



TOWN OF RIDGELAND, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

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
Chance Rountree

TOWN OF RIDGELAND, SOUTH CAROLINA

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

WITH

INDEPENDENT AUDITORS' REPORT

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AND OTHER FINANCIAL INFORMATION

YEAR ENDEND JUNE 30, 2024

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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, 2024, 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, 2024, 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 to Actual – General Fund on page 46, Schedule of Proportionate Share of the South Carolina Retirement Systems Net Pension Liabilities on page 47, and the Schedule of South Carolina Retirement Systems Contributions on page 48 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 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 November 15, 2024, 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.

The Brittingham Group LLP

West Columbia, South Carolina
November 15, 2024

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, 2024. We encourage readers to consider the information presented here in conjunction with the accompanying financial statements and notes.

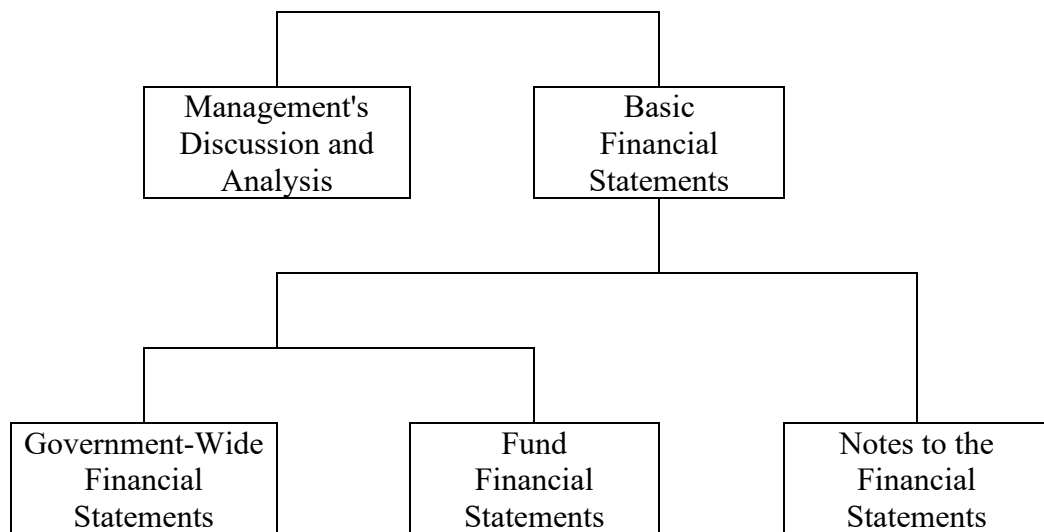
Financial Highlights

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows by \$29,070,746 at June 30, 2024 as compared to \$23,839,119 at the end of the previous fiscal year. The net position in the governmental activities increased \$1,488,272 while the net position of the proprietary fund increased \$3,743,355.
- As of the close of the fiscal year the Town’s governmental fund reported an ending fund balance of \$4,980,321 as compared to \$3,937,419 for the previous fiscal year, resulting in an increase of \$1,042,902.

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, 2024 the Town's assets and deferred outflows exceeded liabilities and deferred inflows by \$29,070,746 (net position). This represents an increase in the Town's net position of \$5,231,627 or 21.9% from the prior year.

The following is a comparative presentation of the net position of the Town as of June 30, 2024, and June 30, 2023.

	Governmental Activities		Business- type Activities		Totals	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Assets:						
Current Assets	\$ 5,265,766	\$ 4,782,416	\$ 5,515,123	\$ 5,527,579	\$ 10,780,889	\$ 10,309,995
Capital Assets, Net	6,922,828	6,827,157	21,607,058	17,728,525	28,529,886	24,555,682
Total Assets	12,188,594	11,609,573	27,122,181	23,256,104	39,310,775	34,865,677
Deferred Outflow of Resources	704,668	695,573	114,942	61,431	819,610	757,004
Current Liabilities	415,429	484,586	368,257	238,831	783,686	723,417
Long-term Liabilities	4,018,798	4,925,785	5,872,482	5,820,882	9,891,280	10,746,667
Total Liabilities	4,434,227	5,410,371	6,240,739	6,059,713	10,674,966	11,470,084
Deferred Inflow of Resources	353,110	277,122	31,563	36,356	384,673	313,478
Net Position						
Net investment in capital assets	6,325,394	6,037,748	16,392,938	12,411,162	22,718,332	18,448,910
Restricted	482,059	502,763	1,312,894	1,937,957	1,794,953	2,440,720
Unrestricted	1,298,472	77,142	3,258,989	2,872,347	4,557,461	2,949,489
Total Net Position	\$ 8,105,925	\$ 6,617,653	\$ 20,964,821	\$ 17,221,466	\$ 29,070,746	\$ 23,839,119

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 \$22,718,322 at June 30, 2024. The Town's long-term liabilities as of June 30, 2024 were \$9,891,280, which was a decrease of \$855,387 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, 2024 and June 30, 2023:

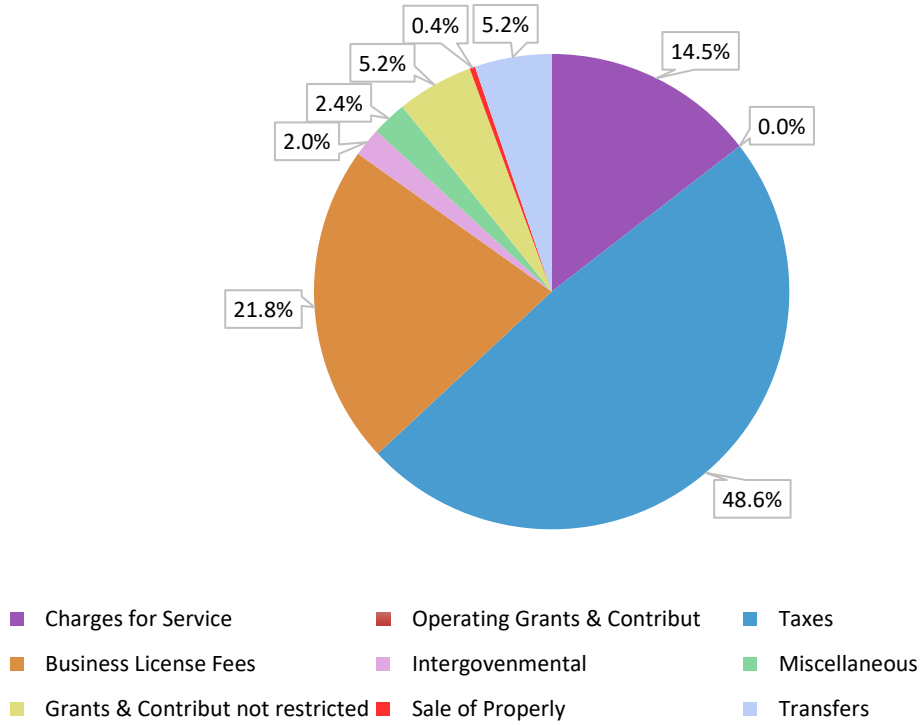
	Changes in Net Position					
	For the Years Ended June 30:					
	Governmental Activities		Business- type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues						
Charges for Service	\$ 901,364	\$ 669,176	\$ 2,671,424	\$ 2,540,084	\$ 3,572,788	\$ 3,209,260
Operating Grants & Contributions	-	2,000	-	-	-	2,000
Capital Grants & Contributions	-	-	3,071,378	-	3,071,378	-
Total Program Revenues	<u>901,364</u>	<u>671,176</u>	<u>5,742,802</u>	<u>2,540,084</u>	<u>6,644,166</u>	<u>3,211,260</u>
General Revenues						
Taxes	3,014,771	2,764,556	-	-	3,014,771	2,764,556
Business License Fees	1,352,524	982,360	-	-	1,352,524	982,360
Intergovernmental	121,283	301,004	-	-	121,283	301,004
Investment Earnings	2,229	3,264	76,050	33,366	78,279	36,630
Impact & Capacity Fees	-	-	557,320	884,692	557,320	884,692
Miscellaneous	148,356	144,334	30,050	13,463	178,406	157,797
Grants & Contributions not restricted	323,338	940,430	-	-	323,338	940,430
Sale of Property	22,978	28,159	18,906	-	41,884	28,159
Transfers	325,000	427,013	(325,000)	(427,013)	-	-
Total General Revenues	<u>5,310,479</u>	<u>5,591,120</u>	<u>357,326</u>	<u>504,508</u>	<u>5,667,805</u>	<u>6,095,628</u>
Total Revenues	<u>6,211,843</u>	<u>6,262,296</u>	<u>6,100,128</u>	<u>3,044,592</u>	<u>12,311,971</u>	<u>9,306,888</u>
Expenses:						
Administrative	890,945	1,249,980	-	-	890,945	1,249,980
General Services	477,520	435,029	-	-	477,520	435,029
Public Safety	2,839,413	2,970,216	-	-	2,839,413	2,970,216
Tourism	217,058	240,112	-	-	217,058	240,112
Planning and Zoning	279,222	490,207	-	-	279,222	490,207
Water	-	-	905,788	819,826	905,788	819,826
Sewer	-	-	1,364,262	959,449	1,364,262	959,449
Interest	19,413	25,910	86,723	88,401	106,136	114,311
Total Expenses	<u>4,723,571</u>	<u>5,411,454</u>	<u>2,356,773</u>	<u>1,867,676</u>	<u>7,080,344</u>	<u>7,279,130</u>
Change in Net Position	1,488,272	850,842	3,743,355	1,176,916	5,231,627	2,027,758
Net Position- Beginning	\$ 6,617,653	\$ 5,766,811	\$ 17,221,466	\$ 16,044,550	\$ 23,839,119	\$ 21,811,361

Overall revenues increased by \$3,005,083. This increase relates primarily to the receipt of Economic Development Administration (EDA) grant funding, an increase in capacity fees, and an increase in charges for services.

Overall expenses decreased by \$198,786. This decrease relates primarily to the decrease in administrative expenses.

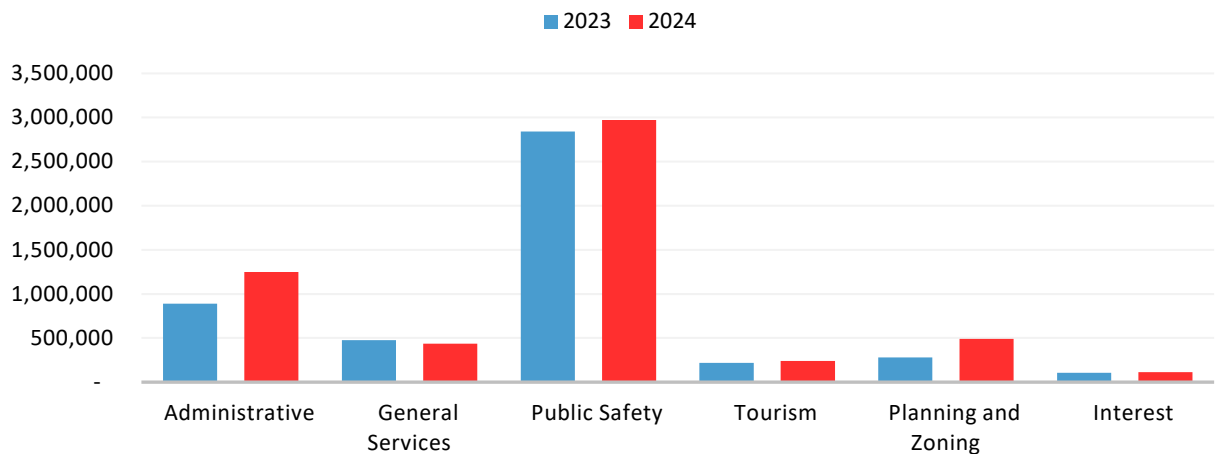
The following graph depicts the revenue sources for the various governmental activities of the Town.

Revenue Sources- Governmental Activities

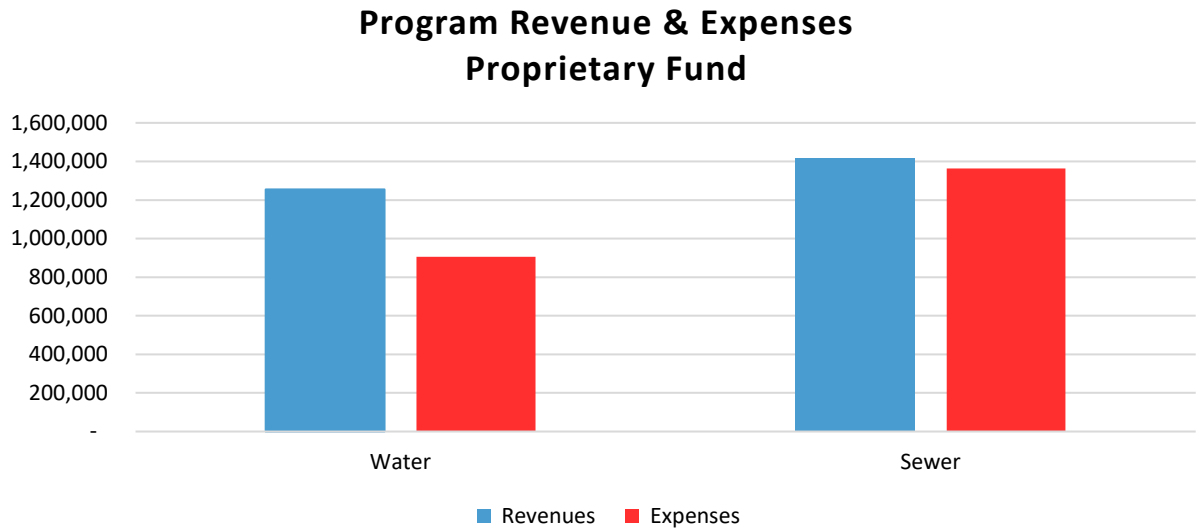


The following graph depicts the expenses for the various governmental activities of the Town.

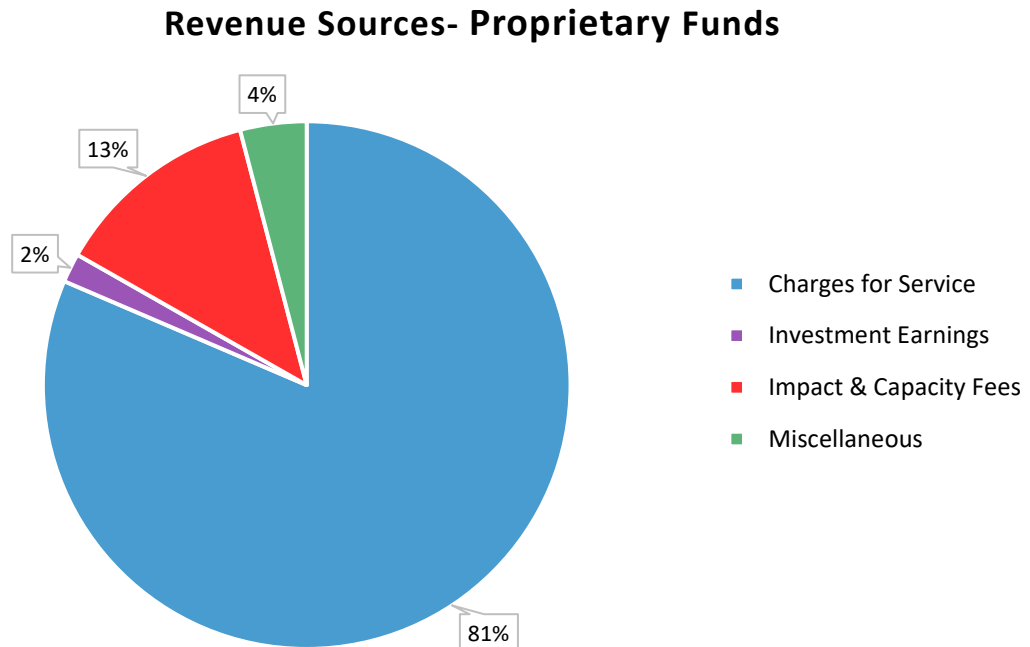
Expenses for Governmental Activities



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 \$4,980,321, an increase of 26.5% or \$1,042,902. \$482,059 is restricted for capital projects, tourism, victim assistance, the drug fund, and 1% firefighter’s fund leaving an unassigned balance of \$4,498,262.

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 \$20,964,821, an increase of 21.7% or \$3,743,355. Net position of \$1,312,894 is restricted for capital projects, debt service, and repairs. The investment in capital assets less accumulated depreciation and related debt is \$16,392,938, leaving a balance of \$3,258,989 in unrestricted net position.

General Fund Budgetary Highlights

The general fund revenues exceeded budgeted amounts by \$1,309,538. These changes are mostly attributable to the receipt of unbudgeted grant revenue. Expenditures on the budgetary basis were over budget by \$281,862. 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, 2024, totals \$28,529,886 (net of depreciation). The following schedule details the capital assets, net of depreciation, at June 30, 2024 with a comparison to fiscal year ended June 30, 2023:

	Governmental Activities	Business-Type Activities	June 30, 2024 Total	June 30, 2023 Total
Construction in Progress	\$ 120,965	\$ 1,540,744	\$ 1,661,709	\$ 316,224
Land	1,270,665	1,244,658	2,515,323	2,515,323
Buildings & Improvements	1,657,991	140,840	1,798,831	1,872,900
Improvements other than Building	1,570,037	-	1,570,037	1,661,681
Machinery, Equipment, Vehicles	1,864,033	339,361	2,203,394	2,048,674
Infrastructure, Engineering & Legal	439,137	18,341,455	18,780,592	16,140,880
Total Capital Assets- net	\$ 6,922,828	\$ 21,607,058	\$ 28,529,886	\$ 24,555,682

Increases in capital assets in governmental activities were \$531,689 which includes \$261,163 for air packs for the Fire Department, \$18,873 for a new accounting software, \$74,175 for two pickup trucks, \$18,117 for a defibrillator, \$16,050 for a lawnmower, \$22,346 for ladder truck equipment, and \$120,965 for construction in progress. Depreciation expense was \$546,062 for June 30, 2024.

Increases in capital assets in business-type activities were \$3,073,170 which includes \$35,490 for a vehicle, \$27,813 for a fire hydrant, \$1,469,123 for water and sewer projects and \$1,540,744 for construction in progress. Depreciation expense was \$416,956 for June 30, 2024.

Long-Term Obligations

At June 30, 2024 the Town has long-term obligations in the amount of \$4,239,972 in the Governmental Activities and \$5,992,062 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, 2024, with a comparison to fiscal year ended June 30, 2023:

	Governmental Activities	Business-Type Activities	June 30, 2024 Total	June 30, 2023 Total
Notes Payable	\$ 597,434	\$ -	\$ 597,434	\$ 789,409
Revenue Bonds	-	5,214,120	5,214,120	5,317,363
Net Pension Liability	3,440,866	719,415	4,160,281	4,425,526
Compensated Absences	201,672	58,527	260,199	214,369
Total Long-Term Debt	<u>\$ 4,239,972</u>	<u>\$ 5,992,062</u>	<u>\$ 10,232,034</u>	<u>\$ 10,746,667</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 four 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 \$9.9 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 \$9 million dollars in state and federal grant funds have been secured to finance these efforts thus far. The Town has also recently constructed a 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 1,900 new single family homes in 2023 and 2024, 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, 2024

	Primary Government		
	Governmental Activities	Business - Type Activities	Total
Assets			
Cash and cash equivalents	\$ 4,376,695	\$ 1,216,214	\$ 5,592,909
Cash and cash equivalents - restricted	499,474	1,312,893	1,812,367
Accounts receivable, net	426,480	2,949,133	3,375,613
Interfund balances	(36,883)	36,883	-
Capital assets:			
Non-depreciable	1,391,630	2,785,402	4,177,032
Depreciable, net	5,531,198	18,821,656	24,352,854
Total assets	<u>12,188,594</u>	<u>27,122,181</u>	<u>39,310,775</u>
Deferred outflows of resources			
Deferred pension outflows	704,668	114,942	819,610
Total assets and deferred outflows of resources	<u>12,893,262</u>	<u>27,237,123</u>	<u>40,130,385</u>
Liabilities			
Accounts payable	114,752	32,464	147,216
Accrued payroll and related withholdings	37,376	6,647	44,023
Accrued interest payable	11,364	4,533	15,897
Unearned revenue	30,763	205,033	235,796
Current portion of compensated absences	50,418	14,632	65,050
Current portion of long-term debt	170,756	104,948	275,704
Long-term liabilities:			
Noncurrent portion of compensated absences	151,254	43,895	195,149
Noncurrent portion of long-term debt	426,678	5,109,172	5,535,850
Net pension liability	3,440,866	719,415	4,160,281
Total liabilities	<u>4,434,227</u>	<u>6,240,739</u>	<u>10,674,966</u>
Deferred inflows of resources			
Deferred pension inflows	353,110	31,563	384,673
Total liabilities and deferred inflows of resources	<u>4,787,337</u>	<u>6,272,302</u>	<u>11,059,639</u>
Net position			
Net investment in capital assets	6,325,394	16,392,938	22,718,332
Restricted			
Capital projects	30,763	466,896	497,659
Debt service	-	472,544	472,544
Tourism	239,430	-	239,430
Victim assistance	11,459	-	11,459
Repairs and contingencies	-	373,454	373,454
Drug fund	181,911	-	181,911
1% Firefighters fund	18,496	-	18,496
Unrestricted	1,298,472	3,258,989	4,557,461
Total net position	<u>\$ 8,105,925</u>	<u>\$ 20,964,821</u>	<u>\$ 29,070,746</u>

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary Government:							
Town operations	\$ 151,605	\$ -	\$ -	\$ -	\$ (151,605)	\$ -	\$ (151,605)
Town Hall	739,340	-	-	-	(739,340)	-	(739,340)
General services	477,520	-	-	-	(477,520)	-	(477,520)
Police department	1,366,030	-	-	-	(1,366,030)	-	(1,366,030)
Fire department	1,197,567	14,185	-	-	(1,183,382)	-	(1,183,382)
Judicial department	275,816	603,455	-	-	327,639	-	327,639
Planning and zoning	279,222	-	-	-	(279,222)	-	(279,222)
Tourism	217,058	283,724	-	-	66,666	-	66,666
Interest	19,413	-	-	-	(19,413)	-	(19,413)
Total governmental activities	4,723,571	901,364	-	-	(3,822,207)	-	(3,822,207)
Business-type activities							
Water	905,788	1,254,971	-	3,071,378	-	3,420,561	3,420,561
Sewer	1,364,262	1,416,453	-	-	-	52,191	52,191
Interest	86,723	-	-	-	-	(86,723)	(86,723)
Total business-type activities	2,356,773	2,671,424	-	3,071,378	-	3,386,029	3,386,029
Total primary government	\$ 7,080,344	\$ 3,572,788	\$ -	\$ 3,071,378	(3,822,207)	3,386,029	(436,178)
General revenues and transfers:							
General revenues:							
Taxes:							
					1,208,600	-	1,208,600
					1,165,697	-	1,165,697
					543,938	-	543,938
					96,536	-	96,536
					121,283	-	121,283
					-	557,320	557,320
					1,352,524	-	1,352,524
					323,338	-	323,338
					2,229	76,050	78,279
					148,356	30,050	178,406
					22,978	18,906	41,884
					325,000	(325,000)	-
					5,310,479	357,326	5,667,805
					1,488,272	3,743,355	5,231,627
					6,617,653	17,221,466	23,839,119
					\$ 8,105,925	\$ 20,964,821	\$ 29,070,746

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 4,376,695	\$ -	\$ 4,376,695
Cash and cash equivalents - restricted	299,067	200,407	499,474
Accounts receivable	426,480	-	426,480
Total assets	5,102,242	200,407	5,302,649
Liabilities, Deferred Inflows and Fund Balances			
Liabilities			
Accounts payable	114,752	-	114,752
Accrued payroll and related withholdings	37,376	-	37,376
Unearned revenues	30,763	-	30,763
Due to other funds	36,883	-	36,883
Total liabilities	219,774	-	219,774
Deferred Inflow of Resources			
Unavailable revenue - property taxes	102,554	-	102,554
Total deferred inflow of resources	102,554	-	102,554
Fund Balances			
Restricted			
Capital projects	30,763	-	30,763
Tourism	239,430	-	239,430
Victim assistance	11,459	-	11,459
Drug fund	-	181,911	181,911
1% fund	-	18,496	18,496
Unassigned	4,498,262	-	4,498,262
Total fund balances	4,779,914	200,407	4,980,321
Total liabilities and fund balances	\$ 5,102,242	\$ 200,407	\$ 5,302,649

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

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

JUNE 30, 2024

Total fund balances - governmental funds		\$ 4,980,321
Amounts reported for governmental activities in the Statement of Net Position are different due to the following:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.		
Capital assets, cost	\$ 13,080,391	
Accumulated depreciation	<u>(6,157,563)</u>	
		6,922,828
Some of the City's taxes will be collected after year end, but are not available soon enough to pay for the current period expenditures, and therefore, are reported as deferred inflow in the funds.		
Property taxes		102,554
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
		(11,364)
Long-term liabilities are not due and payable in the current period and therefore are not reported in governmental funds.		
Compensated absences	(201,672)	
Notes payable	<u>(597,434)</u>	
		(799,106)
Net pension obligations are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds balance sheet.		
		(3,440,866)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the governmental funds.		
Deferred outflows of resources related to pensions	704,668	
Deferred inflows of resources related to pensions	<u>(353,110)</u>	
		351,558
Net position of governmental activities		<u>\$ 8,105,925</u>

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Property taxes	\$ 1,275,072	\$ -	\$ 1,275,072
Hospitality and accommodations taxes	640,474	-	640,474
Fees and fines	887,179	14,185	901,364
Intergovernmental	326,283	-	326,283
Local option sales tax	1,165,697	-	1,165,697
Business licenses	1,352,524	-	1,352,524
Investment earnings	2,229	-	2,229
Miscellaneous	135,756	12,600	148,356
Grant	323,338	-	323,338
Total revenues	<u>6,108,552</u>	<u>26,785</u>	<u>6,135,337</u>
Expenditures			
Current:			
Town operations	155,720	-	155,720
Town Hall	797,058	-	797,058
General services	529,273	-	529,273
Police department	1,230,177	29,520	1,259,697
Fire department	1,123,606	15,938	1,139,544
Judicial department	346,359	-	346,359
Tourism	102,203	-	102,203
Planning and zoning	255,187	-	255,187
Capital outlay	652,654	-	652,654
Debt service:			
Principal	191,975	-	191,975
Interest and fiscal charges	21,664	-	21,664
Total expenditures	<u>5,405,876</u>	<u>45,458</u>	<u>5,451,334</u>
Excess (deficit) of revenues over (under) expenditures	<u>702,676</u>	<u>(18,673)</u>	<u>684,003</u>
Other Financing Sources			
Sale of capital assets	33,899	-	33,899
Transfers	325,000	-	325,000
Total other financing sources	<u>358,899</u>	<u>-</u>	<u>358,899</u>
Net change in fund balance	1,061,575	(18,673)	1,042,902
Fund balance, beginning of year	3,718,339	219,080	3,937,419
Fund balance, end of year	<u>\$ 4,779,914</u>	<u>\$ 200,407</u>	<u>\$ 4,980,321</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, 2024

Net change in fund balance - total governmental funds		\$ 1,042,902
<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 Town'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	(66,472)	
Intergovernmental revenue	(205,000)	
		(271,472)
<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	652,654	
Depreciation	(546,062)	
Net change in capital assets		106,592
<p>The net effect of various transactions involving capital assets (i.e. sales and donations) is a decrease in net assets.</p>		
Loss on sale of capital assets		(10,921)
<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		191,975
<p>Governmental funds report interest on long-term debt. However, accrued interest is not reported in the funds.</p>		
		2,251
<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>		
		461,088
<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>		
		(34,143)
Change in net position of governmental activities		\$ 1,488,272

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

JUNE 30, 2024

	<u>Water and Sewer Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 1,216,214
Receivables, net	2,949,133
Restricted Assets	
Cash and cash equivalents	1,312,893
Due from General Fund	36,883
Non-current assets	
Capital assets, not being depreciated	2,785,402
Capital assets, being depreciated, net	18,821,656
Total assets	<u>27,122,181</u>
Deferred outflows of resources	
Deferred pension outflows	114,942
Total assets and deferred outflows of resources	<u>27,237,123</u>
Liabilities	
Current liabilities	
Accounts payable	32,464
Accrued expenses	6,647
Interest payable	4,533
Customer deposits	205,033
Current portion of compensated absences	14,632
Current portion of long-term debt	104,948
Non-current liabilities	
Compensated absences	43,895
Bond payable	5,109,172
Net pension liability	719,415
Total liabilities	<u>6,240,739</u>
Deferred inflows of resources	
Deferred pension inflows	31,563
Total liabilities and deferred inflows of resources	<u>6,272,302</u>
Net position	
Net investment in capital assets	16,392,938
Restricted for capital projects	466,896
Restricted for debt service	472,544
Restricted for repairs and contingencies	373,454
Unrestricted	3,258,989
Total net position	<u>\$ 20,964,821</u>

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

	Water and Sewer Fund
Operating revenue	
Charges for services	\$ 2,671,424
Miscellaneous	30,050
Total operating revenue	<u>2,701,474</u>
Operating expenses	
Personnel services	858,006
Contractual services	518,732
Utilities	139,265
Office expense	20,734
Repairs and maintenance	43,364
Supplies	218,563
Depreciation and amortization	416,956
Other operating expenses	54,430
Total operating expenses	<u>2,270,050</u>
Operating income	<u>431,424</u>
Nonoperating revenue (expenses)	
Investment income	76,050
Impact and capacity fees	557,320
Grant income	3,071,378
Gain on sale of capital assets	18,906
Interest expense	(86,723)
Total nonoperating revenue	<u>3,636,931</u>
Income before capital contributions and transfers	<u>4,068,355</u>
Capital grants, contributions and transfers	
Transfers	(325,000)
Total capital grants, contributions and transfers	<u>(325,000)</u>
Change in net position	3,743,355
Total net position, beginning	17,221,466
Total net position, ending	<u><u>\$ 20,964,821</u></u>

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2024

	Water and Sewer Fund
Cash flows from operating activities	
Cash received from customers	\$ (44,635)
Cash paid to suppliers	(998,683)
Cash paid to and for employees	(641,887)
Net cash (used in) operating activities	<u>(1,685,205)</u>
Cash flows from non-capital financing activities	
Transfers	(325,000)
Net cash (used in) noncapital financing activities	<u>(325,000)</u>
Cash flows from capital and related financing activities	
Impact and capacity fees	557,320
Purchase of capital assets	(4,297,690)
Proceeds from sale of capital assets	21,107
Grant income	3,071,378
Principal paid on long-term debt	(103,243)
Interest paid on long-term debt	(86,723)
Net cash (used in) capital and related financing activities	<u>(837,851)</u>
Cash flows from investing activities	
Interest income	76,050
Net cash provided by investing activities	<u>76,050</u>
Net decrease in cash and cash equivalents	(2,772,006)
Cash and cash equivalents, beginning	5,301,113
Cash and cash equivalents, ending	<u>\$ 2,529,107</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:	
Cash and cash equivalents	\$ 1,216,214
Restricted cash and cash equivalents	1,312,893
Total cash and cash equivalents	<u>\$ 2,529,107</u>

(CONTINUED)

TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2024

-CONTINUED-

	<u>Water and Sewer Fund</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 431,424
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	416,956
Changes in assets and liabilities:	
Accounts receivable	(2,722,667)
Due from general fund	(36,883)
Accounts payable	2,612
Accrued expenses	(6,117)
Interest payable	(90)
Customer deposits	13,441
Compensated absences	11,687
Net pension liability and related accounts	204,432
Net cash provided by operating activities	<u>\$ (1,685,205)</u>

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 \$819,610 as of June 30, 2024.

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 \$384,673 as of June 30, 2024.

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, 2024, \$1,794,953 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, 2024, 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, 2024, 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 \$1,309,538. Actual expenditures exceeded budgeted expenditures by \$281,862.

3. Deposits & Investments

As of June 30, 2024, cash and investments restricted as to use are as follows:

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Depreciation Fund	\$ -	\$ -	\$ 190,697	\$ 190,697
Drug Fund	-	181,911	-	181,911
Contingent Fund	-	-	281,846	281,846
RF Grant Expense	-	-	62,440	62,440
Water & Sewer Deposits	-	-	205,033	205,033
RF Grant Account	-	-	79	79
RF #2 Grant Account	-	-	100	100
Grant Account	100	-	-	100
ACH Clearing Account	100	-	-	100
Water Tank Repair	-	-	311,014	311,014
Accommodations Tax	84	-	-	84
Impact Fees	-	-	261,589	261,589
Tourism Support	239,430	-	-	239,430
Victim Assistance	11,459	-	-	11,459
Rural Development	-	-	95	95
Veterans Memorial Park	12,147	-	-	12,147
Firemans 1% Fund	-	18,496	-	18,496
American Rescue Plan Act	33,597	-	-	33,597
Tree Mitigation Account	2,150	-	-	2,150
Total Restrictions on Cash and Cash Equivalents	\$ 299,067	\$ 200,407	\$ 1,312,893	\$ 1,812,367

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, 2024.

4. Receivables

Receivables at June 30, 2024, consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts receivable:			
Property taxes	\$ 130,748	\$ -	\$ 130,748
Auto taxes	16,294	-	16,294
Accommodation taxes	21,916	-	21,916
Local option sales taxes	104,625	-	104,625
Business licenses	56,974	-	56,974
Tourism	68,344	-	68,344
Aid to subdivision	24,274	-	24,274
Water/sewer billings	-	245,105	245,105
Grants receivable	10,000	2,704,028	2,714,028
Gross receivables	<u>433,175</u>	<u>2,949,133</u>	<u>3,382,308</u>
Less, allowance for uncollectibles	<u>(6,695)</u>	<u>-</u>	<u>(6,695)</u>
Net receivables	<u>\$ 426,480</u>	<u>\$ 2,949,133</u>	<u>\$ 3,375,613</u>

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

5. Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

Governmental Activities	June 30, 2023	Additions	Disposals	June 30, 2024
Non-Depreciable Assets				
Land and improvements	\$ 1,270,665	\$ -	\$ -	\$ 1,270,665
CIP	-	120,965	-	120,965
Total Non-Depreciable Assets	1,270,665	120,965	-	1,391,630
Depreciable Assets				
Buildings	2,494,188	-	-	2,494,188
Improvements other than buildings	2,682,204	18,377	-	2,700,581
Vehicles and equipment	3,579,106	460,949	(50,256)	3,989,799
Infrastructure	2,451,830	52,363	-	2,504,193
Total Depreciable Assets	11,207,328	531,689	(50,256)	11,688,761
Accumulated Depreciation				
Buildings	(765,690)	(70,507)	-	(836,197)
Improvements other than buildings	(1,020,523)	(110,021)	-	(1,130,544)
Vehicles and equipment	(1,859,735)	(305,366)	39,335	(2,125,766)
Infrastructure	(2,004,888)	(60,168)	-	(2,065,056)
Total Accumulated Depreciation	(5,650,836)	(546,062)	39,335	(6,157,563)
Depreciable Assets, net	5,556,492	(14,373)	(10,921)	5,531,198
Governmental Activities Capital Assets	<u>\$ 6,827,157</u>	<u>\$ 106,592</u>	<u>\$ (10,921)</u>	<u>\$ 6,922,828</u>

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

<u>Governmental Activities</u>	
Administrative services	\$ 29,698
Police	176,729
Fire	119,503
General services	43,113
Tourism	177,019
Total	<u>\$ 546,062</u>

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

5. Capital Assets (continued)

Business-Type Activities	June 30, 2023	Additions	Disposals	June 30, 2024
Non-Depreciable Assets				
Land and improvements	\$ 1,244,658	\$ -	\$ -	\$ 1,244,658
CIP	316,224	1,224,520	-	1,540,744
Total Non-Depreciable Assets	1,560,882	1,224,520	-	2,785,402
Depreciable Assets				
Buildings	195,330	-	-	195,330
Vehicles and equipment	732,390	35,490	(110,325)	657,555
Water/sewer systems	24,796,483	3,037,680	-	27,834,163
Engineering and legal	252,238	-	-	252,238
Total Depreciable Assets	25,976,441	3,073,170	(110,325)	28,939,286
Accumulated Depreciation				
Buildings	(50,928)	(3,562)	-	(54,490)
Vehicles and equipment	(403,087)	(23,231)	108,124	(318,194)
Water/sewer systems	(9,122,215)	(388,905)	-	(9,511,120)
Engineering and legal	(232,568)	(1,258)	-	(233,826)
Total Accumulated Depreciation	(9,808,798)	(416,956)	108,124	(10,117,630)
Depreciable Assets, net	16,167,643	2,656,214	(2,201)	18,821,656
Business-Type Activities Capital Assets	\$ 17,728,525	\$ 3,880,734	\$ (2,201)	\$ 21,607,058

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

Business-Type Activities	
Water Utilities	\$ 208,478
Sewer Utilities	208,478
Total	\$ 416,956

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.

	June 30, 2023	Increases	Decreases	June 30, 2024	Current Portion
<u>Governmental Activities</u>					
Notes payable	\$ 789,409	\$ -	\$ (191,975)	\$ 597,434	\$ 170,756
Compensated absences	167,529	201,672	(167,529)	201,672	50,418
Governmental Activities					
Long-Term Obligations	<u>\$ 956,938</u>	<u>\$ 201,672</u>	<u>\$ (359,504)</u>	<u>\$ 799,106</u>	<u>\$ 221,174</u>
<u>Business-Type Activities</u>					
Notes payable	\$ 5,317,363	\$ -	\$ (103,243)	\$ 5,214,120	\$ 104,948
Compensated absences	46,840	58,527	(46,840)	58,527	14,632
Business-Type Activities					
Long-Term Obligations	<u>\$ 5,364,203</u>	<u>\$ 58,527</u>	<u>\$ (150,083)</u>	<u>\$ 5,272,647</u>	<u>\$ 119,580</u>

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, 2024 is \$52,567.

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, 2024 is \$26,651.

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, 2024 is \$50,093.

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, 2024 is \$468,123.

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, 2024 are as follows:

Year Ending			
June 30,	Principal	Interest	Total
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	46,065	7,913	53,978
2030-2034	249,500	20,391	269,890
	<u>\$ 597,434</u>	<u>\$ 74,969</u>	<u>\$ 672,402</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, 2024 is \$5,214,120.

The annual requirements to amortize the bonds payable as described in the preceding paragraph at June 30, 2024 are as follows:

Year Ending			
June 30,	Principal	Interest	Total
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	112,059	77,997	190,056
2030-2034	588,717	361,563	950,280
2035-2039	639,092	311,188	950,280
2040-2044	693,850	256,430	950,280
2045-2049	753,377	196,903	950,280
2050-2054	818,093	132,187	950,280
2055-2059	888,457	61,823	950,280
2060-2061	290,164	3,933	294,097
	<u>\$ 5,214,120</u>	<u>\$ 1,731,937</u>	<u>\$ 6,946,057</u>

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan

Overview

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

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

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

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (Continued)

Plan Descriptions

- The South Carolina Retirement System (SCRS), a cost-sharing multiple employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.
- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

Membership

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

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

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

Benefits

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

- SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the health benefit program.

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

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

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

Benefits (continued)

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

Contributions

Actuarial valuations

Required employee contribution rates are as follows:

	<u>Fiscal Year 2024¹</u>	<u>Fiscal Year 2023¹</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

¹Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws

Required employer contribution rates are as follows:

	<u>Fiscal Year 2024¹</u>	<u>Fiscal Year 2023¹</u>
SCRS		
Employee Class Two	18.41%	17.41%
Employee Class Three	18.41%	17.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	20.84%	19.84%
Employee Class Three	20.84%	19.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Benefit	0.20%	0.20%

¹Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

Actuarial Assumptions and Methods

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

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023:

	<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 80% of Scale UMP projected for the year 2020.

Assumptions used in the determination of the June 30, 2023, TPL are as follows.

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

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

Net Pension Liability

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

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB 67 less that system's fiduciary net position. As of June 30, 2023, the net pension liability amounts for the Town's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plan are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Town's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 4,787,065	\$ 2,807,416	\$ 1,979,539	58.6%	0.008188%
PORS	6,769,806	4,589,077	2,180,742	67.8%	0.071638%

Long-Term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7 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)

Long-Term Expected Rate of Return (continued)

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.00%	6.62%	3.04%
Bonds	26.00%	0.31%	0.08%
Private Equity	9.00%	10.91%	0.98%
Private Debt	7.00%	6.16%	0.43%
Real Assets	12.00%		
Real Estate	9.00%	6.41%	0.58%
Infrastructure	3.00%	6.62%	0.20%
Total Expected Return	100.00%		5.31%
Inflation for Actuarial Purposes			2.25%
			7.56%

Discount Rate

The discount rate used to measure the total pension liability (TPL) was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the 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.

Sensitivity Analysis

The following table represents the Town's proportionate share of the net SCRS and PORS pension liabilities calculated using the discount rate of 7 percent, as well as what the Town's respective net pension liabilities would be if it were calculated using a discount rate of 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

Plan	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
SCRS	\$ 2,557,753	\$ 1,979,539	\$ 1,498,947
PORS	3,076,267	2,180,742	1,447,196
	<u>\$ 5,634,020</u>	<u>\$ 4,160,281</u>	<u>\$ 2,946,143</u>

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

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

At June 30, 2024, the state reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

Deferred Outflows of Resources	SCRS	PORS
Differences between expected and actual experience	\$ 34,368	\$ 102,628
Assumption changes	30,329	47,462
Differences between employer contributions and proportionate share of total plan employer contributions	22,367	57,309
Contributions made from measurement date to June 30, 2024	<u>229,211</u>	<u>295,936</u>
Total Deferred Outflows of Resources	<u>316,275</u>	<u>503,335</u>
Deferred Inflows of Resources		
Differences between expected and actual experience	5,490	26,884
Net difference between project and actual investment earnings	2,709	3,742
Differences between employer contributions and proportionate share of total plan employer contributions	78,649	267,199
	<u>86,848</u>	<u>297,825</u>
	<u>\$ 229,427</u>	<u>\$ 205,510</u>

Deferred outflows of \$229,211 and \$295,936 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>
2025	\$ (597)	\$ (24,256)	\$ (24,853)
2026	(61,868)	(105,475)	(167,343)
2027	63,843	41,585	105,428
2028	(1,162)	(2,280)	(3,442)
	<u>\$ 216</u>	<u>\$ (90,426)</u>	<u>\$ (90,210)</u>

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 received \$325,000 from the Water and Sewer Fund.

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:

	Governmental Activities	Business-Type Activities	Total
Capital assets	\$ 13,080,391	\$ 31,724,688	\$ 44,805,079
Less accumulated depreciation	(6,157,563)	(10,117,630)	(16,275,193)
Less related debt	(597,434)	(5,214,120)	(5,811,554)
Total	<u>\$ 6,325,394</u>	<u>\$ 16,392,938</u>	<u>\$ 22,718,332</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 2023, 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 \$47,723, inclusive of agreements which also utilize the SSRC program. The Town’s property tax revenues were abated by \$14,062 pursuant to the MCIP program.

12. Subsequent events

Subsequent events were evaluated through November 15, 2024, 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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenue				
Property taxes	\$ 1,288,984	\$ 1,288,984	\$ 1,275,072	\$ (13,912)
Hospitality and accommodations taxes	455,000	455,000	640,474	185,474
Fees and fines	593,500	593,500	887,179	293,679
Intergovernmental	204,750	204,750	326,283	121,533
Local option sales tax	1,032,580	1,032,580	1,165,697	133,117
Business licenses	1,165,000	1,165,000	1,352,524	187,524
Investment earnings	5,200	5,200	2,229	(2,971)
Miscellaneous	54,000	54,000	135,756	81,756
Grant	-	-	323,338	323,338
Total revenue	4,799,014	4,799,014	6,108,552	1,309,538
Expenditures				
Current				
Town operations	157,041	157,041	155,720	1,321
Town Hall	773,211	773,211	797,058	(23,847)
General services	580,119	580,119	529,273	50,846
Police department	1,409,923	1,409,923	1,230,177	179,746
Fire department	1,135,433	1,135,433	1,123,606	11,827
Judicial department	346,360	346,360	346,359	1
Tourism	127,211	127,211	102,203	25,008
Planning and zoning	343,775	343,775	255,187	88,588
Capital outlay	250,941	250,941	652,654	(401,713)
Debt service:				
Principal	-	-	191,975	(191,975)
Interest and fiscal charges	-	-	21,664	(21,664)
Total expenditures	5,124,014	5,124,014	5,405,876	(281,862)
(Deficit) of revenues (under) expenditures	(325,000)	(325,000)	702,676	1,027,676
Other financing sources				
Sale of real property	-	-	33,899	33,899
Transfers	325,000	325,000	325,000	-
Total other financing sources	325,000	325,000	358,899	33,899
Net change in fund balance	\$ -	\$ -	1,061,575	\$ 1,061,575
Fund balance, beginning of year			3,718,339	
Fund balance, end of year			\$ 4,779,914	

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*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
South Carolina Retirement System										
Town's proportion of the net pension liability	0.008188%	0.008055%	0.008758%	0.008792%	0.009200%	0.009377%	0.008364%	0.009497%	0.009117%	0.009343%
Town's proportionate share of the net pension liability	\$ 1,979,539	\$ 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
Town's covered payroll	\$ 1,025,450	\$ 959,173	\$ 990,004	\$ 980,868	\$ 971,680	\$ 843,854	\$ 919,652	\$ 854,861	\$ 848,226	\$ 848,226
Town's proportionate share of the net pension liability as a percentage of its covered payroll	193.04%	203.58%	191.45%	229.03%	216.20%	248.98%	204.74%	237.30%	203.85%	189.64%
Plan fiduciary net position as a percentage of the total pension liability	58.60%	57.10%	60.70%	50.70%	54.10%	54.10%	53.30%	52.90%	57.00%	59.90%
South Carolina Police Officers Retirement System										
Town's proportion of the net pension liability	0.071638%	0.082455%	0.078309%	0.082225%	0.088791%	0.089651%	0.090380%	0.098730%	0.096530%	0.095720%
Town's proportionate share of the net pension liability	\$ 2,180,742	\$ 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
Town's covered payroll	\$ 1,255,168	\$ 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
Town's proportionate share of the net pension liability as a percentage of its covered payroll	173.74%	198.75%	171.11%	219.52%	205.07%	208.72%	196.71%	209.41%	182.74%	159.17%
Plan fiduciary net position as a percentage of the total pension liability	67.80%	66.40%	70.40%	58.80%	61.70%	61.70%	60.90%	60.40%	64.60%	67.50%

* - 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.

TOWN OF RIDGELAND, SOUTH CAROLINA

SCHEDULE OF SOUTH CAROLINA RETIREMENT SYSTEMS CONTRIBUTIONS

LAST TEN FISCAL YEARS *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
South Carolina Retirement System										
Contractually required contributions	\$ 229,211	\$ 180,069	\$ 158,839	\$ 154,045	\$ 152,623	\$ 138,487	\$ 131,761	\$ 97,551	\$ 101,714	\$ 93,180
Contributions in relation to the contractually required contribution	(229,211)	(180,069)	(158,839)	(154,045)	(152,623)	(138,487)	(131,761)	(97,551)	(101,714)	(93,180)
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 1,234,973	\$ 1,025,450	\$ 959,173	\$ 990,004	\$ 980,868	\$ 951,149	\$ 971,680	\$ 843,854	\$ 919,652	\$ 954,862
Contributions as a percentage of covered payroll	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%
South Carolina Police Officers Retirement System										
Contractually required contributions	\$ 295,936	\$ 254,046	\$ 239,383	\$ 214,780	\$ 226,564	\$ 214,883	\$ 201,523	\$ 173,313	\$ 172,938	\$ 160,363
Contributions in relation to the contractually required contribution	(295,936)	(254,046)	(239,383)	(214,780)	(226,564)	(214,883)	(201,523)	(173,313)	(172,938)	(160,363)
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 1,393,296	\$ 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
Contributions as a percentage of covered payroll	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%

* - 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.

OTHER FINANCIAL INFORMATION

TOWN OF RIDGELAND, SOUTH CAROLINA

SCHEDULE OF COURT FINES, FEES, ASSESSMENTS, AND SURCHARGES

JUNE 30, 2024

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED	General	Magistrate	Municipal	Total
Court Fines and Assessments:				
Court fines and assessments collected	-	-	702,431	702,431
Court fines and assessments remitted to State	-	-	642,603	642,603
Total Court Fines and Assessments retained	-	-	59,828	59,828
Surcharges and Assessments retained for victim				
Surcharges collected and retained	-	-	662	662
Assessments retained	-	-	59,166	59,166
Total Surcharges and Assessments retained for victim	-	-	59,828	59,828

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	25,458	-	25,458
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	59,166	-	59,166
Victim Service Surcharges Retained by City/County Treasurer	662	-	662
Interest Earned	-	-	-
Grant Funds Received	-	-	-
Grant from:			-
General Funds Transferred to Victim Service Fund	-	-	-
Contribution Received from Victim Service Contracts:			-
(1) Town of	-	-	-
(2) Town of	-	-	-
(3) City of	-	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	85,286	-	85,286
Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	-	-	-
Operating Expenditures	73,827	-	73,827
Victim Service Contract(s):			
(1) Entity's Name	-	-	-
(2) Entity's Name	-	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	-	-	-
(2) Rape Crisis Center:	-	-	-
(3) Other local direct crime victims service agency:	-	-	-
Transferred to General Fund	-	-	-
Total Expenditures from Victim Service Fund/Program (B)	73,827	-	73,827
Total Victim Service Funds Retained by Municipal/County Treasurer	11,459	-	11,459
Less: Prior Year Fund Deficit Repayment	-	-	-
Carryforward Funds – End of Year	11,459	-	11,459

COMPLIANCE REQUIREMENTS

TOWN OF RIDGELAND, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass Through Identifying Number	Federal Expenditures June 30, 2024
U.S. Department of Treasury			
Passed through South Carolina Department of Administration			
COVID 19: Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 287,833
Passed through South Carolina Rural Infrastructure Authority			
COVID 19: South Carolina Infrastructure Investment Program (SCIIP)	21.027		<u>423,095</u>
Total U.S. Department of Treasury			<u>710,928</u>
U.S. Department of Housing and Urban Development			
CDBG - Economic Development Cluster			
Community Development Block Grants: Logan Street Project	14.228		10,000
Community Development Block Grants: Well #2 Project	14.228		<u>30,000</u>
Total U.S. Department of Housing and Urban Development			<u>40,000</u>
U.S. Department of Commerce			
Economic Development Cluster			
EDA Grant: Economic Adjustment Assistance	11.307		<u>2,618,283</u>
Total U.S. Department of Commerce			<u>2,618,283</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,369,211</u></u>

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2024

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, 2024. 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
POST OFFICE BOX 5949
WEST COLUMBIA, SOUTH CAROLINA 29171

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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, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 15, 2024.

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
November 15, 2024

THE BRITTINGHAM GROUP, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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
November 15, 2024

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

JUNE 30, 2024

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	AL #21.027
EDA Grant: Economic Adjustment Assistance	AL #11.307
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.