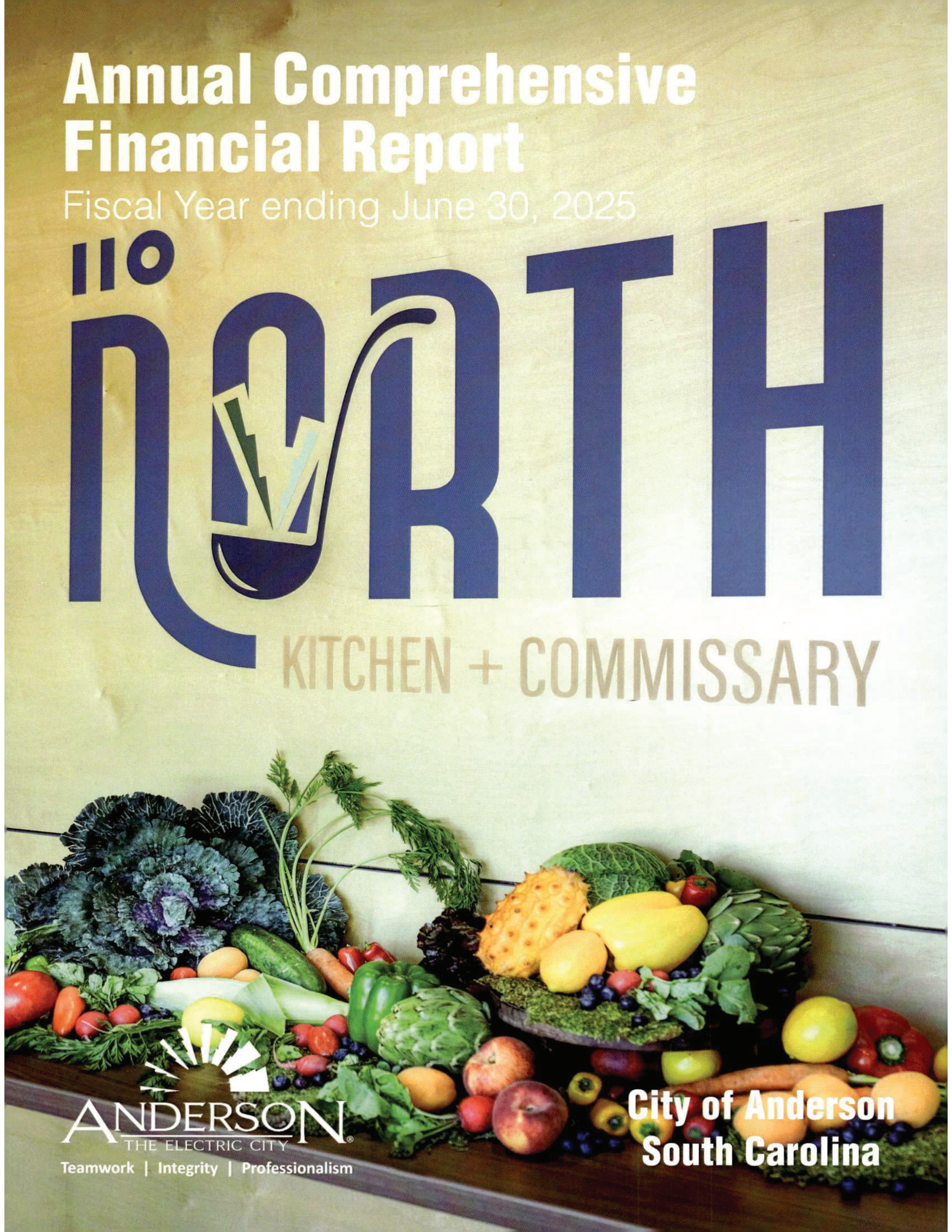
Annual Comprehensive Financial Report

Fiscal Year ending June 30, 2025



ANDERSON
THE ELECTRIC CITY
Teamwork | Integrity | Professionalism

City of Anderson
South Carolina

CITY OF ANDERSON, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2025

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

CITY OF ANDERSON, SOUTH CAROLINA

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2025

INTRODUCTORY SECTION (UNAUDITED)

	Page Number
Table of Contents	i
Transmittal Letter	1
List of Principal Officials and Management Team	7
City of Anderson Organizational Chart	8
Certificate of Achievement for Excellence in Financial Reporting	9

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	11
Management's Discussion and Analysis	15
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements:	
Balance Sheet - Governmental Funds	30
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	32
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	33
Statement of Net Position - Proprietary Funds	34
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	35
Statement of Cash Flows - Proprietary Funds	36
Statement of Net Position - Fiduciary Funds	37
Statement of Changes in Net Position - Fiduciary Funds	38
Notes to the Financial Statements	40
Required Supplementary Information	
Budgetary Comparison Schedules	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - General Fund	89
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Hospitality Fee Fund	92
Notes to Budgetary Comparison Schedules	93
Other Postemployment Benefit Plan Schedule	
City of Anderson Defined Benefit Retiree Healthcare Plan - Schedule of Changes in the Total OPEB Liability and Related Ratios	94

(Continued)

FINANCIAL SECTION (CONTINUED)

	Page Number
Required Supplementary Information (Continued)	
Pension Plan Schedules	
City of Anderson General Employees' Retirement Plan Schedules	
Schedule of Changes in the Net Pension Liability and Related Ratios	95
Schedule of Contributions	96
Schedule of Investment Returns	97
South Carolina Police Officers Retirement System Schedules	
Schedule of the City of Anderson's Proportionate Share of the Net Pension Liability	98
Schedule of Contributions	99
Supplementary Information	
Combining and Individual Fund Financial Schedules	
Combining Balance Sheet - Nonmajor Governmental Funds	102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	106
Special Revenue Funds	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Community Development Fund	113
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Perpetual Care Fund	114
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Accommodations Tax Fund	115
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Cemetery Fund	116
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Parks and Recreation Fund	117
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Sanitation Fund	118
Capital Projects Funds	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Capital Replacement Fund	121
Permanent Funds	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Transportation Investment Fund	125
Proprietary Funds	
Combining Statement of Net Position - Nonmajor Proprietary Funds	129

(Continued)

FINANCIAL SECTION (CONTINUED)

		Page Number
Supplementary Information (Continued)		
Proprietary Funds (Continued)		
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Proprietary Funds		130
Combining Statement of Cash Flows - Nonmajor Proprietary Funds		131
Schedule of Revenues, Expenses, and Changes in Fund Net Position Budgets and Actual - Sewer Fund		133
Schedule of Revenues, Expenses, and Changes in Fund Net Position Budgets and Actual - Water Fund		134
Schedule of Revenues, Expenses, and Changes in Fund Net Position Budgets and Actual - Storm Water Fund		135
Schedule of Revenues, Expenses, and Changes in Fund Net Position Budgets and Actual - Transit Fund		136
Other Schedules		
Uniform Schedule of Fines, Assessments, and Surcharges (Per Act 96)		137
Schedules of Budgeted to Actual Cost for the South Carolina Department of Transportation		138
Notes to the Schedules of Budget to Actual Costs for the South Carolina Department of Transportation		144
STATISTICAL SECTION (UNAUDITED)		
Financial Trends Information		
Net Position by Component - Last Ten Fiscal Years - (accrual basis of accounting)	Table 1	147
Changes in Net Position - Last Ten Fiscal Years - (accrual basis of accounting)	Table 2	148
Governmental Activities Tax Revenue by Source - Last Ten Fiscal Years - (accrual basis of accounting)	Table 3	150
Fund Balances of Governmental Funds - Last Ten Fiscal Years - (modified accrual basis of accounting)	Table 4	151
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years - (modified accrual basis of accounting)	Table 5	152
Revenue Capacity Information		
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	Table 6	154
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	Table 7	155
Principal Property Taxpayers - Current Year and Nine Years Ago	Table 8	156
Property Tax Levies and Collections - Last Ten Fiscal Years	Table 9	157
Debt Capacity Information		
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	Table 10	158
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	Table 11	159
Direct and Overlapping Governmental Activities Debt - Year Ended June 30, 2025	Table 12	160
Legal Debt Margin Information - Last Ten Fiscal Years	Table 13	161
Pledged Revenue Coverage - Last Ten Fiscal Years	Table 14	162

(Continued)

STATISTICAL SECTION (UNAUDITED)/(CONTINUED)

		Page Number
Demographic and Economic Information		
Demographic and Economic Statistics - Last Ten Fiscal Years	Table 15	163
Principal Employers - Current Year and Nine Years Ago	Table 16	164
Operating Information		
Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years	Table 17	165
Operating Indicators - Last Ten Fiscal Years	Table 18	166
Capital Asset Statistics - Last Ten Fiscal Years	Table 19	167

COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards	169
Notes to the Schedule of Expenditures of Federal Awards	171
Independent Auditor's Report - 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*	173
Independent Auditor's Report - Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	175
Summary Schedule of Prior Audit Findings	178
Schedule of Findings and Questioned Costs	179

CONTINUING DISCLOSURE SECTION (UNAUDITED)

Schedule of Sewer System Service Statistics - Sewer Fund	181
Schedule of Water Meter Service - Water Fund	182
Schedule of Largest Utility Users - Water and Sewer Funds	183
Schedule of Utility Rates - Water and Sewer Funds	184

December 3, 2025

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, 2025.

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, 2025, 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, 2025, are fairly presented in conformity with GAAP. The independent auditors' 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 Augusta 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 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 2024 – 2025 and provides a full range of services contemplated by statute. These services include 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 allowed 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 30,937. 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 Annual 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 vibrant 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 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. Strengthening 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. Seeking 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 priority. For 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 sizes 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 twenty-first year, the Mayor, City Council, and the City Administrative team participated in a planned 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 with the most efficient and effective services at the most affordable cost.

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, 2024. 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 thirty (30) 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 Government Finance Officers Association of the United States and Canada for our Annual Adopted Budget for the fiscal year ended June 30, 2025. The City has received this award for twenty 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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ANDERSON®
THE ELECTRIC CITY

CITY OF ANDERSON, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS AND MANAGEMENT TEAM
For Fiscal Year 2024-2025

MAYOR
Terence V. Roberts

MAYOR PRO-TEM
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
Gregory R. Steele

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

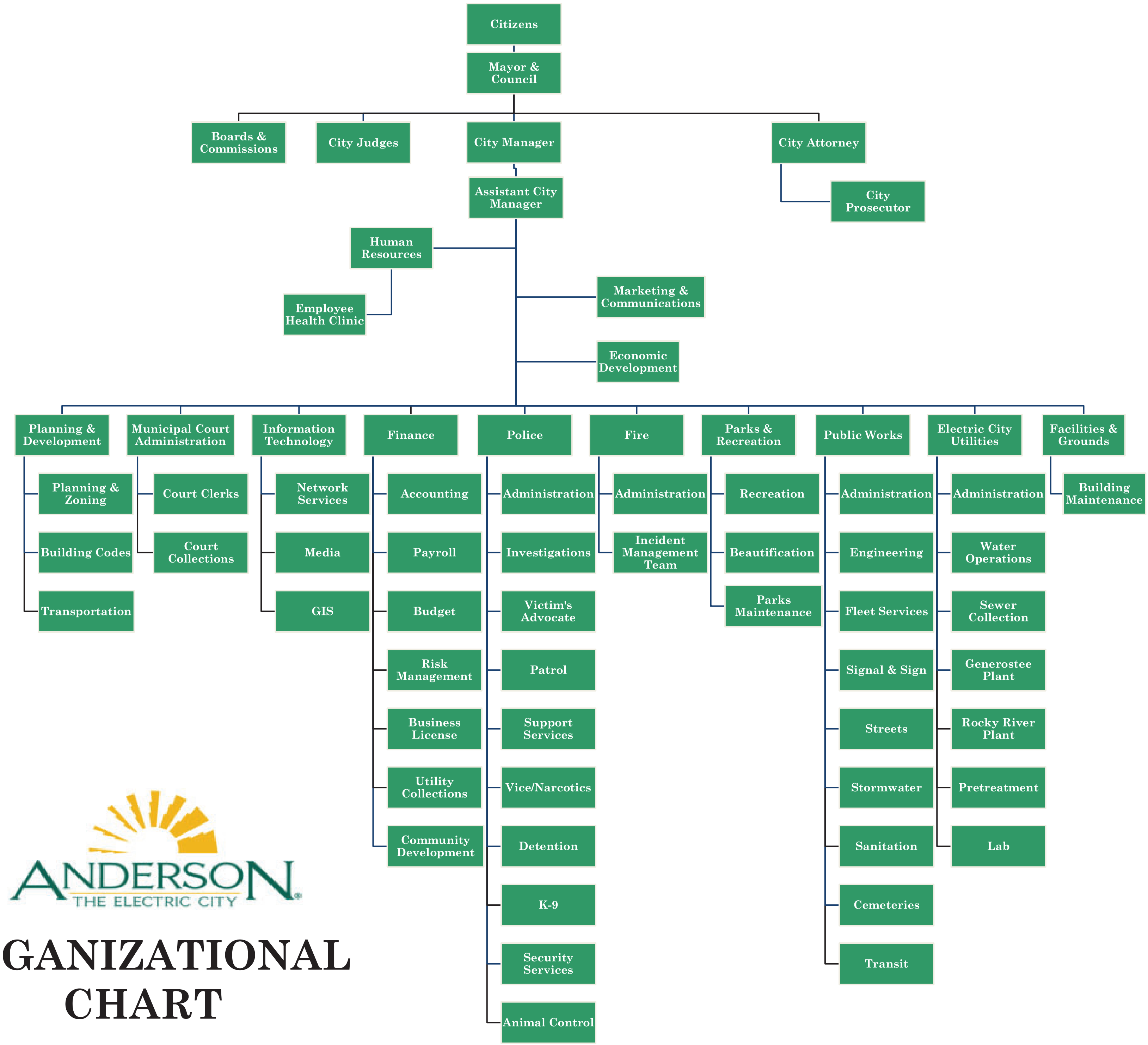
PUBLIC WORKS DIRECTOR
Kenneth M. Mullinax

UTILITIES DIRECTOR
T. Scott Banks

PARKS & RECREATION DIRECTOR
Angela B. Watkins

INFORMATION TECHNOLOGY DIRECTOR
Jason B. Nixon

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, 2024

Christopher P. Morrill

Executive Director/CEO

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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, 2025, 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, 2025, 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.

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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 3, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 3, 2025

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ANDERSON
THE ELECTRIC CITY

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, 2025 ("FY 2025" or "2025") compared to the year ended June 30, 2024 ("FY 2024" or "2024"). 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 $120,994,000 (*net position*). Of this amount, approximately $50,168,000 and $70,826,000 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 ($12,044,000) for its governmental activities and approximately $16,651,000 for its business-type activities.
- The government's total net position decreased by approximately $2,378,000 for governmental activities and increased by approximately $10,436,000 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 $23,989,000, an increase of approximately $2,100,000 over the prior year's fund balances.
- The City's General Fund reported total fund balance of approximately $9,658,000. Approximately 82% of this total amount, or approximately $7,932,000, is available for spending at the government's discretion (*unassigned fund balance*). The unassigned fund balance for the General Fund was approximately 19.5% of total General Fund expenditures but would have been 22.5% without the $4,673,000 of one-time expenditures for capital outlay, repairs and maintenance, and approximately $844,000 of costs related to Hurricane Helene.
- The City's governmental activities capital assets increased by approximately $14,083,000 (22%) during the current fiscal year primarily due to capital asset additions of approximately $18,833,000, partially offset by depreciation expense and net disposals of capital assets of approximately $4,704,000 and $46,000, respectively. The City's business-type activities capital assets increased by approximately $1,772,000 (2%) during the current year primarily due to capital asset additions of approximately $8,049,000, partially offset by depreciation expense and net disposals of capital assets of approximately $6,191,000 and $87,000, respectively.
- The City's governmental activities total debt (including infrastructure reimbursement obligations) increased by approximately $12,694,000 (86%) during the current year primarily due to additions of a limited obligation bond and financed purchase agreements of approximately $14,228,000, partially offset by regularly scheduled principal payments of approximately $1,534,000. The City's business-type activities total debt decreased approximately $3,916,000 (6%) during the current year due to regularly scheduled principal payments and amortization of premiums of approximately $5,266,000, partially offset by the addition of a financed purchase agreement of approximately $1,350,000.
- 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, 2025 compared to June 30, 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and Other Assets	$ 36,933,398	36,628,668	28,085,209	23,333,734	65,018,607	$ 59,962,402
Capital Assets, Net	76,876,367	62,793,768	112,787,092	111,015,402	189,663,459	173,809,170
Total Assets	113,809,765	99,422,436	140,872,301	134,349,136	254,682,066	233,771,572
Deferred Outflows of Resources	9,643,721	6,716,165	3,045,421	7,339,414	12,689,142	14,055,579
Liabilities						
Long-Term Liabilities	31,517,752	17,445,364	67,180,890	70,801,884	98,698,642	88,247,248
OPEB Liability - City Plan	644,198	639,422	108,614	107,810	752,812	747,232
Net Pension Liability - City Retirement Plan	9,463,437	2,825,291	2,601,062	7,655,946	12,064,499	10,481,237
Net Pension Liability - State Retirement Plan	15,304,544	16,170,483	-	-	15,304,544	16,170,483
Other Liabilities	11,939,019	13,299,558	2,621,051	731,167	14,560,070	14,030,725
Total Liabilities	68,868,950	50,380,118	72,511,617	79,296,807	141,380,567	129,676,925
Deferred Inflows of Resources	4,417,033	3,212,533	580,064	2,001,235	4,997,097	5,213,768
Net Position						
Net Investment in Capital Assets	53,250,695	48,193,111	48,278,452	43,528,608	101,529,147	91,721,719
Restricted	8,960,314	9,373,897	5,896,914	5,531,576	14,857,228	14,905,473
Unrestricted	(12,043,506)	(5,021,058)	16,650,675	11,330,324	4,607,169	6,309,266
Total Net Position	$ 50,167,503	52,545,950	70,826,041	60,390,508	120,993,544	$ 112,936,458

The City's total assets and deferred outflows of resources increased approximately $19,544,000 from the prior year to approximately $267,371,000 at June 30, 2025. Deferred outflows decreased approximately $1,366,000 primarily due to net decreases in pension charges. Current and Other Assets increased approximately $5,056,000 from the prior year primarily due to increases in cash and cash equivalents, intergovernmental receivables, and prepaids. Net capital assets increased approximately $15,854,000 primarily due to capital asset additions of approximately $26,882,000 exceeding depreciation expense and net disposals of approximately $11,028,000.

Total liabilities and deferred inflows of resources increased approximately $11,487,000 from the prior year. The increase is primarily due to increases in the City's pension plan, and long-term liabilities due to issuing new debt, partially offset by net decreases to the State pension plan and the deferred pension/OPEB credits related to the City's pension/OPEB plans.

The City's net position increased by approximately $8,057,000 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 $120,994,000 at June 30, 2025. The largest portion of the City's net position of approximately $101,529,000 (approximately 84%) 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 $14,857,000 (approximately 12%) 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 $4,607,000 (approximately 4%) 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 2025 compared to 2024.

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	$ 7,095,449	7,261,506	28,574,161	27,170,168	35,669,610	$ 34,431,674
Operating Grants and Contributions	2,093,295	6,283,733	1,442,992	1,074,105	3,536,287	7,357,838
Capital Grants and Contributions	4,581,037	408,401	4,428,051	487,628	9,009,088	896,029
General Revenues:						
Taxes	34,408,422	32,933,768	-	-	34,408,422	32,933,768
Other	2,336,041	2,279,156	835,659	591,798	3,171,700	2,870,954
Total Revenues	50,514,244	49,166,564	35,280,863	29,323,699	85,795,107	78,490,263
Expenses:						
General Government	10,942,545	8,860,467	-	-	10,942,545	8,860,467
Public Safety	22,141,697	19,497,948	-	-	22,141,697	19,497,948
Public Works	7,229,537	4,119,265	-	-	7,229,537	4,119,265
Community & Economic Development	2,605,171	2,308,831	-	-	2,605,171	2,308,831
Cemetery	549,400	559,455	-	-	549,400	559,455
Recreation	5,689,139	3,810,756	-	-	5,689,139	3,810,756
Sanitation	2,866,658	3,170,481	-	-	2,866,658	3,170,481
Advertising and Tourism	1,044,288	359,306	-	-	1,044,288	359,306
Interest	930,762	449,428	-	-	930,762	449,428
Sewer	-	-	12,335,360	12,213,907	12,335,360	12,213,907
Water	-	-	8,545,039	10,625,469	8,545,039	10,625,469
Storm Water	-	-	1,030,429	1,090,841	1,030,429	1,090,841
Transit	-	-	1,827,996	2,222,478	1,827,996	2,222,478
Total Expenses	53,999,197	43,135,937	23,738,824	26,152,695	77,738,021	69,288,632
Change in Net Position Before Transfers	(3,484,953)	6,030,627	11,542,039	3,171,004	8,057,086	9,201,631
Transfers In (Out)	1,106,506	(1,754,123)	(1,106,506)	1,754,123	-	-
Change in Net Position	(2,378,447)	4,276,504	10,435,533	4,925,127	8,057,086	9,201,631
Net Position, Beginning of Year	52,545,950	48,269,446	60,390,508	55,465,381	112,936,458	103,734,827
Net Position, End of Year	$ 50,167,503	52,545,950	70,826,041	60,390,508	120,993,544	$ 112,936,458

Governmental Activities: Governmental activities decreased the City's net position by approximately $2,378,000 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 2025 increased approximately $1,348,000 (3%) from the prior year and were approximately $50,514,000 primarily due to increases in tax collections (higher assessed values) and capital grants and contributions, partially offset by decreases in operating grants and contributions.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

- Total governmental activities expenses have increased due to City's pension plan adjustments, increases in salaries and benefits, depreciation expense, and one-time expenses for capital purchases, repairs and maintenance, and costs related to Hurricane Helene for an overall increase of approximately $10,863,000 (25%) from the prior year.

Business-Type Activities: Net position for business-type activities (sewer, water, storm water, and transit) increased by approximately $10,436,000. 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 $23,989,000, an increase of approximately $2,100,000 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 32% or $7,675,000 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 ($1,023,000; nonspendable), (2) Permanent Fund principal ($2,250,000; nonspendable), (3) unspent debt proceeds ($6,220,000; restricted), (4) perpetual care ($808,000; restricted), (5) tourism related expenditures ($4,727,000; restricted), (6) community development ($224,000; restricted), (7) cemetery ($188,000; restricted), (8) public safety ($1,000; restricted), (9) opioid recovery funds ($183,000; restricted), (10) transit expenditure funds ($54,000; restricted), (11) capital projects ($52,000; assigned), (12) emergency management costs ($1,000; assigned), and (13) appropriated for use in the fiscal year 2026 ("FY 26") budget ($583,000; 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 $9,658,000. 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 ($7,932,000) represents approximately 19.5% of total General Fund expenditures for the current year (but would have been 22.5% without the $4,673,000 of one-time expenditures for capital outlay, repairs and maintenance, and approximately $844,000 of costs related Hurricane Helene).

The fund balance for the General Fund decreased by approximately $3,439,000, or 26%, in the current year compared to an increase of approximately $1,780,000, or 16%, in the prior year. The City planned for the use of fund balance for capital projects this year in the amount of $3,396,000. (See the Capital Assets Section for additional details.) The City also exceeded budget in expenditures and transfers of $1,024,000, partially offset by higher taxes and business license revenues of approximately $1,880,000. Total expenditures and transfers out of approximately $49,504,000 exceeded revenues, transfers in, and the issuance of financed purchases of approximately $46,065,000.

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 $9,008,000 and consists of restrictions for unspent debt proceeds and for tourism related costs. The fund balance for the Hospitality Fee Fund increased by approximately $4,740,000, or 111%, in the current year compared to a decrease of approximately $491,000, or 10%, in the prior year. Revenues, transfers in, the issuance of debt (with a premium) of approximately $20,198,000 exceeded expenditures and transfers out of approximately $15,458,000.

In addition, the fund balances of the other governmental funds increased by approximately $800,000, or 18%, over the prior year ending fund balances which was primarily due to an increase in the Capital Projects Fund of approximately $738,000 (which was primarily due to the issuance of a financed purchase).

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 $70,826,000. Details on changes in the City's proprietary funds were as follows:

- Sewer Fund – total sewer operating revenues of $16,102,000 increased approximately $959,000 or 6% from the prior year primarily due to an increase in the operations and management rate charged to the City's wholesale partners of Anderson County and Homeland Park Water and Sewer. Sewer operating expenses of $10,955,000 increased approximately $240,000 or 2% from the prior year primarily due to inflation, sewer assessment costs, increased costs for chemicals and electricity, and depreciation, partially offset by lower administration and sewer line costs. Net position increased approximately $6,286,000 as a result of revenues exceeding expenses.
- Water Fund – total water operating revenues of $10,690,000 increased approximately $256,000 or 2% from the prior year. Water operating expenses of $8,117,000 decreased $2,010,000 or 20% from the prior year primarily due to lower administration, pension, and water distribution and storage costs. Net position increased approximately $3,509,000 from the prior year due to revenues exceeding expenses.
- Nonmajor Enterprise Funds – total operating revenues of $1,782,000 increased approximately $188,000 or 12% from the prior year primarily due to an increase in stormwater and transit revenues. Total operating expenses of $2,814,000 decreased approximately $484,000 or 15% from the prior year due to decreases in administrative costs partially offset by increases in operating costs. Net position increased approximately $641,000 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 2025, the City Pension Plan's net position increased approximately $2,613,000 to approximately $39,232,000 at June 30, 2025, primarily due to an increase in market value of investments of approximately $3,674,000, employer contributions of approximately $1,077,000, and interest and dividends of approximately $879,000, partially offset by benefit and administrative payments of approximately $3,017,000. 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 $168,000 at June 30, 2025.

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 2025 General Fund budget were added as follows:

- Expenditures and revenue for South Carolina Municipal Insurance Trust return surplus
- Expenditures and grant revenue for police division body cameras
- Expenditures and grant revenue for fire division protective personal equipment
- Revenue related to Opioid Recovery Grant
- Expenditures and revenue for police E Share revenues
- Expenditures and revenue for police DEA overtime
- Expenditures and grant revenue for the American Rescue Plan
- Expenditures and revenue for insurance proceeds – increased this year due to the Hurricane Helene (insurance proceeds of approximately $536,000)
- Planned use of fund balance and related expenditure for completion of Fire Station 1 roof repair
- Planned use of fund balance and related expenditures to purchase property – land for fire station 4 and property at 406-420 S Main Street
- Expenditures and use of fund balance and insurance proceeds to purchase new fire truck to replace truck damaged during Hurricane Helene
- Proceeds from financed purchase agreement and related expenditures for two new fire trucks

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

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 over budget primarily due to increases in salaries and benefits and equipment purchases.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of June 30, 2025 and June 30, 2024, amounted to approximately $189,663,000 and $173,809,000 (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, 2025 and June 30, 2024 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 7,962,440	6,894,681	1,889,949	1,889,949	9,852,389	$ 8,784,630
Construction in Progress	15,002,659	3,818,133	5,822,807	1,575,947	20,825,466	5,394,080
Buildings and Improvements	68,876,879	66,057,455	152,152,422	151,162,986	221,029,301	217,220,441
Water Tanks and Lines	-	-	46,223,432	45,516,313	46,223,432	45,516,313
Infrastructure	16,256,743	16,256,743	-	-	16,256,743	16,256,743
Machinery and Equipment	5,101,940	4,781,213	4,426,878	3,639,869	9,528,818	8,421,082
Furniture and Fixtures	21,235	21,235	413,737	413,737	434,972	434,972
Vehicles	15,823,107	13,085,496	6,991,517	6,498,254	22,814,624	19,583,750
Capital Assets, Gross	129,045,003	110,914,956	217,920,742	210,697,055	346,965,745	321,612,011
Accumulated Depreciation	52,168,636	48,121,188	105,133,650	99,681,653	157,302,286	147,802,841
Capital Assets, Net	$ 76,876,367	62,793,768	112,787,092	111,015,402	189,663,459	$ 173,809,170

The total increase in the City's capital assets for the current fiscal year was approximately $15,854,000 (9%). Major capital asset events during the current year included the following:

- Capital asset additions of approximately $18,833,000 for governmental activities which consisted primarily of the following:
  - Additions related to construction in progress of approximately $14,136,000 which were primarily related to the Linley Park additions ($10,366,000), Cater's Lake additions ($1,664,000), the Fire Station 1 roof project ($997,000), the Bea Thompson Park project ($341,000), Highway 29 and Orr Street Boulevard Streetscape project ($479,000), and other capital projects ($289,000).
  - Land for approximately $1,068,000.
  - Buildings and improvements for approximately $27,000.
  - Purchase of vehicles for approximately $2,886,000.
  - Purchases of machinery and equipment for approximately $716,000.
- Capital asset additions of approximately $8,049,000 for business-type activities which consisted primarily of the following:
  - Additions related to construction in progress of approximately $5,295,000 primarily related to the Generostee Creek sewer relief project ($2,364,000), the Generostee Creek lime feed installation project ($532,000), the Rocky River storage pond and digester lid projects ($620,000), the Main Street water line replacement project ($1,025,000), the Lafayette and White Street stormwater project ($274,000), and other projects ($480,000).

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

  - Purchase of vehicles for approximately $1,222,000.
  - Buildings and improvements for approximately $545,000.
  - Water tank and lines for approximately $159,000.
  - Purchase of machinery and equipment of approximately $829,000.
- Depreciation expense of approximately $4,704,000 for governmental activities and approximately $6,191,000 for business-type activities.
- Net disposals of approximately $46,000 for governmental activities and approximately $87,000 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.

Debt Administration

As of June 30, 2025 and June 30, 2024, the City had total outstanding debt (including infrastructure reimbursement obligations) of approximately $92,635,000 and $83,857,000, respectively. Of the City's total long-term obligations at June 30, 2025, approximately $612,000 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, 2025 and June 30, 2024 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Debt:						
General Obligation Bonds	$ 612,000	818,000	-	-	612,000	$ 818,000
Revenue Bonds *	5,647,000	5,934,000	59,084,644	64,069,315	64,731,644	70,003,315
Special Obligation Bond	5,816,000	6,241,000	-	-	5,816,000	6,241,000
Limited Obligation Bond	11,115,000	-	-	-	11,115,000	-
SC State Revolving Fund Loans	-	-	4,802,081	5,083,113	4,802,081	5,083,113
Financed Purchases	3,481,574	939,669	1,350,000	-	4,831,574	939,669
Infrastructure Reimbursement	726,866	772,089	-	-	726,866	772,089
Total Debt	$ 27,398,440	14,704,758	65,236,725	69,152,428	92,635,165	$ 83,857,186

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

The total increase in the City's debt (including infrastructure reimbursement obligations) for the current year was approximately $8,778,000 or 10%. Major 2025 events for the City's governmental and business-type activities were as follows:

- The City's governmental activities total debt increased by approximately $12,694,000 (86%) during the current year primarily due to additions of a limited obligation bond and financed purchase agreements of approximately $14,228,000, partially offset by regularly scheduled principal payments of approximately $1,534,000.

- The City's business-type activities total debt decreased approximately $3,916,000 (6%) during the current year due to regularly scheduled principal payments and amortization of premiums of approximately $5,266,000, partially offset by the addition of a financed purchase agreement of approximately $1,350,000.

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, 2025, the City had $612,000 of bonded debt subject to the 8% limit of approximately $11,498,000 resulting in an unused legal debt margin of approximately $10,886,000.

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 26 BUDGET FOR THE CITY

The City's elected officials and staff considered many factors when setting the FY 26 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 26 budget of $571,000 for an increase in property tax revenues for annexed properties and new business developments in the City for a total budget of $15,951,000 for property tax collections.
- Total business license revenue is budgeted at $12,380,000, an increase of $530,000 from the prior year budget.
- The hospitality fee collections are budgeted at $4,500,000, an increase of $200,000 from the prior year budget, as collections continue to increase.
- The FY 26 sewer, and water budgets decreased by approximately $576,000 and $218,000, respectively, due to decreases in capital spending. The utility funds did not have any planned rate increases.
- Transfers from the Sewer, Water, Storm Water and Hospitality Fee Funds to the General Fund are budgeted to be approximately $2,816,000 for FY 26. 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 the planned use of fund balance for one-time costs of approximately $3,306,000, including approximately $583,000 for the General Fund and $2,085,000 for Hospitality projects that are being carried over to the FYE 2026 year.

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, 2025

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Cash Equivalents	$ 5,975,693	15,606,057	$ 21,581,750
Cash and Cash Equivalents, Restricted	19,244,144	8,616,243	27,860,387
Investments, Restricted	3,029,892	-	3,029,892
Receivables, Net:			
Interest	37,857	-	37,857
Property Taxes	695,001	-	695,001
Accounts	825,091	1,111,719	1,936,810
Utilities	2,911,964	-	2,911,964
Lease	223,101	-	223,101
Other	110,671	-	110,671
Intergovernmental Receivables	1,996,936	2,510,424	4,507,360
Community and Business Development Note Receivables	859,722	-	859,722
Prepaids and Inventories	1,023,326	240,766	1,264,092
Capital Assets:			
Non-Depreciable	22,965,099	7,712,756	30,677,855
Depreciable, Net	53,911,268	105,074,336	158,985,604
TOTAL ASSETS	**113,809,765**	**140,872,301**	**254,682,066**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Refunding Charges	-	1,596,495	1,596,495
Deferred Other Postemployment Benefit Charges - City Plan	243,737	-	243,737
Deferred Pension Charges - City Pension Plan	5,271,625	1,448,926	6,720,551
Deferred Pension Charges - State Retirement Plan	4,128,359	-	4,128,359
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**9,643,721**	**3,045,421**	**12,689,142**
LIABILITIES			
Accounts Payable	3,637,339	3,180,924	6,818,263
Accrued Interest Payable	476,639	1,188,224	1,664,863
Accrued Salaries and Benefits	1,866,192	-	1,866,192
Customer Deposits	-	838,811	838,811
Other Accrued Liabilities	2,810	500,258	503,068
Intergovernmental Payables	35,365	-	35,365
Internal Balances	3,087,166	(3,087,166)	-
Unearned Revenues	2,833,508	-	2,833,508
Non-Current Liabilities:			
Long-Term Obligations - Due Within One Year	3,573,130	6,088,039	9,661,169
Long-Term Obligations - Due in More Than One Year	27,944,622	61,092,851	89,037,473
Total Other Postemployment Benefit Liability - City Plan - Due in More Than One Year	644,198	108,614	752,812
Total Pension Liability - City Pension Plan - Due in More Than One Year	9,463,437	2,601,062	12,064,499
Total Pension Liability - State Retirement Plan - Due in More Than One Year	15,304,544	-	15,304,544
TOTAL LIABILITIES	**68,868,950**	**72,511,617**	**141,380,567**
DEFERRED INFLOWS OF RESOURCES			
Deferred Lease Revenue	212,763	-	212,763
Deferred Refunding Credits	-	195,428	195,428
Deferred Other Postemployment Benefit Credits - City Plan	825,758	-	825,758
Deferred Pension Credits - City Plan	1,399,420	384,636	1,784,056
Deferred Pension Credits - State Retirement Plan	1,979,092	-	1,979,092
TOTAL DEFERRED INFLOWS OF RESOURCES	**4,417,033**	**580,064**	**4,997,097**
NET POSITION			
Net Investment in Capital Assets	53,250,695	48,278,452	101,529,147
Restricted For:			
Debt Service	-	5,896,914	5,896,914
Perpetual Care	807,579	-	807,579
Transportation Investment - Nonexpendable	2,250,000	-	2,250,000
Transportation Investment - Expendable	54,006	-	54,006
Community Development	1,083,244	-	1,083,244
Tourism Related Costs	4,383,003	-	4,383,003
Other	382,482	-	382,482
Unrestricted	(12,043,506)	16,650,675	4,607,169
TOTAL NET POSITION	**$ 50,167,503**	**70,826,041**	**$ 120,993,544**

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, 2025

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	$ 10,942,545	2,804,111	288,708	-	(7,849,726)	-	$ (7,849,726)
Public Safety	22,141,697	2,247,898	888,513	-	(19,005,286)	-	(19,005,286)
Public Works	7,229,537	413,375	134,103	1,374,311	(5,307,748)	-	(5,307,748)
Community and Economic Development	2,605,171	197,088	781,971	-	(1,626,112)	-	(1,626,112)
Cemetery	549,400	317,627	-	-	(231,773)	-	(231,773)
Recreation	5,689,139	314,895	-	3,206,726	(2,167,518)	-	(2,167,518)
Sanitation	2,866,658	800,455	-	-	(2,066,203)	-	(2,066,203)
Advertising and Tourism	1,044,288	-	-	-	(1,044,288)	-	(1,044,288)
Interest on Long-Term Obligations	930,762	-	-	-	(930,762)	-	(930,762)
Total Governmental Activities	**53,999,197**	**7,095,449**	**2,093,295**	**4,581,037**	**(40,229,416)**	**-**	**(40,229,416)**
Business-Type Activities:							
Sewer	12,335,360	16,101,886	193,939	3,366,103	-	7,326,568	7,326,568
Water	8,545,039	10,690,193	-	1,061,948	-	3,207,102	3,207,102
Storm Water	1,030,429	1,209,584	-	-	-	179,155	179,155
Transit	1,827,996	572,498	1,249,053	-	-	(6,445)	(6,445)
Total Business-Type Activities	**23,738,824**	**28,574,161**	**1,442,992**	**4,428,051**	**-**	**10,706,380**	**10,706,380**
TOTAL - PRIMARY GOVERNMENT	**$ 77,738,021**	**35,669,610**	**3,536,287**	**9,009,088**	**(40,229,416)**	**10,706,380**	**(29,523,036)**

	Governmental Activities	Business-Type Activities	Total
General Revenues and Transfers:			
General Revenues:			
Taxes:			
Property Taxes	16,105,788	-	16,105,788
Hospitality Fees	4,501,058	-	4,501,058
Accommodations Taxes	784,891	-	784,891
Franchise Taxes	7,508,638	-	7,508,638
Business Licenses	5,448,297	-	5,448,297
Other Taxes	59,750	-	59,750
Intergovernmental Revenue - Unrestricted	734,975	-	734,975
Investment Income	1,312,664	835,659	2,148,323
Miscellaneous	288,402	-	288,402
Transfers In (Out)	1,106,506	(1,106,506)	-
Total General Revenues and Transfers	37,850,969	(270,847)	37,580,122
CHANGE IN NET POSITION	**(2,378,447)**	**10,435,533**	**8,057,086**
NET POSITION, BEGINNING OF YEAR	52,545,950	60,390,508	112,936,458
NET POSITION, END OF YEAR	**50,167,503**	**70,826,041**	**$ 120,993,544**

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, 2025

	GENERAL	HOSPITALITY FEE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	$ 5,971,653	-	4,040	$ 5,975,693
Cash and Cash Equivalents, Restricted	5,795,409	11,105,281	2,343,454	19,244,144
Investments, Restricted	-	-	3,029,892	3,029,892
Receivables, Net:				
Interest	456	-	37,401	37,857
Property Taxes	695,001	-	-	695,001
Accounts	-	369,344	455,747	825,091
Utilities	2,911,964	-	-	2,911,964
Lease	223,101	-	-	223,101
Other	-	-	110,671	110,671
Intergovernmental Receivables	1,996,936	-	-	1,996,936
Due From Other Funds	1,050,530	44,097	123,053	1,217,680
Prepaids and Inventories	921,209	-	102,117	1,023,326
TOTAL ASSETS	**$ 19,566,259**	**11,518,722**	**6,206,375**	**$ 37,291,356**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 947,160	2,510,819	179,360	$ 3,637,339
Accrued Salaries and Benefits	1,861,559	-	4,633	1,866,192
Other Accrued Liabilities	2,810	-	-	2,810
Intergovernmental Payables	35,365	-	-	35,365
Due To Other Funds	3,605,812	-	699,034	4,304,846
Unearned Revenues	2,833,508	-	-	2,833,508
TOTAL LIABILITIES	**9,286,214**	**2,510,819**	**883,027**	**12,680,060**
DEFERRED INFLOWS OF RESOURCES				
Deferred Lease Revenue	212,763	-	-	212,763
Unavailable Revenue - Property Taxes	409,152	-	-	409,152
TOTAL DEFERRED INFLOWS OF RESOURCES	**621,915**			**621,915**
FUND BALANCES				
Nonspendable:				
Prepaid and Inventories	921,209	-	102,117	1,023,326
Permanent Fund Principal	-	-	2,250,000	2,250,000
Restricted For:				
Capital Equipment - Unspent Debt Proceeds	37,572	5,379,441	803,249	6,220,262
Perpetual Care	-	-	807,579	807,579
Tourism Related Costs	-	3,628,462	1,097,987	4,726,449
Community Development	-	-	223,494	223,494
Cemetery	-	-	188,480	188,480
Public Safety	-	-	1,000	1,000
Opioid Recovery	183,144	-	-	183,144
Transit Expenditures	-	-	54,006	54,006
Assigned For:				
Capital Projects	-	-	52,477	52,477
Emergency Management Costs	675	-	-	675
Appropriated for Use in Fiscal Year 2025 Budget	583,200	-	-	583,200
Unassigned	7,932,330	-	(257,041)	7,675,289
TOTAL FUND BALANCES	**9,658,130**	**9,007,903**	**5,323,348**	**23,989,381**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 19,566,259**	**11,518,722**	**6,206,375**	**$ 37,291,356**

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, 2025

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	**$ 23,989,381**
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.	409,152
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.	859,722
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 $129,045,003 and the accumulated depreciation was $52,168,636.	76,876,367
Accrued interest on the long-term obligations in governmental accounting is not due or payable in the current period, therefore, they have not been reported as a liability in the funds.	(476,639)
The City's net pension liability, deferred outflows of resources, and deferred inflows of resources related to the City Pension Plan are not reported in the governmental funds but are in the Statement of Net Position.	(5,591,232)
The City's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to their participation in the State Retirement Plan are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(13,155,277)
The City's net other postemployment benefits ("OPEB") liability, deferred outflows of resources, and deferred inflows of resources related to the City's OPEB Plan are not reported in the governmental funds but are in the Statement of Net Position.	(1,226,219)
Long-term liabilities, including debt payable, are not due or payable in the current period and therefore are not reported as liabilities in the funds but are recorded in the Statement of Net Position. Long-term liabilities at year-end consisted of the following:	
Debt Obligations	(23,190,000)
Financed Purchase Obligations	(3,481,574)
Infrastructure Reimbursement Obligations	(726,866)
Compensated Absence Obligations	(4,119,312)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	**$ 50,167,503**

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, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	GENERAL	HOSPITALITY FEE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Property Taxes, Penalties, and Interest	$ 16,079,951	-	-	$ 16,079,951
Hospitality Fees	-	4,501,058	-	4,501,058
Accommodations Taxes	46,679	-	767,157	813,836
Licenses and Permits	13,548,816	-	-	13,548,816
Unrestricted Intergovernmental Revenue	734,975	-	-	734,975
Restricted Intergovernmental Revenue	5,802,808	-	781,971	6,584,779
Sales and Services	398,173	-	1,521,289	1,919,462
Fines and Forfeitures	140,641	-	-	140,641
Prisoner Per Diem	1,315,370	-	-	1,315,370
Program Income	-	-	362,259	362,259
Insurance	-	-	89,554	89,554
Capital Fees	-	-	687,414	687,414
Investment Earnings	653,430	485,328	173,905	1,312,663
Miscellaneous	2,562,408	-	392	2,562,800
TOTAL REVENUES	**41,283,251**	**4,986,386**	**4,383,941**	**50,653,578**
EXPENDITURES				
Current:				
General Government	7,760,106	-	-	7,760,106
Public Safety	20,679,826	-	89,305	20,769,131
Public Works	3,740,407	-	-	3,740,407
Community and Economic Development	848,805	-	1,199,586	2,048,391
Cemetery	-	-	529,341	529,341
Recreation	-	1,109,168	2,555,527	3,664,695
Sanitation	-	-	2,761,994	2,761,994
Advertising and Tourism	-	-	1,006,161	1,006,161
Nondepartmental	2,737,172	-	4,834	2,742,006
Capital Outlay	4,232,123	11,462,184	1,114,631	16,808,938
Debt Service:				
Principal Retirement	599,713	425,000	464,000	1,488,713
Interest and Fees	102,226	138,198	207,077	447,501
Bond Issuance Costs	33,986	323,340	23,635	380,961
TOTAL EXPENDITURES	40,734,364	13,457,890	9,956,091	64,148,345
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**548,887**	**(8,471,504)**	**(5,572,150)**	**(13,494,767)**
OTHER FINANCING SOURCES (USES)				
Limited Obligation Bonds Issued	-	11,115,000	-	11,115,000
Premium on Bonds	-	260,931	-	260,931
Financed Purchase Issued	1,752,618	-	1,360,000	3,112,618
Transfers In	3,029,361	3,835,322	5,090,809	11,955,492
Transfers Out	(8,770,196)	(2,000,000)	(78,790)	(10,848,986)
TOTAL OTHER FINANCING SOURCES (USES)	(3,988,217)	13,211,253	6,372,019	15,595,055
NET CHANGES IN FUND BALANCES	**(3,439,330)**	**4,739,749**	**799,869**	**2,100,288**
FUND BALANCES, BEGINNING OF YEAR	13,097,460	4,268,154	4,523,479	21,889,093
FUND BALANCES, END OF YEAR	**$ 9,658,130**	**9,007,903**	**5,323,348**	**$ 23,989,381**

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, 2025

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	**$ 2,100,288**
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.	25,837
Long-term community and business development loans (note receivables) made by the City during the current year are reported as expenditures in the governmental funds but are shown as a note receivable in the Statement of Net Position. Writeoffs on note receivables not deemed collectible are not reported in the funds, but are reported as an expense in the Statement of Activities.	95,000
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.	(165,171)
Debt proceeds provide current financial resources to governmental funds, but issuing debt also increases long-term liabilities in the Statement of Net Position.	(14,227,618)
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.	1,533,936
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.	(363,231)
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	(5,354,109)
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	1,149,095
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	123,633
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.	(1,378,706)
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.	(46,158)
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 $18,832,843 exceeded depreciation expense of $4,704,086 in the current period.	14,128,757
TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	**$ (2,378,447)**

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, 2025

	ENTERPRISE FUNDS			
	SEWER FUND	WATER FUND	NONMAJOR FUNDS	TOTAL
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 10,768,210	3,628,297	1,209,550	$ 15,606,057
Cash and Cash Equivalents, Restricted	6,812,218	1,630,794	173,231	8,616,243
Accounts Receivable, Net	1,111,719	-	-	1,111,719
Intergovernmental Receivables	2,051,361	-	459,063	2,510,424
Due From Other Funds	1,367,818	2,006,708	121,964	3,496,490
Prepaid and Inventories	165,949	38,242	36,575	240,766
Total Current Assets	22,277,275	7,304,041	2,000,383	31,581,699
Non-Current Assets:				
Capital Assets:				
Non-Depreciable	5,817,095	1,641,475	254,186	7,712,756
Depreciable, Net	75,151,233	21,741,552	8,181,551	105,074,336
Total Non-Current Assets	80,968,328	23,383,027	8,435,737	112,787,092
TOTAL ASSETS	**103,245,603**	**30,687,068**	**10,436,120**	**144,368,791**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Refunding Charges	1,596,495	-	-	1,596,495
Deferred Pension Charges - City Pension Plan	616,564	647,392	184,970	1,448,926
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**2,213,059**	**647,392**	**184,970**	**3,045,421**
LIABILITIES				
Current Liabilities:				
Accounts Payable	1,907,610	1,228,729	44,585	3,180,924
Accrued Interest Payable	852,394	333,894	1,936	1,188,224
Customer Deposits	-	838,811	-	838,811
Other Accrued Liabilities	498,132	2,126	-	500,258
Due To Other Funds	75,390	74,888	259,046	409,324
Current Portion of Debt Service Rebate	601,797	-	-	601,797
Current Portion of Compensated Absences	123,517	143,057	90,062	356,636
Current Portion of Debt	3,267,761	1,754,740	107,105	5,129,606
Total Current Liabilities	7,326,601	4,376,245	502,734	12,205,580
Non-Current Liabilities:				
Total Other Postemployment Benefit Liability - City Plan	35,581	54,307	18,726	108,614
Total Pension Liability - City Plan	1,106,835	1,162,176	332,051	2,601,062
Debt Service Rebate, Less Current Portion	529,857	-	-	529,857
Compensated Absences, Less Current Portion	226,808	182,922	46,145	455,875
Debt, Less Current Portion	45,099,518	14,598,526	409,075	60,107,119
Total Long-Term Liabilities	46,998,599	15,997,931	805,997	63,802,527
TOTAL LIABILITIES	**54,325,200**	**20,374,176**	**1,308,731**	**76,008,107**
DEFERRED INFLOWS OF RESOURCES				
Deferred Refunding Credits	-	195,428	-	195,428
Deferred Pension Credits - City Pension Plan	163,675	171,859	49,102	384,636
TOTAL DEFERRED INFLOWS OF RESOURCES	**163,675**	**367,287**	**49,102**	**580,064**
NET POSITION				
Net Investment in Capital Assets	34,172,847	6,186,048	7,919,557	48,278,452
Restricted for Debt Service	4,428,719	1,296,900	171,295	5,896,914
Unrestricted	12,368,221	3,110,049	1,172,405	16,650,675
TOTAL NET POSITION	**$ 50,969,787**	**10,592,997**	**9,263,257**	**$ 70,826,041**

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, 2025

	ENTERPRISE FUNDS			
	SEWER FUND	WATER FUND	NONMAJOR FUNDS	TOTAL
OPERATING REVENUES				
Charges for Services	$ 12,189,629	9,934,843	1,537,089	$ 23,661,561
Cost Recovery Charges	2,649,285	-	-	2,649,285
Pretreatment Fees	219,958	-	-	219,958
Permits and Fees	400,350	289,158	-	689,508
Other Operating Fees	642,664	466,192	244,993	1,353,849
TOTAL OPERATING REVENUES	**16,101,886**	**10,690,193**	**1,782,082**	**28,574,161**
OPERATING EXPENSES				
Administrative	790,755	715,978	384,290	1,891,023
Operating	-	-	1,168,145	1,168,145
Sewer Line	1,468,864	-	-	1,468,864
Plant	3,691,053	-	-	3,691,053
Sewer Lab	60,820	-	-	60,820
Pretreatment	172,079	-	-	172,079
Municipal Business Center	-	142,483	-	142,483
Water Distribution and Storage	-	2,163,617	-	2,163,617
Garage	-	-	298,011	298,011
Nondepartmental	550,091	283,112	131,440	964,643
Purchased Water	-	3,635,419	-	3,635,419
Depreciation and Amortization	4,221,343	1,176,691	832,363	6,230,397
TOTAL OPERATING EXPENSES	**10,955,005**	**8,117,300**	**2,814,249**	**21,886,554**
OPERATING INCOME (LOSS)	**5,146,881**	**2,572,893**	**(1,032,167)**	**6,687,607**
NON-OPERATING REVENUES (EXPENSES)				
Federal Grants	193,939	-	1,043,719	1,237,658
State Grants	-	-	205,334	205,334
Interest Earned on Investments	603,870	190,071	41,718	835,659
Interest on Long-Term Obligations	(1,356,893)	(427,739)	(12,698)	(1,797,330)
Bond Issuance Costs	(23,462)	-	-	(23,462)
Gain (Loss) on Sale of Capital Assets	-	-	(31,478)	(31,478)
TOTAL NON-OPERATING REVENUES (EXPENSES)	**(582,546)**	**(237,668)**	**1,246,595**	**426,381**
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	**4,564,335**	**2,335,225**	**214,428**	**7,113,988**
Capital Contributions - Capacity Fees	1,425,100	903,000	-	2,328,100
Federal Capital Grants	1,584,855	-	-	1,584,855
Donated Capital Assets	356,148	158,948	-	515,096
Transfers In	175,960	946,450	716,891	1,839,301
Transfers Out	(1,820,000)	(835,000)	(290,807)	(2,945,807)
CHANGE IN NET POSITION	**6,286,398**	**3,508,623**	**640,512**	**10,435,533**
NET POSITION, BEGINNING OF YEAR	44,683,389	7,084,374	8,622,745	60,390,508
NET POSITION, END OF YEAR	**$ 50,969,787**	**10,592,997**	**9,263,257**	**$ 70,826,041**

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, 2025

	ENTERPRISE FUNDS			
	SEWER FUND	WATER FUND	NONMAJOR FUNDS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	$ 16,288,506	10,687,995	1,782,082	$ 28,758,583
Payments to Suppliers for Goods and Services	(5,407,930)	(7,012,565)	(2,148,722)	(14,569,217)
Payments for Personal Services	(1,654,166)	(866,568)	(264,411)	(2,785,145)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	9,226,410	2,808,862	(631,051)	11,404,221
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
State and Federal Grants	(607,766)	-	1,279,540	671,774
Transfers to Other Funds	(1,926,448)	(835,000)	(290,807)	(3,052,255)
Transfers from Other Funds	175,960	195,411	1,016,652	1,388,023
NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES	(2,358,254)	(639,589)	2,005,385	(992,458)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions - Capacity Fees and Grants	1,760,299	903,000	-	2,663,299
Acquisition of Capital Assets	(3,597,287)	(699,620)	(1,085,275)	(5,382,182)
Bond Issuance Costs	(23,462)	-	-	(23,462)
Bond, Revolving Fund Loan Principal Payments	(1,965,906)	(1,235,400)	(104,729)	(3,306,035)
Bond, Revolving Fund Loan Interest Payments	(1,779,460)	(693,586)	(13,090)	(2,486,136)
Debt Service Rebate Payments	(612,478)	-	-	(612,478)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(6,218,294)	(1,725,606)	(1,203,094)	(9,146,994)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Earnings	603,870	190,071	41,718	835,659
Short Term Investments, Net	1,375,000	425,000	50,000	1,850,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,978,870	615,071	91,718	2,685,659
NET INCREASE (DECREASE) IN RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS	**2,628,732**	**1,058,738**	**262,958**	**3,950,428**
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, Beginning of Year	14,951,696	4,200,353	1,119,823	20,271,872
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, End of Year	**$ 17,580,428**	**5,259,091**	**1,382,781**	**$ 24,222,300**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:				
Operating Income (Loss)	$ 5,146,881	2,572,893	(1,032,167)	$ 6,687,607
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:				
Depreciation and Amortization Expense	4,221,343	1,176,691	832,363	6,230,397
Change in Accounts Representing Operating Activities:				
Accounts Receivable	(414,785)	2	-	(414,783)
Prepaids and Inventory	(149,464)	(31,806)	(34,120)	(215,390)
Accounts Payable	134,107	242,571	18,379	395,057
Customer Deposits	-	(2,200)	-	(2,200)
Other Accrued Liabilities	35,226	1,759	-	36,985
Compensated Absences	169,363	103,686	32,735	305,784
Other Post Employment Benefits	264	402	138	804
Debt Service Rebate	601,405	-	-	601,405
Net Pension Liability	(1,285,693)	(2,771,605)	(997,586)	(5,054,884)
Deferred Pension Charges	1,158,299	2,255,841	808,105	4,222,245
Deferred Pension Credits	(390,536)	(739,372)	(258,898)	(1,388,806)
Net Cash Provided by (Used in) Operating Activities	$ 9,226,410	2,808,862	(631,051)	$ 11,404,221
Noncash Investing and Capital and Related Financing Items:				
Donated Capital Assets	$ 356,148	158,948	-	$ 515,096
Change in Acquisition of Capital Assets Not Yet Paid For	$ 1,463,524	648,285	(14,906)	$ 2,096,903

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 FUNDS**

JUNE 30, 2025

	PENSION TRUST FUND GENERAL EMPLOYEES' RETIREMENT PLAN	CUSTODIAL FUND SEIZURE AND COMMISSARY FUND
ASSETS		
Cash and Cash Equivalents	$ 1,843,742	$ 167,882
Investments:		
Commingled Domestic Equity Funds	23,109,552	-
Commingled Foreign Equity Funds	3,615,156	-
Commingled Domestic Bond Funds	10,347,279	-
Accounts Receivable:		
Contributions	285,820	-
Interest	30,697	-
TOTAL ASSETS	**$ 39,232,246**	**$ 167,882**
NET POSITION		
Restricted for Pensions	$ 39,232,246	$ 167,882
TOTAL NET POSITION	**$ 39,232,246**	**$ 167,882**

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 FUNDS

YEAR ENDED JUNE 30, 2025

	PENSION TRUST FUND	CUSTODIAL FUND
	GENERAL EMPLOYEES' RETIREMENT PLAN	SEIZURE AND COMMISSARY FUND
ADDITIONS		
Contributions:		
Employer	$ 1,076,920	$ -
Inmates	-	348,743
Total Contributions	1,076,920	348,743
Investment Earnings:		
Interest	48,052	-
Dividends	831,492	
Realized and Unrealized Appreciation in Fair Value of Investments	3,673,640	-
Total Investment Earnings	4,553,184	-
Confiscated Property	-	31,967
TOTAL ADDITIONS	**5,630,104**	**380,710**
DEDUCTIONS		
Pension Benefits	2,884,228	-
Administrative Expenses	133,115	-
Supplies and Services	-	243,444
Inmate Refunds	-	105,636
TOTAL DEDUCTIONS	3,017,343	349,080
NET INCREASE IN NET POSITION	**2,612,761**	**31,630**
NET POSITION, BEGINNING OF YEAR	36,619,485	136,252
NET POSITION, END OF YEAR	**$ 39,232,246**	**$ 167,882**

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.

Change in Accounting Principle

The City adopted GASB Statement No. 101, *Compensated Absences* ("GASB #101") for the year ended June 30, 2025. GASB #101 updates the recognition and measurement guidance for compensated absences so that a compensated absence liability is generally recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The adoption resulted in a current year decrease in the City's net position and an increase in long-term obligations of approximately $1,236,000 and $231,000 for the City's governmental and business-type activities, respectively. The cumulative effect of the adoption was not material, therefore beginning net position was not restated. See Note I.C.5 and Note III.F for more information.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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. 101 "*Compensated Absences*." The entire compensated absence liability and expense are 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, 2025, none of the City's bank balances of approximately $6,176,000 (with a carrying value of approximately $5,101,000) were exposed to custodial credit risk.

Investments - Non-Pension Trust Fund

As of June 30, 2025, the City had the following non-pension trust fund investments and maturities:

	Fair Value	Credit	Fair	Investment Maturities in Years			
Investment Type	Level [1]	Rating ^	Value	< 1 yr	1 - 3 yrs	3 - 5 yrs	> 5 yrs
LGIP	N/A	NR, NR, NR	$38,308,358	38,308,358	-	-	$ -
MMMF	Level 1	AAAm, Aaa-mf, AAAmmf	6,200,349	6,200,349	-	-	-
CDs	Level 1	~	592,338	273,773	318,565	-	-
US Securities	Level 1	*	1,506,144	-	660,167	280,382	565,595
Agency Securities	Level 1	AA+, Aa1, AA+	931,410	-	347,966	492,438	91,006
Total			$47,538,599	44,782,480	1,326,698	772,820	$ 656,601

(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, and Fitch Ratings.
~ 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, 2025 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	$ 5,101,313
Fair Value of Investments	47,538,598
Total Deposits and Investments	$ 52,639,911
Statement of Net Assets:	
Cash and Cash Equivalents	$ 21,581,750
Cash and Cash Equivalents, Restricted	27,860,387
Investments, Restricted	3,029,892
Statement of Fiduciary Net Assets - Agency Funds	
Cash and Cash Equivalents	167,882
Total Cash, Cash Equivalents, and Investments	$ 52,639,911

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, 2024 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	Investment Maturities in Years: >5 Years
Money Market Mutual Funds	Level 1	AAAm, Aaa-mf, AAAmmf	$ 1,843,742	1,843,742	$ -
Domestic Equity Funds	Level 1	~	23,109,552	~	~
Foreign Equity Funds	Level 1	~	3,615,156	~	~
Domestic Bond Funds	Level 1	NR, NR, NR	10,347,279	-	10,347,279
Total			$ 38,915,729	1,843,742	$ 10,347,279

~ 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 $695,000 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 $123,000. 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 2025 real and business personal property taxes (which was for tax year 2024) were levied in September 2024 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 $143.7 million for tax year 2024. 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 70 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, 2025, the outstanding notes receivable balance was approximately $700,000.

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, 2025, the outstanding notes receivable balance was approximately $160,000.

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 $995,000 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, 2025 consisted of the following:

Description	General Fund	Hospitality Fee Fund	Community Development Fund	Perpetual Care Fund	Accommodations Tax Fund	Parks and Recreation Fund	Transportation Investment Fund	Totals
Property Taxes, Net	$ 695,001	-	-	-	-	-	-	$ 695,001
Utilities	2,911,964	-	-	-	-	-	-	2,911,964
Accommodations Taxes	-	-	-	-	455,747	-	-	455,747
Hospitality Fees	-	369,344	-	-	-	-	-	369,344
Interest	456	-	-	8,336	-	-	29,065	37,857
MASC Fees	296,353	-	-	-	-	-	-	296,353
Franchise Fees	475,307	-	-	-	-	-	-	475,307
Aid to Subdivisions	190,629	-	-	-	-	-	-	190,629
School Resource Officer	257,462	-	-	-	-	-	-	257,462
Grants	134,103	-	-	-	-	-	-	134,103
Other	643,082	-	108,239	-	-	2,432	-	753,753
Net Receivables	$ 5,604,357	369,344	108,239	8,336	455,747	2,432	29,065	$ 6,577,520

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, 2025, the City had unearned revenue (unused stimulus grants) of approximately $2,834,000 and unavailable revenue (property taxes and grants) of approximately $409,000.

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, 2025, the City reported a lease receivable of approximately $223,000 and a corresponding deferred lease revenue of approximately $213,000 as required by GASB Statement No. 87 "*Leases*".

For the year ended June 30, 2025, the City received approximately $29,000 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
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	29,531	2,558	32,089
2031-2033	88,280	3,121	91,401
Totals	$ 223,101	22,656	$ 245,757

D. Interfund Receivables, Payables, and Transfers

Interfund Receivables and Payables

Interfund balances at June 30, 2025, 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	$ 1,050,530	$ 3,605,812
Hospitality Fee Fund	44,097	-
Major Enterprise Funds:		
Sewer Fund	1,367,818	75,390
Water Fund	2,006,708	74,888
Other Non-Major Funds:		
Other Governmental Funds	123,053	699,034
Other Enterprise Funds	121,964	259,046
Totals	$ 4,714,170	$ 4,714,170

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, 2025 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)

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. 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 and the Transit Fund. 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, 2025, consisted of the following:

Fund	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	$ 3,029,361	$ 8,770,196
Hospitality Fee Fund	3,835,322	2,000,000
Major Enterprise Funds:		
Sewer Fund	175,960	1,820,000
Water Fund	946,450	835,000
Other Non-Major Funds:		
Other Governmental Funds	5,090,809	78,790
Other Enterprise Funds	716,891	290,807
Totals	$ 13,794,793	$ 13,794,793

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 and grant funds 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 Community Development Fund, 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 Sewer Fund to the Hospitality Fee Fund were to cover costs for the utility infrastructure of that fund's capital projects. Transfers from the General Fund to the Public Facilities Corporation 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, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Non-Depreciable:					
Land	$ 6,894,681	1,067,759	-	-	$ 7,962,440
Construction In Progress	3,818,133	14,136,102	2,534	(2,949,042)	15,002,659
Total Capital Assets, Non-Depreciable	10,712,814	15,203,861	2,534	(2,949,042)	22,965,099
Capital Assets, Depreciable:					
Buildings and Improvements	66,057,455	26,960	156,578	2,949,042	68,876,879
Furniture and Fixtures	21,235	-	-	-	21,235
Vehicles	13,085,496	2,886,105	208,957	60,463	15,823,107
Machinery and Equipment	4,781,213	715,917	395,190	-	5,101,940
Infrastructure	16,256,743	-	-	-	16,256,743
Total Capital Assets, Depreciable	100,202,142	3,628,982	760,725	3,009,505	106,079,904
Less: Accumulated Depreciation for:					
Buildings and Improvements	22,242,674	2,456,578	117,910	-	24,581,342
Furniture and Fixtures	21,235	-	-	-	21,235
Vehicles	10,434,161	1,168,936	208,957	60,463	11,454,603
Machinery and Equipment	3,594,473	639,409	390,234	-	3,843,648
Infrastructure	11,828,645	439,163	-	-	12,267,808
Total Accumulated Depreciation	48,121,188	4,704,086	717,101	60,463	52,168,636
Total Capital Assets, Depreciable, Net	52,080,954	(1,075,104)	43,624	2,949,042	53,911,268
Governmental Activities Capital Assets, Net	$ 62,793,768	14,128,757	46,158	-	$ 76,876,367

Ongoing construction in progress in the City's governmental activities primarily relates to Linley Park updates and the Cater's Lake project. Total outstanding construction commitments related to these and other projects at June 30, 2025 were approximately $5,541,000.

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	$ 189,786	$ 839,631
Public Safety	4,342,309	1,186,694
Public Works	156,787	711,009
Community and Economic Development	340,949	872,765
Recreation	86,377	1,093,987
Nondepartmental	13,716,635	-
Total - Governmental Activities	$ 18,832,843	$ 4,704,086

Capital asset activity for the City's business-type activities for the year ended June 30, 2025, 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	1,575,947	5,295,089	55,294	(992,935)	5,822,807
Total Capital Assets, Non-Depreciable	3,465,896	5,295,089	55,294	(992,935)	7,712,756
Capital Assets, Depreciable:					
Buildings and Improvements	151,162,986	544,672	-	444,764	152,152,422
Water Tanks and Lines	45,516,313	158,948	-	548,171	46,223,432
Machinery and Equipment	3,639,869	828,968	230,181	188,222	4,426,878
Furniture and Fixtures	413,737	-	-	-	413,737
Vehicles	6,498,254	1,221,795	479,847	(248,685)	6,991,517
Total Capital Assets, Depreciable	207,231,159	2,754,383	710,028	932,472	210,207,986
Less: Accumulated Depreciation for:					
Buildings and Improvements	72,405,819	3,912,533	-	-	76,318,352
Water Tanks and Lines	19,099,286	1,321,921	-	-	20,421,207
Machinery and Equipment	3,343,516	356,561	230,181	188,222	3,658,118
Furniture and Fixtures	413,737	-	-	-	413,737
Vehicles	4,419,295	599,995	448,369	(248,685)	4,322,236
Total Accumulated Depreciation	99,681,653	6,191,010	678,550	(60,463)	105,133,650
Total Capital Assets, Depreciable, Net	107,549,506	(3,436,627)	31,478	992,935	105,074,336
Business-Type Activities Capital Assets, Net	$ 111,015,402	1,858,462	86,772	-	$ 112,787,092

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, 2025 were approximately $17,323,000.

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	$ 5,416,957	$ 4,149,593
Water	1,507,837	1,209,056
Storm Water	924,830	477,584
Transit	199,848	354,777
Total - Business-Type Activities	$ 8,049,472	$ 6,191,010

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 2025, the City received donations of approximately $515,000 (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") and Limited Obligation Bonds ("LOB") are considered special obligations 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, LOB, 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 contains 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, 2025 are as follows:

	Balance at June 30, 2025
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.	$ 612,000
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.	5,816,000
Limited Obligation Bond – PT	
$11,115,000 limited obligation bond (hospitality fee pledge) issued in November 2024 ("LOB – 11/24"), due in annual installments of $250,000 to $820,000 beginning February 1, 2026 through February 1, 2045, plus interest at 4.00% to 5.00% due semi-annually. Proceeds were used for the construction, improvement, equipping, and installation of upgrades to Linley Park, Cater's Lake Park, and other necessary capital projects in the City.	11,115,000
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.	5,647,000
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 (an older debt issuance). 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 on the following page.	$ 15,215,000

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

F. Long-Term Obligations (Continued)

	Balance at June 30, 2025
Revenue Bonds – PT (Continued)	
\$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 (older state revolving loans), 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.	\$ 22,495,000
\$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.	15,500,000
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.	4,285,900
\$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.	118,259
\$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.	397,922
Financed Purchase Obligations – DBP	
\$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 0.8806%. 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.	335,000
\$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 6.53%. The proceeds from this financed purchase obligation were used primarily for the purchase of audio visual equipment.	\$ 76,444

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

F. Long-Term Obligations (Continued)

	Balance at June 30, 2025
Financed Purchase Obligations – DBP (Continued)	
$227,618 financed purchase agreement, a direct placement, was entered into in July 2024 ("FP – 07/24"), with five annual payments (including interest) of approximately $50,000 beginning July 1, 2024 through July 1, 2028 which includes interest at 3.45%. The proceeds from this financed purchase obligation were used primarily for the purchase of tasers for the police department.	$ 185,130
$4,235,000 financed purchase agreement, a direct placement, was entered into in November 2024 ("FP – 11/24"), with five annual payments (including interest) of approximately $300,000 beginning November 1, 2025 through November 1, 2029 which includes interest at 3.67% ("FP – 11/24 - Sewer"), with seven annual payments (including interest) of approximately $224,000 beginning November 1, 2025 through November 1, 2031 which includes interest at 3.77% ("FP – 11/24 – Public Works"), and with ten annual payments (including interest) of approximately $187,000 beginning November 1, 2025 through November 1, 2034 which includes interest at 3.96% ("FP – 11/24 - Fire"). The proceeds from this financed purchase obligation were used primarily for the purchase equipment and vehicles for the Sewer Fund, equipment and vehicles for the public works department, and a fire truck for the fire department.	4,235,000
Infrastructure Reimbursement Obligations	
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.	578,915
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

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

F. Long-Term Obligations (Continued)

Presented below is a summary of changes in long-term obligations for the City's governmental activities for the year ended June 30, 2025:

Long-Term Obligations	Type of Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:						
Debt:						
General / Special & Limited Obligation Bonds:						
GORB – 05/20	DBP	$ 818,000	-	206,000	612,000	$ 215,000
SOB - 08/21	DBP	6,241,000	-	425,000	5,816,000	434,000
LOB - 11/24	PT	-	11,115,000	-	11,115,000	250,000
Total General / Special & Limited Obligation Bonds		7,059,000	11,115,000	631,000	17,543,000	899,000
Installment Purchase Revenue Bonds						
IPRB – 03/20	DBP	5,934,000	-	287,000	5,647,000	296,000
Financed Purchases:						
FP – 11/19	DBP	177,000	-	177,000	-	-
FP - 07/21	DBP	667,000	-	332,000	335,000	335,000
FP - 05/23	DBP	95,669	-	19,225	76,444	20,518
FP - 07/24	DBP	-	227,618	42,488	185,130	43,954
FP - 11/24 - Public Works	DBP	-	1,360,000	-	1,360,000	176,000
FP - 11/24 - Fire	DBP	-	1,525,000	-	1,525,000	130,000
Total Financed Purchases		939,669	3,112,618	570,713	3,481,574	705,472
Total Debt		13,932,669	14,227,618	1,488,713	26,671,574	1,900,472
Infrastructure Reimbursement	N/A	772,089	-	45,223	726,866	193,174
Compensated Absences	N/A	2,740,606	1,378,706	-	4,119,312	1,479,484
Total Governmental Activities		$ 17,445,364	15,606,324	1,533,936	31,517,752	$ 3,573,130

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

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, 2025, the City had $612,000 of bonded debt subject to the 8% limit of approximately $11,498,000 resulting in an unused legal debt margin of approximately $10,886,000.

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

F. Long-Term Obligations (Continued)

Presented below is a summary of changes in long-term obligations for the City's business-type activities for the year ended June 30, 2025:

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	$ 16,735,000	-	1,520,000	15,215,000	$ 1,595,000
RRB – 11/21	PT	22,830,000	-	335,000	22,495,000	350,000
RRB – 04/22	PT	18,020,000	-	2,520,000	15,500,000	2,645,000
Total Revenue Bonds		57,585,000	-	4,375,000	53,210,000	4,590,000
SC State Revolving Fund Loans:						
SRF – 05/17	DBP	4,462,206	-	176,306	4,285,900	179,501
RFL – Orr Street	DBP	144,483	-	26,224	118,259	26,819
RFL – Huntington Hills	DBP	476,426	-	78,504	397,922	80,286
Total SC State Revolving Fund Loans		5,083,115	-	281,034	4,802,081	286,606
Financed Purchases:						
FP - 11/24 - Sewer	DBP	-	1,350,000	-	1,350,000	253,000
Subtotal		62,668,115	1,350,000	4,656,034	59,362,081	5,129,606
Issuance Premiums	N/A	6,484,315	-	609,671	5,874,644	-
Total Debt		69,152,430	1,350,000	5,265,705	65,236,725	5,129,606
Compensated Absences	N/A	506,729	305,782	-	812,511	356,636
Debt Service Rebate	N/A	1,142,727	601,404	612,477	1,131,654	601,797
Total Business-Type Activities		$ 70,801,886	2,257,186	5,878,182	67,180,890	$ 6,088,039

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 financed purchases and 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, 2025.

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, 2025.

Presented below is a summary of debt service requirements to maturity by year for the City's governmental activities as of June 30, 2025:

	Direct Borrowing/Placement		Publicly Traded		
Year Ending June 30,	Principal	Interest	Principal	Interest	Total
Governmental Activities:					
2026	$ 1,650,472	433,419	250,000	600,298	$ 2,934,189
2027	1,347,369	399,941	365,000	490,075	2,602,385
2028	1,338,410	362,257	380,000	471,825	2,552,492
2029	1,182,323	324,490	400,000	452,825	2,359,638
2030	1,158,000	289,682	420,000	432,825	2,300,507
2031-2035	5,615,000	940,728	2,435,000	1,827,375	10,818,103
2036-2040	3,265,000	257,040	3,085,000	1,174,475	7,781,515
2041-2045	-	-	3,780,000	483,006	4,263,006
Totals	$ 15,556,574	3,007,557	11,115,000	5,932,704	$ 35,611,835

Presented below is a summary of debt service requirements to maturity by year for the City's business-type activities as of June 30, 2025:

	Direct Borrowing/Placement		Publicly Traded		
Year Ending June 30,	Principal	Interest	Principal	Interest	Total
Business-Type Activities:					
2026	$ 539,606	133,396	4,590,000	2,169,788	$ 7,432,790
2027	552,289	121,186	4,810,000	1,934,788	7,418,263
2028	567,086	105,857	5,065,000	1,687,913	7,425,856
2029	583,000	90,083	5,310,000	1,428,538	7,411,621
2030	554,828	73,946	3,310,000	1,213,038	5,151,812
2031-2035	1,018,064	259,136	16,475,000	3,546,161	21,298,361
2036-2040	968,688	165,754	13,650,000	924,016	15,708,458
2041-2045	832,154	88,151	-	-	920,305
2046-2048	536,366	15,819	-	-	552,185
Totals	$ 6,152,081	1,053,328	53,210,000	12,904,242	$ 73,319,651

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, 2025, the City's total general risk insurance expense was approximately $1,944,000. 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, 2024, totaled approximately $15,434,000. 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, 2025, the City's total workers compensation insurance expense was approximately $774,000. 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, 2024, totaled approximately $45,642,000. 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 stated). 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 – 180; vested inactive employees not yet receiving benefits – 51; and active employees/officials – 218. Covered payroll for year ended December 31, 2024, was approximately $12,014,000; average pay was approximately $48,000; average age was approximately 50.1; and average past service was approximately 10.1 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, 2024 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, 2024, the annual money-weighted rate of return on City Pension Plan investments, net of City Pension Plan investment expenses, was 12.83%. 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, 2024, 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, 2025, using the following key actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2025
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:	6.22% 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 recognizes an ad-hoc cost of living increase of 3.00%.

The discount rate used to measure the total pension liability was 6.22 percent (6.40 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, 2024 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash and Money Market Funds	3.40%
Fixed Income	4.80%
Global Equity	6.70%

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, 2024 were as follows:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
Balance at December 31, 2023	$ 47,100,722	36,619,485	$ 10,481,237
Changes for the Year:			
Service Cost	1,114,763	-	1,114,763
Interest	2,922,152	-	2,922,152
Change of Benefit Terms	852,821	-	852,821
Differences between Expected and Actual Experience	1,212,889	-	1,212,889
Change in Assumptions	977,627	-	977,627
Contributions - Employer	-	1,076,920	(1,076,920)
Net Investment Income	-	4,553,185	(4,553,185)
Benefit Payments, Net	(2,884,229)	(2,884,229)	-
Administrative Expenses	-	(133,115)	133,115
Net Changes	4,196,023	2,612,761	1,583,262
Balance at December 31, 2024	$ 51,296,745	39,232,246	$ 12,064,499
City Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)			
Beginning of the Year	77.75%		
End of the Year	76.48%		

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, 2024, calculated using the discount rate of 6.22 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 (5.22 percent) or 1-percentage-point higher (7.22 percent) than the current rate:

	1% Decrease (5.22%)	Current Discount Rate (6.22%)	1% Increase (7.22%)
City Pension Plan's Net Pension Liability (Asset)	$ 18,099,324	12,064,499	$ 6,997,290

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, 2025. The City Pension Plan's Total Pension Liability as of December 31, 2024 (measurement date) was approximately $51,297,000, less the City Pension Plan's Fiduciary Net Position of approximately $39,232,000, resulting in a Net Pension Liability of approximately $12,064,000 at December 31, 2024. For the year ended June 30, 2025, the City recognized pension expense of approximately $4,297,000. At June 30, 2025, 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	$ 1,715,875	$ 16,210
Change in Assumptions	3,926,309	1,767,846
Net Difference Between Projected and Actual Earnings on Investments	483,015	-
City's Contributions Subsequent to the Measurement Date	595,352	-
Total City Pension Plan	$ 6,720,551	$ 1,784,056

Approximately $595,000 that was reported as deferred outflows of resources as of June 30, 2025 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, 2026. 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
2026	$ 2,390,773
2027	2,767,340
2028	(879,176)
2029	62,206
Total	$ 4,341,143

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

City Pension Plan (Continued)

Payable to City Pension Plan

The City reported a payable of approximately $298,000 to the City Pension Plan as of June 30, 2025, representing required employer contributions for the fourth quarter of fiscal year 2025. This amount is included in Accrued Salaries and Benefits on the financial statements and was paid in July 2025.

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 Systems' 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 Contributions (Continued)

Pension reform legislation modified the statute such that the employer contribution rates for the PORS can 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
	2025
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 $2,425,000 for the year ended June 30, 2025 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, 2025. 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, 2025 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. The GASB No. 67 valuation report prepared as of June 30, 2024 is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023 and will be used for future valuations.

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

State Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued)

The June 30, 2024 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, 2023. The TPL was rolled-forward from the valuation date to the Plan's fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for the systems.

The following tables provide a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024 (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 2024 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%**	6.23%	2.86%
Bonds	**26.0%**	2.60%	0.68%
Private Equity	**9.0%**	9.60%	0.86%
Private Debt	**7.0%**	6.90%	0.48%
Real Assets	**12.0%**		
Real Estate	9.0%	4.30%	0.39%
Infrastructure	3.0%	7.30%	0.22%
Total Expected Real Rate of Return	100.0%		5.49%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.74%

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, 2024 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	$ 10,177,904,231	7,178,118,865	$ 2,999,785,366	70.5%

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, 2025, the City reported a liability of approximately $15,305,000 for its proportionate share of the NPL for the PORS. The NPL was measured as of June 30, 2024, and the TPL for the Plan used to calculate the NPL was determined based on the most recent actuarial valuation report of July 1, 2023 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, 2024 measurement date, the City's PORS proportion was 0.51019 percent, which was a decrease of 0.02102 from its proportion measured as of June 30, 2023.

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, 2025, the City recognized pension expense of approximately $1,278,000 for the PORS. At June 30, 2025, 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	$ 1,437,295	$ 87,743
Change in Assumptions	333,207	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	858,034
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	-	1,033,315
Employer Contributions Subsequent to the Measurement Date	2,357,857	-
Total PORS	$ 4,128,359	$ 1,979,092

Approximately $2,358,000 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, 2026. 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
2026	$ (672,256)
2027	693,953
2028	(3,422)
2029	(226,865)
Total	$ (208,590)

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	$ 22,173,354	15,304,544	$ 9,678,633

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 $278,000 to the PEBA as of June 30, 2025, representing the required employer and employee contribution for the month of June 2025 for the PORS. This amount is included in Accrued Salaries and Benefits on the financial statements and was paid in July 2025.

All Pension Plans

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

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PORS	$ 15,304,544	4,128,359	1,979,092	$ 1,278,148
City Pension Plan	12,064,499	6,720,551	1,784,056	4,296,707
Total	$ 27,369,043	10,848,910	3,763,148	$ 5,574,855

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	3.97% (previous measurement date was 3.86%)
Healthcare Cost Trend Rate	5.75% for 2025 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	Discount rate was changed from 3.86% to 3.97%.

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, 2024 measurement date using generally accepted actuarial principles.

	Total OPEB Liability
Balance as of the June 30, 2023 Measurement Date	$ 747,232
Changes for the year:	
Service Cost	33,889
Interest	27,922
Changes of Assumptions or Other Inputs	(8,486)
Benefit Payments and Implicit Subsidy Credit	(47,745)
Net Changes	5,580
Balance as of the June 30, 2024 Measurement Date	$ 752,812

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, 2025, the City recognized OPEB income of approximately $66,000. At June 30, 2025, 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	$ 94,123	$ 28,583
Changes of Assumptions	101,869	797,175
Employer Contributions Subsequent to the Measurement Date	47,745	-
Total	$ 243,737	$ 825,758

Approximately $48,000 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, 2026. 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
2026	$ (128,077)
2027	(120,542)
2028	(114,263)
2029	(108,842)
2030	(111,334)
Thereafter	(46,708)
Total	$ (629,766)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.97% at the June 30, 2024 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 3.86%.

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 3.97%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (2.97%) or 1% point higher (4.97%) than the current rate:

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB Liability	$ 828,362	752,812	$ 686,337

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	$ 682,852	752,812	$ 856,050

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, 2025.

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 $40,513,000 at June 30, 2025. The City paid the System approximately $1,593,000 in monthly operation and maintenance charges and $2,042,000 in capital charges (debt service charges) during fiscal year 2025.

Other Commitments

In April 2025, the City ordered three trolley buses for approximately $1,662,000. As of June 30, 2025, these buses have not been received.

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 August 2025, the City entered into a 20-year SRF loan for $3,343,000 for the East Market Street and Wellington Mill waterline improvement projects. This loan requires 80 quarterly payments of approximately $52,000 with an interest rate of 2.30%.

In August 2025, the City approved a change order for the Generostee Creek Relief Sewer Project in the amount of approximately $2,694,000.

In November 2025, the City approved the purchase of a fire truck and a rescue truck in the amount of approximately $2,349,000. These vehicles are expected to be received in 12-18 months.

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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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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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	**FINAL**	**ACTUAL**	**VARIANCE**
REVENUES				
Property Taxes, Penalties and Interest	$ 15,380,000	15,380,000	16,079,951	$ 699,951
Licenses and Permits:				
Business Licenses	5,300,000	5,300,000	5,448,297	148,297
Franchise Fees	2,475,000	2,475,000	2,746,205	271,205
MASC Collection Program	4,075,000	4,075,000	4,762,433	687,433
Permits	518,450	518,450	591,881	73,431
	12,368,450	12,368,450	13,548,816	1,180,366
Unrestricted Intergovernmental Revenue:				
Accommodation Taxes	50,000	50,000	46,679	(3,321)
Local Government Fund	726,210	726,210	734,975	8,765
	776,210	776,210	781,654	5,444
Restricted Intergovernmental Revenue:				
Federal Grants	115,000	4,623,528	4,797,886	174,358
State Grants	265,000	779,007	716,214	(62,793)
ANATS	413,000	413,000	288,708	(124,292)
	793,000	5,815,535	5,802,808	(12,727)
Sales And Services:				
Towing Fees	230,000	230,000	105,880	(124,120)
Other	310,700	310,700	292,293	(18,407)
	540,700	540,700	398,173	(142,527)
Fines and Forfeitures:				
Court and Police Fines	295,000	295,000	140,641	(154,359)
Prisoner Per Diem	1,950,000	1,950,000	1,315,370	(634,630)
	2,245,000	2,245,000	1,456,011	(788,989)
Investment Earnings	850,000	850,000	653,430	(196,570)
Miscellaneous Revenues:				
Miscellaneous	2,066,967	2,719,470	2,562,408	(157,062)
	2,066,967	2,719,470	2,562,408	(157,062)
TOTAL REVENUES	**$ 35,020,327**	**40,695,365**	**41,283,251**	**$ 587,886**

(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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	**FINAL**	**ACTUAL**	**VARIANCE**
EXPENDITURES				
General Government:				
City Council	$ 294,931	294,931	300,028	$ (5,097)
Courts	560,666	560,666	569,751	(9,085)
City Manager	797,166	797,166	821,396	(24,230)
Employee Clinic	221,500	221,500	257,317	(35,817)
Building Inspection	682,107	788,207	797,369	(9,162)
Facilities and Grounds	728,055	735,085	809,340	(74,255)
Law	425,429	425,429	402,591	22,838
Finance	941,607	941,607	993,907	(52,300)
Human Resources	385,818	385,818	206,224	179,594
Planning	538,842	622,465	559,023	63,442
Public Buildings	252,250	252,250	242,623	9,627
Information Technology	1,599,951	1,599,951	1,800,537	(200,586)
	7,428,322	7,625,075	7,760,106	(135,031)
Public Safety:				
Police	12,555,065	13,100,266	14,301,447	(1,201,181)
Fire	6,410,285	10,302,479	10,458,590	(156,111)
	18,965,350	23,402,745	24,760,037	(1,357,292)
Public Works:				
Garage	770,064	770,064	746,537	23,527
Engineering	208,224	232,324	234,863	(2,539)
Signal and Sign	1,197,344	1,213,791	1,188,564	25,227
Streets	1,263,586	1,393,413	1,139,261	254,152
Transportation	398,212	374,112	177,977	196,135
Public Works Complex	351,112	417,840	405,117	12,723
	4,188,542	4,401,544	3,892,319	509,225
Economic Development	848,551	823,786	848,805	(25,019)
Nondepartmental:				
Workers Compensation Insurance	490,000	490,000	448,370	41,630
Other Insurance	985,000	1,299,000	1,333,653	(34,653)
Christmas Bonus	125,000	125,000	142,000	(17,000)
Employee Benefits	20,000	179,840	188,773	(8,933)
Miscellaneous	20,001	630,414	624,376	6,038
Contingency Fund	591,423	591,423	-	591,423
	$ 2,231,424	3,315,677	2,737,172	$ 578,505

(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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
EXPENDITURES (CONTINUED)				
Debt Service:				
Principal	$ 825,000	557,255	599,713	$ (42,458)
Interest and Bank Fees	267,483	74,798	102,226	(27,428)
Bond Issuance Costs	-	26,503	33,986	(7,483)
	1,092,483	658,556	735,925	(77,369)
TOTAL EXPENDITURES	**34,754,672**	**40,227,383**	**40,734,364**	**(506,981)**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**265,655**	**467,982**	**548,887**	**80,905**
OTHER FINANCING SOURCES (USES)				
Financed Purchase Issued	-	1,525,000	1,752,618	227,618
Transfers In	2,863,679	2,863,679	3,029,361	165,682
Transfers Out	(3,640,335)	(8,252,997)	(8,770,196)	(517,199)
TOTAL OTHER FINANCING SOURCES (USES)	**(776,656)**	**(3,864,318)**	**(3,988,217)**	**(123,899)**
NET CHANGE IN FUND BALANCES	**(511,001)**	**(3,396,336)**	**(3,439,330)**	**(42,994)**
FUND BALANCES, BEGINNING OF YEAR	**13,097,460**	**13,097,460**	**13,097,460**	**-**
FUND BALANCES, END OF YEAR	**$ 12,586,459**	**9,701,124**	**9,658,130**	**$ (42,994)**

Note: The notes to the budgetary comparison schedule is an integral part of this schedule.
Note: The City's original and final budgets reflected an expected use of fund balance of approximately $511,000 and $3,396,000, 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, 2025

	BUDGETED AMOUNTS			
	ORIGINAL	**FINAL**	**ACTUAL**	**VARIANCE**
REVENUES				
Hospitality Fees	$ 4,270,000	4,270,000	4,501,058	$ 231,058
Investment Earnings	65,000	65,000	485,328	420,328
TOTAL REVENUES	**4,335,000**	**4,335,000**	**4,986,386**	**651,386**
EXPENDITURES				
Current:				
Recreation	3,365,000	4,115,000	1,109,168	3,005,832
Capital Outlay	-	14,135,322	11,462,184	2,673,138
Debt Service:				
Principal	425,000	425,000	425,000	-
Interest and Fees	125,000	125,000	138,198	(13,198)
Bond Issuance Costs	-	325,931	323,340	2,591
TOTAL EXPENDITURES	**3,915,000**	**19,126,253**	**13,457,890**	**5,668,363**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**420,000**	**(14,791,253)**	**(8,471,504)**	**6,319,749**
OTHER FINANCING SOURCES (USES)				
Limited Obligation Bonds Issued	-	11,115,000	11,115,000	-
Premium on Bonds	-	260,931	260,931	-
Transfers In	-	3,835,322	3,835,322	-
Transfers Out	(2,000,000)	(2,000,000)	(2,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	**(2,000,000)**	**13,211,253**	**13,211,253**	**-**
NET CHANGE IN FUND BALANCES	**(1,580,000)**	**(1,580,000)**	**4,739,749**	**6,319,749**
FUND BALANCES, BEGINNING OF YEAR	4,268,154	4,268,154	4,268,154	-
FUND BALANCES, END OF YEAR	**$ 2,688,154**	**2,688,154**	**9,007,903**	**$ 6,319,749**

Note: The notes to the budgetary comparison schedule is an integral part of this schedule.
Note: The City’s original and final budgets reflected an expected use of fund balance of approximately $1,580,000.

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 EIGHT FISCAL YEARS

	Year Ended June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service Cost	$ 33,889	41,450	52,481	138,310	107,063	102,035	98,233	$ 101,280
Interest	27,922	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	(8,486)	(14,482)	(121,913)	(1,150,196)	212,599	(60,049)	(49,147)	(89,075)
Benefit Payments, Including Refunds of Member Contributions	(47,745)	(38,927)	(34,162)	(36,937)	(38,547)	(44,274)	(29,300)	(27,200)
Net Change in Total OPEB Liability	5,580	(1,672)	(85,931)	(845,567)	327,782	7,089	64,856	22,471
Total OPEB Liability - Beginning of Year	747,232	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	$ 752,812	747,232	748,904	834,835	1,680,402	1,352,620	1,345,531	$ 1,280,675
Covered - Employee Payroll	$ 17,418,846	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	4.32%	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

	2025	2024	2023	2022	2021	2020	2019	2018
Discount Rate	3.97%	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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	$ 1,114,763	1,167,300.0	728,727	785,417	762,433	561,424	588,398	487,888	455,424	$ 460,758
Interest	2,922,152	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
Benefit Changes	852,821	-	774,418	616,448	5,483	395,440	366,088	-	-	-
Differences Between Expected and Actual Experience	1,212,889	861,657	591,113	(66,094)	52,817	(133,957)	(201,124)	831,310	82,111	307,876
Changes of Assumptions	977,627	(3,030,594)	7,769,000	149,243	-	5,193,363	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,884,229)	(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)
Net Change in Total Pension Liability	4,196,023	(974,665)	10,084,953	1,836,785	1,213,460	5,964,619	924,305	1,567,452	908,027	1,304,505
Total Pension Liability - Beginning 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
Total Pension Liability - End of Year	$ 51,296,745	47,100,722.0	48,075,387	37,990,434	36,153,649	34,940,189	28,975,570	28,051,265	26,483,813	$ 25,575,786
Plan Fiduciary Net Position:										
Employer Contribution	$ 1,076,920	1,019,983.0	918,301	1,019,505	871,815	831,952	882,563	793,315	643,602	$ 661,157
Net Investment Income	4,553,185	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)
Benefit Payments, Including Refunds of Member Contributions	(2,884,229)	(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)
Administrative Expenses	(133,115)	(87,285)	(110,226)	(113,075)	(122,273)	(108,932)	(78,550)	(85,202)	(81,576)	(84,166)
Other	-	-	-	18,251	(17,493)	9,243	7,664	-	-	-
Net Change in Plan Fiduciary Net Position	2,612,761	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)
Plan Fiduciary Net Position - Beginning 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
Plan Fiduciary Net Position - End of Year	$ 39,232,246	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
Net Pension Liability (Asset) - End of Year	$ 12,064,499	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)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.48%	77.75%	68.79%	110.60%	106.65%	100.57%	104.32%	115.82%	107.77%	108.32%
Covered Payroll	$ 12,013,694	11,223,829.0	10,196,869	9,738,069	9,701,338	9,462,316	8,255,005	7,453,840	6,914,342	$ 6,582,741
Net Pension Liability as a Percentage of Covered Payroll	100.42%	93.38%	147.15%	-41.36%	-24.76%	-2.12%	-15.18%	-59.53%	-29.77%	-32.32%

Notes to Schedule:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Significant Benefit Changes: Ad-hoc COLA Granted	3.00%	0.00%	3.25%	3.00%	0.00%	2.25%	2.00%	2.00%	2.00%	2.25%
Significant Changes of Assumptions	(6)	(5)	(4)	(3)	(2)	(1)	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 UMP. Inflation was increased from 2.00% to 2.25%.
(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.
(6) Discount rate was decreased from 6.40% to 6.22% for the January 1, 2025 Actuarial Valuation.

CITY OF ANDERSON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

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

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Actuarially Determined Contribution	$ 1,164,043	1,022,890	984,900	979,397	910,484	857,920	878,039	355,107	318,183	$ 187,740
Contributions in Relation to the Actuarially Determined Contribution:										
Employer Contribution	1,164,043	1,022,890	984,900	979,397	910,484	857,920	878,039	793,315	643,602	661,157
Total Contributions	1,164,043	1,022,890	984,900	979,397	910,484	857,920	878,039	793,315	643,602	661,157
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	(438,208)	(325,419)	$ (473,417)
Covered Payroll	$ 12,025,423	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
Contributions as a Percentage of Covered Payroll	9.68%	9.19%	9.40%	10.45%	9.39%	9.07%	10.64%	10.64%	9.31%	10.04%

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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.83%	16.58%	-17.63%	12.81%	14.03%	21.54%	-3.78%	17.72%	6.64%	-0.38%

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,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
City of Anderson's Proportion of the Net Pension Liability (Asset)	0.51019%	0.53121%	0.55639%	0.59388%	0.60025%	0.58485%	0.54537%	0.52104%	0.49927%	0.50976%
City of Anderson's Proportionate Share of the Net Pension Liability (Asset)	$ 15,304,544	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
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
City of Anderson's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	152.17%	173.74%	189.50%	171.47%	219.52%	198.09%	199.95%	197.78%	193.17%	170.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.53%	67.79%	66.45%	70.37%	58.79%	62.69%	61.73%	60.94%	60.44%	64.57%

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,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Contractually Required Contribution	$ 2,425,260	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
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the City	2,357,858	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
Contributions from the State	67,402	67,402	67,402	67,402	67,403	67,403	67,403	68,416	-	-
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	-	-	$ -
City of Anderson's Covered Payroll	$ 11,418,359	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
Contributions as a Percentage of Covered Payroll	21.24%	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	15.84%	13.84%	13.34%

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Supplementary Information

CITY OF ANDERSON, SOUTH CAROLINA

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2025

	SPECIAL REVENUE FUNDS	
	COMMUNITY DEVELOPMENT FUND	PERPETUAL CARE FUND
ASSETS		
Cash and Cash Equivalents	$ -	-
Cash and Cash Equivalents, Restricted	450,339	6,099
Investments, Restricted	-	776,466
Receivables, Net		
Interest	-	8,336
Accounts	-	-
Other	108,239	-
Due from Other Funds	-	16,678
Prepaids and Inventories	28	-
TOTAL ASSETS	**$ 558,606**	**807,579**
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	$ 2,917	-
Accrued Salaries and Benefits	-	-
Due to Other Funds	332,167	-
TOTAL LIABILITIES	**335,084**	**-**
FUND BALANCES		
Nonspendable:		
Prepaid and Inventories	28	-
Permanent Fund Principal	-	-
Restricted For:		
Capital Projects - Unspent Bond Proceeds	-	-
Perpetual Care	-	807,579
Tourism Related Costs	-	-
Community Development	223,494	-
Cemetery	-	-
Public Safety	-	-
Transit Expenditures	-	-
Assigned For:		
Capital Projects	-	-
Unassigned	-	-
TOTAL FUND BALANCES	**223,522**	**807,579**
TOTAL LIABILITIES AND FUND BALANCES	**$ 558,606**	**807,579**

SPECIAL REVENUE FUNDS			
ACCOMMODATIONS TAX FUND	CEMETERY FUND	PARKS AND RECREATION FUND	SANITATION FUND
-	-	-	$ -
758,030	220,397	39,867	32
-	-	-	-
-	-	-	-
455,747	-	-	-
-	-	2,432	-
-	-	3,900	55,153
-	9,858	38,894	53,337
1,213,777	**230,255**	**85,093**	**$ 108,522**
115,790	1,724	42,341	$ 16,377
-	1,484	3,149	-
-	28,709	75,256	221,302
115,790	**31,917**	**120,746**	**237,679**
-	9,858	38,894	53,337
-	-	-	-
-	-	-	-
-	-	-	-
1,097,987	-	-	-
-	-	-	-
-	188,480	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	(74,547)	(182,494)
1,097,987	**198,338**	**(35,653)**	**(129,157)**
1,213,777	**230,255**	**85,093**	**$ 108,522**

(Continued)

CITY OF ANDERSON, SOUTH CAROLINA

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2025

	SPECIAL REVENUE FUND	
	PUBLIC FACILITIES CORPORATION FUND	FIREFIGHTERS' 1% FUND
ASSETS		
Cash and Cash Equivalents	$ 604	-
Cash and Cash Equivalents, Restricted	1,326	1,000
Investments, Restricted	-	-
Receivables, Net		
Interest	-	-
Accounts	-	-
Other	-	-
Due from Other Funds	-	-
Prepaids and Inventories	-	-
TOTAL ASSETS	**$ 1,930**	**1,000**
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:		
Capital Projects - Unspent Bond Proceeds	-	-
Perpetual Care	-	-
Tourism Related Costs	-	-
Community Development	-	-
Cemetery	-	-
Public Safety	-	1,000
Transit Expenditures	-	-
Assigned For:		
Capital Projects	1,930	-
Unassigned	-	-
TOTAL FUND BALANCES	**1,930**	**1,000**
TOTAL LIABILITIES AND FUND BALANCES	**$ 1,930**	**1,000**

CAPITAL PROJECTS FUND	PERMANENT FUND	
CAPITAL REPLACEMENT FUND	TRANSPORTATION INVESTMENT FUND	TOTAL OTHER GOVERNMENTAL FUNDS
3,436	-	$ 4,040
803,249	63,115	2,343,454
-	2,253,426	3,029,892
-	29,065	37,401
-	-	455,747
-	-	110,671
47,322	-	123,053
-	-	102,117
854,007	**2,345,606**	**$ 6,206,375**
211	-	$ 179,360
-	-	4,633
-	41,600	699,034
211	**41,600**	**883,027**
-	-	102,117
-	2,250,000	2,250,000
803,249	-	803,249
-	-	807,579
-	-	1,097,987
-	-	223,494
-	-	188,480
-	-	1,000
-	54,006	54,006
50,547	-	52,477
-	-	(257,041)
853,796	**2,304,006**	**5,323,348**
854,007	**2,345,606**	**$ 6,206,375**

CITY OF ANDERSON, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUNDS	
	COMMUNITY DEVELOPMENT FUND	PERPETUAL CARE FUND
REVENUES		
Accommodations Taxes	$ -	-
Federal Grants	781,971	-
Program Income	362,259	-
Cemetery Fees	-	-
Recreation Fees	-	-
Sanitation Fees	-	-
Insurance	-	-
Capital Fees	-	-
Investment Earnings	-	35,613
Miscellaneous	-	-
TOTAL REVENUES	**1,144,230**	**35,613**
EXPENDITURES		
Current:		
Administration	115,318	-
Community Development	989,258	-
Economic Development	95,010	-
Cemetery	-	-
Recreation	-	-
Sanitation	-	-
Advertising and Tourism	-	-
Public Safety	-	-
Nondepartmental	-	100
Capital Outlay	-	-
Debt Service:		
Principal	-	-
Interest and Fees	-	-
Bond Issuance Costs	-	-
TOTAL EXPENDITURES	**1,199,586**	**100**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(55,356)**	**35,513**
OTHER FINANCING SOURCES (USES)		
Financed Purchase Issued	-	-
Transfers In	75,192	27,159
Transfers Out	-	(10,481)
TOTAL OTHER FINANCING SOURCES (USES)	**75,192**	**16,678**
NET CHANGE IN FUND BALANCES	**19,836**	**52,191**
FUND BALANCES, BEGINNING OF YEAR	203,686	755,388
FUND BALANCES, END OF YEAR	**$ 223,522**	**807,579**

SPECIAL REVENUE FUNDS			
ACCOMMODATIONS TAX FUND	CEMETERY FUND	PARKS AND RECREATION FUND	SANITATION FUND
767,157	-	-	$ -
-	-	-	-
-	-	-	-
-	317,627	-	-
-	-	390,588	-
-	-	-	813,074
-	-	-	-
-	-	-	-
12,294	-	-	-
-	-	-	-
779,451	**317,627**	**390,588**	**813,074**
-	-	-	-
-	-	-	-
-	-	-	-
-	529,341	-	-
-	-	2,555,527	-
-	-	-	2,761,994
1,006,161	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,006,161	**529,341**	**2,555,527**	**2,761,994**
(226,710)	**(211,714)**	**(2,164,939)**	**(1,948,920)**
-	-	-	-
-	321,284	2,166,446	2,015,532
-	(27,159)	-	-
-	**294,125**	**2,166,446**	**2,015,532**
(226,710)	**82,411**	**1,507**	**66,612**
1,324,697	115,927	(37,160)	(195,769)
1,097,987	**198,338**	**(35,653)**	**$ (129,157)**

(Continued)

CITY OF ANDERSON, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUND	
	PUBLIC FACILITIES CORPORATION FUND	FIREFIGHTERS' 1% FUND
REVENUES		
Accommodations Taxes	$ -	-
Federal Grants	-	-
Program Income	-	-
Cemetery Fees	-	-
Recreation Fees	-	-
Sanitation Fees	-	-
Insurance	-	89,554
Capital Fees	-	-
Investment Earnings	-	-
Miscellaneous	392	-
TOTAL REVENUES	**392**	**89,554**
EXPENDITURES		
Current:		
Administration	-	-
Community Development	-	-
Economic Development	-	-
Cemetery	-	-
Recreation	-	-
Sanitation	-	-
Advertising and Tourism	-	-
Public Safety	-	89,305
Nondepartmental	-	-
Capital Outlay	-	-
Debt Service:		
Principal	287,000	-
Interest and Fees	198,196	-
Bond Issuance Costs	-	-
TOTAL EXPENDITURES	**485,196**	**89,305**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(484,804)**	**249**
OTHER FINANCING SOURCES (USES)		
Financed Purchase Issued	-	-
Transfers In	485,196	-
Transfers Out	-	-
TOTAL OTHER FINANCING SOURCES (USES)	**485,196**	**-**
NET CHANGE IN FUND BALANCES	**392**	**249**
FUND BALANCES, BEGINNING OF YEAR	1,538	751
FUND BALANCES, END OF YEAR	**$ 1,930**	**1,000**

CAPITAL PROJECTS FUND	PERMANENT FUND	
CAPITAL REPLACEMENT FUND	TRANSPORTATION INVESTMENT FUND	TOTAL OTHER GOVERNMENTAL FUNDS
-	-	$ 767,157
-	-	781,971
-	-	362,259
-	-	317,627
-	-	390,588
-	-	813,074
-	-	89,554
687,414	-	687,414
19,075	106,923	173,905
-	-	392
706,489	**106,923**	**4,383,941**
-	-	115,318
-	-	989,258
-	-	95,010
-	-	529,341
-	-	2,555,527
-	-	2,761,994
-	-	1,006,161
-	-	89,305
4,634	100	4,834
1,114,631	-	1,114,631
177,000	-	464,000
8,881	-	207,077
23,635	-	23,635
1,328,781	**100**	**9,956,091**
(622,292)	**106,823**	**(5,572,150)**
1,360,000	-	1,360,000
-	-	5,090,809
-	(41,150)	(78,790)
1,360,000	**(41,150)**	**6,372,019**
737,708	**65,673**	**799,869**
116,088	2,238,333	4,523,479
853,796	**2,304,006**	**$ 5,323,348**

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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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Federal Grants	$ 886,518	886,518	781,971	$ (104,547)
Program Income	414,745	414,745	362,259	(52,486)
TOTAL REVENUES	**1,301,263**	**1,301,263**	**1,144,230**	**(157,033)**
EXPENDITURES				
Current:				
Administration	112,890	112,890	115,318	(2,428)
Community Development	1,133,481	1,133,481	989,258	144,223
Economic Development	54,892	54,892	95,010	(40,118)
TOTAL EXPENDITURES	**1,301,263**	**1,301,263**	**1,199,586**	**101,677**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**-**	**-**	**(55,356)**	**(55,356)**
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	75,192	75,192
TOTAL OTHER FINANCING SOURCES (USES)	**-**	**-**	**75,192**	**75,192**
NET CHANGE IN FUND BALANCES	**-**	**-**	**19,836**	**19,836**
FUND BALANCES, BEGINNING OF YEAR	203,686	203,686	203,686	-
FUND BALANCES, END OF YEAR	**$ 203,686**	**203,686**	**223,522**	**$ 19,836**

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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Investment Earnings	$ 25,000	25,000	35,613	$ 10,613
TOTAL REVENUES	**25,000**	**25,000**	**35,613**	**10,613**
EXPENDITURES				
Current:				
Nondepartmental	-	-	100	(100)
EXPENDITURES	**-**	**-**	**100**	**(100)**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**25,000**	**25,000**	**35,513**	**10,513**
OTHER FINANCING SOURCES (USES)				
Transfers In	30,000	30,000	27,159	(2,841)
Transfers Out	(55,000)	(55,000)	(10,481)	44,519
TOTAL OTHER FINANCING SOURCES (USES)	**(25,000)**	**(25,000)**	**16,678**	**41,678**
NET CHANGE IN FUND BALANCES	**-**	**-**	**52,191**	**52,191**
FUND BALANCES, BEGINNING OF YEAR	755,388	755,388	755,388	-
FUND BALANCES, END OF YEAR	**$ 755,388**	**755,388**	**807,579**	**$ 52,191**

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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Accommodations Taxes	$ 499,500	499,500	767,157	$ 267,657
Investment Earnings	500	500	12,294	11,794
TOTAL REVENUES	**500,000**	**500,000**	**779,451**	**279,451**
EXPENDITURES				
Current:				
Advertising and Tourism	600,000	1,055,710	1,006,161	49,549
TOTAL EXPENDITURES	**600,000**	**1,055,710**	**1,006,161**	**49,549**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(100,000)**	**(555,710)**	**(226,710)**	**329,000**
NET CHANGE IN FUND BALANCES	**(100,000)**	**(555,710)**	**(226,710)**	**329,000**
FUND BALANCES, BEGINNING OF YEAR	1,324,697	1,324,697	1,324,697	-
FUND BALANCES, END OF YEAR	**$ 1,224,697**	**768,987**	**1,097,987**	**$ 329,000**

Note: The City's original and final budget reflected an expected use of fund balance of approximately $100,000 and $556,000, respectively.

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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Cemetery Fees	$ 303,150	303,150	317,627	$ 14,477
TOTAL REVENUES	**303,150**	**303,150**	**317,627**	**14,477**
EXPENDITURES				
Current:				
Cemetery	673,953	673,953	529,341	144,612
TOTAL EXPENDITURES	**673,953**	**673,953**	**529,341**	**144,612**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(370,803)**	**(370,803)**	**(211,714)**	**159,089**
OTHER FINANCING SOURCES (USES)				
Transfers In	310,803	310,803	321,284	10,481
Transfers Out	-	-	(27,159)	(27,159)
TOTAL OTHER FINANCING SOURCES (USES)	**310,803**	**310,803**	**294,125**	**(16,678)**
NET CHANGE IN FUND BALANCES	**(60,000)**	**(60,000)**	**82,411**	**142,411**
FUND BALANCES, BEGINNING OF YEAR	115,927	115,927	115,927	-
FUND BALANCES, END OF YEAR	**$ 55,927**	**55,927**	**198,338**	**$ 142,411**

Note: The City’s original and final budgets reflected an expected use of fund balance of $60,000.

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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Recreation Fees	$ 289,502	337,378	390,588	$ 53,210
TOTAL REVENUES	**289,502**	**337,378**	**390,588**	**53,210**
EXPENDITURES				
Current:				
Recreation	2,465,948	2,513,824	2,555,527	(41,703)
TOTAL EXPENDITURES	**2,465,948**	**2,513,824**	**2,555,527**	**(41,703)**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(2,176,446)**	**(2,176,446)**	**(2,164,939)**	**11,507**
OTHER FINANCING SOURCES (USES)				
Transfers In	2,166,446	2,166,446	2,166,446	-
TOTAL OTHER FINANCING SOURCES (USES)	**2,166,446**	**2,166,446**	**2,166,446**	**-**
NET CHANGE IN FUND BALANCES	**(10,000)**	**(10,000)**	**1,507**	**11,507**
FUND BALANCES, BEGINNING OF YEAR	(37,160)	(37,160)	(37,160)	-
FUND BALANCES, END OF YEAR	**$ (47,160)**	**(47,160)**	**(35,653)**	**$ 11,507**

Note: The City's original and final budget reflected an expected use of fund balance of approximately $10,000.
Note: Additional transfers in 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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Sanitation Fees	$ 810,000	820,118	813,074	$ (7,044)
TOTAL REVENUES	**810,000**	**820,118**	**813,074**	**(7,044)**
EXPENDITURES				
Current:				
Sanitation	3,139,532	2,835,650	2,761,994	73,656
TOTAL EXPENDITURES	**3,139,532**	**2,835,650**	**2,761,994**	**73,656**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(2,329,532)**	**(2,015,532)**	**(1,948,920)**	**66,612**
OTHER FINANCING SOURCES (USES)				
Transfers In	2,329,532	2,015,532	2,015,532	-
TOTAL OTHER FINANCING SOURCES (USES)	**2,329,532**	**2,015,532**	**2,015,532**	**-**
NET CHANGE IN FUND BALANCES	**-**	**-**	**66,612**	**66,612**
FUND BALANCES, BEGINNING OF YEAR	-	-	(195,769)	(195,769)
FUND BALANCES, END OF YEAR	**$ -**	**-**	**(129,157)**	**$ (129,157)**

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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Capital Fees	$ 713,860	713,860	687,414	$ (26,446)
Investment Earnings	-	-	19,075	19,075
TOTAL REVENUES	**713,860**	**713,860**	**706,489**	**(7,371)**
EXPENDITURES				
Current:				
Nondepartmental	7,000	7,000	4,634	2,366
Capital Outlay	526,710	1,992,902	1,114,631	878,271
Debt Service:				
Principal	177,000	177,000	177,000	-
Interest and Fees	3,150	3,150	8,881	(5,731)
Bond Issuance Costs	-	23,635	23,635	-
TOTAL EXPENDITURES	**713,860**	**2,203,687**	**1,328,781**	**874,906**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**-**	**(1,489,827)**	**(622,292)**	**867,535**
OTHER FINANCING SOURCES (USES)				
Capital Lease Issued	-	1,360,000	1,360,000	-
TOTAL OTHER FINANCING SOURCES (USES)	**-**	**1,360,000**	**1,360,000**	**-**
NET CHANGE IN FUND BALANCES	**-**	**(129,827)**	**737,708**	**867,535**
FUND BALANCES, BEGINNING OF YEAR	116,088	116,088	116,088	-
FUND BALANCES, END OF YEAR	**$ 116,088**	**(13,739)**	**853,796**	**$ 867,535**

Note: The City's final budget reflected an expected use of fund balance of approximately $130,000.

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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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ANDERSON®

THE ELECTRIC CITY

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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Investment Earnings	$ 50,000	50,000	106,923	$ 56,923
TOTAL REVENUES	**50,000**	**50,000**	**106,923**	**56,923**
EXPENDITURES				
Current:				
Nondepartmental	-	-	100	(100)
TOTAL EXPENDITURES	**-**	**-**	**100**	**(100)**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**50,000**	**50,000**	**106,823**	**56,823**
OTHER FINANCING SOURCES (USES)				
Transfers Out	(50,000)	(50,000)	(41,150)	8,850
TOTAL OTHER FINANCING SOURCES (USES)	**(50,000)**	**(50,000)**	**(41,150)**	**8,850**
NET CHANGE IN FUND BALANCES	**-**	**-**	**65,673**	**65,673**
FUND BALANCES, BEGINNING OF YEAR	2,238,333	2,238,333	2,238,333	-
FUND BALANCES, END OF YEAR	**$ 2,238,333**	**2,238,333**	**2,304,006**	**$ 65,673**

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ANDERSON
THE ELECTRIC CITY

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, 2025

	ENTERPRISE FUNDS		
	STORM WATER FUND	TRANSIT FUND	TOTAL
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 942,521	267,029	$ 1,209,550
Cash and Cash Equivalents, Restricted	173,231	-	173,231
Intergovernmental Receivables	-	459,063	459,063
Due From Other Funds	80,814	41,150	121,964
Prepaid and Inventories	5,828	30,747	36,575
Total Current Assets	1,202,394	797,989	2,000,383
Non-Current Assets:			
Capital Assets:			
Non-Depreciable	254,186	-	254,186
Depreciable, Net	6,386,514	1,795,037	8,181,551
Total Non-Current Assets	6,640,700	1,795,037	8,435,737
TOTAL ASSETS	**7,843,094**	**2,593,026**	**10,436,120**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges - City Pension Plan	154,141	30,829	184,970
LIABILITIES			
Current Liabilities:			
Accounts Payable	16,231	28,354	44,585
Accrued Interest Payable	1,936	-	1,936
Due To Other Funds	12,481	246,565	259,046
Current Portion of Compensated Absences	32,808	57,254	90,062
Current Portion of Debt	107,105	-	107,105
Total Current Liabilities	170,561	332,173	502,734
Non-Current Liabilities:			
Total Other Postemployment Benefit Liability - City Plan	9,363	9,363	18,726
Total Pension Liability - City Plan	276,709	55,342	332,051
Compensated Absences, Less Current Portion	36,223	9,922	46,145
Debt, Less Current Portion	409,075	-	409,075
Total Long-Term Liabilities	731,370	74,627	805,997
TOTAL LIABILITIES	**901,931**	**406,800**	**1,308,731**
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits - City Pension Plan	40,919	8,183	49,102
NET POSITION			
Net Investment in Capital Assets	6,124,520	1,795,037	7,919,557
Restricted for Debt Service	171,295	-	171,295
Unrestricted	758,570	413,835	1,172,405
TOTAL NET POSITION	**$ 7,054,385**	**2,208,872**	**$ 9,263,257**

CITY OF ANDERSON, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

	ENTERRPISE FUNDS		
	STORM WATER FUND	TRANSIT FUND	TOTAL
OPERATING REVENUES			
Charges for Services	$ 1,173,139	363,950	$ 1,537,089
Other Operating Fees	36,445	208,548	244,993
TOTAL OPERATING REVENUES	**1,209,584**	**572,498**	**1,782,082**
OPERATING EXPENSES			
Administrative	501,665	(117,375)	384,290
Operating	-	1,168,145	1,168,145
Garage	-	298,011	298,011
Nondepartmental	38,481	92,959	131,440
Depreciation and Amortization	477,585	354,778	832,363
TOTAL OPERATING EXPENSES	**1,017,731**	**1,796,518**	**2,814,249**
OPERATING INCOME (LOSS)	**191,853**	**(1,224,020)**	**(1,032,167)**
NON-OPERATING REVENUES (EXPENSES)			
Federal Grants	-	1,043,719	1,043,719
State Grants	-	205,334	205,334
Interest Earned on Investments	41,718	-	41,718
Interest on Long-Term Obligations	(12,698)	-	(12,698)
Gain (Loss) on Sale of Capital Assets	-	(31,478)	(31,478)
TOTAL NON-OPERATING REVENUES (EXPENSES)	**29,020**	**1,217,575**	**1,246,595**
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	**220,873**	**(6,445)**	**214,428**
Transfers In	510,058	206,833	716,891
Transfers Out	(125,125)	(165,682)	(290,807)
CHANGE IN NET POSITION	**605,806**	**34,706**	**640,512**
NET POSITION, BEGINNING OF YEAR	6,448,579	2,174,166	8,622,745
NET POSITION, END OF YEAR	**$ 7,054,385**	**2,208,872**	**$ 9,263,257**

CITY OF ANDERSON, SOUTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS -
NONMAJOR PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2025

	ENTERPRISE FUNDS		
	STORM WATER FUND	TRANSIT FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	$ 1,209,584	572,498	$ 1,782,082
Payments to Suppliers for Goods and Services	(481,443)	(1,667,279)	(2,148,722)
Payments for Personal Services	(184,252)	(80,159)	(264,411)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	543,889	(1,174,940)	(631,051)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
State and Federal Grants	-	1,279,540	1,279,540
Transfers to Other Funds	(125,125)	(165,682)	(290,807)
Transfers from Other Funds	518,573	498,079	1,016,652
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	393,448	1,611,937	2,005,385
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(885,426)	(199,849)	(1,085,275)
Bond and Revolving Fund Loan Principal Payments	(104,729)	-	(104,729)
Bond and Revolving Fund Loan Interest Payments	(13,090)	-	(13,090)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(1,003,245)	(199,849)	(1,203,094)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Earnings	41,718	-	41,718
Short Term Investments, Net	50,000	-	50,000
NET CASH USED IN INVESTING ACTIVITIES	91,718	-	91,718
NET INCREASE IN RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS	**25,810**	**237,148**	**262,958**
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, Beginning of Year	1,089,942	29,881	1,119,823
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, End of Year	**$ 1,115,752**	**267,029**	**$ 1,382,781**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:			
Operating Income (Loss)	$ 191,853	(1,224,020)	$ (1,032,167)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:			
Depreciation and Amortization Expense	477,585	354,778	832,363
Change in Accounts Representing Operating Activities:			
Prepaids and Inventory	(3,697)	(30,423)	(34,120)
Accounts Payable	7,738	10,641	18,379
Compensated Absences	18,534	14,201	32,735
Other Post Employment Benefits	69	69	138
Net Pension Liability	(362,073)	(635,513)	(997,586)
Deferred Pension Charges	320,930	487,175	808,105
Deferred Pension Credits	(107,050)	(151,848)	(258,898)
Net Cash Provided by (Used in) Operating Activities	$ 543,889	(1,174,940)	$ (631,051)
Noncash Investing and Capital and Related Financing Items			
Change in Acquisition of Capital Assets Not Yet Paid For	$ (14,906)	-	$ (14,906)

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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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES				
Sewer Charges	$ 11,815,000	11,815,000	12,189,629	$ 374,629
Cost Recovery Charges	3,183,550	3,183,550	2,649,285	(534,265)
Pretreatment Fees	140,000	140,000	219,958	79,958
Permits and Fees	100,000	118,008	400,350	282,342
Other Operating Fees	72,000	565,557	642,664	77,107
TOTAL OPERATING REVENUES	**15,310,550**	**15,822,115**	**16,101,886**	**279,771**
OPERATING EXPENSES				
Administrative	1,035,965	1,035,965	790,755	245,210
Sewer Line	1,865,030	1,883,038	1,468,864	414,174
Plant	6,806,990	7,300,547	3,691,053	3,609,494
Sewer Lab	55,300	55,300	60,820	(5,520)
Pretreatment	145,155	145,155	172,079	(26,924)
Nondepartmental	856,635	856,635	550,091	306,544
Depreciation and Amortization	-	-	4,221,343	(4,221,343)
TOTAL OPERATING EXPENSES	**10,765,075**	**11,276,640**	**10,955,005**	**321,635**
TOTAL OPERATING INCOME (LOSS)	**4,545,475**	**4,545,475**	**5,146,881**	**601,406**
NONOPERATING REVENUES (EXPENSES)				
Federal Grants	-	-	193,939	193,939
Interest Earned on Investments	132,000	132,000	603,870	471,870
Interest on Long-Term Obligations	(5,100,455)	(5,100,455)	(1,356,893)	3,743,562
Bond Issuance Costs	-	-	(23,462)	(23,462)
TOTAL NONOPERATING REVENUES (EXPENSES)	**(4,968,455)**	**(4,968,455)**	**(582,546)**	**4,385,909**
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	**(422,980)**	**(422,980)**	**4,564,335**	**4,987,315**
Capital Contributions - Capacity Fees	100,000	100,000	1,425,100	1,325,100
Federal Capital Grants	-	-	1,584,855	1,584,855
Donated Capital Assets	-	-	356,148	356,148
Transfers In	-	-	175,960	175,960
Transfers Out	(1,070,000)	(1,820,000)	(1,820,000)	-
CHANGE IN NET POSITION	**(1,392,980)**	**(2,142,980)**	**6,286,398**	**8,429,378**
NET POSITION, BEGINNING OF YEAR	44,683,389	44,683,389	44,683,389	-
NET POSITION, END OF YEAR	**$ 43,290,409**	**42,540,409**	**50,969,787**	**$ 8,429,378**

Note: The City's Interest on Long-Term Obligations for the original and final budget includes approximately $3,316,000 of debt principal payments.

Note: The City’s original and final budgets reflected an expected use of net position of approximately $1,393,000 and $2,143,000, respectively.

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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES				
Water Volume Fees	$ 10,315,200	10,315,200	9,934,843	$ (380,357)
Permits and Fees	250,000	289,158	289,158	-
Other Operating Fees	455,000	461,628	466,192	4,564
TOTAL OPERATING REVENUES	**11,020,200**	**11,065,986**	**10,690,193**	**(375,793)**
OPERATING EXPENSES				
Administrative	1,132,020	1,162,020	715,978	446,042
Municipal Business Center	223,000	223,000	142,483	80,517
Water Distribution and Storage	3,503,225	4,400,816	2,163,617	2,237,199
Nondepartmental	423,130	393,130	283,112	110,018
Purchased Water	3,730,500	3,730,500	3,635,419	95,081
Depreciation and Amortization	-	-	1,176,691	(1,176,691)
TOTAL OPERATING EXPENSES	**9,011,875**	**9,909,466**	**8,117,300**	**1,792,166**
TOTAL OPERATING INCOME (LOSS)	**2,008,325**	**1,156,520**	**2,572,893**	**1,416,373**
NONOPERATING REVENUES (EXPENSES)				
Interest Earned on Investments	50,000	50,000	190,071	140,071
Interest on Long-Term Obligations	(1,923,900)	(1,923,900)	(427,739)	1,496,161
TOTAL NONOPERATING REVENUES (EXPENSES)	**(1,873,900)**	**(1,873,900)**	**(237,668)**	**1,636,232**
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	**134,425**	**(717,380)**	**2,335,225**	**3,052,605**
Capital Contributions - Capacity Fees	95,000	95,000	903,000	808,000
Donated Capital Assets	-	-	158,948	158,948
Transfers In	-	851,805	946,450	94,645
Transfers Out	(835,000)	(835,000)	(835,000)	-
CHANGE IN NET POSITION	**(605,575)**	**(605,575)**	**3,508,623**	**4,114,198**
NET POSITION, BEGINNING OF YEAR	7,084,374	7,084,374	7,084,374	-
NET POSITION, END OF YEAR	**$ 6,478,799**	**6,478,799**	**10,592,997**	**$ 4,114,198**

Note: The City's Interest on Long-Term Obligations for the original and final budget includes $1,235,000 of debt principal payments.
Note: The City’s original and final budget reflected an expected use of net position of $606,000.

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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES				
Storm Water Fees	$ 1,170,000	1,170,000	1,173,139	$ 3,139
Other Operating Revenues	-	36,446	36,445	(1)
TOTAL OPERATING REVENUES	**1,170,000**	**1,206,446**	**1,209,584**	**3,138**
OPERATING EXPENSES				
Administrative	592,765	629,211	501,665	127,546
Nondepartmental	344,750	849,089	38,481	810,608
Depreciation and Amortization	-	-	477,585	(477,585)
TOTAL OPERATING EXPENSES	**937,515**	**1,478,300**	**1,017,731**	**460,569**
TOTAL OPERATING INCOME (LOSS)	**232,485**	**(271,854)**	**191,853**	**463,707**
NONOPERATING REVENUES (EXPENSES)				
Interest Earned on Investments	10,460	10,460	41,718	31,258
Interest on Long-Term Obligations	(117,820)	(117,820)	(12,698)	105,122
TOTAL NONOPERATING REVENUES (EXPENSES)	**(107,360)**	**(107,360)**	**29,020**	**136,380**
INCOME (LOSS) BEFORE TRANSFERS	**125,125**	**(379,214)**	**220,873**	**600,087**
Transfers In	-	504,339	510,058	5,719
Transfers Out	(125,125)	(125,125)	(125,125)	-
CHANGE IN NET POSITION	**-**	**-**	**605,806**	**605,806**
NET POSITION, BEGINNING OF YEAR	6,448,579	6,448,579	6,448,579	-
NET POSITION, END OF YEAR	**$ 6,448,579**	**6,448,579**	**7,054,385**	**$ 605,806**

Note: The City's Interest on Long-Term Obligations for the original and final budget includes approximately $105,000 of debt principal payments.

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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES				
Fare Box	$ 60,000	60,000	54,238	$ (5,762)
Anderson County Share of Transit Routes	240,000	240,000	309,712	69,712
Other Operating Revenues	-	58,248	208,548	150,300
TOTAL OPERATING REVENUES	**300,000**	**358,248**	**572,498**	**214,250**
OPERATING EXPENSES				
Administrative	191,940	227,666	(117,375)	345,041
Operating	965,560	965,560	1,168,145	(202,585)
Garage	234,000	256,522	298,011	(41,489)
Nondepartmental	109,300	109,300	92,959	16,341
Depreciation and Amortization	-	-	354,778	(354,778)
TOTAL OPERATING EXPENSES	**1,500,800**	**1,559,048**	**1,796,518**	**(237,470)**
TOTAL OPERATING INCOME (LOSS)	**(1,200,800)**	**(1,200,800)**	**(1,224,020)**	**(23,220)**
NONOPERATING REVENUES (EXPENSES)				
Federal Grants	950,000	950,000	1,043,719	93,719
State Grants	200,800	200,800	205,334	4,534
Gain (Loss) on Sale of Capital Assets	-	-	(31,478)	(31,478)
TOTAL NONOPERATING REVENUES (EXPENSES)	**1,150,800**	**1,150,800**	**1,217,575**	**66,775**
INCOME (LOSS) BEFORE TRANSFERS	**(50,000)**	**(50,000)**	**(6,445)**	**43,555**
Transfers In	110,000	110,000	206,833	96,833
Transfers Out	(60,000)	(60,000)	(165,682)	(105,682)
CHANGE IN NET POSITION	**-**	**-**	**34,706**	**34,706**
NET POSITION, BEGINNING OF YEAR	2,174,166	2,174,166	2,174,166	-
NET POSITION, END OF YEAR	**$ 2,174,166**	**2,174,166**	**2,208,872**	**$ 34,706**

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, 2025

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			**$ 309,025**	**$ 309,025**
Court fines and assessments remitted to State Treasurer			**(166,296)**	**(166,296)**
Total Court Fines and Assessments retained			**142,729**	**142,729**
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			**5,476**	**5,476**
Assessments retained			**15,213**	**15,213**
Total Surcharges and Assessments retained for victim services			**$ 20,689**	**$ 20,689**

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	**$ (102,583)**		**$ (102,583)**
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	15,213		15,213
Victim Service Surcharges Retained by City/County Treasurer	5,476		5,476
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)	**$ (81,894)**		**$ (81,894)**
Expenditures for Victim Service Program:	**Municipal**	**County**	**Total**
Salaries and Benefits	$ 54,637		$ 54,637
Operating Expenditures	6,518		6,518
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)	**61,155**		**61,155**
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	**(143,049)**		**(143,049)**
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year	**$ (143,049)**		**$ (143,049)**

CITY OF ANDERSON, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

OPT Program Agreement #	**PT- 217999-78**							
Agreement period:	**July 1, 2020 - December 31, 2025**							
		Section 5307		SMTF		Local		
Actual Cost		Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Total Budget
Performance period:	Program Budget	Jul '20 - Jun '24	Jul '24 - Jun '25	Jul '20 - Jun '24	Jul '24 - Jun '25	Jul '20 - Jun '24	Jul '24 - Jun '25	Balance
OPERATIONS	$ 504,221	146,147	1,050	73,072	521	73,072	529	$ 209,830
OTHER CAPITAL								
Preventive Maintenance	40,017	-	17,927	-	2,240	-	2,241	17,609
TOTAL SMTF PROGRAMMING	$ 544,238	146,147	18,977	73,072	2,761	73,072	2,770	$ 227,439

Approved Budget	$ 544,238
YTD Federal Costs	165,124
YTD State Costs	75,833
YTD Local Costs	75,842
Budget over Actual or Actual over Budget	$ 227,439

CITY OF ANDERSON, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

OPT Program Agreement #	**PT- 237999-36**							
Agreement period:	**July 1, 2022 - June 30, 2025**							
		Section 5307		SMTF		Local		
Actual Cost		Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	
Performance period:	Program Budget	Jul '22 - Jun '24	Jul '24 - Jun '25	Jul '22 - Jun '24	Jul '24 - Jun '25	Jul '22 - Jun '24	Jul '24 - Jun '25	Total Budget Balance
OPERATIONS	$ 601,930	63,525	102,323	31,760	50,363	31,763	51,961	$ 270,235
OTHER CAPITAL	100,022	43,354	36,646	5,418	4,582	5,421	4,600	1
TOTAL SMTF PROGRAMMING	$ 701,952	106,879	138,969	37,178	54,945	37,184	56,561	$ 270,236

Approved Budget	$ 701,952
YTD Federal Costs	245,848
YTD State Costs	92,123
YTD Local Costs	93,745
Budget over Actual or Actual over Budget	$ 270,236

CITY OF ANDERSON, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

OPT Program Agreement #	**PT- 247999-47**				
Agreement period:	**July 1, 2023 - June 30, 2026**				
Performance period:	**July 1, 2024 - June 30, 2025**				
	Program Budget	Section 5307	SMTF	Local	Total Budget Balance
OPERATIONS	$ 603,805	128,836	64,416	64,418	$ 346,135
OTHER CAPITAL	100,000	12,648	1,581	1,581	84,190
TOTAL SMTF PROGRAMMING	$ 703,805	141,484	65,997	65,999	$ 430,325

Approved Budget	$ 703,805
YTD Federal Costs	141,484
YTD State Costs	65,997
YTD Local Costs	65,999
Budget over Actual or Actual over Budget	$ 430,325

CITY OF ANDERSON, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

OPT Program Agreement #	PT- 237911-37							
Agreement period:	July 1, 2022 - June 30, 2025							
		Section 5311		SMTF		Local		
		Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	
Actual Cost	Program Budget	Jul '22 - June '24	July '24 - June '25	Jul '22 - June '24	July '24 - June '25	Jul '22 - June '24	July '24 - June '25	Budget Balance
ADMINISTRATION	$ 113,388	18,868	70,521	2,358	8,698	2,360	8,937	$ 1,646
OPERATIONS	440,727	34,947	147,294	17,471	42,799	17,475	104,497	76,244
OTHER CAPITAL	153,545	34,590	87,791	4,323	3,618	4,326	18,897	-
TOTAL 5311 PROGRAMMING	$ 707,660	88,405	305,606	24,152	55,115	24,161	132,331	$ 77,890

Approved Budget	$ 707,660
YTD Federal Costs	394,011
YTD State Costs	79,267
YTD Local Costs	156,492
Budget over Actual or Actual over Budget	$ 77,890

CITY OF ANDERSON, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

OPT Program Agreement #	**PT- 2479AR-23**					
Agreement period:	**July 1, 2023 - June 30, 2025**					
Performance period:	**July 1, 2024 - June 30, 2025**					
	Program Budget	Section 5311	SMTF	Total OPT Reimbursements	Local	Total Budget Balance
OPERATIONS	$ 26,267	26,267	-	26,267	-	$ -
TOTAL SMTF PROGRAMMING	$ 26,267	26,267	-	26,267	-	$ -

Approved Budget	$ 26,267
YTD Federal Costs	26,267
YTD State Costs	-
YTD Local Costs	-
Budget over Actual or Actual over Budget	$ -

CITY OF ANDERSON, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

OPT Program Agreement #	**PT- 247911-46**					
Agreement period:	**July 1, 2023 - June 30, 2026**					
Performance period:	**July 1, 2024 - June 30, 2025**					
	Program Budget	Section 5311	SMTF	Total OPT Reimbursements	Local	Total Budget Balance
ADMINISTRATION	$ 114,826	8,512	1,064	9,576	1,064	$ 104,186
OPERATIONS	452,692	41,848	20,924	62,772	20,923	368,997
OTHER CAPITAL	152,978	36,225	4,528	40,753	4,529	107,696
TOTAL SMTF PROGRAMMING	$ 720,496	86,585	26,516	113,101	26,516	$ 580,879

Approved Budget	$ 720,496
YTD Federal Costs	86,585
YTD State Costs	26,516
YTD Local Costs	26,516
Budget over Actual or Actual over Budget	$ 580,879

CITY OF ANDERSON, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

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 147

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity Information 154

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity Information 158

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.

Demographic and Economic Information 163

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 165

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.

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									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Governmental Activities										
Net Investment in Capital Assets	$ 31,528	33,880	33,914	33,761	37,021	41,270	43,724	46,795	48,193	$ 53,251
Restricted	7,814	8,174	9,010	10,616	11,597	10,432	7,325	9,467	9,374	8,960
Unrestricted	289	44	1,123	801	(5,001)	(6,701)	(4,540)	(7,933)	(5,021)	(12,043)
Total Governmental Activities Net Position	$ 39,631	42,098	44,047	45,178	43,617	45,001	46,509	48,329	52,546	$ 50,168
Business-Type Activities										
Net Investment in Capital Assets	$ 25,208	27,025	26,112	26,280	27,644	31,343	35,771	38,546	43,529	$ 48,278
Restricted	5,024	5,234	5,576	6,776	6,940	6,990	5,532	5,187	5,532	5,897
Unrestricted	8,377	8,076	9,935	9,607	10,530	10,279	11,415	11,732	11,330	16,651
Total Business-Type Activities Net Position	$ 38,609	40,335	41,623	42,663	45,114	48,612	52,718	55,465	60,391	$ 70,826
Primary Government										
Net Investment in Capital Assets	$ 56,736	60,905	60,026	60,041	64,665	72,613	79,495	85,341	91,722	$ 101,529
Restricted	12,838	13,408	14,586	17,392	18,537	17,422	12,857	14,654	14,906	14,857
Unrestricted	8,666	8,120	11,058	10,408	5,529	3,578	6,875	3,799	6,309	4,608
Total Primary Government Net Position	$ 78,240	82,433	85,670	87,841	88,731	93,613	99,227	103,794	112,937	$ 120,994

CHANGES IN NET POSITION

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

UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
General Government	$ 6,415	6,945	6,754	6,788	7,204	6,312	8,053	8,464	8,860	$ 10,943
Public Safety	12,864	13,697	15,193	16,641	18,019	18,320	18,899	18,315	19,498	22,142
Public Works	5,644	5,692	6,125	6,167	3,942	3,412	3,896	5,252	4,119	7,230
Community and Economic Development	1,209	818	1,528	2,237	2,157	2,309	2,275	2,071	2,309	2,605
Cemetery	"	"	"	"	469	464	470	557	559	549
Recreation	2,726	2,902	2,738	3,109	3,349	3,187	3,988	5,023	3,811	5,689
Sanitation	~	~	2	2	2,152	2,228	2,425	2,743	3,171	2,867
Advertising and Tourism	143	114	165	160	264	213	538	284	359	1,044
Interest On Long-Term Debt	351	303	241	192	401	343	617	450	450	931
Total Government Activities Expenses	29,352	30,471	32,746	35,296	37,957	36,788	41,161	43,159	43,136	54,000
Business-Type Activities:										
Sewer	10,722	10,493	10,989	11,001	10,405	10,987	11,471	11,943	12,214	12,335
Water	7,142	7,388	7,327	7,966	7,959	8,082	8,225	9,477	10,626	8,545
Stormwater	677	902	603	888	987	932	709	1,007	1,091	1,030
Transit	1,067	1,209	973	1,301	1,485	1,452	1,361	1,814	2,222	1,828
Total Business-Type Activities Expenses	19,608	19,992	19,892	21,156	20,836	21,453	21,766	24,241	26,153	23,738
Total Primary Government Expenses	$ 48,960	50,463	52,638	56,452	58,793	58,241	62,927	67,400	69,289	$ 77,738
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	$ 1,269	1,269	1,411	1,383	1,845	1,887	1,666	1,832	2,839	$ 2,804
Public Safety	2,300	2,201	2,652	2,566	2,509	2,671	2,889	2,630	2,467	2,248
Public Works	522	564	483	489	251	290	417	490	398	414
Community and Economic Development	155	243	207	182	173	210	173	244	206	197
Cemetery	"	"	"	"	224	372	298	293	259	318
Recreation	304	319	341	304	205	154	245	275	300	315
Sanitation	~	~	344	398	400	400	627	773	793	801
Operating Grants and Contributions	1,359	1,444	1,007	1,325	1,012	1,685	3,677	2,580	6,284	2,093
Capital Grants and Contributions	132	61	141	56	324	9	1,159	1,542	408	4,581
Total Governmental Activities Program Revenues	6,041	6,101	6,586	6,703	6,943	7,678	11,151	10,659	13,954	13,771
Business-Type Activities:										
Charges For Services:										
Sewer	12,042	12,150	12,007	12,344	12,918	13,577	13,893	14,253	15,142	16,102
Water	8,167	8,365	8,158	8,682	8,955	9,043	9,688	10,152	10,434	10,690
Storm Water	1,087	1,130	1,126	1,126	1,135	1,146	1,160	1,170	1,171	1,209
Transit	293	228	290	398	188	170	133	350	423	572
Operating Grants and Contributions	1,805	690	503	625	927	2,181	1,817	1,561	1,074	1,443
Capital Grants and Contributions	144	305	358	198	403	382	640	347	488	4,428
Total Business-Type Activities Program Revenues	23,538	22,868	22,442	23,373	24,526	26,499	27,331	27,833	28,732	34,444
Total Primary Government Program Revenues	$ 29,579	28,969	29,028	30,076	31,469	34,177	38,482	38,492	42,686	$ 48,215

(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 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense) Revenue										
Governmental Activities	$ (23,311)	(24,370)	(26,160)	(28,593)	(31,014)	(29,110)	(30,010)	(32,500)	(29,182)	$ (40,229)
Business-Type Activities	3,930	2,876	2,550	2,217	3,690	5,046	5,565	3,592	2,579	10,706
Total Primary Government Net Expense	$ (19,381)	(21,494)	(23,610)	(26,376)	(27,324)	(24,064)	(24,445)	(28,908)	(26,603)	$ (29,523)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	$ 12,998	12,976	13,262	13,371	13,647	14,616	14,008	14,916	15,582	$ 16,106
Hospitality Fees	2,731	2,793	2,902	3,057	2,973	3,265	3,763	4,179	4,279	4,501
Lodging Tax	258	312	368	364	296	240	426	704	648	785
Franchise Tax	4,833	4,491	5,647	5,817	5,877	5,874	6,250	6,535	7,042	7,509
Business License	3,506	4,195	3,924	4,762	4,300	4,074	4,858	5,253	5,322	5,448
Other Taxes	239	267	74	67	49	43	66	54	61	60
Intergovernmental Revenue - Unrestricted	584	611	603	610	633	645	637	667	700	735
Investment Earnings	116	(44)	3	246	269	92	(67)	714	1,449	1,312
Miscellaneous	59	69	66	39	30	44	61	165	126	288
Gain on Sale of Assets	-	-	260	58	-	-	-	-	4	-
Transfers	1,217	1,166	1,264	1,333	1,379	1,599	1,516	1,073	(1,754)	1,107
Total Governmental Activities	26,541	26,836	28,373	29,724	29,453	30,492	31,518	34,260	33,459	37,851
Business-Type Activities:										
Investment Earnings	10	17	60	156	141	51	57	229	592	836
Transfers	(1,217)	(1,166)	(1,264)	(1,333)	(1,379)	(1,599)	(1,516)	(1,073)	1,754	(1,107)
Total Business-Type Activities	(1,207)	(1,149)	(1,204)	(1,177)	(1,238)	(1,548)	(1,459)	(844)	2,346	(271)
Total Primary Government	$ 25,334	25,687	27,169	28,547	28,215	28,944	30,059	33,416	35,805	$ 37,580
Change in Net Position										
Governmental Activities	$ 3,230	2,467	2,213	1,131	(1,561)	1,382	1,508	1,760	4,277	$ (2,378)
Business-Type Activities	2,723	1,726	1,346	1,040	2,452	3,498	4,106	2,748	4,925	10,435
Total Primary Government	$ 5,953	4,193	3,559	2,171	891	4,880	5,614	4,508	9,202	$ 8,057

~ 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
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
2025	$ 16,106	785	$ 16,891

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 123,723	216,872	238,259	230,729	256,631	245,745	731,244	626,870	196,584	$ 921,209
Restricted	412,604	865,670	893,937	1,174,028	1,507,780	-	903,760	278,338	131,694	220,716
Assigned	375,000	517,500	2,974,853	4,708,075	1,287,947	1,875,099	2,440,621	527,545	511,675	583,875
Unassigned	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	7,932,330
Total General Fund	$ 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	$ 9,658,130
All Other Governmental Funds										
Nonspendable	$ 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	$ 2,352,117
Restricted	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	12,183,698
Assigned	60,792	559	1,780	45,079	-	31,130	123,304	115,956	117,626	52,477
Unassigned	-	-	-	(95,341)	(306,362)	-	(33,050)	(464,970)	(270,579)	(257,041)
Total All Other Governmental Funds	$ 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	$ 14,331,251

CITY OF ANDERSON, SOUTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Taxes	$ 12,901,020	12,951,977	13,356,508	13,394,371
Licenses and Permits	8,551,180	8,860,838	9,782,749	10,807,228
Intergovernmental	1,962,051	2,054,534	1,737,672	1,886,993
Charges for Services	1,625,645	1,649,815	1,993,318	1,939,034
Fines	519,129	393,807	307,347	264,255
Prisoner Per Diem	1,396,814	1,473,889	1,881,791	1,803,091
Investment Earnings	116,263	(44,429)	2,893	245,513
Program Income	547,536	506,168	611,997	427,225
Accommodations Tax	257,509	311,608	368,296	364,415
Hospitality Fees	2,731,445	2,792,692	2,902,561	3,057,287
Miscellaneous	1,055,041	1,066,054	995,191	1,115,935
Total Revenues	31,663,633	32,016,953	33,940,323	35,305,347
Expenditures				
General Government	5,132,993	4,763,939	4,998,350	5,439,897
Public Safety	11,725,893	12,051,904	13,148,040	14,735,151
Public Works	4,938,144	5,099,533	5,321,889	5,486,910
Community and Economic Development	1,435,475	1,559,542	1,822,367	2,332,215
Cemetery	"	"	"	"
Recreation	2,534,058	2,543,001	2,481,926	2,619,519
Sanitation	~	~	2,081	1,708
Advertising and Tourism	136,166	109,131	157,544	153,155
Nondepartmental	1,216,804	1,312,546	1,220,486	1,527,327
Capital Outlay	1,791,482	3,250,241	662,509	291,448
Debt Service				
Principal	2,575,007	2,853,709	2,083,134	1,462,289
Interest	351,534	299,075	222,975	169,276
Bank Fees	22,795	25,054	28,186	30,272
Bond Issuance Cost	-	-	-	-
Total Expenditures	31,860,351	33,867,675	32,149,487	34,249,167
Excess of Revenues Over (Under) Expenditures	(196,718)	(1,850,722)	1,790,836	1,056,180
Other Financing Sources (Uses)				
Bonds Issued	-	-	-	-
Installment Purchase Revenue Bonds Issued	-	-	-	-
Financed Purchase Issued	-	-	-	-
General Obligation Refunding Bonds Issued	-	-	-	-
Premium on Bonds	-	-	-	-
Lease Issued	-	1,700,000	-	-
Sale of Capital Assets	-	-	260,000	217,800
Transfers In	2,323,132	2,971,434	2,567,799	3,173,943
Transfers Out	(1,106,304)	(1,804,899)	(1,303,822)	(1,840,890)
Total Other Financing Sources (Uses)	1,216,828	2,866,535	1,523,977	1,550,853
Net Change in Fund Balances	$ 1,020,110	1,015,813	3,314,813	2,607,033
Cash Capital Asset Additions	$ 2,480,040	3,719,045	935,394	1,277,327
Debt Service as a Percentage of Noncapital Expenditures	9.96%	10.46%	7.39%	4.95%

~ 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					
2020	**2021**	**2022**	**2023**	**2024**	**2025**
13,544,495	14,646,675	14,079,977	14,984,029	15,551,572	$ 16,079,951
10,465,912	10,263,389	11,563,936	12,288,155	12,892,744	13,548,816
1,807,904	2,280,812	5,022,971	3,677,155	7,279,045	7,319,754
1,848,935	1,983,572	2,346,140	2,551,954	1,770,602	1,919,462
268,498	253,449	254,768	230,420	229,782	140,641
1,698,234	1,850,419	1,943,618	1,804,313	1,487,809	1,315,370
269,054	92,098	(66,703)	714,426	1,449,056	1,312,663
433,965	444,158	387,660	450,942	421,962	362,259
295,550	240,237	425,826	703,679	647,485	813,836
2,972,873	3,265,014	3,763,031	4,178,624	4,278,852	4,501,058
1,420,416	1,516,577	1,331,658	1,496,041	3,305,500	3,339,768
35,025,836	36,836,400	41,052,882	43,079,738	49,314,409	50,653,578
5,656,615	5,476,194	5,650,269	6,601,381	7,757,057	7,760,106
15,402,766	15,710,946	15,890,079	17,273,523	18,404,061	20,769,131
3,159,058	2,975,724	3,732,372	4,018,421	3,468,158	3,740,407
2,537,133	2,357,161	3,223,090	3,370,421	2,207,475	2,048,391
448,661	448,767	422,531	534,050	539,936	529,341
3,033,816	3,080,636	5,393,926	3,948,242	3,795,679	3,664,695
2,059,153	2,154,268	2,180,594	2,629,099	3,059,864	2,761,994
252,263	205,816	484,047	272,432	346,771	1,006,161
1,696,488	1,533,545	8,579,901	1,654,822	1,467,458	2,742,006
6,822,390	7,797,972	1,336,645	3,081,930	3,131,180	16,808,938
1,513,819	1,729,446	943,000	1,303,000	1,407,615	1,488,713
122,402	299,154	333,947	537,453	457,204	447,501
24,865	35,899	-	-	-	-
193,323	-	161,000	1,200	1,200	380,961
44,463,200	43,805,528	48,331,401	45,225,974	46,043,658	64,148,345
(9,437,364)	(6,969,128)	(7,278,519)	(2,146,236)	3,270,751	(13,494,767)
-	-	7,000,000	-	-	11,115,000
7,000,000	-	-	-	-	-
855,000	-	1,650,000	-	105,284	3,112,618
1,588,000	-	-	-	-	-
-	-	-	-	-	260,931
-	-	-	-	-	-
-	-	-	-	4,468	-
8,553,893	9,769,989	7,453,710	7,174,939	8,621,645	11,955,492
(7,174,529)	(8,169,785)	(5,937,352)	(6,101,617)	(10,375,768)	(10,848,986)
10,822,364	1,600,204	10,166,358	1,073,322	(1,644,371)	15,595,055
1,385,000	(5,368,924)	2,887,839	(1,072,914)	1,626,380	$ 2,100,288
8,320,533	9,411,518	10,608,342	6,744,716	5,310,054	$ 16,237,398
4.53%	5.90%	3.39%	4.78%	4.58%	4.04%

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: Tax Exempt Real Property	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					
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%
2025	$ 44,870	74,068	12,266	12,518	882	142,840	109	$ 2,671,792	5.35%

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						
		County			School District			
Fiscal Year	(1) Total City Millage	Operating Millage	(2) Debt Service Millage	Total County Millage	Operating Millage	(3) Debt Service Millage	Total School Millage	Total Direct & Overlapping Rates
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
2025	109.00	82.50	1.20	83.70	191.00	14.00	205.00	397.70

(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

	2025			2016		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Duke Energy	$ 3,539,160	1	2.5%	$ 2,512,930	1	2.7%
Walden Oaks Apartments	1,815,010	2	1.3%			
Piedmont Natural Gas	1,026,510	3	0.7%			
Walmart (Hwy 28)	871,080	4	0.6%	757,450	5	0.8%
Spectrum Southeast	755,330	5	0.5%			
Ashford Pointe Apartments	745,290	6	0.5%			
Spirit Master (Civic Ctr Blvd)	702,540	7	0.5%	682,250	7	0.7%
Station 153 Apartments	702,500	8	0.5%			
Walmart (Liberty Hwy)	699,870	9	0.5%	676,550	8	0.7%
Hampton Apartments	685,890	10	0.5%			
Bellsouth				1,858,430	2	2.0%
Anderson Mall				1,321,180	3	1.4%
Kroger				829,780	4	0.9%
Kohls				715,000	6	0.8%
Lowes Home Center				615,650	10	0.7%
Cole SC Anderson				636,850	9	0.7%
Total	$ 11,543,180		8.1%	$ 10,606,070		11.3%

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		Collections in Subsequent Years (1)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	154	15,337	102.05%
2025	$ 15,570	$ 15,186	97.5%	$ -	$ 15,186	97.53%

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	Limited 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)
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	65,800	5,629	-	87,967	8.95%	3,004
2023	1,018	6,658	-	1,348	6,211	61,755	5,359	-	82,349	7.61%	2,766
2024	818	6,241	-	844	5,934	57,585	5,083		76,505	6.90%	2,563
2025	$ 612	5,816	11,115	3,482	5,647	53,210	4,802	1,350	$ 86,034	7.33%	$ 2,781

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)
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
2025	$ 612	-	$ 612	0.02%	20

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, 2023
(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)	$ 14,107	13.0%	$ 1,834
School District 5 - Overlapping (2)	$ 139,925	35.2%	49,254
Total Overlapping Debt			51,088
City of Anderson - Direct			$ 26,672
Total Direct and Overlapping Debt			$ 77,760

(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 School District 5 and City of Anderson Finance Department

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

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(in thousands of dollars)

UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$ 8,051	8,111	8,465	8,534	8,605	9,120	9,439	10,593	11,105	$ 11,498
Total net debt applicable to limit	2,270	1,955	1,820	1,680	1,588	1,402	1,213	1,018	818	612
Legal debt margin	$ 5,781	6,156	6,645	6,854	7,017	7,718	8,226	9,575	10,287	$ 10,886
Total net debt applicable to the limit as a percentage of debt limit	28.20%	24.10%	21.50%	19.69%	18.45%	15.37%	12.85%	9.61%	7.37%	5.32%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Value	$ 142,840
Add back: exempt real property	882
Total assessed value	143,722
Debt limit (8% of total assessed value)	11,498
Debt applicable to limit:	
General obligation bonds	(612)
Legal debt margin	$ 10,886

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	Coverage	Special Assessment Collections	Principal	Interest	Coverage	Special Assessment Collections	Principal	Interest	Coverage
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
2025	$ 28,116	13,674	14,442	4,551	$ 2,476	2.06	N/A*	N/A*	N/A*	N/A*	$ 4,501	425	$ 124	8.20

* This includes the activity for the South Carolina Revolving Loan issued in May 2017.
(1) Total operating revenues plus interest income plus required debt service coverage from Anderson County and Homeland Park.
(2) Total operating expenses less depreciation.
N/A* Not applicable as debt was paid off in FY 2021.
N/A** Not applicable as debt was issued in FY 2022.

CITY OF ANDERSON, SOUTH CAROLINA | Table 15

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
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	29,852	1,108,256	37,125	32.7	11,954	4.7%
2025	30,937	1,173,193	$ 37,922	33.0	11,573	4.2%

Source: Anderson County Economic Development Office; United States Census Bureau

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

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

	2025			2016		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
Anderson County Public Schools	4,425	1	2.01%	3,820	1	1.95%
AnMed Health	3,600	2	1.64%	3,500	2	1.79%
Robert Bosch Corp	2,382	3	1.08%	1,200	5	0.61%
Electrolux	2,026	4	0.92%	1,900	3	0.97%
Arthrex	1,500	5	0.68%	-		
Technical Industries (TTI)	1,385	6	0.63%	-		
Anderson County	1,184	7	0.54%	1,000	6	0.51%
First Quality Tissue	1,000	8	0.45%	700	8	0.36%
Anderson University	987	9	0.45%			
Michelin	931	10	0.42%	990	7	0.51%
State of South Carolina				1,650	4	0.84%
Tri-County Tech				635	9	0.32%
Glen Raven				600	10	0.31%
Total	19,420		8.83%	15,995		8.17%

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	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
General Government	63	64	64	59	58	63	60	65	64	69.5
Public Safety:										
Police	150	148	150	153	155	158	159	156	157	157
Fire	60	60	61	61	64	64	65	65	69	75
Public Works	88	91	91	91	88	88	88	88	90	90
Economic/Community Development	9	10	10	10	9	8	8	8	8	8
Recreation	23	31	32	32	32	32	31	31	31	28
Sewer	25	26	32	30	28	28	29	28	32	32
Water	34	34	34	34	33	33	34	34	34	33
Stormwater	6	6	6	5	5	5	5	5	5	4.5
Transit	14	14	14	14	15	15	16	16	16	16
Total	472	484	494	489	487	494	495	496	506	513

Source: City of Anderson

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

OPERATING INDICATORS

LAST TEN FISCAL YEARS

UNAUDITED

	Fiscal Year									
Function	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Police										
Physical arrests	3,054	2,831	2,708	2,178	2,275	1,845	2,166	2,932	1,738	1,789
Parking violations	222	63	19	44	1	2	0	64	427	276
Traffic violations	8,154	8,432	4,698	5,055	5,533	3,512	3,464	3,706	4,340	3,828
Criminal Charges	2,976	3,133	3,023	3,120	2,812	2,851	3,225	3,253	2,490	2,390
Fire										
Number of calls answered	1,702	1,732	2,057	2,100	2,028	2,234	2,207	2,429	2,702	2,820
Inspections	1,836	2,076	2,133	2,300	1,846	1,990	1,330	2,374	2,591	2,272
Highways and streets										
Potholes repaired	58	71	99	471	205	288	148	71	72	127
Sanitation										
Refuse collected (tons/day)	132	78	54	82	102	75	76	78	81	103
Culture and recreation										
Athletic field permits issued	601	569	585	626	483	776	811	1,023	1,018	908
Water										
Average daily consumption	4.62	4.53	4.53	4.39	4.25	4.07	4.31	4.44	4.50	4.32
Maximum Daily Consumption	8.09	7.93	7.44	7.68	7.44	7.13	7.55	7.77	7.90	7.56
(millions of gallons)										
Wastewater										
Average daily sewage treatment	8.71	7.60	8.22	9.72	9.51	12.70	8.90	9.12	8.75	8.20
Maximum Daily Consumption	26.74	22.27	17.16	25.54	26.70	21.60	23.47	19.14	24.08	24.10
(millions of gallons)										

Source: City of Anderson

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

CAPITAL ASSET STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

	Fiscal Year									
Function	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	2	1	1	2	2	2
Patrol units	101	101	101	106	110	110	110	112	113	114
Fire Stations	3	3	3	3	3	3	3	3	3	3
Sanitation										
Collection trucks	10	10	12	14	15	18	23	25	25	25
Highways and streets										
Streets (miles)	207	207	207	207	208	220	233	234	234	235
Streetlights	3,413	3,413	3,806	3,807	3,809	4031	4031	4031	4031	4031
Traffic signals	88	88	86	86	86	86	87	88	89	82
Culture and recreation										
Parks acreage	186	188	188	134	134	134	135	135	135	135
Parks	19	20	20	22	22	22	23	23	23	23
Community centers	2	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	369	369	270	370	370	372	372	372	373	374
Elevated Tanks	8	8	8	7	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	16,792	16,975	17,228	17,045	18,393	17,038	17,061	17,023	18,675	18,450
Fire Hydrants	1,035	1,040	1,045	1,046	1,048	1,047	1,047	1,047	1,048	1,050
New Connections	137	184	169	171	193	198	184	99	212	120
Water Main Breaks	80	101	110	62	37	63	54	41	50	83
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	5	5	5	5	5	7	7
Sanitary Sewer Miles	277	278	279	279	279	279	338	338	339	342
Number of service connections	20,101	20,438	20,600	20,920	21,355	21,690	22,054	22,324	22,455	22,442
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, 2025

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	$ 897,228
Total 14.218 - CDBG - Entitlement Grants Cluster			897,228
Pass-through From SC State Housing Finance and Development Authority:			
HOME Program	14.239	N/A	148,101
TOTAL US DEPARTMENT OF HOUSING / URBAN DEVELOPMENT			1,045,329
US DEPARTMENT OF TRANSPORTATION			
Direct Programs:			
Federal Transportation Administration Grants Cluster - Section 5307	20.507	SC-2025-014	133,659
Federal Transportation Administration Grants Cluster - Section 5307	20.507	SC-2024-015	57,770
Federal Transportation Administration Grants Cluster - Section 5307	20.507	SC-2024-016	241,632
COVID-19 - Federal Transportation Administration Grants Cluster - Section 5307	20.507	SC-2020-014	3,736
FTA Grants - APRA	20.507	SC-2024-010	188,464
	Total 20.507		625,261
Direct Programs:			
Highway Safety Grant	20.600	PT-2024-HS-60-24/ PT-2025-HS-60-25	53,996
Pass-through From SC Department of Transportation:			
Highway Planning and Construction - ACATS	20.205	N/A	288,708
COVID-19 - Formula Grants for Rural Areas - Section 5311	20.509	PT-2479AR-23	26,267
Formula Grants for Rural Areas - Section 5311	20.509	PT-237911-37	305,606
Formula Grants for Rural Areas - Section 5311	20.509	PT-247911-46	86,585
	Total 20.509		418,458
TOTAL US DEPARTMENT OF TRANSPORTATION			1,386,423
US DEPARTMENT OF HOMELAND SECURITY			
Direct Programs:			
Federal Emergency Management Agency ("FEMA")	97.036	FEMA-4829-DR-SC	193,939
Incident Management Team	97.067	N/A	39,845
TOTAL US DEPARTMENT OF HOMELAND SECURITY			233,784
US DEPARTMENT OF THE TREASURY			
Direct Programs:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan)	21.027	N/A	4,536,111
Pass-Through SC Rural Infrastructure Authority:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan)	21.027	A-23-C007	1,584,855
	Total 21.027		6,120,966
TOTAL US DEPARTMENT OF THE TREASURY			6,120,966
US DEPARTMENT OF JUSTICE			
Direct Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	5G002124/ 15PBJA-23-GG-03746	39,661
Project Safe Neighborhoods	16.609	5P000123/5P000124	81,144
Law Enforcement Victims Advocate	16.575	2S001824/2S007924	$ 56,527

(Continued)

Federal Grantor/Pass-through Grantor/Program or Cluster Title:	Assistance Listing Number	Grant/Contract Number	Federal Expenditures
US DEPARTMENT OF JUSTICE (CONTINUED)			
Pass-through From South Carolina Department of Public Safety:			
VAWA	16.588	K002221/K002421	$ 56,639
TOTAL US DEPARTMENT OF JUSTICE			233,971
GRAND TOTALS			**$ 9,020,473**

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, 2025. 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 *de minimis* indirect cost rate allowed under the Uniform Guidance.

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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 ("*Government Auditing Standards*"), 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, 2025, 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 3, 2025.

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*.

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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 3, 2025

Greene Finney Cauley, LLP
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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, 2025. 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, 2025.

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.

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Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 3, 2025

CITY OF ANDERSON, SOUTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2025

There were no audit findings in the prior year

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

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)
97.036	Federal Emergency Management Agency (FEMA)

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

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

Section II – 2025 Financial Statement Findings

No matters to report.

Section III – 2025 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, 2025

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)
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
2025	8.28	4.09	4.19

* 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	77.61%
Anderson County	16.70%
Homeland Park Water and Sewer	5.69%
	100.00%

SEWER CUSTOMERS BY AREA

City of Anderson	15,009
Anderson County	4,638
Homeland Park Water and Sewer	2,795
	22,442

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF WATER METER SERVICE
WATER FUND

YEAR ENDED JUNE 30, 2025

Water Meter Service

Size of Meter	Total Active Meters
3/4"	15,406
1"	1,241
1 1/2"	196
2"	186
3"	34
4"	8
6"	32
8"	3
10"	1
Grand Total Active Meters	17,107

Water System Piping

Size of Meter	Total Length (Feet)
3/4"	178
1"	9,714
1.25"	4,952
1.5"	4,337
2"	267,914
3"	108,801
4"	99,910
6"	929,566
8" or larger	548,514
Total Length (Feet)	1,973,886
Total Length Miles	374

Water System - Usage

Fiscal Year	Billed Usage (1,000 Gallons)	Customers
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
2025	1,403,827	17,107

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF LARGEST UTILITY USERS
WATER AND SEWER FUNDS

YEAR ENDED JUNE 30, 2025

	Water			Sewer		
Utility User	Gallons Used	Revenues	% of Total Revenues	Gallons Used	Revenues	% of Total Revenues
Owens Corning Fiberglass	29,973,108	$ 239,441	2.61%			
Anderson University	41,720,448	193,553	2.11%	32,599,336	$ 265,400	2.34%
Anderson County	35,100,648	194,388	2.12%	30,204,988	233,959	2.07%
Michelin Plant 8	35,755,148	122,173	1.33%			
Anmed Health	69,506,404	188,448	2.06%	20,638,068	135,634	1.20%
JPS Composite Materials Corp	31,021,056	77,093	0.84%	31,021,056	242,804	2.14%
Michelin Plant 10	16,848,700	61,011	0.67%			
Plastic Omnium Industries	15,155,228	84,137	0.92%	15,155,228	124,935	1.10%
First Quality - Household	33,740,784	133,809	1.46%			
First Quality - Print & Package	12,245,508	57,565	0.63%			
Belton Woods Apts				10,503,416	82,019	0.72%
Fairview Gardens				12,010,636	94,441	0.83%
Walden Oaks, LLC				9,259,492	76,267	0.67%
JL Clemson Blvd LLC				9,462,200	73,890	0.65%
DBC Anderson Pointe LP				8,535,428	66,654	0.59%
Total	321,067,032	$ 1,351,616	14.75%	179,389,848	$ 1,396,005	12.31%

CITY OF ANDERSON, SOUTH CAROLINA

SCHEDULE OF UTILITY RATES
WATER AND SEWER FUNDS

YEAR ENDED JUNE 30, 2025

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