	-
Community Development	-	-
Cemetery	-	-
Recreation	-	-
Sanitation	-	-
Advertising and Tourism	-	-
Public Safety	-	80,463
Nondepartmental	-	-
Capital Outlay	-	-
Debt Service:		
Principal	277,000	-
Interest and Fees	207,447	-
TOTAL EXPENDITURES	**484,447**	**80,463**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(483,883)**	**(249)**
OTHER FINANCING SOURCES (USES)		
Transfers In	484,447	-
Transfers Out	-	-
TOTAL OTHER FINANCING SOURCES (USES)	**484,447**	**-**
NET CHANGE IN FUND BALANCES	**564**	**(249)**
FUND BALANCES, BEGINNING OF YEAR	974	1,000
FUND BALANCES, END OF YEAR	**$ 1,538**	**751**

CAPITAL PROJECTS FUND	PERMANENT FUND	
CAPITAL REPLACEMENT FUND	TRANSPORTATION INVESTMENT FUND	TOTAL OTHER GOVERNMENTAL FUNDS
-	-	$ 604,269
-	-	868,336
-	-	421,962
-	-	258,731
-	-	338,732
-	-	801,897
-	-	80,214
680,205	-	680,205
-	85,868	122,449
6,019	-	6,583
686,224	**85,868**	**4,183,378**
-	-	114,735
-	-	1,084,097
-	-	539,936
-	-	2,811,591
-	-	3,059,864
-	-	346,771
-	-	80,463
2,806	196	3,002
497,268	-	497,268
174,000	-	451,000
11,044	-	218,491
685,118	**196**	**9,207,218**
1,106	**85,672**	**(5,023,840)**
-	-	5,434,407
-	(45,205)	(73,469)
-	**(45,205)**	**5,360,938**
1,106	**40,467**	**337,098**
114,982	2,197,866	4,186,381
116,088	**2,238,333**	**$ 4,523,479**

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Community Development Fund – is used to account for federal grant monies received, Community Development Block Grants and HOME investment Partnership Program funds, that are legally restricted for the development of viable communities, decent housing and suitable living environments and expanded economic opportunities for persons of low or moderate incomes. This is a budgeted fund.

Perpetual Care Fund – is used to account for sale of cemetery lots, continuous care and grave openings. The revenue is specifically restricted for these purposes. This is a budgeted fund.

Accommodations Tax Fund – is used to account for Accommodations Tax Revenue in accordance with the Accommodations Tax Act that are legally restricted to advertising, promotion, and tourism-related expenditures. This is a budgeted fund.

Cemetery Fund – is used to account for the sale of grave spaces and vase units and for the costs of caring for and managing the City's four cemeteries. This is a budgeted fund.

Parks and Recreation Fund – is used to account for the collection of membership fees for joining the City's Recreation Center, the collection of sports program fees and rental fees, the maintenance for all parks, and the implementation of planned improvements to parks and facilities. This is a budgeted fund.

Sanitation Fund – is used to account for the fees and costs related to retrieving and transporting household garbage and curbside debris from City residents to the appropriate landfill. This is a budgeted fund.

Public Facilities Corporation Fund – is used to account for the activity related to the City of Anderson Public Facilities Corporation ("Corporation") – a blended component unit of the City. The Corporation was created for the specific purpose of operating exclusively for the benefit of the City. The Corporation issued an Installment Purchase Revenue Bond in February 2020 for the construction of a new parking garage. This is an unbudgeted fund.

Firefighters' 1% Fund – is used to account for the state one-percent tax allocation (commonly referred to as 1% money) and expenditures. This tax is collected on all fire insurance premium written in the state and can only be used for the betterment and maintenance of skilled and efficient fire departments. This is an unbudgeted fund.

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CITY OF ANDERSON, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - COMMUNITY DEVELOPMENT FUND

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

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Federal Grants	$ 906,099	906,099	868,336	$ (37,763)
Program Income	413,212	413,212	421,962	8,750
TOTAL REVENUES	**1,319,311**	**1,319,311**	**1,290,298**	**(29,013)**
EXPENDITURES				
Current:				
Administration	154,463	154,463	114,735	39,728
Community Development	1,129,620	1,129,620	1,084,097	45,523
Economic Development	35,228	35,228	-	35,228
TOTAL EXPENDITURES	**1,319,311**	**1,319,311**	**1,198,832**	**120,479**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**-**	**-**	**91,466**	**91,466**
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	15,081	15,081
TOTAL OTHER FINANCING SOURCES (USES)	**-**	**-**	**15,081**	**15,081**
NET CHANGE IN FUND BALANCES	**-**	**-**	**106,547**	**106,547**
FUND BALANCES, BEGINNING OF YEAR	97,139	97,139	97,139	-
FUND BALANCES, END OF YEAR	**$ 97,139**	**97,139**	**203,686**	**$ 106,547**

CITY OF ANDERSON, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - PERPETUAL CARE FUND

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

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Investment Earnings	$ 25,000	25,000	24,035	$ (965)
TOTAL REVENUES	**25,000**	**25,000**	**24,035**	**(965)**
EXPENDITURES	**-**	**-**	**-**	**-**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**25,000**	**25,000**	**24,035**	**(965)**
OTHER FINANCING SOURCES (USES)				
Transfers In	30,000	30,000	17,524	(12,476)
Transfers Out	(55,000)	(55,000)	(10,740)	44,260
TOTAL OTHER FINANCING SOURCES (USES)	**(25,000)**	**(25,000)**	**6,784**	**31,784**
NET CHANGE IN FUND BALANCES	**-**	**-**	**30,819**	**30,819**
FUND BALANCES, BEGINNING OF YEAR	724,569	724,569	724,569	-
FUND BALANCES, END OF YEAR	**$ 724,569**	**724,569**	**755,388**	**$ 30,819**

CITY OF ANDERSON, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - ACCOMMODATIONS TAX FUND

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

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Accommodations Taxes	$ 399,500	399,500	604,269	$ 204,769
Investment Earnings	500	500	12,546	12,046
TOTAL REVENUES	**400,000**	**400,000**	**616,815**	**216,815**
EXPENDITURES				
Current:				
Advertising and Tourism	620,000	620,000	346,771	273,229
TOTAL EXPENDITURES	**620,000**	**620,000**	**346,771**	**273,229**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(220,000)**	**(220,000)**	**270,044**	**490,044**
NET CHANGE IN FUND BALANCES	**(220,000)**	**(220,000)**	**270,044**	**490,044**
FUND BALANCES, BEGINNING OF YEAR	1,054,653	1,054,653	1,054,653	-
FUND BALANCES, END OF YEAR	**$ 834,653**	**834,653**	**1,324,697**	**$ 490,044**

CITY OF ANDERSON, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - CEMETERY FUND

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

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Cemetery Fees	$ 303,150	303,150	258,731	$ (44,419)
TOTAL REVENUES	**303,150**	**303,150**	**258,731**	**(44,419)**
EXPENDITURES				
Current:				
Cemetery	559,013	559,013	539,936	19,077
TOTAL EXPENDITURES	**559,013**	**559,013**	**539,936**	**19,077**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(255,863)**	**(255,863)**	**(281,205)**	**(25,342)**
OTHER FINANCING SOURCES (USES)				
Transfers In	227,863	227,863	238,603	10,740
Transfers Out	-	-	(17,524)	(17,524)
TOTAL OTHER FINANCING SOURCES (USES)	**227,863**	**227,863**	**221,079**	**(6,784)**
NET CHANGE IN FUND BALANCES	**(28,000)**	**(28,000)**	**(60,126)**	**(32,126)**
FUND BALANCES, BEGINNING OF YEAR	176,053	176,053	176,053	-
FUND BALANCES, END OF YEAR	**$ 148,053**	**148,053**	**115,927**	**$ (32,126)**

Note: The City’s original and final budget reflected an expected use of fund balance of $28,000.

CITY OF ANDERSON, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - PARKS AND RECREATION FUND

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

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Recreation Fees	$ 289,502	301,947	338,732	$ 36,785
TOTAL REVENUES	**289,502**	**301,947**	**338,732**	**36,785**
EXPENDITURES				
Current:				
Recreation	2,707,155	2,719,600	2,811,591	(91,991)
TOTAL EXPENDITURES	**2,707,155**	**2,719,600**	**2,811,591**	**(91,991)**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(2,417,653)**	**(2,417,653)**	**(2,472,859)**	**(55,206)**
OTHER FINANCING SOURCES (USES)				
Transfers In	2,417,653	2,417,653	2,417,653	-
TOTAL OTHER FINANCING SOURCES (USES)	**2,417,653**	**2,417,653**	**2,417,653**	**-**
NET CHANGE IN FUND BALANCES	**-**	**-**	**(55,206)**	**(55,206)**
FUND BALANCES, BEGINNING OF YEAR	18,046	18,046	18,046	-
FUND BALANCES, END OF YEAR	**$ 18,046**	**18,046**	**(37,160)**	**$ (55,206)**

Note: Additional revenues enabled the City to expend higher amounts for this fund.

CITY OF ANDERSON, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - SANITATION FUND

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

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Sanitation Fees	$ 770,000	770,000	801,897	$ 31,897
TOTAL REVENUES	**770,000**	**770,000**	**801,897**	**31,897**
EXPENDITURES				
Current:				
Sanitation	3,031,099	3,031,099	3,059,864	(28,765)
TOTAL EXPENDITURES	**3,031,099**	**3,031,099**	**3,059,864**	**(28,765)**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(2,261,099)**	**(2,261,099)**	**(2,257,967)**	**3,132**
OTHER FINANCING SOURCES (USES)				
Transfers In	2,261,099	2,261,099	2,261,099	-
TOTAL OTHER FINANCING SOURCES (USES)	**2,261,099**	**2,261,099**	**2,261,099**	**-**
NET CHANGE IN FUND BALANCES	**-**	**-**	**3,132**	**3,132**
FUND BALANCES, BEGINNING OF YEAR	-	-	(198,901)	(198,901)
FUND BALANCES, END OF YEAR	**$ -**	**-**	**(195,769)**	**$ (195,769)**

Note: Additional transfers in enabled the City to expend higher amounts for this fund.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to report resources that are restricted, committed, or assigned for the acquisition of capital assets or construction of major capital facilities for the City.

Capital Replacement Fund – is used to account for and report resources that are received from the City's capital fee or that are transferred from other funds to provide resources for future capital asset purchases. The capital fee funds are by ordinance committed for capital replacement purposes. This is a budgeted fund.

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CITY OF ANDERSON, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - CAPITAL REPLACEMENT FUND

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

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Capital Fees	$ 666,750	666,750	680,205	$ 13,455
Miscellaneous	-	-	6,019	6,019
TOTAL REVENUES	**666,750**	**666,750**	**686,224**	**19,474**
EXPENDITURES				
Current:				
Nondepartmental	4,002	4,002	2,806	1,196
Capital Outlay	559,625	559,625	497,268	62,357
Debt Service:				
Principal	174,000	174,000	174,000	-
Interest and Fees	6,248	6,248	11,044	(4,796)
TOTAL EXPENDITURES	**743,875**	**743,875**	**685,118**	**58,757**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(77,125)**	**(77,125)**	**1,106**	**78,231**
NET CHANGE IN FUND BALANCES	**(77,125)**	**(77,125)**	**1,106**	**78,231**
FUND BALANCES, BEGINNING OF YEAR	114,982	114,982	114,982	-
FUND BALANCES, END OF YEAR	**$ 37,857**	**37,857**	**116,088**	**$ 78,231**

Note: The City’s original and final budget reflected an expected use of fund balance of approximately $77,000.

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PERMANENT FUNDS

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Transportation Investment Fund – is used to account for a $2,250,000 contribution to the City from a local utility company to divest itself of transit operations. The original contribution and subsequent investment earnings are restricted by City Council as to amount and nature of allowable expenditures with a portion being available for transit operations and a portion being available for capital or debt expenditures of the General Fund. This is a budgeted fund.

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CITY OF ANDERSON, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION INVESTMENT FUND

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

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Investment Earnings	$ 50,000	50,000	85,868	$ 35,868
TOTAL REVENUES	**50,000**	**50,000**	**85,868**	**35,868**
EXPENDITURES				
Current:				
Nondepartmental	-	-	196	(196)
TOTAL EXPENDITURES	**-**	**-**	**196**	**(196)**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**50,000**	**50,000**	**85,672**	**35,672**
OTHER FINANCING SOURCES (USES)				
Transfers Out	(50,000)	(50,000)	(45,205)	4,795
TOTAL OTHER FINANCING SOURCES (USES)	**(50,000)**	**(50,000)**	**(45,205)**	**4,795**
NET CHANGE IN FUND BALANCES	**-**	**-**	**40,467**	**40,467**
FUND BALANCES, BEGINNING OF YEAR	2,197,866	2,197,866	2,197,866	-
FUND BALANCES, END OF YEAR	**$ 2,197,866**	**2,197,866**	**2,238,333**	**$ 40,467**

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PROPRIETARY FUNDS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent on the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes. The City has the following Proprietary Funds:

Sewer Fund – is used to account for sewer operations of the City. The City operates two wastewater treatment facilities and provides sewer taps. This is a budgeted fund; it is a major fund.

Water Fund – is used to account for water operations of the City. The City owns the water mains and lines and provides water services for citizens of the City. This is a budgeted fund; it is a major fund.

Storm Water Fund – is used to account for the storm water drainage operations of the City. This is a budgeted fund; it is a nonmajor fund.

Transit Fund – is used to account for transit operations of the City. The City provides transit services for citizens of the City by maintaining several bus routes. This is a budgeted fund; it is a nonmajor fund.

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CITY OF ANDERSON, SOUTH CAROLINA

COMBINING STATEMENT OF NET POSITION - NONMAJOR PROPRIETARY FUNDS

JUNE 30, 2024

	ENTERPRISE FUNDS		
	STORM WATER FUND	TRANSIT FUND	TOTAL
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 924,893	29,881	$ 954,774
Cash and Cash Equivalents, Restricted	165,049	-	165,049
Investments	50,000	-	50,000
Intergovernmental Receivables	-	489,550	489,550
Due From Other Funds	87,814	85,831	173,645
Prepaid and Inventories	2,131	324	2,455
Total Current Assets	1,229,887	605,586	1,835,473
Non-Current Assets:			
Capital Assets:			
Non-Depreciable	366,723	-	366,723
Depreciable, Net	5,881,042	1,981,444	7,862,486
Total Non-Current Assets	6,247,765	1,981,444	8,229,209
TOTAL ASSETS	**7,477,652**	**2,587,030**	**10,064,682**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges - City Pension Plan	475,071	518,004	993,075
LIABILITIES			
Current Liabilities:			
Accounts Payable	23,399	17,713	41,112
Accrued Interest Payable	2,328	-	2,328
Due To Other Funds	10,966	-	10,966
Current Portion of Compensated Absences	10,146	18,268	28,414
Current Portion of Debt	104,728	-	104,728
Total Current Liabilities	151,567	35,981	187,548
Non-Current Liabilities:			
Total Other Postemployment Benefit Liability - City Plan	9,294	9,294	18,588
Total Pension Liability - City Plan	638,782	690,855	1,329,637
Compensated Absences, Less Current Portion	40,351	34,707	75,058
Debt, Less Current Portion	516,181	-	516,181
Total Long-Term Liabilities	1,204,608	734,856	1,939,464
TOTAL LIABILITIES	**1,356,175**	**770,837**	**2,127,012**
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits - City Pension Plan	147,969	160,031	308,000
NET POSITION			
Net Investment in Capital Assets	5,641,762	1,981,444	7,623,206
Restricted for Debt Service	162,721	-	162,721
Unrestricted	644,096	192,722	836,818
TOTAL NET POSITION	**$ 6,448,579**	**2,174,166**	**$ 8,622,745**

CITY OF ANDERSON, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - NONMAJOR PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2024

	ENTERRPISE FUNDS		
	STORM WATER FUND	TRANSIT FUND	TOTAL
OPERATING REVENUES			
Charges for Services	$ 1,170,879	366,605	$ 1,537,484
Other Operating Fees	-	56,355	56,355
TOTAL OPERATING REVENUES	**1,170,879**	**422,960**	**1,593,839**
OPERATING EXPENSES			
Administrative	664,638	499,903	1,164,541
Operating	-	880,706	880,706
Garage	-	368,165	368,165
Nondepartmental	33,735	98,020	131,755
Depreciation and Amortization	377,437	375,684	753,121
TOTAL OPERATING EXPENSES	**1,075,810**	**2,222,478**	**3,298,288**
OPERATING INCOME (LOSS)	**95,069**	**(1,799,518)**	**(1,704,449)**
NON-OPERATING REVENUES (EXPENSES)			
Federal Grants	-	810,244	810,244
State Grants	-	263,861	263,861
Interest Earned on Investments	32,132	-	32,132
Interest on Long-Term Obligations	(15,031)	-	(15,031)
TOTAL NON-OPERATING REVENUES (EXPENSES)	**17,101**	**1,074,105**	**1,091,206**
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	**112,170**	**(725,413)**	**(613,243)**
Transfers In	938,154	192,263	1,130,417
Transfers Out	(125,125)	(147,058)	(272,183)
CHANGE IN NET POSITION	**925,199**	**(680,208)**	**244,991**
NET POSITION, BEGINNING OF YEAR	5,523,380	2,854,374	8,377,754
NET POSITION, END OF YEAR	**$ 6,448,579**	**2,174,166**	**$ 8,622,745**

CITY OF ANDERSON, SOUTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS -
NONMAJOR PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2024

	ENTERPRISE FUNDS		
	STORM WATER FUND	TRANSIT FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	$ 1,170,879	444,690	$ 1,615,569
Payments to Suppliers for Goods and Services	(195,574)	(1,411,314)	(1,606,888)
Payments for Personal Services	(245,511)	(103,800)	(349,311)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	729,794	(1,070,424)	(340,630)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
State and Federal Grants	-	846,416	846,416
Transfers to Other Funds	(125,125)	(147,058)	(272,183)
Transfers from Other Funds	932,307	(43,222)	889,085
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	807,182	656,136	1,463,318
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(1,125,868)	-	(1,125,868)
Bond and Revolving Fund Loan Principal Payments	(102,405)	-	(102,405)
Bond and Revolving Fund Loan Interest Payments	(15,415)	-	(15,415)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(1,243,688)	-	(1,243,688)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Earnings	32,132	-	32,132
Short Term Investments, Net	110,000	-	110,000
NET CASH USED IN INVESTING ACTIVITIES	142,132	-	142,132
NET INCREASE IN RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS	**435,420**	**(414,288)**	**21,132**
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, Beginning of Year	654,522	444,169	1,098,691
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, End of Year	**$ 1,089,942**	**29,881**	**$ 1,119,823**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:			
Operating Income (Loss)	$ 95,069	(1,799,518)	$ (1,704,449)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:			
Depreciation and Amortization Expense	377,437	375,684	753,121
Change in Accounts Representing Operating Activities:			
Accounts Receivable	-	21,730	21,730
Prepaids and Inventory	3,231	38,694	41,925
Accounts Payable	22,920	10,419	33,339
Other Accrued Liabilities	-	(317)	(317)
Compensated Absences	4,174	(3,633)	541
Other Post Employment Benefits	2,179	(4,937)	(2,758)
Net Pension Liability	223,847	223,102	446,949
Deferred Pension Charges	(145,000)	(89,388)	(234,388)
Deferred Pension Credits	145,937	157,740	303,677
Net Cash Provided by (Used in) Operating Activities	$ 729,794	(1,070,424)	$ (340,630)

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CITY OF ANDERSON, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - SEWER FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES				
Sewer Charges	$ 11,550,000	11,550,000	11,837,276	$ 287,276
Cost Recovery Charges	3,183,550	3,183,550	2,651,247	(532,303)
Pretreatment Fees	140,000	140,000	248,736	108,736
Permits and Fees	100,000	100,000	220,000	120,000
Other Operating Fees	95,852	95,852	185,306	89,454
TOTAL OPERATING REVENUES	**15,069,402**	**15,069,402**	**15,142,565**	**73,163**
OPERATING EXPENSES				
Administrative	1,170,790	1,170,790	1,118,819	51,971
Sewer Line	2,334,446	4,755,335	1,555,208	3,200,127
Plant	7,074,708	7,100,560	3,529,078	3,571,482
Sewer Lab	55,300	55,300	50,111	5,189
Pretreatment	148,334	148,334	139,890	8,444
Nondepartmental	895,729	895,729	461,913	433,816
Depreciation and Amortization	-	-	3,859,623	(3,859,623)
TOTAL OPERATING EXPENSES	**11,679,307**	**14,126,048**	**10,714,642**	**3,411,406**
TOTAL OPERATING INCOME (LOSS)	**3,390,095**	**943,354**	**4,427,923**	**3,484,569**
NONOPERATING REVENUES (EXPENSES)				
Interest Earned on Investments	106,148	132,000	435,223	303,223
Interest on Long-Term Obligations	(5,110,243)	(5,110,243)	(1,480,773)	3,629,470
Gain (Loss) on Sale of Capital Assets	-	-	(18,492)	(18,492)
TOTAL NONOPERATING REVENUES (EXPENSES)	**(5,004,095)**	**(4,978,243)**	**(1,064,042)**	**3,914,201**
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	**(1,614,000)**	**(4,034,889)**	**3,363,881**	**7,398,770**
Capital Contributions - Capacity Fees	100,000	100,000	112,200	12,200
Donated Capital Assets	-	-	128,880	128,880
Transfers In	-	2,420,889	2,420,889	-
Transfers Out	(840,000)	(840,000)	(840,000)	-
CHANGE IN NET POSITION	**(2,354,000)**	**(2,354,000)**	**5,185,850**	**7,539,850**
NET POSITION, BEGINNING OF YEAR	39,497,539	39,497,539	39,497,539	-
NET POSITION, END OF YEAR	**$ 37,143,539**	**37,143,539**	**44,683,389**	**$ 7,539,850**

Note: The City's Interest on Long-Term Obligations for the original and final budget includes approximately $3,169,000 of debt principal payments.

Note: The City’s original and final budget reflected an expected use of net position of $2,354,000.

CITY OF ANDERSON, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - WATER FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES				
Water Volume Fees	$ 10,280,200	10,280,200	9,724,198	$ (556,002)
Permits and Fees	250,000	250,000	251,416	1,416
Other Operating Fees	481,800	481,800	458,150	(23,650)
TOTAL OPERATING REVENUES	**11,012,000**	**11,012,000**	**10,433,764**	**(578,236)**
OPERATING EXPENSES				
Administrative	1,151,170	1,151,170	1,741,821	(590,651)
Municipal Business Center	251,000	251,000	151,428	99,572
Water Distribution and Storage	3,128,120	3,128,120	3,318,584	(190,464)
Nondepartmental	403,975	403,975	218,465	185,510
Purchased Water	3,650,000	3,650,000	3,495,798	154,202
Depreciation and Amortization	-	-	1,200,885	(1,200,885)
TOTAL OPERATING EXPENSES	**8,584,265**	**8,584,265**	**10,126,981**	**(1,542,716)**
TOTAL OPERATING INCOME (LOSS)	**2,427,735**	**2,427,735**	**306,783**	**(2,120,952)**
NONOPERATING REVENUES (EXPENSES)				
Interest Earned on Investments	45,000	45,000	124,443	79,443
Interest on Long-Term Obligations	(1,922,735)	(1,922,735)	(494,596)	1,428,139
Gain (Loss) on Sale of Capital Assets	-	-	(3,892)	(3,892)
TOTAL NONOPERATING REVENUES (EXPENSES)	**(1,877,735)**	**(1,877,735)**	**(374,045)**	**1,503,690**
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	**550,000**	**550,000**	**(67,262)**	**(617,262)**
Capital Contributions - Capacity Fees	95,000	95,000	190,800	95,800
Donated Capital Assets	-	-	55,748	55,748
Transfers Out	(685,000)	(685,000)	(685,000)	-
CHANGE IN NET POSITION	**(40,000)**	**(40,000)**	**(505,714)**	**(465,714)**
NET POSITION, BEGINNING OF YEAR	7,590,088	7,590,088	7,590,088	-
NET POSITION, END OF YEAR	**$ 7,550,088**	**7,550,088**	**7,084,374**	**$ (465,714)**

Note: The City's Interest on Long-Term Obligations for the original and final budget includes $1,174,000 of debt principal payments.
Note: The City’s original and final budget reflected an expected use of net position of $40,000.

CITY OF ANDERSON, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - STORM WATER FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES				
Storm Water Fees	$ 1,160,000	1,160,000	1,170,879	$ 10,879
TOTAL OPERATING REVENUES	**1,160,000**	**1,160,000**	**1,170,879**	**10,879**
OPERATING EXPENSES				
Administrative	980,265	980,265	664,638	315,627
Nondepartmental	33,540	964,769	33,735	931,034
Depreciation and Amortization	-	-	377,437	(377,437)
TOTAL OPERATING EXPENSES	**1,013,805**	**1,945,034**	**1,075,810**	**869,224**
TOTAL OPERATING INCOME (LOSS)	**146,195**	**(785,034)**	**95,069**	**880,103**
NONOPERATING REVENUES (EXPENSES)				
Interest Earned on Investments	12,000	12,000	32,132	20,132
Interest on Long-Term Obligations	(117,820)	(117,820)	(15,031)	102,789
TOTAL NONOPERATING REVENUES (EXPENSES)	**(105,820)**	**(105,820)**	**17,101**	**122,921**
INCOME (LOSS) BEFORE TRANSFERS	**40,375**	**(890,854)**	**112,170**	**1,003,024**
Transfers In	-	931,229	938,154	6,925
Transfers Out	(125,125)	(125,125)	(125,125)	-
CHANGE IN NET POSITION	**(84,750)**	**(84,750)**	**925,199**	**1,009,949**
NET POSITION, BEGINNING OF YEAR	5,523,380	5,523,380	5,523,380	-
NET POSITION, END OF YEAR	**$ 5,438,630**	**5,438,630**	**6,448,579**	**$ 1,009,949**

Note: The City's Interest on Long-Term Obligations for the original and final budget includes approximately $102,000 of debt principal payments.

Note: The City’s original and final budget reflected an expected use of net position of approximately $85,000.

CITY OF ANDERSON, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - TRANSIT FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES				
Fare Box	$ 60,000	60,000	52,542	$ (7,458)
Anderson County Share of Transit Routes	240,000	240,000	314,063	74,063
Other Operating Revenues	-	44,841	56,355	11,514
TOTAL OPERATING REVENUES	**300,000**	**344,841**	**422,960**	**78,119**
OPERATING EXPENSES				
Administrative	273,003	273,003	499,904	(226,901)
Operating	956,749	956,749	880,706	76,043
Garage	231,000	275,841	368,165	(92,324)
Nondepartmental	84,001	84,001	98,020	(14,019)
Depreciation and Amortization	-	-	375,683	(375,683)
TOTAL OPERATING EXPENSES	**1,544,753**	**1,589,594**	**2,222,478**	**(632,884)**
TOTAL OPERATING INCOME (LOSS)	**(1,244,753)**	**(1,244,753)**	**(1,799,518)**	**(554,765)**
NONOPERATING REVENUES (EXPENSES)				
Federal Grants	963,048	963,048	810,244	(152,804)
State Grants	231,705	231,705	263,861	32,156
TOTAL NONOPERATING REVENUES (EXPENSES)	**1,194,753**	**1,194,753**	**1,074,105**	**(120,648)**
INCOME (LOSS) BEFORE TRANSFERS	**(50,000)**	**(50,000)**	**(725,413)**	**(675,413)**
Transfers In	110,000	110,000	192,263	82,263
Transfers Out	(60,000)	(60,000)	(147,058)	(87,058)
CHANGE IN NET POSITION	**-**	**-**	**(680,208)**	**(680,208)**
NET POSITION, BEGINNING OF YEAR	2,854,374	2,854,374	2,854,374	-
NET POSITION, END OF YEAR	**$ 2,854,374**	**2,854,374**	**2,174,166**	**$ (680,208)**

Note: City Council approved total expenses in excess of the budget but elected not to amend the budget.

CITY OF ANDERSON, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected			$ 466,211	$ 466,211
Court fines and assessments remitted to State Treasurer			(256,707)	(256,707)
Total Court Fines and Assessments retained			209,504	209,504
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			5,870	5,870
Assessments retained			22,084	22,084
Total Surcharges and Assessments retained for victim services			$ 27,954	$ 27,954

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	$ (70,554)		$ (70,554)
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	22,084		22,084
Victim Service Surcharges Retained by City/County Treasurer	5,870		5,870
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
Contribution Received from Victim Service Contracts:			
(1) Town of			
(2) Town of			
(3) City of			
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	$ (42,600)		$ (42,600)
Expenditures for Victim Service Program:	**Municipal**	**County**	**Total**
Salaries and Benefits	$ 54,843		$ 54,843
Operating Expenditures	5,140		5,140
Victim Service Contract(s):			
(1) Entity's Name			
(2) Entity's Name			
Victim Service Donation(s):			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
Total Expenditures from Victim Service Fund/Program (B)	59,983		59,983
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	(102,583)		(102,583)
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year	$ (102,583)		$ (102,583)

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF BUDGETED TO ACTUAL COSTS FOR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION

YEAR ENDED JUNE 30, 2024

		OPT Agreement #: PT-207911-05						
		Agreement Period: July 1, 2019 - June 30, 2023						
		Suspended in 2020 due to COVID-19 and CARES ACT Funds. Extended to 2023. No activity in 2024.						
		Section 5311		SMTF		Local		Total
	Program Budget Balance	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Budget
Actual Cost	at July 1, 2019	Jul '19 - June '23	July '23 - June '24	Jul '19 - June '23	July '23 - June '24	Jul '19 - June '23	July '23 - June '24	Balance
ADMINISTRATION	$ 45,864	36,691	-	4,586	-	4,587	-	$ -
TOTAL ADMINISTRATION	45,864	36,691	-	4,586	-	4,586	-	-
OPERATIONS	248,177	113,808	-	57,766	-	57,767	-	18,837
TOTAL OPERATIONS	248,177	113,808	-	57,766	-	57,767	-	18,837
OTHER CAPITAL								-
Preventive Maintenance	84,113	67,291	-	8,411	-	8,411	-	-
TOTAL CAPITAL	84,113	67,291	-	8,411	-	8,411	-	-
TOTAL 5311 PROGRAMMING	$ 378,154	217,790	-	70,763	-	70,764	-	$ 18,837

Approved Budget	$ 378,154
YTD Federal Costs	217,790
YTD State Costs	70,763
YTD Local Costs	70,764
Budget over Actual or Actual over Budget	$ 18,837

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF BUDGETED TO ACTUAL COSTS FOR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION

YEAR ENDED JUNE 30, 2024

OPT Program Agreement #	**PT- 217999-78**							
Agreement period:	**July 1, 2020 - June 30, 2024**							
		Section 5307		SMTF		Local		Total
Actual Cost	Program Budget	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Budget
Performance period:	at June 30, 2020	Jul '20 - Jun '23	Jul '23 - Jun '24	Jul '20 - Jun '23	Jul '23 - Jun '24	Jul '20 - Jun '23	Jul '23 - Jun '24	Balance
OPERATIONS	$ 504,221	72,609	73,538	36,303	36,769	36,303	36,769	$ 211,930
OTHER CAPITAL								
Preventive Maintenance	40,017	-	-	-	-	-	-	40,017
TOTAL SMTF PROGRAMMING	$ 544,238	72,609	73,538	36,303	36,769	36,303	36,769	$ 251,947

Approved Budget	$ 544,238
YTD Federal Costs	146,147
YTD State Costs	73,072
YTD Local Costs	73,072
Budget over Actual or Actual over Budget	$ 251,947

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF BUDGETED TO ACTUAL COSTS FOR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION

YEAR ENDED JUNE 30, 2024

OPT Program Agreement #	**PT- 237999-36**				
Agreement period:	**July 1, 2022 - June 30, 2025**				
Performance period:	**July 1, 2023 - June 30, 2024**				
	Program Budget	Section 5307	SMTF	Local	Total Budget Balance
OPERATIONS	$ 601,930	63,525	31,760	31,763	$ 474,882
OTHER CAPITAL	100,000	43,354	5,418	5,421	45,807
TOTAL SMTF PROGRAMMING	$ 701,930	106,879	37,178	37,184	$ 520,689

Approved Budget	$ 701,930
YTD Federal Costs	106,879
YTD State Costs	37,178
YTD Local Costs	37,184
Budget over Actual or Actual over Budget	$ 520,689

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF BUDGETED TO ACTUAL COSTS FOR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION

YEAR ENDED JUNE 30, 2024

OPT Program Agreement #	**PT- 237911-37**					
Agreement period:	**July 1, 2022 - June 30, 2025**					
Performance period:	**July 1, 2023 - June 30, 2024**					
	Budget	Section 5311	SMTF	Total OPT Reimbursements	Local	Budget Balance
ADMINISTRATION	$ 113,388	18,868	2,358	21,226	2,360	$ 89,802
OPERATIONS	440,727	34,947	17,471	52,418	17,475	370,834
OTHER CAPITAL	152,978	34,590	4,323	38,913	4,326	109,739
TOTAL 5311 PROGRAMMING	$ 707,093	88,405	24,152	112,557	24,161	$ 570,375

Approved Budget	$ 707,093
YTD Federal Costs	88,405
YTD State Costs	24,152
YTD Local Costs	24,161
Budget over Actual or Actual over Budget	$ 570,375

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF BUDGETED TO ACTUAL COSTS FOR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION

YEAR ENDED JUNE 30, 2024

		OPT Agreement #: PT-217911-76						
		Agreement Period: July 1, 2020 - June 30, 2023						
		Section 5311		SMTF		Local		
	Program Budget Balance	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Total Budget Balance
Actual Cost	at July 1, 2022	Jul '22 - June '23	July '23 - June '24	Jul '22 - June '23	July '23 - June '24	Jul '22 - June '23	July '23 - June '24	
ADMINISTRATION	$ 86,732	67,911	254	8,488	31	8,488	31	$ 1,529
TOTAL ADMINISTRATION	86,732	67,911	254	8,488	31	8,488	31	1,529
OPERATIONS	335,156	156,044	-	40,700	-	110,303	-	28,109
TOTAL OPERATIONS	335,156	156,044	-	40,700	-	110,303	-	28,109
OTHER CAPITAL								
Preventive Maintenance	93,170	70,536	-	10,482	823	10,482	823	23
TOTAL CAPITAL	93,170	70,536	-	10,482	823	10,482	823	23
TOTAL 5311 PROGRAMMING	$ 515,058	294,491	254	59,670	854	129,273	854	$ 29,661

Approved Budget	$ 515,058
YTD Federal Costs	294,745
YTD State Costs	60,524
YTD Local Costs	130,127
Budget over Actual or Actual over Budget	$ 29,661

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF BUDGETED TO ACTUAL COSTS FOR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION

YEAR ENDED JUNE 30, 2024

		OPT Agreement #: PT-227911-30						
		Agreement Period: July 1, 2021 - June 30, 2024						
		Section 5311		SMTF		Local		
	Program Budget Balance	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Total Budget Balance
Actual Cost	at July 1, 2021	Jul '21 - June '23	July '23 - June '24	Jul '21 - June '23	July '23 - June '24	Jul '21 - June '23	July '23 - June '24	
ADMINISTRATION	$ 73,858	-	54,804	-	6,023	-	7,677	$ 5,354
TOTAL ADMINISTRATION	73,858	-	54,804	-	6,023	-	7,677	5,354
OPERATIONS	356,997	12,529	149,424	9,685	54,351	6,264	96,098	28,646
TOTAL OPERATIONS	356,997	12,529	149,424	9,685	54,351	6,264	96,098	28,646
OTHER CAPITAL								
Preventive Maintenance	130,179	17,969	86,114	582	7,359	582	14,172	3,401
TOTAL CAPITAL	130,179	17,969	86,114	582	7,359	582	14,172	3,401
TOTAL 5311 PROGRAMMING	$ 561,034	30,498	290,342	10,267	67,733	6,846	117,947	$ 37,401

Approved Budget	$ 561,034
YTD Federal Costs	320,840
YTD State Costs	78,000
YTD Local Costs	124,793
Budget over Actual or Actual over Budget	$ 37,401

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF BUDGETED TO ACTUAL COSTS FOR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION

YEAR ENDED JUNE 30, 2024

OPT Program Agreement #	**PT- 227999-31**				
Agreement period:	**July 1, 2021 - June 30, 2024**				
Performance period:	**July 1, 2023 - June 30, 2024**				
	Program Budget	Section 5307	SMTF	Local	Total Budget Balance
OPERATIONS	$ 598,807	175,346	87,459	87,886	$ 248,116
OTHER CAPITAL	131,000	49,987	5,000	7,497	68,516
TOTAL SMTF PROGRAMMING	$ 729,807	225,333	92,459	95,383	$ 316,632

Approved Budget	$ 729,807
YTD Federal Costs	225,333
YTD State Costs	92,459
YTD Local Costs	95,383
Budget over Actual or Actual over Budget	$ 316,632

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF BUDGETED TO ACTUAL COSTS FOR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION

YEAR ENDED JUNE 30, 2024

OPT Program Agreement #	PT- 207999-25							
Agreement period:	July 1, 2019 - December 31, 2023							
		Section 5307		SMTF		Local		
Actual Cost	Program Budget	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Total Budget Balance
Performance period:	at June 30, 2021	Jul '19 - Jun '23	Jul '23 - Jun '24	Jul '19 - Jun '23	Jul '23 - Jun '24	Jul '19 - Jun '23	Jul '23 - Jun '24	
OPERATIONS	$ 638,649	189,007	-	83,722	-	117,427	-	$ 248,493
OTHER CAPITAL								-
Preventive Maintenance	166,000	66,276	37,736	8,284	4,716	8,284	4,716	35,988
TOTAL SMTF PROGRAMMING	$ 804,649	255,283	37,736	92,006	4,716	125,711	4,716	$ 284,481

Approved Budget	$ 804,649
YTD Federal Costs	293,019
YTD State Costs	96,722
YTD Local Costs	130,427
Budget over Actual or Actual over Budget	$ 284,481

NOTES TO THE SCHEDULES OF BUDGET TO ACTUAL COSTS FOR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION

YEAR ENDED JUNE 30, 2024

NOTE 1

The City of Anderson allocates transportation expenses attributable to more than one program (project) to the following project/program (5307, 5311). Expenses are allocated based on actual vehicle revenue miles (on average 58% of miles are 5307 routes, 42% of miles are 5311 routes) in line with an OPT authorized methodology. There were no changes to routes from the previous year.

NOTE 2

The City does have an indirect cost rate but chooses not to charge indirect costs to SMTF grants.

STATISTICAL SECTION

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

Contents	**Page**
Financial Trends Information *These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*	149
Revenue Capacity Information *These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.*	156
Debt Capacity Information *These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*	160
Demographic and Economic Information *These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*	165
Operating Information *These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.*	167

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

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CITY OF ANDERSON, SOUTH CAROLINA **Table 1**

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

UNAUDITED

	Fiscal Year									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Governmental Activities										
Net Investment in Capital Assets	$ 30,093	31,528	33,880	33,914	33,761	37,021	41,270	43,724	46,795	$ 48,193
Restricted	7,236	7,814	8,174	9,010	10,616	11,597	10,432	7,325	9,467	9,374
Unrestricted	(928)	289	44	1,123	801	(5,001)	(6,701)	(4,540)	(7,933)	(5,021)
Total Governmental Activities Net Position	$ 36,401	39,631	42,098	44,047	45,178	43,617	45,001	46,509	48,329	$ 52,546
Business-Type Activities										
Net Investment in Capital Assets	$ 22,339	25,208	27,025	26,112	26,280	27,644	31,343	35,771	38,546	$ 43,529
Restricted	5,018	5,024	5,234	5,576	6,776	6,940	6,990	5,532	5,187	5,532
Unrestricted	8,528	8,377	8,076	9,935	9,607	10,530	10,279	11,415	11,732	11,330
Total Business-Type Activities Net Position	$ 35,885	38,609	40,335	41,623	42,663	45,114	48,612	52,718	55,465	$ 60,391
Primary Government										
Net Investment in Capital Assets	$ 52,432	56,736	60,905	60,026	60,041	64,665	72,613	79,495	85,341	$ 91,722
Restricted	12,254	12,838	13,408	14,586	17,392	18,537	17,422	12,857	14,654	14,906
Unrestricted	7,600	8,666	8,120	11,058	10,408	5,529	3,578	6,875	3,799	6,309
Total Primary Government Net Position	$ 72,286	78,240	82,433	85,670	87,841	88,731	93,613	99,227	103,794	$ 112,937

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

UNAUDITED

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
General Government	$ 6,104	6,415	6,945	6,754	6,788	7,204	6,312	8,053	8,464	$ 8,860
Public Safety	12,888	12,864	13,697	15,193	16,641	18,019	18,320	18,899	18,315	19,498
Public Works	5,321	5,644	5,692	6,125	6,167	3,942	3,412	3,896	5,252	4,119
Community and Economic Development	1,018	1,209	818	1,528	2,237	2,157	2,309	2,275	2,071	2,309
Cemetery	"	"	"	"	"	469	464	470	557	559
Recreation	2,404	2,726	2,902	2,738	3,109	3,349	3,187	3,988	5,023	3,811
Sanitation	~	~	~	2	2	2,152	2,228	2,425	2,743	3,171
Advertising and Tourism	162	143	114	165	160	264	213	538	284	359
Interest On Long-Term Debt	424	351	303	241	192	401	343	617	450	450
Total Government Activities Expenses	28,321	29,352	30,471	32,746	35,296	37,957	36,788	41,161	43,159	43,136
Business-Type Activities:										
Sewer	10,032	10,722	10,493	10,989	11,001	10,405	10,987	11,471	11,943	12,214
Water	7,623	7,142	7,388	7,327	7,966	7,959	8,082	8,225	9,477	10,626
Stormwater	700	677	902	603	888	987	932	709	1,007	1,091
Transit	1,093	1,067	1,209	973	1,301	1,485	1,452	1,361	1,814	2,222
Total Business-Type Activities Expenses	19,448	19,608	19,992	19,892	21,156	20,836	21,453	21,766	24,241	26,153
Total Primary Government Expenses	$ 47,769	48,960	50,463	52,638	56,452	58,793	58,241	62,927	67,400	$ 69,289
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	$ 1,274	1,269	1,269	1,411	1,383	1,845	1,887	1,666	1,832	$ 2,839
Public Safety	2,131	2,300	2,201	2,652	2,566	2,509	2,671	2,889	2,630	2,467
Public Works	474	522	564	483	489	251	290	417	490	398
Community and Economic Development	182	155	243	207	182	173	210	173	244	206
Cemetery	"	"	"	"	"	224	372	298	293	259
Recreation	310	304	319	341	304	205	154	245	275	300
Sanitation	~	~	~	344	398	400	400	627	773	793
Operating Grants and Contributions	1,311	1,359	1,444	1,007	1,325	1,012	1,685	3,677	2,580	6,284
Capital Grants and Contributions	339	132	61	141	56	324	9	1,159	1,542	408
Total Governmental Activities Program Revenues	6,021	6,041	6,101	6,586	6,703	6,943	7,678	11,151	10,659	13,954
Business-Type Activities:										
Charges For Services:										
Sewer	10,965	12,042	12,150	12,007	12,344	12,918	13,577	13,893	14,253	15,142
Water	8,101	8,167	8,365	8,158	8,682	8,955	9,043	9,688	10,152	10,434
Storm Water	1,050	1,087	1,130	1,126	1,126	1,135	1,146	1,160	1,170	1,171
Transit	233	293	228	290	398	188	170	133	350	423
Operating Grants and Contributions	731	1,805	690	503	625	927	2,181	1,817	1,561	1,074
Capital Grants and Contributions	177	144	305	358	198	403	382	640	347	488
Total Business-Type Activities Program Revenues	21,257	23,538	22,868	22,442	23,373	24,526	26,499	27,331	27,833	28,732
Total Primary Government Program Revenues	$ 27,278	29,579	28,969	29,028	30,076	31,469	34,177	38,482	38,492	$ 42,686

(Continued)

CITY OF ANDERSON, SOUTH CAROLINA

Table 2

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

UNAUDITED

	Fiscal Year 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense) Revenue										
Governmental Activities	$ (22,300)	(23,311)	(24,370)	(26,160)	(28,593)	(31,014)	(29,110)	(30,010)	(32,500)	$ (29,182)
Business-Type Activities	1,809	3,930	2,876	2,550	2,217	3,690	5,046	5,565	3,592	2,579
Total Primary Government Net Expense	$ (20,491)	(19,381)	(21,494)	(23,610)	(26,376)	(27,324)	(24,064)	(24,445)	(28,908)	$ (26,603)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	$ 12,644	12,998	12,976	13,262	13,371	13,647	14,616	14,008	14,916	$ 15,582
Hospitality Fees	2,561	2,731	2,793	2,902	3,057	2,973	3,265	3,763	4,179	4,279
Lodging Tax	143	258	312	368	364	296	240	426	704	648
Franchise Tax	4,772	4,833	4,491	5,647	5,817	5,877	5,874	6,250	6,535	7,042
Business License	3,550	3,506	4,195	3,924	4,762	4,300	4,074	4,858	5,253	5,322
Other Taxes	50	239	267	74	67	49	43	66	54	61
Intergovernmental Revenue - Unrestricted	584	584	611	603	610	633	645	637	667	700
Investment Earnings	52	116	(44)	3	246	269	92	(67)	714	1,449
Miscellaneous	50	59	69	66	39	30	44	61	165	126
Gain on Sale of Assets	-	-	-	260	58	-	-	-	-	4
Transfers	1,180	1,217	1,166	1,264	1,333	1,379	1,599	1,516	1,073	(1,754)
Total Governmental Activities	25,586	26,541	26,836	28,373	29,724	29,453	30,492	31,518	34,260	33,459
Business-Type Activities:										
Investment Earnings	4	10	17	60	156	141	51	57	229	592
Transfers	(1,180)	(1,217)	(1,166)	(1,264)	(1,333)	(1,379)	(1,599)	(1,516)	(1,073)	1,754
Total Business-Type Activities	(1,176)	(1,207)	(1,149)	(1,204)	(1,177)	(1,238)	(1,548)	(1,459)	(844)	2,346
Total Primary Government	$ 24,410	25,334	25,687	27,169	28,547	28,215	28,944	30,059	33,416	$ 35,805
Change in Net Position										
Governmental Activities	$ 3,287	3,230	2,467	2,213	1,131	(1,561)	1,382	1,508	1,760	$ 4,277
Business-Type Activities	633	2,723	1,726	1,346	1,040	2,452	3,498	4,106	2,748	4,925
Total Primary Government	$ 3,920	5,953	4,193	3,559	2,171	891	4,880	5,614	4,508	$ 9,202

~ Beginning in 2018, the City began to track sanitation as a separate function.
" Beginning in 2020, Cemetery and Parks and Recreation were moved to special revenue funds.

CITY OF ANDERSON, SOUTH CAROLINA **Table 3**

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE

LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands

UNAUDITED

Fiscal Year	Property Tax	Lodging Tax	Total
2015	$ 12,644	143	$ 12,787
2016	12,998	258	13,256
2017	12,976	312	13,288
2018	13,262	368	13,630
2019	13,371	364	13,735
2020	13,647	296	13,943
2021	14,617	240	14,857
2022	14,008	426	14,434
2023	14,916	704	15,620
2024	$ 15,582	647	$ 16,229

CITY OF ANDERSON, SOUTH CAROLINA **Table 4**

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
General Fund										
Nonspendable	$ 111,606	123,723	216,872	238,259	230,729	256,631	245,745	731,244	626,870	$ 196,584
Restricted	357,869	412,604	865,670	893,937	1,174,028	1,507,780	-	903,760	278,338	131,694
Assigned	450,000	375,000	517,500	2,974,853	4,708,075	1,287,947	1,875,099	2,440,621	527,545	511,675
Unassigned	7,293,612	9,232,295	9,635,271	9,687,717	8,813,307	8,490,995	7,380,219	7,328,460	9,884,408	12,257,507
Total General Fund	$ 8,213,087	10,143,622	11,235,313	13,794,766	14,926,139	11,543,353	9,501,063	11,404,085	11,317,161	$ 13,097,460
All Other Governmental Funds										
Nonspendable	$ 2,250,000	2,250,000	2,344,000	2,250,000	2,250,000	2,250,000	2,250,000	2,301,437	2,495,616	$ 2,282,683
Restricted	4,009,665	3,038,448	2,928,803	3,776,942	5,304,644	10,328,530	6,665,594	7,539,851	6,798,950	6,661,903
Assigned	-	60,792	559	1,780	45,079	-	31,130	123,304	115,956	117,626
Unassigned	-	-	-	-	(95,341)	(306,362)	-	(33,050)	(464,970)	(270,579)
Total All Other Governmental Funds	$ 6,259,665	5,349,240	5,273,362	6,028,722	7,504,382	12,272,168	8,946,724	9,931,542	8,945,552	$ 8,791,633

CITY OF ANDERSON, SOUTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year 2015	2016	2017	2018
Revenues				
Taxes	$ 12,627,783	12,901,020	12,951,977	13,356,508
Licenses and Permits	8,527,603	8,551,180	8,860,838	9,782,749
Intergovernmental	1,794,784	1,962,051	2,054,534	1,737,672
Charges for Services	1,515,706	1,625,645	1,649,815	1,993,318
Fines	615,431	519,129	393,807	307,347
Prisoner Per Diem	1,203,909	1,396,814	1,473,889	1,881,791
Investment Earnings	51,409	116,263	(44,429)	2,893
Program Income	571,629	547,536	506,168	611,997
Accommodations Tax	143,145	257,509	311,608	368,296
Hospitality Fees	2,561,420	2,731,445	2,792,692	2,902,561
Miscellaneous	932,422	1,055,041	1,066,054	995,191
Total Revenues	30,545,241	31,663,633	32,016,953	33,940,323
Expenditures				
General Government	5,360,870	5,132,993	4,763,939	4,998,350
Public Safety	12,093,073	11,725,893	12,051,904	13,148,040
Public Works	5,179,445	4,938,144	5,099,533	5,321,889
Community and Economic Development	1,596,949	1,435,475	1,559,542	1,822,367
Cemetery	"	"	"	"
Recreation	2,782,602	2,534,058	2,543,001	2,481,926
Sanitation	~	~	~	2,081
Advertising and Tourism	156,731	136,166	109,131	157,544
Nondepartmental	926,597	1,216,804	1,312,546	1,220,486
Capital Outlay	266,192	1,791,482	3,250,241	662,509
Debt Service				
Principal	2,394,700	2,575,007	2,853,709	2,083,134
Interest	413,423	351,534	299,075	222,975
Bank Fees	33,537	22,795	25,054	28,186
Bond Issuance Cost	-	-	-	-
Total Expenditures	31,204,119	31,860,351	33,867,675	32,149,487
Excess of Revenues Over (Under) Expenditures	(658,878)	(196,718)	(1,850,722)	1,790,836
Other Financing Sources (Uses)				
Bonds Issued	-	-	-	-
Installment Purchase Revenue Bonds Issued	-	-	-	-
Financed Purchase Issued	-	-	-	-
General Obligation Refunding Bonds Issued	-	-	-	-
Lease Issued	1,150,000	-	1,700,000	-
Sale of Capital Assets	-	-	-	260,000
Transfers In	2,142,201	2,323,132	2,971,434	2,567,799
Transfers Out	(962,183)	(1,106,304)	(1,804,899)	(1,303,822)
Total Other Financing Sources (Uses)	2,330,018	1,216,828	2,866,535	1,523,977
Net Change in Fund Balances	$ 1,671,140	1,020,110	1,015,813	3,314,813
Cash Capital Asset Additions	$ 2,351,617	2,480,040	3,719,045	935,394
Debt Service as a Percentage of Noncapital Expenditures	9.73%	9.96%	10.46%	7.39%

~ Beginning in 2018, the City began to track sanitation as a separate function.
" Beginning in 2020, the Cemetery became a special revenue fund.

Table 5

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
13,394,371	13,544,495	14,646,675	14,079,977	14,984,029	$ 15,551,572
10,807,228	10,465,912	10,263,389	11,563,936	12,288,155	12,892,744
1,886,993	1,807,904	2,280,812	5,022,971	3,677,155	7,279,045
1,939,034	1,848,935	1,983,572	2,346,140	2,551,954	1,770,602
264,255	268,498	253,449	254,768	230,420	229,782
1,803,091	1,698,234	1,850,419	1,943,618	1,804,313	1,487,809
245,513	269,054	92,098	(66,703)	714,426	1,449,056
427,225	433,965	444,158	387,660	450,942	421,962
364,415	295,550	240,237	425,826	703,679	647,485
3,057,287	2,972,873	3,265,014	3,763,031	4,178,624	4,278,852
1,115,935	1,420,416	1,516,577	1,331,658	1,496,041	3,305,500
35,305,347	35,025,836	36,836,400	41,052,882	43,079,738	49,314,409
5,439,897	5,656,615	5,476,194	5,650,269	6,601,381	7,757,057
14,735,151	15,402,766	15,710,946	15,890,079	17,273,523	18,404,061
5,486,910	3,159,058	2,975,724	3,732,372	4,018,421	3,468,158
2,332,215	2,537,133	2,357,161	3,223,090	3,370,421	2,207,475
"	448,661	448,767	422,531	534,050	539,936
2,619,519	3,033,816	3,080,636	5,393,926	3,948,242	3,795,679
1,708	2,059,153	2,154,268	2,180,594	2,629,099	3,059,864
153,155	252,263	205,816	484,047	272,432	346,771
1,527,327	1,696,488	1,533,545	8,579,901	1,654,822	1,467,458
291,448	6,822,390	7,797,972	1,336,645	3,081,930	3,131,180
1,462,289	1,513,819	1,729,446	943,000	1,303,000	1,407,615
169,276	122,402	299,154	333,947	537,453	457,204
30,272	24,865	35,899	-	-	-
-	193,323	-	161,000	1,200	1,200
34,249,167	44,463,200	43,805,528	48,331,401	45,225,974	46,043,658
1,056,180	(9,437,364)	(6,969,128)	(7,278,519)	(2,146,236)	3,270,751
-	-	-	7,000,000	-	-
-	7,000,000	-	-	-	-
-	855,000	-	1,650,000	-	105,284
-	1,588,000	-	-	-	-
-	-	-	-	-	-
217,800	-	-	-	-	4,468
3,173,943	8,553,893	9,769,989	7,453,710	7,174,939	8,621,645
(1,840,890)	(7,174,529)	(8,169,785)	(5,937,352)	(6,101,617)	(10,375,768)
1,550,853	10,822,364	1,600,204	10,166,358	1,073,322	(1,644,371)
2,607,033	1,385,000	(5,368,924)	2,887,839	(1,072,914)	$ 1,626,380
1,277,327	8,320,533	9,411,518	10,608,342	6,744,716	$ 5,310,054
4.95%	4.53%	5.90%	3.39%	4.78%	4.58%

CITY OF ANDERSON, SOUTH CAROLINA **Table 6**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(in thousands of dollars)

UNAUDITED

Fiscal Year Ended June 30	Real Property		Personal Property		Less:	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other	Tax Exempt Real Property				
2015	$ 27,704	50,931	8,736	10,500	1,634	96,237	118	$ 1,778,428	5.41%
2016	28,081	51,689	9,118	11,747	6,871	93,764	118	1,819,235	5.15%
2017	28,407	52,699	9,244	11,033	1,963	99,420	118	1,841,293	5.40%
2018	30,152	55,213	9,352	11,090	1,962	103,845	116	1,926,397	5.39%
2019	30,575	55,734	9,279	11,087	1,795	104,880	116	1,943,618	5.40%
2020	31,504	56,377	9,216	10,465	847	106,715	116	1,971,496	5.41%
2021	32,633	60,663	10,043	10,666	1,035	112,970	116	2,041,882	5.53%
2022	34,502	62,422	9,912	11,148	1,147	116,837	116	2,172,245	5.38%
2023	41,454	69,006	10,260	11,694	1,189	131,225	109	2,468,441	5.32%
2024	$ 43,502	72,086	11,317	11,912	940	137,877	109	$ 2,585,137	5.33%

Source: Anderson County Assessors Office

CITY OF ANDERSON, SOUTH CAROLINA **Table 7**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

UNAUDITED

	City of Anderson	Overlapping Rates						Total
		County			School District			Direct &
Fiscal Year	(1) Total City Millage	Operating Millage	(2) Debt Service Millage	Total County Millage	Operating Millage	(3) Debt Service Millage	Total School Millage	Overlapping Rates
2015	118.00	83.10	2.20	85.30	172.50	21.00	193.50	396.80
2016	118.00	83.70	2.30	86.00	177.10	21.00	198.10	402.10
2017	118.00	83.10	2.20	85.30	177.70	17.00	194.70	398.00
2018	116.00	81.70	2.20	83.90	177.70	17.00	194.70	394.60
2019	116.00	82.70	2.10	84.80	183.50	17.00	200.50	401.30
2020	116.00	82.70	2.00	84.70	190.00	15.00	205.00	405.70
2021	116.00	82.70	2.00	84.70	190.00	15.00	205.00	405.70
2022	116.00	83.90	1.80	85.70	194.00	15.00	209.00	410.70
2023	109.00	84.50	1.80	86.30	183.00	15.00	198.00	393.30
2024	109.00	83.50	0.50	84.00	191.00	14.00	205.00	398.00

(1) Total City millage not broken down by City officials; levied as one millage amount.
(2) Information from Anderson County.
(3) Information from Anderson School District #5.

Note: Overlapping rates are those of local and county governments that apply to property owners within the City of Anderson.

CITY OF ANDERSON, SOUTH CAROLINA **Table 8**

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

	2024			2015		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Duke Energy	$ 3,236,700	1	2.3%	$ 2,219,610	1	2.3%
Walden Oaks Apartments	1,815,010	2	1.3%			
Piedmont Natural Gas	1,024,610	3	0.7%			
Walmart (Hwy 28)	871,080	4	0.6%	842,900	4	0.9%
Ashford Pointe Apartments	745,290	5	0.5%			
Spectrum Southeast	727,140	6	0.5%			
Spirit Master (Civic Ctr Blvd)	702,540	7	0.5%			
Station 153 Apartments	702,500	8	0.5%			
Walmart (Liberty Hwy)	699,870	9	0.5%	757,450	5	0.8%
Hampton Apartments	685,890	10	0.5%			
Bellsouth				2,045,460	2	2.1%
Anderson Mall				1,321,180	3	1.4%
Drayton Hudson Corp				570,320	9	0.6%
Groves at Ashton Park				553,950	10	0.6%
Cole MT Anderson				616,690	7	0.6%
Lowe Home Center				615,650	8	0.6%
Cole SC Anderson				636,850	6	0.7%
Total	$ 11,210,630		8.1%	$ 10,180,060		10.6%

Source: Anderson County

CITY OF ANDERSON, SOUTH CAROLINA **Table 9**

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(in thousands of dollars)

UNAUDITED

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years (1)	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2015	$ 11,356	$ 11,284	99.4%	$ 271	$ 11,555	101.75%
2016	11,064	11,544	104.3%	264	11,808	106.72%
2017	11,732	11,423	97.4%	337	11,760	100.24%
2018	12,045	11,880	98.6%	200	12,080	100.29%
2019	12,166	12,043	99.0%	193	12,236	100.58%
2020	12,379	12,148	98.1%	351	12,499	100.97%
2021	13,105	12,972	99.0%	146	13,118	100.10%
2022	13,553	13,918	102.7%	154	14,072	103.83%
2023	14,304	14,727	103.0%	179	14,906	104.21%
2024	$ 15,029	$ 15,183	101.0%	$ -	$ 15,183	101.02%

Source: City of Anderson & Anderson County Assessors Office
(1) Includes penalty and interest calculations

CITY OF ANDERSON, SOUTH CAROLINA **Table 10**

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(in thousands of dollars)

UNAUDITED

	Governmental Activities				Business-Type Activities					
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Financed Purchases	Installment Purchase Revenue Bonds (4)	Water/ Sewer Bonds (2)	Revolving Loans (3)	Financed Purchases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2015	$ 2,580	6,470	1,235	-	86,485	11,518	-	$ 108,288	13.27%	$ 3,984
2016	2,270	5,100	1,490	-	84,450	11,057	-	104,367	12.75%	3,818
2017	1,955	3,690	2,062	-	89,019	10,586	641	107,953	12.21%	3,943
2018	1,820	2,305	1,499	-	85,046	14,468	484	105,622	11.15%	3,806
2019	1,680	1,555	926	-	80,937	14,888	324	100,310	11.22%	3,664
2020	1,588	780	1,192	7,000	77,038	14,244	164	102,006	10.84%	3,614
2021	1,402	-	690	6,739	67,295	13,565	-	89,691	9.53%	3,178
2022	1,213	7,000	1,846	6,479	73,413	5,629	-	95,580	9.72%	3,264
2023	1,018	6,658	1,348	6,211	61,755	5,359	-	82,349	8.38%	2,812
2024	$ 818	6,241	940	5,934	57,585	5,083	-	$ 76,601	6.28%	$ 2,541

Source: City of Anderson
(1) See Table 15 for personal income and population data.
(2) Amounts in the prior years have been restated to include deferred items in the outstanding bonds totals.
(3) Amounts in the prior years have been restated to properly breakout revolving loans.
(4) Installment Purchase Revenue Bond that is a debt issuance of the City's component unit.

CITY OF ANDERSON, SOUTH CAROLINA **Table 11**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(in thousands of dollars)

UNAUDITED

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2015	$ 2,580	-	$ 2,580	0.15%	95
2016	2,270	-	2,270	0.12%	83
2017	1,955	-	1,955	0.11%	71
2018	1,820	-	1,820	0.09%	66
2019	1,680	-	1,680	0.09%	61
2020	1,588	-	1,588	0.08%	57
2021	1,402	-	1,402	0.07%	50
2022	1,213	-	1,213	0.06%	41
2023	1,018	-	1,018	0.04%	35
2024	$ 818	-	$ 818	0.03%	27

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(1) See Table 6 for property value data.
(2) Population data can be found on Table 15.

CITY OF ANDERSON, SOUTH CAROLINA **Table 12**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

YEAR ENDED JUNE 30, 2024
(in thousands of dollars)

UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Debt
Debt Repaid with Property Taxes:			
Anderson County - Overlapping (2)	$ 15,109	13.0%	$ 1,964
School District 5 - Overlapping (2)	$ 148,375	35.2%	52,228
Total Overlapping Debt			54,192
City of Anderson - Direct			13,933
Total Direct and Overlapping Debt			$ 68,125

(1) Estimated percentage applicable is based on total assessments for Anderson County versus City assessment.
School District 5 calculation is based on the number of schools inside the City versus the number of schools inside the district for their percentage.
(2) Source: Anderson County Finance Department

CITY OF ANDERSON, SOUTH CAROLINA **Table 13**

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(in thousands of dollars)

UNAUDITED

	Fiscal Year									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Debt limit	$ 7,830	8,051	8,111	8,465	8,534	8,605	9,120	9,439	10,593	$ 11,105
Total net debt applicable to limit	2,580	2,270	1,955	1,820	1,680	1,588	1,402	1,213	1,018	818
Legal debt margin	$ 5,250	5,781	6,156	6,645	6,854	7,017	7,718	8,226	9,575	$ 10,287
Total net debt applicable to the limit as a percentage of debt limit	32.95%	28.20%	24.10%	21.50%	19.69%	18.45%	15.37%	12.85%	9.61%	7.37%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed Value	$ 137,877
Add back: exempt real property	940
Total assessed value	138,817
Debt limit (8% of total assessed value)	11,105
Debt applicable to limit:	
General obligation bonds	(818)
Legal debt margin	$ 10,287

CITY OF ANDERSON, SOUTH CAROLINA **Table 14**

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS
(in thousands of dollars)

UNAUDITED

	Water and Sewer Revenue Bonds						Special Assessment Bonds (TIF Bonds)				Special Obligation Bond (Hospitality Fee Pledge)			
				Debt Service				Debt Service				Debt Service		
Fiscal Year	Charges and Other Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Principal	Interest (3)	Coverage	Special Assessment Collections	Principal	Interest	Coverage	Special Assessment Collections	Principal	Interest	Coverage
2015	$ 19,704	9,541	10,163	2,862	$ 4,167	1.45	$ 983	650	$ 152	1.23	N/A**	N/A**	N/A**	N/A**
2016	20,835	9,392	11,443	2,945	4,231	1.59	1,085	680	134	1.33	N/A**	N/A**	N/A**	N/A**
2017	21,148	9,915	11,233	3,304	2,961	1.79	1,265	700	113	1.56	N/A**	N/A**	N/A**	N/A**
2018	20,824	10,013	10,811	3,887	3,548	1.45	1,140	725	92	1.40	N/A**	N/A**	N/A**	N/A**
2019	21,724	10,861	10,863	4,163	3,492	1.42	1,176	750	70	1.43	N/A**	N/A**	N/A**	N/A**
2020	22,562	10,430	12,132	3,995	3,241	1.68	1,203	775	47	1.46	N/A**	N/A**	N/A**	N/A**
2021	23,221	11,131	12,090	4,019	3,087	1.70	1,324	780	24	1.65	N/A**	N/A**	N/A**	N/A**
2022	24,140	11,646	12,494	4,190	2,945	1.75	N/A*	N/A*	N/A*	N/A*	3,763	-	138	27.27
2023	25,154	14,044	11,110	4,045	2,695	1.65	N/A*	N/A*	N/A*	N/A*	4,179	342	67	10.22
2024	$ 26,666	15,781	10,885	4,170	$ 2,608	1.61	N/A*	N/A*	N/A*	N/A*	$ 4,279	417	$ 132	7.79

(1) Total operating revenues plus interest income plus required debt service coverage from Anderson County and Homeland Park.
(2) Total operating expenses less depreciation.
(3) This does not include interest paid from the capitalized interest bank balance for the 2002, 2003, and 2009 bonds.
N/A* Not applicable as debt was paid off in FY 2021.
N/A** Not applicable as debt was issued in FY 2022.

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2015	27,181	$ 816,300	$ 30,032	36.2	13,038	5.1%
2016	27,335	818,820	29,955	35.5	12,978	5.2%
2017	27,379	884,260	32,297	38.1	13,243	4.2%
2018	27,751	947,613	34,147	38.0	12,876	3.5%
2019	27,380	894,094	32,655	38.1	12,642	3.1%
2020	27,676	882,781	31,897	39.0	13,100	8.0%
2021	28,226	941,365	33,351	37.3	12,717	5.6%
2022	29,284	983,035	33,569	38.8	12,771	3.1%
2023	29,771	1,082,444	36,359	34.1	12,686	2.3%
2024	30,148	$ 1,219,336	$ 40,445	32.7	11,954	4.7%

Source: Anderson County Economic Development Office

CITY OF ANDERSON, SOUTH CAROLINA **Table 16**

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

	2024			2015		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Anderson County Public Schools	4,420	1	2.11%	3,837	1	1.98%
AnMed Health	3,624	2	1.73%	3,462	2	1.79%
Robert Bosch Corp	2,470	3	1.18%	1,200	5	0.62%
Electrolux	2,000	4	0.95%	1,863	3	0.96%
Arthrex	1,457	5	0.70%			
Technical Industries (TTI)	1,394	6	0.67%			
Anderson County	1,198	7	0.57%	1,000	6	0.52%
First Quality Tissue	1,000	8	0.48%	610	10	0.31%
Anderson University	991	9	0.47%			
Michelin	924	10	0.44%	900	7	0.46%
State of South Carolina				1,631	4	0.84%
Tri-County Tech				626	9	0.32%
Glen Raven				650	8	0.34%
Total	19,478		9.29%	15,779		8.14%

Source: Anderson County

CITY OF ANDERSON, SOUTH CAROLINA **Table 17**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

	Fiscal Year									
Function	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
General Government	63	63	64	64	59	58	63	60	65	64
Public Safety:										
Police	151	150	148	150	153	155	158	159	156	157
Fire	60	60	60	61	61	64	64	65	65	69
Public Works	89	88	91	91	91	88	88	88	88	90
Economic/Community Development	11	9	10	10	10	9	8	8	8	8
Recreation	24	23	31	32	32	32	32	31	31	31
Sewer	25	25	26	32	30	28	28	29	28	32
Water	34	34	34	34	34	33	33	34	34	34
Stormwater	6	6	6	6	5	5	5	5	5	5
Transit	15	14	14	14	14	15	15	16	16	16
Total	478	472	484	494	489	487	494	495	496	506

Source: City of Anderson

CITY OF ANDERSON, SOUTH CAROLINA **Table 18**

OPERATING INDICATORS

LAST TEN FISCAL YEARS

UNAUDITED

	Fiscal Year									
Function	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Police										
Physical arrests	3,438	3,054	2,831	2,708	2,178	2,275	1,845	2,166	2,932	1,738
Parking violations	312	222	63	19	44	1	2	0	64	427
Traffic violations	8,756	8,154	8,432	4,698	5,055	5,533	3,512	3,464	3,706	4,340
Criminal Charges	3,222	2,976	3,133	3,023	3,120	2,812	2,851	3,225	3,253	2,490
Fire										
Number of calls answered	1,637	1,702	1,732	2,057	2,100	2,028	2,234	2,207	2,429	2,702
Inspections	1,943	1,836	2,076	2,133	2,300	1,846	1,990	1,330	2,374	2,591
Highways and streets										
Potholes repaired	102	58	71	99	471	205	288	148	71	72
Sanitation										
Refuse collected (tons/day)	88	132	78	54	82	102	75	76	78	81
Culture and recreation										
Athletic field permits issued	592	601	569	585	626	483	776	811	1,023	1,018
Water										
Average daily consumption	4.52	4.62	4.53	4.53	4.39	4.25	4.07	4.31	4.44	4.50
Maximum Daily Consumption (millions of gallons)	7.91	8.09	7.93	7.44	7.68	7.44	7.13	7.55	7.77	7.90
Wastewater										
Average daily sewage treatment	6.71	8.71	7.60	8.22	9.72	9.51	12.70	8.90	9.12	8.75
Maximum Daily Consumption (millions of gallons)	17.18	26.74	22.27	17.16	25.54	26.70	21.60	23.47	19.14	24.08

Source: City of Anderson

CITY OF ANDERSON, SOUTH CAROLINA **Table 19**

CAPITAL ASSET STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	2	1	1	2	2
Patrol units	101	101	101	101	106	110	110	110	112	113
Fire Stations	3	3	3	3	3	3	3	3	3	3
Sanitation										
Collection trucks	10	10	10	12	14	15	18	23	25	25
Highways and streets										
Streets (miles)	207	207	207	207	207	208	220	233	234	234
Streetlights	3,413	3,413	3,413	3,806	3,807	3,809	4031	4031	4031	4031
Traffic signals	88	88	88	86	86	86	86	87	88	89
Culture and recreation										
Parks acreage	186	186	188	188	134	134	134	135	135	135
Parks	19	19	20	20	22	22	22	23	23	23
Community centers	2	2	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	369	369	369	270	370	370	372	372	372	373
Elevated Tanks	8	8	8	8	7	7	7	7	7	7
Total Storage Capacity	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Number of meters	16,691	16,792	16,975	17,228	17,045	18,393	17,038	17,061	17,023	18,675
Fire Hydrants	1,029	1,035	1,040	1,045	1,046	1,048	1,047	1,047	1,047	1,048
New Connections	76	137	184	169	171	193	198	184	99	212
Water Main Breaks	54	80	101	110	62	37	63	54	41	50
Maximum daily capacity *	14.12	14.12	14.12	14.12	14.12	14.12	14.12	14.12	14.12	14.12
Sewer										
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
Number of pumping stations	6	6	6	6	5	5	5	5	5	7
Sanitary Sewer Miles	277	277	278	279	279	279	279	338	338	339
Number of service connections	19,902	20,101	20,438	20,600	20,920	21,355	21,690	22,054	22,324	22,455
Maximum daily treatment capacity *	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5

Source: City of Anderson
* In millions of gallons

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CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title:	Assistance Listing Number	Grant/Contract Number	Federal Expenditures
US DEPARTMENT OF HOUSING / URBAN DEVELOPMENT			
Direct Programs:			
Community Development Block Grants	14.218	N/A	$ 653,772
COVID-19 - Community Development Block Grants - CV	14.218	N/A	309,752
Total 14.218 - CDBG - Entitlement Grants Cluster			963,524
Pass-through From SC State Housing Finance and Development Authority:			
HOME Program	14.239	N/A	60,474
TOTAL US DEPARTMENT OF HOUSING / URBAN DEVELOPMENT			1,023,998
US DEPARTMENT OF TRANSPORTATION			
Direct Programs:			
Federal Transportation Administration Grants Cluster - Section 5307	20.507	SC-2022-026	431,243
Highway Safety Grant	20.600	N/A	60,729
Pass-through From SC Department of Transportation:			
Highway Planning and Construction - ANATS	20.205	N/A	273,221
Formula Grants for Rural Areas - Section 5311	20.509	PT-217911-76	379,001
TOTAL US DEPARTMENT OF TRANSPORTATION			1,144,194
US DEPARTMENT OF HOMELAND SECURITY			
Direct Programs:			
Incident Management Team	97.067	N/A	43,943
TOTAL US DEPARTMENT OF HOMELAND SECURITY			43,943
US DEPARTMENT OF THE TREASURY			
Direct Programs:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan)	21.027	N/A	4,341,505
TOTAL US DEPARTMENT OF THE TREASURY			4,341,505
US DEPARTMENT OF JUSTICE			
Direct Programs:			
Justice Assistance Grant	16.738	N/A	8,845
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	122,104
	Total 16.738		130,949
Project Safe Neighborhoods	16.609	5P000321/5P000123	100,224
Law Enforcement Victims Advocate	16.575	1V20099/5V00512	69,166
Pass-through From South Carolina Department of Public Safety:			
VAWA	16.588	1K19026/5K00312	53,325
TOTAL US DEPARTMENT OF JUSTICE			$ 353,664

(Continued)

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title:	Assistance Listing Number	Grant/Contract Number	Federal Expenditures
US DEPARTMENT OF COMMERCE			
Direct Programs:			
EPA - Brownfields Multipurpose	66.818	N/A	$ 43,775
TOTAL US DEPARTMENT OF EDUCATION			43,775
GRAND TOTALS			**$ 6,951,079**

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

A. GENERAL

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

B. BASIS OF ACCOUNTING

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

C. RELATIONSHIP TO THE FINANCIAL STATEMENTS

Federal award expenditures are reported in the City's financial statements primarily as expenditures in the General Fund and Special Revenue Funds and as expenses in the Proprietary funds for all federal programs.

D. MATCHING COSTS

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

E. SUB-RECIPIENTS

There were no federal expenditures provided to sub-recipients presented in the accompanying Schedule.

F. INDIRECT COST RATE

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

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Greene Finney Cauley, LLP
Certified Public Accountants & Advisors

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of City Council
City of Anderson
Anderson, 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 Anderson, South Carolina (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 5, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 5, 2024

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 5, 2024

CITY OF ANDERSON, SOUTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2024

2023-001: RECORDING GRANT REVENUE

Condition: For project expenditures funded by the American Rescue Plan ("ARP") grant, the City did not recognize the corresponding grant revenue. The expenditures were recognized and appropriately reported on the schedule of expenditures of federal awards ("SEFA"), but the City did not recognize the grant revenue which was initially recorded as unearned revenue. When this was brought to the City's attention, an entry was recorded to reduce unearned revenue and recognize grant revenue.

Criteria: The City should have appropriate internal controls in place to ensure that grant revenues and unavailable revenues related to grants are properly recorded in a timely manner.

Context, Cause and Effect: While reviewing the project expenditures reimbursed by the ARP grant for the year ended June 30, 2023, we noted that the expenditures did not match the revenues recorded in the City's ledger. Since the City received the ARP grant funds in advance, the City inadvertently missed recording the revenue and reducing the unavailable revenue when the project expenditures were recognized. This initially resulted in revenue being understated and unavailable revenue being overstated at year-end.

Status: The City has implemented procedures to ensure that grant revenue and unavailable revenue are properly recorded and reconcile to the corresponding expenditures on the SEFA.

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiencies identified that are not considered to be material weaknesses?		Yes	X	None Reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiencies identified that are not considered to be material weaknesses?		Yes	X	None Reported

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

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

Identification of major programs:

Assistance Listing Number(s)	*Name of Federal Program or Cluster*
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Fund (American Rescue Plan)

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

Auditee qualified as low-risk auditee?		Yes	X	No

Section II – 2024 Financial Statement Findings

No matters to report.

Section III – 2024 Federal Award Findings and Questioned Costs

No matters to report.

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CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF SEWER SYSTEM SERVICE STATISTICS
SEWER FUND

YEAR ENDED JUNE 30, 2024

CAPACITY IN THE CITY'S TWO TREATMENT PLANTS ALLOCATION:

PARTY	Generostee Creek (MGD)	Rocky River (MGD)	Total (MGD)	Share (%)
City of Anderson	4.1	5.6	9.7	49.74%
Anderson County	5.2	2.8	8.0	41.03%
Homeland Park	0.7	1.1	1.8	9.23%
Totals	10.0	9.5	19.5	100.00%

HISTORICAL SEWER TREATMENT AND BILLED FLOW VOLUMES:

	Average Daily Treated Flow (MGD)	Average Daily Billing Flow * (MGD)	Average Daily Infiltration & Inflow (MGD)
2015	6.71	4.20	2.51
2016 ^	8.71	4.30	4.41
2017	7.60	4.35	3.25
2018 ^	8.22	4.18	4.04
2019 ^	9.72	4.26	5.46
2020 ^	9.51	4.36	5.15
2021 ^	12.70	4.19	8.51
2022	8.90	4.29	4.61
2023 ^	9.12	4.23	4.89
2024 ^	9.30	4.30	5.00

* Billed flow represents that amount of the treated flow that is actually billed to customers. The difference between treated flow and billed flow is infiltration and inflow ("I&I"), which results primarily from rainwater and flooding.
^ Fiscal years 2016, 2018, 2019, 2020, 2021, 2023, and 2024 recorded heavy rainfall, which caused the increase in I&I.

SEWER SYSTEM REVENUE BY AREA

City of Anderson	77.74%
Anderson County	17.79%
Homeland Park Water and Sewer	4.47%
	100.00%

SEWER CUSTOMERS BY AREA

City of Anderson	15,022
Anderson County	4,638
Homeland Park Water and Sewer	2,795
	22,455

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF WATER METER SERVICE
WATER FUND

YEAR ENDED JUNE 30, 2024

Water Meter Service

Size of Meter	Total Active Meters
3/4"	15,491
1"	1,233
1 1/2"	196
2"	185
3"	34
4"	8
6"	31
8"	3
10"	1
Grand Total Active Meters	17,182

Water System Piping

Size of Meter	Total Length (Feet)
3/4"	178
1"	9,714
1.25"	4,952
1.5"	4,337
2"	265,843
3"	108,801
4"	99,910
6"	927,370
8" or larger	547,984
Total Length (Feet)	1,969,089
Total Length Miles	373

Water System - Usage

Fiscal Year	Billed Usage (1,000 Gallons)	Customers
2015	1,389,043	16,691
2016	1,437,609	16,792
2017	1,465,458	16,975
2018	1,364,342	17,369
2019	1,407,489	16,926
2020	1,366,118	17,007
2021	1,287,329	17,038
2022	1,391,285	17,061
2023	1,373,696	17,023
2024	1,393,225	17,182

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF LARGEST UTILITY USERS
WATER AND SEWER FUNDS

YEAR ENDED JUNE 30, 2024

	Water			Sewer		
Utility User	**Gallons Used**	**Revenues**	**% of Total Revenues**	**Gallons Used**	**Revenues**	**% of Total Revenues**
Owens Corning Fiberglass	20,391,669	$ 239,441	2.63%			
Anderson University	39,734,493	186,116	2.04%	30,835,537	$ 252,173	2.20%
Anderson County	30,470,528	176,046	1.93%	25,528,492	197,093	1.72%
Michelin Plant 8	42,155,784	142,881	1.57%			
Anmed Health	51,706,248	146,523	1.61%	19,673,148	129,145	1.13%
JPS Composite Materials Corp	40,398,732	98,864	1.08%	40,398,732	316,125	2.76%
Michelin Plant 10	24,566,564	86,103	0.94%			
Plastic Omnium Industries	14,448,368	84,137	0.92%			
First Quality - Household	18,749,368	85,168	0.93%			
Belton Woods Apts	12,166,968	32,781	0.36%	12,166,968	95,007	0.83%
RT Anderson LLC				9,510,072	74,278	0.65%
Fairview Gardens				9,097,176	71,537	0.62%
NHC Healthcare				9,335,040	73,016	0.64%
JL Clemson Blvd LLC				8,519,720	66,532	0.58%
Northlake Condo HOA				8,839,864	67,971	0.59%
Total	294,788,722	$ 1,278,060	14.01%	173,904,749	$ 1,342,877	11.72%

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF UTILITY RATES
WATER AND SEWER FUNDS

YEAR ENDED JUNE 30, 2024

Monthly Water Rates	Inside	Outside
First 200 cubic feet or less	$ 14.15	$ 24.73
Next 400 cubic feet per hundred	2.88	5.03
Next 1,400 cubic feet per hundred	3.17	5.54
Next 18,000 cubic feet per hundred	2.73	4.77
Next 30,000 cubic feet per hundred	2.30	4.02
Over 50,000 cubic feet per hundred	$ 1.73	$ 3.02
Minimum Monthly Bill by Meter Size		
3/4" meter 200 cubic feet or less	$ 14.15	$ 24.73
1" meter 400 cubic feet or less	19.91	34.79
1.5" meter 1,200 cubic feet or less	44.69	78.09
2" meter 2,500 cubic feet or less	83.72	146.28
3" meter 9,500 cubic feet or less	274.81	480.17
4" meter 15,000 cubic feet or less	424.96	742.52
6" meter 33,500 cubic feet or less	872.21	1,523.97
8" meter 53,600 cubic feet or less	1,132.64	1,979.02
Residential Monthly Bill (Based on 800 Cubic Feet)	$ 32.01	$ 55.93
Monthly Sewer Rates		
First 200 cubic feet or less	$ 12.85	$ 25.70
Each additional 100 cubic feet	5.84	11.68
Residential Monthly Bill (Based on 800 Cubic Feet)	$ 47.89	$ 95.78