



**TOWN OF RIDGELAND, SOUTH CAROLINA**

---

**GOVERNMENT-WIDE FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

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**FOR THE YEAR ENDED JUNE 30, 2023**

**WITH**

**INDEPENDENT AUDITORS' REPORT**

Mayor  
Joseph N. Malphrus, Jr.

Mayor Pro Tempore  
Thomas Rhodes

Town Council Members  
Josephine Boyles  
William H. Fishburne  
Libby H. Malphrus

Town Administrator  
Dennis E. Averkin

Finance Director  
Jordan Tuten

TOWN OF RIDGELAND, SOUTH CAROLINA

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AUDITED FINANCIAL STATEMENTS

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YEAR ENDED JUNE 30, 2023

WITH

INDEPENDENT AUDITORS' REPORT

TOWN OF RIDGELAND, SOUTH CAROLINA

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GOVERNMENT-WIDE FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION

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YEAR ENDEND JUNE 30, 2023

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# THE BRITTINGHAM GROUP, L.L.P.

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## INDEPENDENT AUDITORS' REPORT

To the Mayor and Town Council  
Town of Ridgeland, South Carolina  
One Town Square  
Ridgeland, South Carolina 29936

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Town of Ridgeland, South Carolina (the "Town") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the 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 Town, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our 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 opinion.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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 of the effectiveness of the Town'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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 related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 12, Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund on page 44, Schedule of Proportionate Share of the South Carolina Retirement Systems Net Pension Liabilities on page 45, and the Schedule of South Carolina Retirement Systems Contributions on page 46 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 Town’s basic financial statements. The Schedule of Court Fines, Fees, Assessments and Surcharges 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 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 Combining and Individual Fund Statements and Schedules and the Schedule of Court Fines, Fees, Assessments and Surcharges 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the Town’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 Town’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 Town’s internal control over financial reporting and compliance.



West Columbia, South Carolina  
December 21, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Ridgeland, we offer the readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the accompanying financial statements and notes.

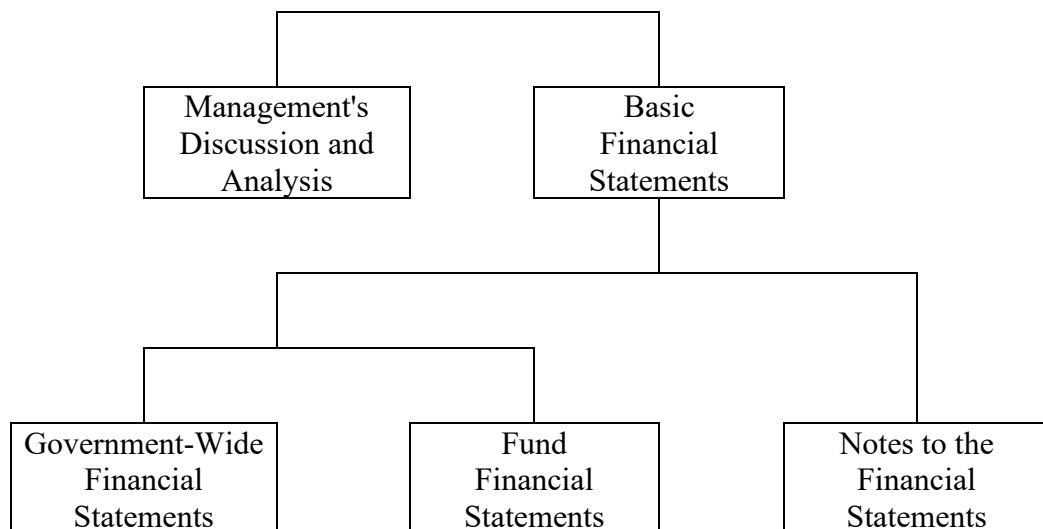
### Financial Highlights

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows by \$23,839,119 at June 30, 2023 as compared to \$21,811,361 at the end of the previous fiscal year. The net position in the governmental activities increased \$850,842 while the net position of the proprietary fund increased \$1,176,916.
- As of the close of the fiscal year the Town's governmental fund reported an ending fund balance of \$3,937,419 as compared to \$3,680,635 for the previous fiscal year, resulting in an increase of \$256,784.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of the Town's basic financial statements. The basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The Town also includes in this report additional information to supplement the basic financial statements.

### Required Components of Annual Financial Report



## **Government-wide Financial Statements**

The government-wide financial statements are designed to provide a broad view of the Town's operations in a manner similar to a private-sector business. These statements provide both long-term and short-term information about the Town's overall status.

The first of these government-wide statements is the Statement of Net Position. The Statement of Net Position presents information on all the Town's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two being 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 Town is improving or deteriorating.

The second government-wide statement is the Statement of Activities. The Statement of Activities presents information showing how the Town'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.

## **Fund Financial Statements**

These statements provide more detailed information about the Town's most significant funds – not the Town as a whole. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two fund types – Governmental Funds and Proprietary Funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided to reconcile the two types of statements.

Proprietary Funds are used to account for services for which the Town charges customers a fee. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. These funds are similar to the government-wide business-type activities, but provide more detail and additional information, such as a cash flow statement.

## **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.



## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information that includes the General Fund budgetary comparison and the schedule of fines and assessments.

## Government-wide Financial Analysis

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2023 the Town's assets and deferred outflows exceeded liabilities and deferred inflows by \$23,839,119 (net position). This represents an increase in the Town's net position of \$2,027,758 or 9.3% from the prior year.

The following is a comparative presentation of the net position of the Town as of June 30, 2023, and June 30, 2022.

|                                  | Governmental Activities |                    | Business-type Activities |                      | Totals               |                      |
|----------------------------------|-------------------------|--------------------|--------------------------|----------------------|----------------------|----------------------|
|                                  | June 30,<br>2023        | June 30,<br>2022   | June 30, 2023            | June 30,<br>2022     | June 30, 2023        | June 30,<br>2022     |
| Assets:                          |                         |                    |                          |                      |                      |                      |
| Current assets                   | \$4,782,416             | \$4,189,924        | \$ 5,527,579             | \$ 4,641,705         | \$ 10,309,995        | \$ 8,831,629         |
| Capital assets, net              | 6,827,157               | 6,739,769          | 17,728,525               | 17,666,750           | 24,555,682           | 24,406,519           |
| Total Assets                     | <u>11,609,573</u>       | <u>10,929,693</u>  | <u>23,256,104</u>        | <u>22,308,455</u>    | <u>34,865,677</u>    | <u>33,238,148</u>    |
| Deferred Outflows of Resources   | 695,573                 | 645,485            | 61,431                   | 105,079              | 757,004              | 750,564              |
| Current liabilities              | 484,586                 | 438,169            | 238,831                  | 230,213              | 723,417              | 668,382              |
| Long-term liabilities            | 4,925,785               | 4,525,456          | 5,820,882                | 6,001,255            | 10,746,667           | 10,526,711           |
| Total Liabilities                | <u>5,410,371</u>        | <u>4,963,625</u>   | <u>6,059,713</u>         | <u>6,231,468</u>     | <u>11,470,084</u>    | <u>11,195,093</u>    |
| Deferred Inflows of Resources    | 277,122                 | 844,742            | 36,356                   | 137,516              | 313,478              | 982,258              |
| Net position                     |                         |                    |                          |                      |                      |                      |
| Net investment in capital assets | 6,037,748               | 5,764,013          | 12,411,162               | 12,247,820           | 18,448,910           | 18,011,833           |
| Restricted                       | 502,763                 | 565,665            | 1,937,957                | 1,718,228            | 2,440,720            | 2,283,893            |
| Unrestricted                     | 77,142                  | (562,867)          | 2,872,347                | 2,078,502            | 2,949,489            | 1,515,635            |
| Total net position               | <u>\$6,617,653</u>      | <u>\$5,766,811</u> | <u>\$ 17,221,466</u>     | <u>\$ 16,044,550</u> | <u>\$ 23,839,119</u> | <u>\$ 21,811,361</u> |

The largest portion of net position is net investment in capital assets. This figure reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items, and was \$18,448,910 at June 30, 2023. The Town's long-term liabilities as of June 30, 2023 were \$10,746,667, which was an increase of \$219,956 over the previous year. Restricted net position represents cash on hand for capital projects, drug fund, tourism, victim's assistance, debt service, 1% firefighter's fund, and repairs and maintenance.

## Change in Net Position

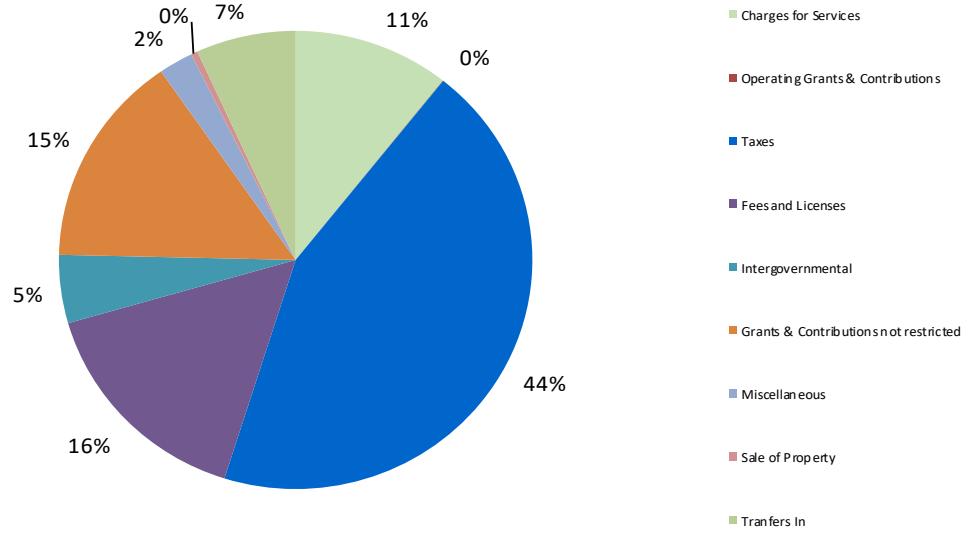
The following is a comparative analysis of the changes in net position for the years ended June 30, 2023 and June 30, 2022:

|                                       | <b>Changes in Net Position</b>      |                    |                                 |                     |                     |                     |
|---------------------------------------|-------------------------------------|--------------------|---------------------------------|---------------------|---------------------|---------------------|
|                                       | <b>For the Years Ended June 30:</b> |                    |                                 |                     |                     |                     |
|                                       | <b>Governmental Activities</b>      |                    | <b>Business-type Activities</b> |                     | <b>Totals</b>       |                     |
|                                       | 2023                                | 2022               | 2023                            | 2022                | 2023                | 2022                |
| <b>Revenues:</b>                      |                                     |                    |                                 |                     |                     |                     |
| Program Revenues                      |                                     |                    |                                 |                     |                     |                     |
| Charges for Services                  | \$ 669,176                          | \$ 765,417         | \$ 2,540,084                    | \$ 2,535,725        | \$ 3,209,260        | \$ 3,301,142        |
| Operating Grants and Contribut        | 2,000                               | 922,369            | -                               | -                   | 2,000               | 922,369             |
| Capital Grants and Contribution       | -                                   | -                  | -                               | 10,540              | -                   | 10,540              |
| Total Program Revenues                | <u>671,176</u>                      | <u>1,687,786</u>   | <u>2,540,084</u>                | <u>2,546,265</u>    | <u>3,211,260</u>    | <u>4,234,051</u>    |
| General Revenues                      |                                     |                    |                                 |                     |                     |                     |
| Taxes                                 | 2,764,556                           | 2,208,831          | -                               | -                   | 2,764,556           | 2,208,831           |
| Business License Fees                 | 982,360                             | 1,182,015          | -                               | -                   | 982,360             | 1,182,015           |
| Intergovernmental                     | 301,004                             | -                  | -                               | -                   | 301,004             | -                   |
| Investment Earnings                   | 3,264                               | 404                | 33,366                          | 2,779               | 36,630              | 3,183               |
| Impact and Capacity Fees              | -                                   | -                  | 884,692                         | 652,074             | 884,692             | 652,074             |
| Miscellaneous                         | 144,334                             | 140,737            | 13,463                          | 12,834              | 157,797             | 153,571             |
| Grants & Contributions not restricted | 940,430                             | 122,284            | -                               | -                   | 940,430             | 122,284             |
| Sale of Property                      | 28,159                              | 95,599             | -                               | -                   | 28,159              | 95,599              |
| Transfers                             | 427,013                             | 438,636            | (427,013)                       | (438,636)           | -                   | -                   |
| Total General Revenues                | <u>5,591,120</u>                    | <u>4,188,506</u>   | <u>504,508</u>                  | <u>229,051</u>      | <u>6,095,628</u>    | <u>4,417,557</u>    |
| Total Revenues                        | <u>6,262,296</u>                    | <u>5,876,292</u>   | <u>3,044,592</u>                | <u>2,775,316</u>    | <u>9,306,888</u>    | <u>8,651,608</u>    |
| <b>Expenses:</b>                      |                                     |                    |                                 |                     |                     |                     |
| Administrative                        | 1,249,980                           | 1,056,970          | -                               | -                   | 1,249,980           | 1,056,970           |
| General Services                      | 435,029                             | 334,559            | -                               | -                   | 435,029             | 334,559             |
| Public Safety                         | 2,970,216                           | 2,876,678          | -                               | -                   | 2,970,216           | 2,876,678           |
| Tourism                               | 240,112                             | 351,802            | -                               | -                   | 240,112             | 351,802             |
| Planning and Zoning                   | 490,207                             | 208,478            | -                               | -                   | 490,207             | 208,478             |
| Water                                 | -                                   | -                  | 819,826                         | 717,183             | 819,826             | 717,183             |
| Sewer                                 | -                                   | -                  | 959,449                         | 1,014,211           | 959,449             | 1,014,211           |
| Interest                              | 25,910                              | 33,691             | 88,401                          | 90,052              | 114,311             | 123,743             |
| Total Expenses                        | <u>5,411,454</u>                    | <u>4,862,178</u>   | <u>1,867,676</u>                | <u>1,821,446</u>    | <u>7,279,130</u>    | <u>6,683,624</u>    |
| Change in Net Position                | 850,842                             | 1,014,114          | 1,176,916                       | 953,870             | 2,027,758           | 1,967,984           |
| Net Position- Beginning               | 5,766,811                           | 4,752,697          | 16,044,550                      | 15,090,680          | 21,811,361          | 19,843,377          |
| Net Position- Ending                  | <u>\$6,617,653</u>                  | <u>\$5,766,811</u> | <u>\$17,221,466</u>             | <u>\$16,044,550</u> | <u>\$23,839,119</u> | <u>\$21,811,361</u> |

Overall revenues increased by \$655,280. This increase relates primarily to the receipt of American Rescue Plan Act (ARPA) grant funding, an increase in capacity fees, and an increase in charges for services.

Overall expenses were up \$595,506. This increase relates primarily to ARPA funds expended.

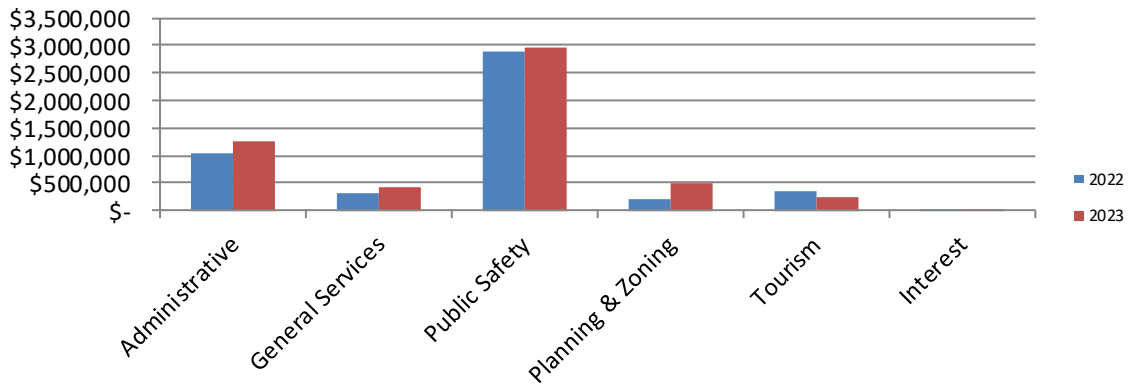
## Revenue Sources - Governmental Activities



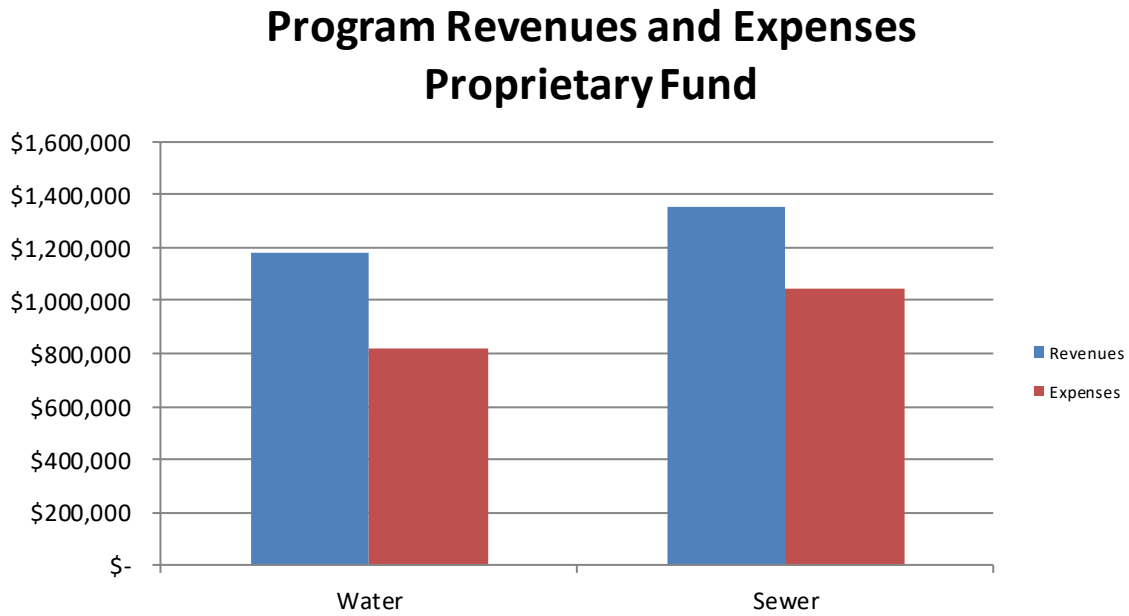
The following graph depicts the revenue sources for the various governmental activities of the Town.

The following graph depicts the expenses for the various governmental activities of the Town.

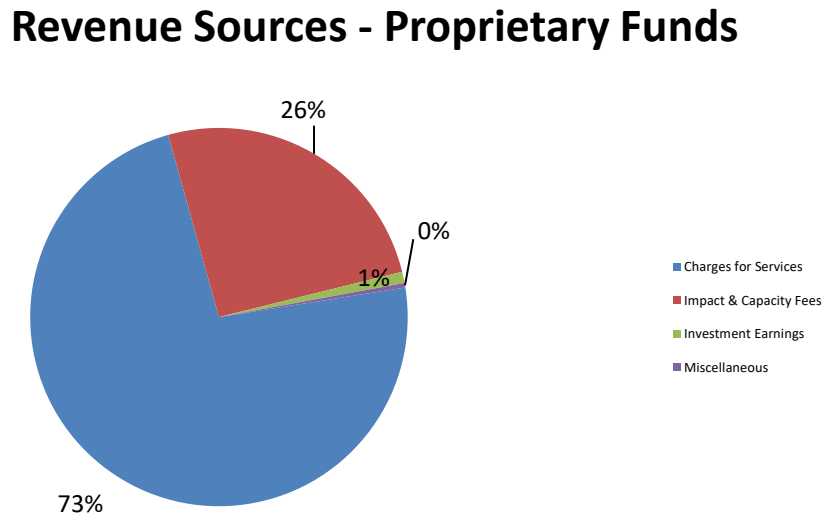
## Expenses for Governmental Activities



The following graph depicts the program revenues and expenses of the Town's business-type activities.



The following pie chart shows the revenue sources for the business-type activities of the Town.



## Financial Analysis of Town Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Town of Ridgeland's governmental funds is to provide information on near-term inflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unreserved 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 Town's governmental funds reported ending fund balances of \$3,937,419, an increase of 7.0% or \$256,784. \$502,763 is restricted for capital projects, tourism, victim assistance, the drug fund, and 1% firefighter's fund leaving an unassigned balance of \$3,434,656.

**Proprietary Funds.** The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The Town has only one proprietary type fund which operates as an enterprise fund providing water and sewer services.

The total net position of the proprietary fund, at the end of the fiscal year was \$17,221,466, an increase of 7.3% or \$1,176,916. Net position of \$1,937,957 is restricted for capital projects, debt service, and repairs. The investment in capital assets less accumulated depreciation and related debt is \$12,411,162, leaving a balance of \$2,872,347 in unrestricted net position.

## General Fund Budgetary Highlights

The general fund revenues exceeded budgeted amounts by \$678,213 or 14.13%. These changes are mostly attributable to the receipt of unbudgeted grant revenue. Expenditures on the budgetary basis were over budget by \$567,130 or 11.1%. This difference was mostly attributable to capital outlay expenditures.

## Capital Assets and Debt Administration

### Capital Assets

The Town of Ridgeland's capital assets for its governmental and business-type activities as of June 30, 2023, totals \$24,555,682 (net of depreciation). The following schedule details the capital assets, net of depreciation, at June 30, 2023 with a comparison to fiscal year ended June 30, 2022:

|                                       | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>June 30,<br/>2023<br/>Total</b> | <b>June 30,<br/>2022<br/>Total</b> |
|---------------------------------------|------------------------------------|-------------------------------------|------------------------------------|------------------------------------|
| Construction in Progress              | \$ -                               | \$ 316,224                          | \$ 316,224                         | \$ 349,185                         |
| Land                                  | 1,270,665                          | 1,244,658                           | 2,515,323                          | 2,515,323                          |
| Buildings and Improvements            | 1,728,498                          | 144,402                             | 1,872,900                          | 1,854,695                          |
| Improvements other than Building      | 1,661,681                          | -                                   | 1,661,681                          | 1,771,044                          |
| Machinery, Equipment, Vehicles        | 1,719,371                          | 329,303                             | 2,048,674                          | 1,717,060                          |
| Infrastructure, Engineering and Legal | 446,942                            | 15,693,938                          | 16,140,880                         | 16,199,212                         |
| Total Capital Assets - net            | <u>\$ 6,827,157</u>                | <u>\$ 17,728,525</u>                | <u>\$ 24,555,682</u>               | <u>\$ 24,406,519</u>               |

Increases in capital assets in governmental activities were \$634,881 which includes \$60,298 for a building, \$100,000 for a brush truck, \$240,000 for a pumper truck, \$212,592 for four pickup trucks, \$14,602 for a lawnmower, and \$7,389 for an HVAC unit. Depreciation expense was \$533,098 for June 30, 2023.

Increases in capital assets in business-type activities were \$713,966 which includes \$31,250 for a metal building, \$407,620 for water and sewer projects, \$99,713 for three vehicles, and \$175,113 for construction in progress. Depreciation expense was \$652,184 for June 30, 2023.

### Long-Term Obligations

At June 30, 2023 the Town has long-term obligations in the amount of \$4,925,785 in the Governmental Activities and \$5,820,882 in the Business-Type Activities. The long-term obligations attributable to notes payable are for the Jasper’s Porch building, the fire station building, the Pump Fire Truck, the wastewater treatment plant upgrade, compensated absences, and net pension liability. The following schedule details the long-term obligations for the year ended June 30, 2023, with a comparison to fiscal year ended June 30, 2022:

|                       | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>June 30,<br/>2023<br/>Total</b> | <b>June 30,<br/>2022<br/>Total</b> |
|-----------------------|------------------------------------|-------------------------------------|------------------------------------|------------------------------------|
| Notes Payable         | \$ 789,409                         | \$ -                                | \$ 789,409                         | \$ 975,756                         |
| Revenue Bonds         | -                                  | 5,317,363                           | 5,317,363                          | 5,418,930                          |
| Net Pension Liability | 3,968,847                          | 456,679                             | 4,425,526                          | 3,910,146                          |
| Compensated Absences  | 167,529                            | 46,840                              | 214,369                            | 221,879                            |
| Total Long-Term Debt  | <u>\$ 4,925,785</u>                | <u>\$ 5,820,882</u>                 | <u>\$ 10,746,667</u>               | <u>\$ 10,526,711</u>               |

### Economic Factors and Next Year’s Budget

The Town of Ridgeland is the County Seat of Jasper County, South Carolina. Jasper and its neighboring county, Beaufort, are two of the fastest growing counties in the State. Jasper had a population increase of 123% from the year 2000 to 2008. During that time period, the Town has grown from under 4 square miles to its current size of 45 square miles. Most of the land that was annexed is currently undeveloped, forested acreage but is zoned under development agreements. The three development agreements signed between the Town and the owners of the newly annexed land to allow for thousands of new homes and millions of square feet of commercial and industrial space. As a consequence, the Town’s budget must not only reflect maintaining the existing services it provides, but plan for the gradual expansion of those services to accommodate for the new developments that have been approved. As part of this effort, the Town has recently constructed a \$9 million dollar, 1.6 million gallon per day wastewater reclamation facility, and has undertaken significant efforts to rehabilitate existing pump stations and sewer lines. Over \$7 million dollars in state and federal grant funds have been secured to finance these efforts thus far. The Town has also recently constructed a new fire station that houses a new E-One pumper truck and an E-One Ladder truck. The Town currently maintains an ISO “3” rating. Despite the groundwork having been put in place that will eventually lead to substantial growth, the current economic climate indicates that it will be several years before any significant revenues are generated

through agreed upon impact fees or tax revenues. The Town permitted over 270 new single family homes in 2023, but the current economic climate indicates that it will take several years before these homes are constructed and sold. Despite the current high interest-rate environment which has negatively impacted growth, the Town shall continue to move forward taking advantage of every opportunity, within its budget, to have a positive impact on the quality of life of its citizens for today and tomorrow.

### **Request for Information**

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Administrator, Town of Ridgeland, South Carolina, P. O. Box 1119, Ridgeland, SC 29936.

TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2023

|   | <b>Primary Government</b>          |                                       |                      |
|---|------------------------------------|---------------------------------------|----------------------|
|   | <b>Governmental<br/>Activities</b> | <b>Business - Type<br/>Activities</b> | <b>Total</b>         |
| <b>Assets</b>                                       |                                    |                                       |                      |
| Cash and cash equivalents                           | \$ 3,297,357                       | \$ 3,363,077                          | \$ 6,660,434         |
| Cash and cash equivalents - restricted              | 789,323                            | 1,938,036                             | 2,727,359            |
| Accounts receivable, net                            | 695,736                            | 226,466                               | 922,202              |
| Capital assets:                                     |                                    |                                       |                      |
| Non-depreciable                                     | 1,270,665                          | 1,560,882                             | 2,831,547            |
| Depreciable, net                                    | 5,556,492                          | 16,167,643                            | 21,724,135           |
| Total assets  | <u>11,609,573</u>                  | <u>23,256,104</u>                     | <u>34,865,677</u>    |
| <b>Deferred outflows of resources</b>               |                                    |                                       |                      |
| Deferred pension outflows                           | <u>695,573</u>                     | <u>61,431</u>                         | <u>757,004</u>       |
| Total assets and deferred outflows of resources     | <u>12,305,146</u>                  | <u>23,317,535</u>                     | <u>35,622,681</u>    |
| <b>Liabilities</b>                                  |                                    |                                       |                      |
| Accounts payable                                    | 97,927                             | 29,852                                | 127,779              |
| Accrued payroll and related withholdings            | 54,448                             | 12,764                                | 67,212               |
| Accrued interest payable                            | 13,615                             | 4,623                                 | 18,238               |
| Unearned revenue                                    | 318,596                            | 191,592                               | 510,188              |
| Long-term liabilities:                              |                                    |                                       |                      |
| Current portion                                     | 233,857                            | 114,953                               | 348,810              |
| Noncurrent portion                                  | 723,081                            | 5,249,250                             | 5,972,331            |
| Net pension liability                               | 3,968,847                          | 456,679                               | 4,425,526            |
| Total liabilities                                   | <u>5,410,371</u>                   | <u>6,059,713</u>                      | <u>11,470,084</u>    |
| <b>Deferred inflows of resources</b>                |                                    |                                       |                      |
| Deferred pension inflows                            | <u>277,122</u>                     | <u>36,356</u>                         | <u>313,478</u>       |
| Total liabilities and deferred inflows of resources | <u>5,687,493</u>                   | <u>6,096,069</u>                      | <u>11,783,562</u>    |
| <b>Net position</b>                                 |                                    |                                       |                      |
| Net investment in capital assets                    | 6,037,748                          | 12,411,162                            | 18,448,910           |
| Restricted  |                                    |                                       |                      |
| Capital projects                                    | 11,990                             | 1,154,105                             | 1,166,095            |
| Debt service  | -                                  | 447,855                               | 447,855              |
| Tourism   | 246,235                            | -                                     | 246,235              |
| Victim assistance                                   | 25,458                             | -                                     | 25,458               |
| Repairs and contingencies                           | -                                  | 335,997                               | 335,997              |
| Drug fund   | 198,832                            | -                                     | 198,832              |
| 1% Firefighters fund                                | 20,248                             | -                                     | 20,248               |
| Unrestricted  | 77,142                             | 2,872,347                             | 2,949,489            |
| Total net position                                  | <u>\$ 6,617,653</u>                | <u>\$ 17,221,466</u>                  | <u>\$ 23,839,119</u> |

See accompanying notes.



TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

| Functions/Programs              | Expenses     | Program Revenues        |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                             | Total         |
|---------------------------------|--------------|-------------------------|--|--|--|-----------------------------|---------------|
|                                 |              | Charges for<br>Services | Operating<br>Grants &<br>Contributions | Capital Grants<br>and<br>Contributions | Governmental<br>Activities                           | Business-Type<br>Activities |               |
| Primary Government:             |              |                         |  |  |  |                             |               |
| Town operations                 | \$ 167,276   | \$ -                    | \$ -                                   | \$ -                                   | \$ (167,276)   | \$ -                        | \$ (167,276)  |
| Town Hall                       | 1,082,704    | -                       | -                                      | -                                      | (1,082,704)  | -                           | (1,082,704)   |
| General services                | 435,029      | -                       | -                                      | -                                      | (435,029)  | -                           | (435,029)     |
| Police department               | 1,471,300    | -                       | 2,000                                  | -                                      | (1,469,300)  | -                           | (1,469,300)   |
| Fire department                 | 1,183,354    | 13,289                  | -                                      | -                                      | (1,170,065)  | -                           | (1,170,065)   |
| Judicial department             | 315,562      | 507,970                 | -                                      | -                                      | 192,408  | -                           | 192,408       |
| Planning and zoning             | 490,207      | 2,150                   | -                                      | -                                      | (488,057)  | -                           | (488,057)     |
| Tourism                         | 240,112      | 145,767                 | -                                      | -                                      | (94,345)   | -                           | (94,345)      |
| Interest                        | 25,910       | -                       | -                                      | -                                      | (25,910)   | -                           | (25,910)      |
| Total governmental activities   | 5,411,454    | 669,176                 | 2,000                                  | -                                      | (4,740,278)  | -                           | (4,740,278)   |
| Business-type activities        |              |                         |  |  |  |                             |               |
| Water                           | 819,826      | 1,183,407               | -                                      | -                                      | -  | 363,581                     | 363,581       |
| Sewer                           | 959,449      | 1,356,677               | -                                      | -                                      | -  | 397,228                     | 397,228       |
| Interest                        | 88,401       | -                       | -                                      | -                                      | -  | (88,401)                    | (88,401)      |
| Total business-type activities  | 1,867,676    | 2,540,084               | -                                      | -                                      | -  | 672,408                     | 672,408       |
| Total primary government        | \$ 7,279,130 | \$ 3,209,260            | \$ 2,000                               | \$ -                                   | (4,740,278)  | 672,408                     | (4,067,870)   |
| General revenues and transfers: |              |                         |  |  |  |                             |               |
| General revenues:               |              |                         |  |  |  |                             |               |
| Taxes:                          |              |                         |  |  |  |                             |               |
|                                 |              |                         |  |  | 1,172,894  | -                           | 1,172,894     |
|                                 |              |                         |  |  | 1,057,029  | -                           | 1,057,029     |
|                                 |              |                         |  |  | 435,818  | -                           | 435,818       |
|                                 |              |                         |  |  | 98,815   | -                           | 98,815        |
|                                 |              |                         |  |  | 301,004  | -                           | 301,004       |
|                                 |              |                         |  |  | -  | 884,692                     | 884,692       |
|                                 |              |                         |  |  | 982,360  | -                           | 982,360       |
|                                 |              |                         |  |  | 940,430  | -                           | 940,430       |
|                                 |              |                         |  |  | 3,264  | 33,366                      | 36,630        |
|                                 |              |                         |  |  | 144,334  | 13,463                      | 157,797       |
|                                 |              |                         |  |  | 28,159   | -                           | 28,159        |
|                                 |              |                         |  |  | 427,013  | (427,013)                   | -             |
|                                 |              |                         |  |  | 5,591,120  | 504,508                     | 6,095,628     |
|                                 |              |                         |  |  | 850,842  | 1,176,916                   | 2,027,758     |
|                                 |              |                         |  |  | 5,766,811  | 16,044,550                  | 21,811,361    |
|                                 |              |                         |  |  | \$ 6,617,653   | \$ 17,221,466               | \$ 23,839,119 |

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2023

|  | <b>General<br/>Fund</b> | <b>Special<br/>Revenue<br/>Fund</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-------------------------|-------------------------------------|---|
| <b>Assets</b>  |                         |                                     |   |
| Cash and cash equivalents                              | \$ 3,297,357            | \$ -                                | \$ 3,297,357                            |
| Cash and cash equivalents - restricted                 | 570,243                 | 219,080                             | 789,323                                 |
| Accounts receivable                                    | 695,736                 | -                                   | 695,736                                 |
| <b>Total assets</b>                                    | <b>4,563,336</b>        | <b>219,080</b>                      | <b>4,782,416</b>                        |
| <b>Liabilities, Deferred Inflows and Fund Balances</b> |                         |                                     |   |
| <b>Liabilities</b>                                     |                         |                                     |   |
| Accounts payable                                       | 97,927                  | -                                   | 97,927                                  |
| Accrued payroll and related withholdings               | 54,448                  | -                                   | 54,448                                  |
| Unearned revenues                                      | 318,596                 | -                                   | 318,596                                 |
| Due to other funds                                     | -                       | -                                   | -                                       |
| <b>Total liabilities</b>                               | <b>470,971</b>          | <b>-</b>                            | <b>470,971</b>                          |
| <b>Deferred Inflow of Resources</b>                    |                         |                                     |   |
| Unavailable revenue - property taxes                   | 169,026                 | -                                   | 169,026                                 |
| Unavailable revenue - intergovernmental                | 205,000                 | -                                   | 205,000                                 |
| <b>Total deferred inflow of resources</b>              | <b>374,026</b>          | <b>-</b>                            | <b>374,026</b>                          |
| <b>Fund Balances</b>                                   |                         |                                     |   |
| <b>Restricted</b>                                      |                         |                                     |   |
| Capital projects                                       | 11,990                  | -                                   | 11,990                                  |
| Tourism  | 246,235                 | -                                   | 246,235                                 |
| Victim assistance                                      | 25,458                  | -                                   | 25,458                                  |
| Drug fund  | -                       | 198,832                             | 198,832                                 |
| 1% fund  | -                       | 20,248                              | 20,248                                  |
| Unassigned   | 3,434,656               | -                                   | 3,434,656                               |
| <b>Total fund balances</b>                             | <b>3,718,339</b>        | <b>219,080</b>                      | <b>3,937,419</b>                        |
| <b>Total liabilities and fund balances</b>             | <b>\$ 4,563,336</b>     | <b>\$ 219,080</b>                   | <b>\$ 4,782,416</b>                     |

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

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

JUNE 30, 2023

|   |                    |                            |
|---|--------------------|----------------------------|
| Total fund balances - governmental funds  |                    | \$ 3,937,419               |
| Amounts reported for governmental activities in the Statement<br>of Net Position are different due to the following:  |                    |                            |
| Capital assets used in governmental activities are not current financial<br>resources and therefore are not reported in the governmental funds.   |                    |                            |
| Capital assets, cost  | \$ 12,477,993      |                            |
| Accumulated depreciation  | <u>(5,650,836)</u> |                            |
|   |                    | 6,827,157                  |
| Some of the City's taxes will be collected after year end, but are not<br>available soon enough to pay for the current period expenditures,<br>and therefore, are reported as deferred inflow in the funds. |                    |                            |
| Property taxes  | 169,026            |                            |
| Intergovernmental revenues  | <u>205,000</u>     |                            |
|   |                    | 374,026                    |
| Interest on long-term debt is not accrued in governmental funds,<br>but rather is recognized as an expenditure when due.  |                    |                            |
|   |                    | (13,615)                   |
| Long-term liabilities are not due and payable in the current period and<br>therefore are not reported in governmental funds.  |                    |                            |
| Compensated absences  | (167,529)          |                            |
| Notes payable   | <u>(789,409)</u>   |                            |
|   |                    | (956,938)                  |
| Net pension obligations are not due and payable in the current period<br>and, therefore, are not reported as liabilities in the governmental<br>funds balance sheet.  |                    |                            |
|   |                    | (3,968,847)                |
| Deferred outflows and inflows of resources related to pensions are applicable to<br>future periods and therefore, are not reported in the governmental funds.   |                    |                            |
| Deferred outflows of resources related to pensions  | 695,573            |                            |
| Deferred inflows of resources related to pensions   | <u>(277,122)</u>   |                            |
|   |                    | 418,451                    |
| Net position of governmental activities   |                    | <u><u>\$ 6,617,653</u></u> |

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

|  | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|-------------------------------------|---|
| <b>Revenues</b>                            |                         |                                     |   |
| Property taxes                             | \$ 1,089,985            | \$ -                                | \$ 1,089,985                            |
| Hospitality and accommodations taxes       | 534,633                 | -                                   | 534,633                                 |
| Fees and fines                             | 655,888                 | 13,289                              | 669,177                                 |
| Intergovernmental                          | 96,004                  | -                                   | 96,004                                  |
| Local option sales tax                     | 1,057,029               | -                                   | 1,057,029                               |
| Business licenses                          | 982,360                 | -                                   | 982,360                                 |
| Investment earnings                        | 3,264                   | -                                   | 3,264                                   |
| Miscellaneous                              | 117,634                 | 26,700                              | 144,334                                 |
| Grant                                      | 940,430                 | 2,000                               | 942,430                                 |
| Total revenues                             | <u>5,477,227</u>        | <u>41,989</u>                       | <u>5,519,216</u>                        |
| <b>Expenditures</b>                        |                         |                                     |   |
| Current:                                   |                         |                                     |   |
| Town operations                            | 164,972                 | -                                   | 164,972                                 |
| Town Hall                                  | 1,044,250               | -                                   | 1,044,250                               |
| General services                           | 374,816                 | -                                   | 374,816                                 |
| Police department                          | 1,290,917               | 38,501                              | 1,329,418                               |
| Fire department                            | 1,139,503               | 2,354                               | 1,141,857                               |
| Judicial department                        | 299,375                 | -                                   | 299,375                                 |
| Tourism                                    | 302,993                 | -                                   | 302,993                                 |
| Planning and zoning                        | 225,798                 | -                                   | 225,798                                 |
| Capital outlay                             | 634,881                 | -                                   | 634,881                                 |
| Debt service:                              |                         |                                     |   |
| Principal                                  | 186,347                 | -                                   | 186,347                                 |
| Interest and fiscal charges                | 27,292                  | -                                   | 27,292                                  |
| Total expenditures                         | <u>5,691,144</u>        | <u>40,855</u>                       | <u>5,731,999</u>                        |
| (Deficit) of revenues (under) expenditures | <u>(213,917)</u>        | <u>1,134</u>                        | <u>(212,783)</u>                        |
| <b>Other Financing Sources</b>             |                         |                                     |   |
| Sale of real property                      | -                       | 42,554                              | 42,554                                  |
| Transfers                                  | 427,013                 | -                                   | 427,013                                 |
| Total other financing sources              | <u>427,013</u>          | <u>42,554</u>                       | <u>469,567</u>                          |
| Net change in fund balance                 | 213,096                 | 43,688                              | 256,784                                 |
| Fund balance, beginning of year            | 3,505,243               | 175,392                             | 3,680,635                               |
| Fund balance, end of year                  | <u>\$ 3,718,339</u>     | <u>\$ 219,080</u>                   | <u>\$ 3,937,419</u>                     |

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2023

|   |           |          |
|---|-----------|----------|
| Net change in fund balance - total governmental funds   | \$        | 256,784  |
| <p>Amounts reported for governmental activities in the Statement of Activities are different due to the following:</p>  |           |          |
| <p>Some property taxes will not be collected for several months after the City's fiscal year end. They are not considered "available" revenue and are deferred in the governmental funds. Grant revenue and tax revenues decreased by this amount.</p>  |           |          |
| Property taxes  | 82,909    |          |
| Intergovernmental revenue   | 205,000   |          |
|   |           | 287,909  |
| <p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over the estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the period.</p>         |           |          |
| Acquisition of capital assets   | 634,881   |          |
| Depreciation  | (533,098) |          |
| Net change in capital assets  |           | 101,783  |
| <p>The net effect of various transactions involving capital assets (i.e. sales and donations) is a decrease in net assets.</p>  |           |          |
| Gain on sale of capital assets  |           | (14,395) |
| <p>The issuance of long-term debt (e.g., bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of debt and related items is as follows:</p> |           |          |
| Principal repayments  |           | 186,347  |
| <p>Governmental funds report interest on long-term debt. However, accrued interest is not reported in the funds.</p>  |           |          |
|   |           | 1,382    |
| <p>Pension expense which is not "due and payable" at year end is not recorded as an expense in the governmental funds. However, all pension expense accrued at year end no matter when it may be due and payable is recorded in the government wide statements.</p>   |           |          |
|   |           | 11,587   |
| <p>In the Statement of Activities, compensated absences are reported by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used.</p>  |           |          |
|   |           | 19,445   |
| Change in net position of governmental activities   | \$        | 850,842  |

*See accompanying notes.*

TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS

JUNE 30, 2023

|   | <b><u>Water and<br/>Sewer Fund</u></b> |
|---|--|
| <b>Assets</b>                                       |  |
| Current assets                                      |  |
| Cash and cash equivalents                           | \$ 3,363,077                           |
| Receivables, net                                    | 226,466                                |
| Restricted Assets                                   |  |
| Cash and cash equivalents                           | 1,938,036                              |
| Non-current assets                                  |  |
| Capital assets, not being depreciated               | 1,560,882                              |
| Capital assets, being depreciated, net              | 16,167,643                             |
| Total assets  | <u>23,256,104</u>                      |
| <b>Deferred outflows of resources</b>               |  |
| Deferred pension outflows                           | 61,431                                 |
| Total assets and deferred outflows of resources     | <u>23,317,535</u>                      |
| <b>Liabilities</b>                                  |  |
| Current liabilities                                 |  |
| Accounts Payable                                    | 29,852                                 |
| Accrued Expenses                                    | 12,764                                 |
| Interest Payable                                    | 4,623                                  |
| Customer Deposits                                   | 191,592                                |
| Current Portion of long-term debt                   | 114,953                                |
| Current Portion of compensated absences             | 41,882                                 |
| Non-current liabilities                             |  |
| Compensated Absences                                | 4,958                                  |
| Bond Payable  | 5,202,410                              |
| Net Pension Liability                               | 456,679                                |
| Total liabilities                                   | <u>6,059,713</u>                       |
| <b>Deferred inflows of resources</b>                |  |
| Deferred pension inflows                            | 36,356                                 |
| Total liabilities and deferred inflows of resources | <u>6,096,069</u>                       |
| <b>Net position</b>                                 |  |
| Net Investment in Capital Assets                    | 12,411,162                             |
| Restricted for Capital Projects                     | 1,154,105                              |
| Restricted for Debt Service                         | 447,855                                |
| Restricted for Repairs and Contingencies            | 335,997                                |
| Unrestricted  | 2,872,347                              |
| Total net position                                  | <u><u>\$ 17,221,466</u></u>            |

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2023

|   | <b>Water and<br/>Sewer Fund</b> |
|---|---------------------------------|
| Operating revenue                                 |                                 |
| Charges for Services                              | \$ 2,540,084                    |
| Miscellaneous                                     | 13,463                          |
| Total operating revenue                           | <u>2,553,547</u>                |
| Operating expenses                                |                                 |
| Personnel Services                                | 375,577                         |
| Contractual Services                              | 236,926                         |
| Utilities   | 122,798                         |
| Office Expense                                    | 19,980                          |
| Repairs and Maintenance                           | 106,920                         |
| Supplies  | 210,270                         |
| Depreciation and Amortization                     | 652,184                         |
| Other Operating Expenses                          | 54,620                          |
| Total operating expenses                          | <u>1,779,275</u>                |
| Operating income                                  | <u>774,272</u>                  |
| Nonoperating revenue (expenses)                   |                                 |
| Investment Income                                 | 33,366                          |
| Impact and Capacity Fees                          | 884,692                         |
| Interest Expense                                  | (88,401)                        |
| Total nonoperating revenue (expense)              | <u>829,657</u>                  |
| Income before capital contributions and transfers | <u>1,603,929</u>                |
| Capital grants, contributions and transfers       |                                 |
| Transfers   | (427,013)                       |
| Total capital grants, contributions and transfers | <u>(427,013)</u>                |
| Change in net position                            | 1,176,916                       |
| Total net position, beginning                     | 16,044,550                      |
| Total net position, ending                        | <u><u>\$ 17,221,466</u></u>     |

*See accompanying notes.*

TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2023

|   | <u>Water and<br/>Sewer Fund</u> |
|---|---------------------------------|
| <b>Cash flows from operating activities</b>                               |                                 |
| Cash received from customers  | \$ 2,568,726                    |
| Cash paid to suppliers  | (748,588)                       |
| Cash paid to and for employees  | (511,895)                       |
| Net cash provided by operating activities                                 | <u>1,308,243</u>                |
| <b>Cash flows from non-capital financing activities</b>                   |                                 |
| Transfers   | (427,013)                       |
| Net cash (used in) noncapital financing activities                        | <u>(427,013)</u>                |
| <b>Cash flows from capital and related financing activities</b>           |                                 |
| Impact and capacity fees  | 884,692                         |
| Purchase of capital assets  | (713,958)                       |
| Principal paid on long-term debt  | (101,567)                       |
| Interest paid on long-term debt   | (88,401)                        |
| Net cash (used in) capital and related financing activities               | <u>(19,234)</u>                 |
| <b>Cash flows from investing activities</b>                               |                                 |
| Interest income   | 33,366                          |
| Net cash provided by investing activities                                 | <u>33,366</u>                   |
| Net increase in cash and cash equivalents                                 | 895,362                         |
| Cash and cash equivalents, beginning                                      | <u>4,405,751</u>                |
| Cash and cash equivalents, ending   | <u><u>5,301,113</u></u>         |
| Reconciliation of Cash and Cash Equivalents to Statement of Net Position: |                                 |
| Cash and cash equivalents   | \$ 3,363,077                    |
| Restricted cash and cash equivalents                                      | 1,938,036                       |
| Total cash and cash equivalents   | <u><u>\$ 5,301,113</u></u>      |

(CONTINUED)



TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2023

-CONTINUED-

|  | <u>Water and<br/>Sewer Fund</u> |
|--|---------------------------------|
| <b>Reconciliation of operating income to<br/>net cash provided by operating activities</b> |                                 |
| Operating income   | \$ 774,272                      |
| Adjustments to reconcile operating income<br>to net cash provided by operating activities  |                                 |
| Depreciation   | 652,184                         |
| Changes in assets and liabilities:   |                                 |
| Accounts receivable  | 2,948                           |
| Due from general fund  | 6,540                           |
| Accounts payable   | (1,661)                         |
| Accrued expenses   | 4,675                           |
| Interest payable   | (88)                            |
| Customer deposits  | 5,691                           |
| Compensated absences   | 11,935                          |
| Net pension liability and related accounts   | (148,253)                       |
| Net cash provided by operating activities  | <u>\$ 1,308,243</u>             |

*See accompanying notes.*

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

**1. Summary of Significant Accounting Policies**

The Town of Ridgeland, South Carolina (the “Town”) was incorporated in 1900. As prescribed in Section 5-11-20 of the SC Code of Laws, the Town of Ridgeland is a Council form of government, with five elected members, each having one vote. The Town provides the following services as authorized by its charter: public safety (police and fire), parks and recreation, streets and sanitation, planning and development, water and sewer, and general administrative services.

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

**Basis of Presentation**

Government-wide Financial Statements

The statement of net position and the statement of activities report information about all activities of the primary government. These statements distinguish between the Town’s *governmental* and *business-type activities*. Taxes and other non-exchange transactions primarily finance the governmental activities whereas fees charged to external parties’ finance, in whole or in part, the business-type activities. All of the Town’s governmental funds are reported in the government-wide financial statements as governmental activities and all of its enterprise funds are reported as business-type activities. (See the *Fund Financial Statements* subsection which follows for more information about fund types.)

Statement of Activities

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include fees, fines, and charges paid by the recipients of goods, services, or privileges offered by the programs. The Town classifies *general revenues* as all revenues that are not program revenues, including all taxes and business license fees.

Fund Financial Statements

The fund financial statements provide information about the Town’s funds, including its governmental funds and proprietary fund. The Town presents separate statements for each fund category-governmental and proprietary.

-CONTINUED-

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

1. **Summary of Significant Accounting Policies (continued)**

Operating and Non-Operating Revenues and Expenses in Proprietary Fund Financial Statements

Enterprise funds distinguish *operating* revenues and expenses from *non-operating* revenues and expenses. Operating revenues and expenses generally are limited to items resulting from the provision of services and goods in connection with the fund's principal ongoing operations. The Town generally classifies revenues and expenses as operating only if the related cash flows appear in the operating section on the statement of cash flows. Accordingly, grants are reportable as operating revenues only if they are essentially the same as contracts for services (i.e., exchange transactions) and they finance programs that the proprietary fund would not otherwise undertake (i.e., the activity of the grant is inherently part of the operations of the grantor). Conversely, the Town classifies non-exchange transactions as non-operating. This includes all grant revenues except those reportable as operating revenue as described above and those restricted by the grantor for use exclusively for capital purposes. The Town reports as operating most expenses it pays from operating revenues but usually reports interest expense as non-operating.

Fund Accounting

Fund Accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives in accordance with limitations and restrictions imposed by sources outside the entity and in accordance with directives issued by the governing board.

The Town's funds are classified into two categories – governmental and proprietary.

Governmental Funds

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

Special Revenue Fund – The Special Revenue Fund is used to keep track of cash disbursements and receipts for the police drug fund and 1% firefighters fund.

Proprietary Funds

**Enterprise Funds** - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (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 revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**1. Summary of Significant Accounting Policies (continued)**

Accrual Basis

The Town uses the accrual basis of accounting in reporting its government-wide financial statements, as well as its proprietary fund financial statements. Under the accrual basis, the Town generally records revenues when earned and reasonably measurable, and records expenses when a liability is incurred, regardless of the timing of related cash flows.

Significant non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include taxes, grants, and donations. The Town recognizes grants, donations, and similar items as revenue as soon as it meets all eligibility requirements.

Modified Accrual Basis

The Town uses the modified accrual basis of accounting to report its governmental funds. Under the modified accrual basis, revenues, net of estimated uncollectible amounts, are recognized in the fiscal year when they become susceptible to accrual—that is, as soon as they become both measurable and available to finance current operations or to liquidate liabilities existing at fiscal year-end. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Principal revenue sources considered susceptible to accrual include taxes, grants, charges for goods and services, and interest earnings.

Under the modified accrual basis, expenditures generally are recorded when a liability is incurred, as under accrual accounting. An exception, however, is that principal and interest on general long-term debt, claims and judgments, and compensated absences, are recognized as expenditures only to the extent they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. General capital asset acquisitions are reported as expenditures (rather than as assets) in governmental funds.

The accounting policies of the Town conform to generally accepted accounting principles (GAAP) applicable to its activities as prescribed by the Governmental Accounting Standards Board (GASB), the recognized standard-setting body for GAAP for all state governmental entities. Proprietary fund activities are reported using the accrual basis method of accounting. If measurable, revenue is recognized when earned and expenses when incurred.

Transfers of financial resources among funds are recognized in all affected funds in the period in which the related interfund receivables and payables arise.

Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at fiscal year-end.

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**1. Summary of Significant Accounting Policies (continued)**

Cash and Cash Equivalents

Cash includes amounts held in demand deposits. For the purpose of the statement of cash flows, the City considers all savings and short-term investments purchased with maturities of three months or less to be cash equivalents.

Accounts Receivable

Property tax receivables are shown net of an allowance for uncollectible. The Town establishes an allowance for all property taxes that did not arise from the latest tax levy year. For collection purposes, taxes receivable are written off at the end of 10 years in accordance with South Carolina law.

All other levies are recognized as revenue on the government-wide financial statements, while all those not collected within 60 days are recorded as deferred inflows on the governmental fund statements.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on their respective financial statements.

Capital Assets and Depreciation

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets purchased or acquired with an original cost of \$5,000 or more or reported at historical cost or estimated historical cost based on replacement costs. Donated assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated assets received after June 15, 2015 are recorded at acquisition value. Additions, improvements, and other capital outlays that significantly extend the useful life of an assets are also capitalized.

Depreciation of exhaustible capital assets has been provided using the straight-line method over the estimated useful lives as follows:

|                |             |
|----------------|-------------|
| Infrastructure | 20-50 years |
| Buildings      | 15-40 years |
| Improvements   | 5-40 years  |
| Vehicles       | 3-10 years  |
| Equipment      | 3-15 years  |

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**1. Summary of Significant Accounting Policies (continued)**

Compensated Absences

The Town's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Upon separation from service, no monetary obligation exists for accumulated sick leave. Therefore, no liability has been recorded.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS), and additions to/deductions from the SCRS and PORS fiduciary net position have been determined on the same basis as they are reported by SCRS and PORS. For this purpose, plan member contributions are recognized in the periods in which the contributions are due. The Town's employer contributions are recognized when due and there is a legal requirement to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of SCRS and PORS.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently reports deferred outflows of resources in the amount of \$757,004 as of June 30, 2023.

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**1. Summary of Significant Accounting Policies (continued)**

In addition to liabilities, the statement of net position 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town currently reports deferred inflows of resources in the amount of \$313,478 as of June 30, 2023.

Net Position/Fund Balances

Net position is classified and presented in three components in the government-wide financial statements:

Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

The Town reports a portion of its net position or fund balance in its government-wide and fund financial statements as restricted net position - spendable. Net position or fund balance for governmental funds is reported as restricted when constraints placed on resource use are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, laws or regulation of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Enabling legislation authorizes the Town to assess, levy, charge, or otherwise mandate payments of resources (from resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable requirement is one that an outside party (such as citizens, public interest groups, or the judiciary) can compel the government to honor. At June 30, 2023, \$2,440,720 was reported as restricted net position.

Unrestricted net position - All other net position that do not meet the definition of "restricted," or "invested in capital assets."

Fund balance is reported as assigned if the fund balance is constrained by the government's intent to use the funds for a specific purpose. The Town reports amounts as assigned if constrained through appropriations actions of the legislature. The removal of constraints for assigned funds occurs through the budgetary process. As of June 30, 2023, the Town reported no assigned fund balances.

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**1. Summary of Significant Accounting Policies (continued)**

Fund balance is reported as committed if amounts have been committed through the appropriations process. As of June 30, 2023, the Town reported no committed fund balances.

Unassigned fund balance – All other fund balances that do not meet the definition of “restricted,” “assigned,” or “committed”.

The Town’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position or fund balances are available. Within the unrestricted fund balance, committed resources would be first applied, when available, followed by assigned resources before unassigned resources are used.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are used to determine depreciation expense, and the allowance for doubtful accounts among other accounts. Actual results could differ from those estimates.

**2. Legal Compliance - Budgets**

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

1. Formal budgetary integration is employed as a management control device during the year for the General Fund
2. The combined statement of revenues, expenditures, and changes in fund balance-budget and actual for the General Fund presents comparisons of the legally adopted budget with actual data on a GAAP basis.
3. Unused appropriations lapse at the end of the year.
4. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.
5. Expenditures should not exceed budgeted appropriations at the fund level.



TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**2. Legal Compliance - Budgets (continued)**

Expenditures approved by Council shall automatically carry amendments to fund appropriations where necessary. Budget amounts reported are as originally adopted, or as amended by the Town Council.

Actual revenues exceeded budgeted revenues by \$678,213. Actual expenditures exceeded budgeted expenditures by \$567,130.

**3. Deposits & Investments**

As of June 30, 2023, cash and investments restricted as to use are as follows:

|  | <b>General<br/>Fund</b>  | <b>Special<br/>Revenue<br/>Fund</b> | <b>Proprietary<br/>Fund</b> | <b>Total</b>               |
|--|--------------------------|-------------------------------------|-----------------------------|----------------------------|
| Depreciation Fund  | \$ -                     | \$ -                                | \$ 178,421                  | \$ 178,421                 |
| Drug Fund  | -                        | 198,831                             | -                           | 198,831                    |
| Contingent Fund  | -                        | -                                   | 269,434                     | 269,434                    |
| RF Grant Expense   | -                        | -                                   | 62,440                      | 62,440                     |
| Water & Sewer Deposits                                     | -                        | -                                   | 191,592                     | 191,592                    |
| RF Grant Account   | -                        | -                                   | 79                          | 79                         |
| RF #2 Grant Account  | -                        | -                                   | 79                          | 79                         |
| Grant Account  | 100                      | -                                   | -                           | 100                        |
| ACH Clearing Account                                       | 100                      | -                                   | -                           | 100                        |
| Water Tank Repair  | -                        | -                                   | 273,557                     | 273,557                    |
| Accommodations Tax   | 84                       | -                                   | -                           | 84                         |
| Impact Fees  | -                        | -                                   | 962,339                     | 962,339                    |
| Tourism Support  | 209,509                  | -                                   | -                           | 209,509                    |
| Victim Assistance  | 25,458                   | -                                   | -                           | 25,458                     |
| Rural Development  | -                        | -                                   | 95                          | 95                         |
| Veterans Memorial Park                                     | 11,990                   | -                                   | -                           | 11,990                     |
| Firemans 1% Fund   | -                        | 20,249                              | -                           | 20,249                     |
| American Rescue Plan Act                                   | 320,852                  | -                                   | -                           | 320,852                    |
| Tree Mitigation Account                                    | 2,150                    | -                                   | -                           | 2,150                      |
| <b>Total Restrictions on Cash<br/>and Cash Equivalents</b> | <b><u>\$ 570,243</u></b> | <b><u>\$ 219,080</u></b>            | <b><u>\$ 1,938,036</u></b>  | <b><u>\$ 2,727,359</u></b> |

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**3. Deposits & Investments (continued)**

Credit Risk – The Town has an investment policy that limits investment types to those approved by the South Carolina Code of Laws to obligations of the United States and agencies thereof, general obligations of the State of South Carolina or any of its political subdivisions, certificates of deposit where the certificates are collaterally insured by securities described above held by a third party as escrow agent or custodian or a market value not less than the amount of the certificates of deposits so secured including interest, or repurchase agreements when collateralized by securities set forth above.

Interest Rate Risk – In accordance with its investment policy, the Town manages its exposure to declines in fair value by limiting the weighted average maturity of its investments to short-term investments in the South Carolina Local Investment Pool.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. All of the Town’s deposits at year end were covered by federal depository insurance or by collateral held in the pledging financial institution’s trust department in the Town’s name. Therefore, none of the Town’s deposits were exposed to custodial credit risk at June 30, 2023.

**4. Receivables**

Receivables at June 30, 2023, consist of the following:

|                                    | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>      |
|------------------------------------|------------------------------------|-------------------------------------|-------------------|
| Accounts receivable:               |                                    |                                     |                   |
| Property taxes                     | \$ 180,143                         | \$ -                                | \$ 180,143        |
| Intergovernmental                  | 205,000                            |                                     |                   |
| Auto taxes                         | 8,145                              | -                                   | 8,145             |
| Accommodation taxes                | 29,374                             | -                                   | 29,374            |
| Local option sales taxes           | 93,950                             | -                                   | 93,950            |
| Business licenses                  | 81,972                             | -                                   | 81,972            |
| Tourism                            | 78,451                             | -                                   | 78,451            |
| Aid to subdivision                 | 23,118                             | -                                   | 23,118            |
| Water/sewer billings               | -                                  | 226,466                             | 226,466           |
| Gross receivables                  | 700,153                            | 226,466                             | 926,619           |
| Less, allowance for uncollectibles | (4,417)                            | -                                   | (4,417)           |
| Net receivables                    | <u>\$ 695,736</u>                  | <u>\$ 226,466</u>                   | <u>\$ 922,202</u> |

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**5. Capital Assets**

Capital asset activity for the year ended June 30, 2023, was as follows:

| <b>Governmental Activities</b>         | June 30,<br>2022 | Additions  | Disposals   | Transfers | June 30,<br>2023 |
|--|------------------|------------|-------------|-----------|------------------|
| Non-Depreciable Assets                 |                  |            |             |           |                  |
| Land and improvements                  | \$ 1,270,665     | \$ -       | \$ -        | \$ -      | \$ 1,270,665     |
| CIP                                    | -                | -          | -           | -         | -                |
| Total Non-Depreciable Assets           | 1,270,665        | -          | -           | -         | 1,270,665        |
| Depreciable Assets                     |                  |            |             |           |                  |
| Buildings                              | 2,433,890        | 60,298     | -           | -         | 2,494,188        |
| Improvements other than buildings      | 2,682,204        | -          | -           | -         | 2,682,204        |
| Vehicles & Equipment                   | 3,067,719        | 574,583    | (63,196)    | -         | 3,579,106        |
| Infrastructure                         | 2,451,830        | -          | -           | -         | 2,451,830        |
| Total Depreciable Assets               | 10,635,643       | 634,881    | (63,196)    | -         | 11,207,328       |
| Accumulated Depreciation               |                  |            |             |           |                  |
| Buildings                              | (698,201)        | (67,489)   | -           | -         | (765,690)        |
| Improvements other than buildings      | (911,160)        | (109,363)  | -           | -         | (1,020,523)      |
| Vehicles & Equipment                   | (1,621,730)      | (286,806)  | 48,801      | -         | (1,859,735)      |
| Infrastructure                         | (1,935,448)      | (69,440)   | -           | -         | (2,004,888)      |
| Accumulated Depreciation               | (5,166,539)      | (533,098)  | 48,801      | -         | (5,650,836)      |
| Depreciable Assets, net                | 5,469,104        | 101,783    | (14,395)    | -         | 5,556,492        |
| Governmental Activities Capital Assets | \$ 6,739,769     | \$ 101,783 | \$ (14,395) | \$ -      | \$ 6,827,157     |

Depreciation expense was charged to functions of the Town as follows:

| Governmental Activities |            |
|-------------------------|------------|
| Administrative Services | \$ 29,700  |
| Police                  | 191,378    |
| Fire                    | 88,063     |
| General Services        | 36,743     |
| Tourism                 | 187,214    |
| Total                   | \$ 533,098 |

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**5. Capital Assets (continued)**

| <b>Business-Type Activities</b>                | June 30,<br>2022     | Additions        | Disposals   | Transfers        | June 30,<br>2023     |
|--|----------------------|------------------|-------------|------------------|----------------------|
| <b>Non-Depreciable Assets</b>                  |                      |                  |             |                  |                      |
| Land and improvements                          | \$ 1,244,658         | \$ -             | \$ -        | \$ -             | \$ 1,244,658         |
| CIP  | 349,185              | 175,113          | -           | (208,074)        | 316,224              |
| <b>Total Non-Depreciable Assets</b>            | <b>1,593,843</b>     | <b>175,113</b>   | <b>-</b>    | <b>(208,074)</b> | <b>1,560,882</b>     |
| <b>Depreciable Assets</b>                      |                      |                  |             |                  |                      |
| Buildings                                      | 163,810              | 31,520           | -           | -                | 195,330              |
| Vehicles & Equipment                           | 632,677              | 99,713           | -           | -                | 732,390              |
| Water/Sewer Systems                            | 24,180,789           | 407,620          | -           | 208,074          | 24,796,483           |
| Engineering & Legal                            | 252,238              | -                | -           | -                | 252,238              |
| <b>Total Depreciable Assets</b>                | <b>25,229,514</b>    | <b>538,853</b>   | <b>-</b>    | <b>208,074</b>   | <b>25,976,441</b>    |
| <b>Accumulated Depreciation</b>                |                      |                  |             |                  |                      |
| Buildings                                      | (44,804)             | (6,124)          | -           | -                | (50,928)             |
| Vehicles & Equipment                           | (361,606)            | (41,481)         | -           | -                | (403,087)            |
| Water/Sewer Systems                            | (8,518,895)          | (603,320)        | -           | -                | (9,122,215)          |
| Engineering & Legal                            | (231,309)            | (1,259)          | -           | -                | (232,568)            |
| <b>Accumulated Depreciation</b>                | <b>(9,156,614)</b>   | <b>(652,184)</b> | <b>-</b>    | <b>-</b>         | <b>(9,808,798)</b>   |
| <b>Depreciable Assets, net</b>                 | <b>16,072,900</b>    | <b>(113,331)</b> | <b>-</b>    | <b>208,074</b>   | <b>16,167,643</b>    |
| <b>Business-Type Activities Capital Assets</b> | <b>\$ 17,666,743</b> | <b>\$ 61,782</b> | <b>\$ -</b> | <b>\$ -</b>      | <b>\$ 17,728,525</b> |

Depreciation expense was charged to functions of the Town as follows:

| <u>Business-Type Activities</u> |                   |
|---------------------------------|-------------------|
| Water Utilities                 | \$ 326,092        |
| Sewer Utilities                 | 326,092           |
| <b>Total</b>                    | <b>\$ 652,184</b> |

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**6. Long-Term Obligations**

Long-term obligations consist of bonds, compensated absences, and notes payable in both the governmental-type and business-type activities of the Town. The following is a summary of the long-term obligations of the Town.

| <b>Governmental Activities</b>                    | June 30,<br>2022 | Increases  | Decreases    | June 30,<br>2023 | Current<br>Portion |
|---|------------------|------------|--------------|------------------|--------------------|
| Notes payable                                     | \$ 975,756       | \$ -       | \$ (186,347) | \$ 789,409       | \$ 191,975         |
| Compensated absences                              | 186,974          | 167,529    | (186,974)    | 167,529          | 41,882             |
| Governmental Activities<br>Long-Term Obligations  | \$ 1,162,730     | \$ 167,529 | \$ (373,321) | \$ 956,938       | \$ 233,857         |
| <b>Business-Type Activities</b>                   |                  |            |              |                  |                    |
| Revenue bonds                                     | \$ 5,418,930     | \$ -       | \$ (101,567) | \$ 5,317,363     | \$ 103,243         |
| Compensated absences                              | 34,905           | 46,840     | (34,905)     | 46,840           | 11,710             |
| Business-Type Activities<br>Long-Term Obligations | \$ 5,453,835     | \$ 46,840  | \$ (136,472) | \$ 5,364,203     | \$ 114,953         |

**Governmental Activities**

Note payable with Motorola for the purchase of radios, payable in annual installments of \$54,350 plus interest at 0% for the first two years then 3.39% for the remaining term beginning November 1, 2016 for a period of eight years. The balance due on this note at June 30, 2023 is \$103,411.

Note payable with Honey Hill for the upgrade of the fire station, payable in semi-annual installments of \$27,039 including interest at 2.865% beginning February 8, 2018 for a period of eight years. The balance due on this note at June 30, 2023 is \$78,811.

Note payable with South State Bank for the Jasper Porch payable in annual installments of \$25,617 including interest at 2.98% beginning November 3, 2019. The balance due on this note at June 30, 2023 is \$98,699.

Note payable with Community First National Bank for the purchase of a pumper fire truck, payable in annual installments of \$53,978 including interest at 2.6% beginning September 15, 2022 for a period of 12 years. The balance due on this note at June 30, 2023 is \$508,488.

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**6. Long-Term Obligations (continued)**

The annual requirements to amortize the notes payable as described in the preceding paragraphs at June 30, 2023 are as follows:

| <b>Year Ending</b> | <b>Principal</b>  | <b>Interest</b>  | <b>Total</b>      |
|--------------------|-------------------|------------------|-------------------|
| <b>June 30,</b>    |                   |                  |                   |
| 2024               | \$ 191,975        | \$ 21,664        | \$ 213,639        |
| 2025               | 170,756           | 15,844           | 186,600           |
| 2026               | 42,555            | 11,423           | 53,978            |
| 2027               | 43,694            | 10,284           | 53,978            |
| 2028               | 44,864            | 9,114            | 53,978            |
| 2029-2033          | 242,993           | 26,897           | 269,890           |
| 2034               | 52,572            | 1,407            | 53,979            |
|                    | <u>\$ 789,409</u> | <u>\$ 96,633</u> | <u>\$ 886,042</u> |

**Business-Type Activities**

Series 2021A and 2021B Revenue Bonds from the USDA in the amounts of \$4,412,000 and \$1,148,000 for the upgrade of the waterworks and sewer system. The payments are annual installments of interest at 1.75% for forth years until maturity. The balance of these bonds on June 30, 2023 is \$5,317,363.

The annual requirements to amortize the bonds payable as described in the preceding paragraph at June 30, 2023 are as follows:

| <b>Year Ending</b> | <b>Principal</b>    | <b>Interest</b>     | <b>Total</b>        |
|--------------------|---------------------|---------------------|---------------------|
| <b>June 30,</b>    |                     |                     |                     |
| 2024               | \$ 103,243          | \$ 86,813           | \$ 190,056          |
| 2025               | 104,948             | 85,108              | 190,056             |
| 2026               | 106,682             | 83,374              | 190,056             |
| 2027               | 108,444             | 81,612              | 190,056             |
| 2028               | 110,237             | 79,819              | 190,056             |
| 2029-2033          | 579,136             | 371,144             | 950,280             |
| 2034-2038          | 628,678             | 321,602             | 950,280             |
| 2039-2043          | 682,530             | 267,750             | 950,280             |
| 2044-2048          | 741,070             | 209,210             | 950,280             |
| 2049-2053          | 804,714             | 145,566             | 950,280             |
| 2054-2058          | 873,909             | 76,371              | 950,280             |
| 2059-2061          | 473,771             | 10,381              | 484,152             |
|                    | <u>\$ 5,317,363</u> | <u>\$ 1,818,749</u> | <u>\$ 7,136,112</u> |

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**7. Pension Plan**

***South Carolina Retirement System***

The majority of employees of the Town are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division of the South Carolina Public Employee Benefit Authority (PEBA), a public employee retirement system. Generally, all full-time or part-time equivalent State employees in a permanent position are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws, as amended, or are eligible and elect to participate in the State Optional Retirement Program (ORP). The SCRS plan provides life-time monthly retirement annuity benefits to members as well as disability, survivor options, annual benefit adjustments, death benefits, and incidental benefits to eligible employees and retired members.

The Retirement Division maintains five independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to the South Carolina Public Employee Benefit Authority, P.O. Box 11960, Columbia, South Carolina 29211-1960. Furthermore, the Division and the five pension plans are included in the State of South Carolina's CAFR.

Under the SCRS, Class II members are eligible for a full-service retirement annuity upon reaching age 65 or completion of 28 years of credited service regardless of age. Employees who first became members of the System after June 30, 2012, are considered Class III members and are eligible for a full-service retirement annuity upon reaching age 65 or upon meeting the rule of 90 requirement (i.e., the members age plus the years of service add up to a total of at least 90). The benefit formula for full benefits effective since July 1, 1989, for the SCRS is 1.82 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class II members, AFC is the average annual earnable compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay at retirement for unused annual leave.

For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included. Early retirement options with reduced benefits are available as early as age 55 for Class II members and age 60 for Class III members. Class II members are vested for a deferred annuity after five years of earned service. Class III members are vested for a deferred annuity after eight years of earned service. Members qualify for a survivor's benefit upon completion of 15 years of credited service (five years effective January 1, 2002).

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**7. Pension Plan (continued)**

Disability annuity benefits are payable to Class II members if they have permanent incapacity to perform regular duties of the member's job and they have at least 5 years of earned service (this requirement does not apply if the disability is a result of a job-related injury). Class III members qualify for disability annuity benefits provided they have a minimum of eight years of credited service. An incidental death benefit equal to an employee's annual rate of compensation is payable upon the death of an active employee with a minimum of one year of credited service or to a working retired contributing member. There is no service requirement for death resulting from actual performance of duties for an active member.

Effective July 1, 2022, employees participating in the SCRS were required to contribute 9.00% of all earnable compensation. The employer contribution rate for SCRS was 17.56%. Included in the total SCRS employer contribution rate is a base retirement contribution of 17.41% and 0.15% contribution rate for the incidental death program. The Town's actual contributions to the SCRS for the years ended June 30, 2023, 2022 and 2021 were approximately \$180,069, \$158,839, and \$154,045, respectively, and equaled the base required retirement contribution rate, excluding surcharge of 17.56% for 2023, 16.56% for 2022, and 15.56% for 2021.

***Police Officers Retirement System***

The South Carolina Police Officers Retirement System (PORS) is a cost-sharing multiple employer defined benefit public employee retirement system. Generally, all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to PORS as a condition of employment. This plan provides lifetime monthly annuity benefits as well as disability, survivor benefits and incidental benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firefighters killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Under the PORS, Class II members are eligible for a full-service retirement annuity upon reaching age 55 or completion of 25 years of credited service regardless of age. Class III members are eligible for a full-service retirement annuity upon reaching age 55 or 27 years of credited service. The benefit formula for full benefits effective since July 1, 1989, for the SCRS is 2.14 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class II members, AFC is the average annual compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay for unused annual leave.



TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**7. Pension Plan (continued)**

For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included. PORS does not have an early retirement option. Class II members are vested for a deferred annuity after five years of earned service. Class III members are vested for a deferred annuity after eight years of earned service. Members qualify for a survivor's benefit upon completion of 15 years of credited service (five years effective January 1, 2002).

Effective July 1, 2022, employees participating in the PORS were required to contribute 9.75% of all earnable compensation. The employer contribution rate for PORS was 20.04%. Included in the total PORS employer contribution rate is a base retirement contribution of 19.84% and .20% for the incidental death program. The Town's actual contributions to the PORS for the years ended June 30, 2023, 2022, and 2021 were approximately \$254,047, \$239,383, and \$214,780, respectively, and equaled the base required retirement contribution rate, excluding surcharge of 20.04% for 2023, 19.04% for 2022, and 18.04% for 2021.

The amounts paid by the Town for pension and incidental death benefit program contributions are reported as employer contribution expenditures within the applicable functional expenditure categories to which the related salaries are charged.

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefit, and employee/employer contributions for each retirement system. Employee and employer contribution rates to SCRS and PORS are actuarially determined.

At June 30, 2023, the Town reported \$1,952,727 and \$2,472,799 for its proportionate share of the net pension liabilities of SCRS and PORS, respectively. The net pension liability of the SCRS defined benefit pension plan was determined based on the July 1, 2022, actuarial valuations, using most recent membership data, projected forward to June 30, 2022, and financial information of the pension trust funds as of June 30, 2022, using generally accepted actuarial procedures. The Town's portion of the net pension liability was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2023, the Town's SCRS proportion was 0.008055% and its PORS proportion was 0.082455%.

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

At June 30, 2023, the state reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

|  | <u>SCRS</u>       | <u>PORS</u>       |
|--|-------------------|-------------------|
| <b>Deferred Outflows of Resources</b>                              |                   |                   |
| Differences between expected and actual experience                 | \$ 16,966         | \$ 41,489         |
| Assumption changes   | 62,629            | 102,971           |
| Net difference between project and actual investment earnings      | 3,012             | 7,467             |
| Differences between employer contributions and proportionate share | -                 | 88,355            |
| Contributions made from measurement date to June 30, 2023          | 180,069           | 254,046           |
| <b>Total deferred outflows of resources</b>                        | <u>262,676</u>    | <u>494,328</u>    |
| <b>Deferred Inflows of Resources</b>                               |                   |                   |
| Differences between expected and actual experience                 | 8,510             | 48,883            |
| Differences between employer contributions and proportionate share | 146,945           | 109,140           |
| <b>Total deferred inflows of resources</b>                         | <u>155,455</u>    | <u>158,023</u>    |
| <b>Net deferred outflows/(inflows)</b>                             | <u>\$ 107,221</u> | <u>\$ 336,305</u> |

Deferred outflows of \$180,069 and \$254,046 for SCRS and PORS, respectively, reported as resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

| <u>Year ended June 30,</u> | <u>SCRS</u>        | <u>PORS</u>      | <u>Net</u>      |
|----------------------------|--------------------|------------------|-----------------|
| 2024                       | \$ (24,907)        | \$ 15,915        | \$ (8,992)      |
| 2025                       | (19,392)           | 33,856           | 14,464          |
| 2026                       | (79,477)           | (63,629)         | (143,106)       |
| 2027                       | 50,928             | 96,117           | 147,045         |
|                            | <u>\$ (72,848)</u> | <u>\$ 82,259</u> | <u>\$ 9,411</u> |

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**7. Pension Plan (continued)**

The total pension liabilities in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

|                            | <u>SCRS</u>           | <u>PORS</u>           |
|----------------------------|-----------------------|-----------------------|
| Actuarial Cost Method      | Entry Age             | Entry Age             |
| Actuarial Assumptions:     |                       |                       |
| Investment Rate or Return  | 7.00%                 | 7.00%                 |
| Projected Salary Increases | 3.0% to 11.0%         | 3.5% to 10.5%         |
| Inflation Rate             | 2.25%                 | 2.25%                 |
| Benefit Adjustments        | Lesser of 1% or \$500 | Lesser of 1% or \$500 |

The post-retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems’ mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2020. Assumption used in the determination of the June 30, 2022, SCRS and PORS valuations are as follows:

| <u>Former Job Class</u>                                  | <u>Males</u>                          | <u>Females</u>                         |
|--|---------------------------------------|--|
| Educators  | 2020 PRSC Males<br>multiplied by 95%  | 2020 PRSC Females<br>multiplied by 94% |
| General Employees and Members<br>of the General Assembly | 2020 PRSC Males<br>multiplied by 97%  | 2020 PRSC Males<br>multiplied by 107%  |
| Public Safety and Firefighters                           | 2020 PRSC Males<br>multiplied by 127% | 2020 PRSC Males<br>multiplied by 107%  |

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30-year capital market assumptions. The long-term expected rate of returns represented assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

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

| <b>Allocation / Exposure</b>     | <b>Policy Target</b> | <b>Expected Arithmetic Real Rate of Return</b> | <b>Long Term Expected Portfolio Real Rate of Return</b> |
|----------------------------------|----------------------|--|---|
| <b>Public Equity</b>             | <b>46.00%</b>        | 6.79%  | 3.12%   |
| <b>Bonds</b>                     | 26.00%               | 35.00%   | -0.09%  |
| <b>Private Equity</b>            | 9.00%                | 8.75%  | 0.79%   |
| <b>Privated Debt</b>             | 7.00%                | 6.00%  | 0.42%   |
| <b>Real Assets</b>               | <b>12.00%</b>        |  |   |
| Real Estate                      | 9.00%                | 4.12%  | 0.37%   |
| Infrastructure                   | 3.00%                | 5.88%  | 0.18%   |
| Total Expected Return            | 100.00%              |  | 4.79%   |
| Inflation for Actuarial Purposes |                      |  | 2.25%   |
|                                  |                      |  | <b>7.04%</b>  |

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

The following table represents the Town's proportionate share of the net SCRS and PORS pension liabilities calculated using the discount rate of 7.00 percent, as well as what the Town's respective net pension liabilities would be if it were calculated using a discount rate of 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

| <b>Plan</b> | <b>1% Decrease<br/>6.00%</b> | <b>Current Rate<br/>7.00%</b> | <b>1% Increase<br/>8.00%</b> |
|-------------|------------------------------|-------------------------------|------------------------------|
| SCRS        | \$ 2,503,637                 | \$ 1,952,727                  | \$ 1,494,717                 |
| PORS        | 3,448,170                    | 2,472,799                     | 1,674,367                    |
|             | <b>\$ 5,951,807</b>          | <b>\$ 4,425,526</b>           | <b>\$ 3,169,084</b>          |

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**8. Contingencies and Commitments**

The Town is occasionally involved in legal proceedings (predominately civil suits) and claims with various parties, which arose, in the normal course of business.

Although any litigation has an element of uncertainty, it is management’s opinion that the outcome of litigation pending or threatened, or the combination thereof, will not have a materially adverse effect on the financial position of the Town. No provision has been made in these financial statements for losses, if any, which might result from litigation pending, threatened or the combination thereof because there is no evidence to indicate that a loss expenditure and liability should be recorded at year-end.

The Town participates in several state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives periodically.

**9. Interfund Receivables, Payables, and Transfers**

The General Fund budgeted \$325,000 in transfers and actually received \$420,473 from the Water and Sewer Fund.

In fiscal year 2014, the Town borrowed \$227,000 from the Water and Sewer Fund. At the time, the Water and Sewer Fund owed the General Fund \$91,250, resulting in a net \$135,750 due to the Water and Sewer Fund. Annual payments of \$45,400 will be made to pay off the amount owed to the Water and Sewer Fund, with the first payment being made in August 2016. The amount was paid in full at June 30, 2023.

**10. Net Investment in Capital Assets**

Net investment in capital assets groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category. The capital assets and related debt are as follows:

|                               | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>         |
|-------------------------------|------------------------------------|-------------------------------------|----------------------|
| Capital assets                | \$ 12,477,993                      | \$ 27,537,316                       | \$ 40,015,309        |
| Less accumulated depreciation | (5,650,836)                        | (9,808,791)                         | (15,459,627)         |
| Less related debt             | (789,409)                          | (5,317,363)                         | (6,106,772)          |
| Total                         | <u>\$ 6,037,748</u>                | <u>\$ 12,411,162</u>                | <u>\$ 18,448,910</u> |

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

**11. Tax Abatements**

Jasper County, South Carolina (“County”) has two tax abatement programs which abate the Town’s property tax revenues from certain taxpayers. Those programs are the “Fee-in-Lieu of Ad Valorem Property Tax” (“FILOT”) program and the “Special Source Revenue Credit” (“SSRC”) program. The purpose of the FILOT program is to reduce the disparately higher property tax rates applied to manufacturing and certain commercial properties in South Carolina, which have previously impeded new and expanding business from locating in South Carolina. The purpose of the SSRC program is to enhance economic development by reducing property taxes for taxpayers that use the credit provided under the SSRC program to pay the cost of designing, acquiring, constructing, improving, or expanding (a) infrastructure serving the local government or the taxpayer’s property, or (b) improved or unimproved real estate and personal property, including machinery and equipment used in the operating of a manufacturing or commercial enterprise.

The County uses the SSRC program in connection with the FILOT program. The SSRC program further abates property tax revenues from certain qualifying taxpayers by applying a credit to such taxpayers’ fee-in-lieu of ad valorem payment calculated under the FILOT program.

Additionally, the County uses multicounty industrial or business parks (“MCIP”) to effect the FILOT and SSRC programs which further abate the Town’s property tax revenues from certain taxpayers.

For tax year 2022, the gross dollar amount by which the Town’s property tax revenues were abated under each of the programs described above pursuant to tax abatement agreements entered into by the County was \$90,430, inclusive of agreements which also utilize the SSRC program. The Town’s property tax revenues were abated by \$9,514 pursuant to the MCIP program.

**12. Subsequent events**

Subsequent events were evaluated through December 21, 2023, which is the date the financial statements were available for issue. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2023

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance<br/>with Final<br/>Budget</u> |
|--|----------------------------|-------------------------|---------------------|---|
| Revenue                                    |                            |                         |                     |   |
| Property taxes                             | \$ 1,288,984               | \$ 1,288,984            | \$ 1,089,985        | \$ (198,999)                              |
| Hospitality and accommodations taxes       | 455,000                    | 455,000                 | 534,633             | 79,633                                    |
| Fees and fines                             | 593,500                    | 593,500                 | 655,888             | 62,388                                    |
| Intergovernmental                          | 204,750                    | 204,750                 | 96,004              | (108,746)                                 |
| Local option sales tax                     | 1,032,580                  | 1,032,580               | 1,057,029           | 24,449                                    |
| Business licenses                          | 1,165,000                  | 1,165,000               | 982,360             | (182,640)                                 |
| Investment earnings                        | 5,200                      | 5,200                   | 3,264               | (1,936)                                   |
| Miscellaneous                              | 54,000                     | 54,000                  | 117,634             | 63,634                                    |
| Grant                                      | -                          | -                       | 940,430             | 940,430                                   |
| Total revenue                              | <u>4,799,014</u>           | <u>4,799,014</u>        | <u>5,477,227</u>    | <u>678,213</u>                            |
| Expenditures                               |                            |                         |                     |   |
| Current                                    |                            |                         |                     |   |
| Town operations                            | 157,041                    | 157,041                 | 164,972             | (7,931)                                   |
| Town Hall                                  | 773,211                    | 773,211                 | 1,044,250           | (271,039)                                 |
| General services                           | 580,119                    | 580,119                 | 374,816             | 205,303                                   |
| Police department                          | 1,409,923                  | 1,409,923               | 1,290,917           | 119,006                                   |
| Fire department                            | 1,135,433                  | 1,135,433               | 1,139,503           | (4,070)                                   |
| Judicial department                        | 346,360                    | 346,360                 | 299,375             | 46,985                                    |
| Tourism                                    | 127,211                    | 127,211                 | 302,993             | (175,782)                                 |
| Planning and zoning                        | 343,775                    | 343,775                 | 225,798             | 117,977                                   |
| Capital outlay                             | 250,941                    | 250,941                 | 634,881             | (383,940)                                 |
| Debt service:                              |                            |                         |                     |   |
| Principal                                  | -                          | -                       | 186,347             | (186,347)                                 |
| Interest and fiscal charges                | -                          | -                       | 27,292              | (27,292)                                  |
| Total expenditures                         | <u>5,124,014</u>           | <u>5,124,014</u>        | <u>5,691,144</u>    | <u>(567,130)</u>                          |
| (Deficit) of revenues (under) expenditures | <u>(325,000)</u>           | <u>(325,000)</u>        | <u>(213,917)</u>    | <u>111,083</u>                            |
| Other financing sources                    |                            |                         |                     |   |
| Transfers                                  | <u>325,000</u>             | <u>325,000</u>          | <u>427,013</u>      | <u>102,013</u>                            |
| Total other financing sources              | <u>325,000</u>             | <u>325,000</u>          | <u>427,013</u>      | <u>102,013</u>                            |
| Net change in fund balance                 | <u>\$ -</u>                | <u>\$ -</u>             | <u>213,096</u>      | <u>\$ 213,096</u>                         |
| Fund balance, beginning of year            |                            |                         | <u>3,505,243</u>    |   |
| Fund balance, end of year                  |                            |                         | <u>\$ 3,718,339</u> |   |

See accompanying notes.



TOWN OF RIDGELAND, SOUTH CAROLINA

SCHEDULE OF PROPORTIONATE SHARE OF THE SOUTH CAROLINA RETIREMENT SYSTEMS NET PENSION LIABILITIES

LAST TEN FISCAL YEARS\*

|  | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------|
| <b>South Carolina Retirement System</b>  |              |              |              |              |              |              |              |              |              |      |
| City's proportion of the net pension liability   | 0.008055%    | 0.008758%    | 0.008792%    | 0.009200%    | 0.009377%    | 0.008364%    | 0.009497%    | 0.009117%    | 0.009343%    | N/A  |
| City's proportionate share of the net pension liability  | \$ 1,952,727 | \$ 1,895,329 | \$ 2,246,513 | \$ 2,100,805 | \$ 2,101,001 | \$ 1,882,871 | \$ 2,028,545 | \$ 1,729,083 | \$ 1,608,555 | N/A  |
| City's covered payroll   | \$ 959,173   | \$ 990,004   | \$ 980,868   | \$ 971,680   | \$ 843,854   | \$ 919,652   | \$ 854,861   | \$ 848,226   | \$ 848,226   | N/A  |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 203.58%      | 191.45%      | 229.03%      | 216.20%      | 248.98%      | 204.74%      | 237.30%      | 203.85%      | 189.64%      | N/A  |
| Plan fiduciary net position as a percentage of the total pension liability                     | 57.10%       | 60.70%       | 50.70%       | 54.10%       | 54.10%       | 53.30%       | 52.90%       | 57.00%       | 59.90%       | N/A  |
| <b>South Carolina Police Officers Retirement System</b>  |              |              |              |              |              |              |              |              |              |      |
| City's proportion of the net pension liability   | 0.082455%    | 0.078309%    | 0.082225%    | 0.088791%    | 0.089651%    | 0.090380%    | 0.098730%    | 0.096530%    | 0.095720%    | N/A  |
| City's proportionate share of the net pension liability  | \$ 2,472,799 | \$ 2,014,817 | \$ 2,726,752 | \$ 2,544,698 | \$ 2,540,292 | \$ 2,475,933 | \$ 2,504,261 | \$ 2,103,824 | \$ 1,832,471 | N/A  |
| City's covered payroll   | \$ 1,244,192 | \$ 1,177,520 | \$ 1,242,128 | \$ 1,240,901 | \$ 1,217,089 | \$ 1,258,673 | \$ 1,195,850 | \$ 1,151,254 | \$ 1,151,254 | N/A  |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 198.75%      | 171.11%      | 219.52%      | 205.07%      | 208.72%      | 196.71%      | 209.41%      | 182.74%      | 159.17%      | N/A  |
| Plan fiduciary net position as a percentage of the total pension liability                     | 66.40%       | 70.40%       | 58.80%       | 61.70%       | 61.70%       | 60.90%       | 60.40%       | 64.60%       | 67.50%       | N/A  |

\* - The amounts presented for each fiscal year were determined as of July 1 of four years prior, using membership data as of the day, projected forward to June 30 of the previous year. The Town implemented GASB 68 during fiscal year 2015. As such, only the last nine years of data is available.

TOWN OF RIDGELAND, SOUTH CAROLINA

SCHEDULE OF SOUTH CAROLINA RETIREMENT SYSTEMS CONTRIBUTIONS

LAST TEN FISCAL YEARS \*

|  | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014        |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| <b>South Carolina Retirement System</b>                              |              |              |              |              |              |              |              |              |              |             |
| Contractually required contributions                                 | \$ 180,069   | \$ 158,839   | \$ 154,045   | \$ 152,623   | \$ 138,487   | \$ 131,761   | \$ 97,551    | \$ 101,714   | \$ 93,180    | N/A         |
| Contributions in relation to the contractually required contribution | (180,069)    | (158,839)    | (154,045)    | (152,623)    | (138,487)    | (131,761)    | (97,551)     | (101,714)    | (93,180)     | N/A         |
| Contribution deficiency/(excess)                                     | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u> |
| City covered payroll   | \$ 1,025,450 | \$ 959,173   | \$ 990,004   | \$ 980,868   | \$ 951,149   | \$ 971,680   | \$ 843,854   | \$ 919,652   | \$ 954,862   | N/A         |
| Contributions as a percentage of covered payroll                     | 17.56%       | 16.56%       | 15.56%       | 15.56%       | 14.56%       | 13.56%       | 11.56%       | 11.06%       | 10.90%       | N/A         |
| <b>South Carolina Police Officers Retirement System</b>              |              |              |              |              |              |              |              |              |              |             |
| Contractually required contributions                                 | \$ 254,046   | \$ 239,383   | \$ 214,780   | \$ 226,564   | \$ 214,883   | \$ 201,523   | \$ 173,313   | \$ 172,938   | \$ 160,363   | N/A         |
| Contributions in relation to the contractually required contribution | (254,046)    | (239,383)    | (214,780)    | (226,564)    | (214,883)    | (201,523)    | (173,313)    | (172,938)    | (160,363)    | N/A         |
| Contribution deficiency/(excess)                                     | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u> |
| City covered payroll   | \$ 1,255,168 | \$ 1,244,194 | \$ 1,177,520 | \$ 1,242,128 | \$ 1,246,421 | \$ 1,240,901 | \$ 1,217,089 | \$ 1,258,673 | \$ 1,195,850 | N/A         |
| Contributions as a percentage of covered payroll                     | 20.24%       | 19.24%       | 18.24%       | 18.24%       | 17.24%       | 16.24%       | 14.24%       | 13.74%       | 13.41%       | N/A         |

\* - The amounts presented for each fiscal year were determined as of July 1 of four years prior, using membership data as of the day, projected forward to June 30 of the previous year. Additionally, the Town implemented GASB 68 during fiscal year 2015. As such, only the last nine years of information is available.

OTHER FINANCIAL INFORMATION

TOWN OF RIDGELAND, SOUTH CAROLINA

SCHEDULE OF COURT FINES, FEES, ASSESSMENTS, AND SURCHARGES

JUNE 30, 2023

FOR THE STATE TREASURER'S OFFICE:

| COUNTY / MUNICIPAL FUNDS COLLECTED                              | General | Magistrate | Municipal | Total   |
|---|---------|------------|-----------|---------|
| <b>Court Fines and Assessments:</b>                             |         |            |           |         |
| Court fines and assessments collected                           | -       | -          | 955,522   | 955,522 |
| Court fines and assessments remitted to State                   | -       | -          | 520,698   | 520,698 |
| <b>Total Court Fines and Assessments retained</b>               | -       | -          | 434,824   | 434,824 |
| <b>Surcharges and Assessments retained for victim services:</b> |         |            |           |         |
| Surcharges collected and retained                               | -       | -          | 941       | 941     |
| Assessments retained  | -       | -          | 44,058    | 44,058  |
| <b>Total Surcharges and Assessments retained for victim</b>     | -       | -          | 44,999    | 44,999  |

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

| VICTIM SERVICE FUNDS COLLECTED  | Municipal        | County        | Total        |
|---|------------------|---------------|--------------|
| <b>Carryforward from Previous Year – Beginning Balance</b>                  | 34,952           | -             | 34,952       |
| <b>Victim Service Revenue:</b>  |                  |               |              |
| Victim Service Fines Retained by City/County Treasurer                      | -                | -             | -            |
| Victim Service Assessments Retained by City/County Treasurer                | 44,058           | -             | 44,058       |
| Victim Service Surcharges Retained by City/County Treasurer                 | 941              | -             | 941          |
| Interest Earned   | -                | -             | -            |
| Grant Funds Received  | -                | -             | -            |
| Grant from:   |                  |               | -            |
| General Funds Transferred to Victim Service Fund                            | -                | -             | -            |
| <b>Contribution Received from Victim Service Contracts:</b>                 |                  |               | -            |
| (1) Town of   | -                | -             | -            |
| (2) Town of   | -                | -             | -            |
| (3) City of   | -                | -             | -            |
| <b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b> | 79,951           | -             | 79,951       |
|   |                  |               |              |
| <b>Expenditures for Victim Service Program:</b>                             | <b>Municipal</b> | <b>County</b> | <b>Total</b> |
| Salaries and Benefits   | 51,174           | -             | 51,174       |
| Operating Expenditures  | 3,319            | -             | 3,319        |
| <b>Victim Service Contract(s):</b>  |                  |               |              |
| (1) Entity's Name   | -                | -             | -            |
| (2) Entity's Name   | -                | -             | -            |
| <b>Victim Service Donation(s):</b>  |                  |               |              |
| (1) Domestic Violence Shelter:  | -                | -             | -            |
| (2) Rape Crisis Center:   | -                | -             | -            |
| (3) Other local direct crime victims service agency:                        | -                | -             | -            |
| Transferred to General Fund   | -                | -             | -            |
| <b>Total Expenditures from Victim Service Fund/Program (B)</b>              | 54,493           | -             | 54,493       |
| Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)     | 25,458           | -             | 25,458       |
| Less: Prior Year Fund Deficit Repayment                                     | -                | -             | -            |
| <b>Carryforward Funds – End of Year</b>                                     | 25,458           | -             | 25,458       |

## COMPLIANCE REQUIREMENTS

TOWN OF RIDGELAND, SOUTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED JUNE 30, 2023

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title    | Federal<br>Assistance<br>Listing<br>Number | Pass<br>Through<br>Identifying<br>Number | Federal<br>Expenditures<br>June 30, 2022 |
|---|--|--|--|
| <b>Department of the Treasury Pass-through Programs From:</b> |  |  |  |
| South Carolina Department of Administration                   |  |  |  |
| COVID 19: Coronavirus State and Local Fiscal Recovery Funds   | 21.027                                     |  | \$ 863,743                               |
| <b>Total Department of the Treasury</b>                       |  |  | <u>\$ 863,743</u>                        |
| <br>  |  |  |  |
| <b>Total Expenditures of Federal Awards</b>                   |  |  | <u><u>\$ 863,743</u></u>                 |

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2023

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town under programs of the federal government for the fiscal year ended June 30, 2023. The information in this schedule is presented in accordance with requirements of the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Ridgeland, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Ridgeland.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles obtained in the *Uniform Guidance* and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**3. Indirect Costs**

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

# THE BRITTINGHAM GROUP, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

501 STATE STREET  
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WEST COLUMBIA, SOUTH CAROLINA 29171

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FAX: (803) 791-0834

## **INDEPENDENT AUDITORS' 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***

To the Mayor and Town Council  
Town of Ridgeland, South Carolina  
One Town Square  
Ridgeland, South Carolina 29936

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Town of Ridgeland, (the "Town") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 21, 2023.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the 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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

The Brittingham Group LLP

West Columbia, South Carolina  
December 21, 2023

# THE BRITTINGHAM GROUP, L.L.P.

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Mayor and Town Council  
Town of Ridgeland, South Carolina  
One Town Square  
Ridgeland, South Carolina 29936

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the Town of Ridgeland's (the "Town") 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 Town's major federal programs for the year ended June 30, 2023. The Town'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 Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audit contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations 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 Town 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 Town'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 Town's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town'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 generally accepted auditing standards, *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 judgement made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement 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 Town'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 Town'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 Town'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 and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

The Brittingham Group LLP

West Columbia, South Carolina  
December 21, 2023

TOWN OF RIDGELAND, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2023

**Summary of Auditors' Results:**

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Town of Ridgeland.
2. No material weaknesses or significant deficiencies relating to the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Town of Ridgeland were disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to the audit of major federal awards are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for the Town of Ridgeland expresses an unmodified opinion.
6. No audit findings were reported relative to the major federal award programs for the Town of Ridgeland as depicted below in this schedule.
7. Major federal programs:  

|   |              |
|---|--------------|
| Coronavirus State and Local Fiscal Recovery Funds | CFDA #21.027 |
|---|--------------|
8. The threshold for distinguishing between Type A and Type B Programs was \$750,000.
9. Town of Ridgeland did not qualify as a low-risk auditee.

**Financial Statement Findings:**

None

**Federal Awards Findings and Questioned Costs:**

No findings or questioned costs.

**Status of Prior Year Findings:**

None were reported.