



TOWN OF RIDGELAND, SOUTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2025

WITH

INDEPENDENT AUDITORS' REPORT

Mayor
Joseph N. Malphrus, Jr.

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

Town Administrator
Dennis E. Averkin

Finance Director
Chance Rountree

TOWN OF RIDGELAND, SOUTH CAROLINA

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

WITH

INDEPENDENT AUDITORS' REPORT

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GOVERNMENT-WIDE FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

YEAR ENDEND JUNE 30, 2025

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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, each major fund, and the aggregate remaining fund information of the Town of Ridgeland, South Carolina (the "Town") as of and for the year ended June 30, 2025, 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, 2025, 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 Auditors' 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 other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditors' 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 auditors' 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 - 13, Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – General Fund on page 45, Schedule of Proportionate Share of the South Carolina Retirement Systems Net Pension Liabilities on page 46, and the Schedule of South Carolina Retirement Systems Contributions on page 47 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 is presented for purposes of additional analysis and is 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025, 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
December 9, 2025

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, 2025. We encourage readers to consider the information presented here in conjunction with the accompanying financial statements and notes.

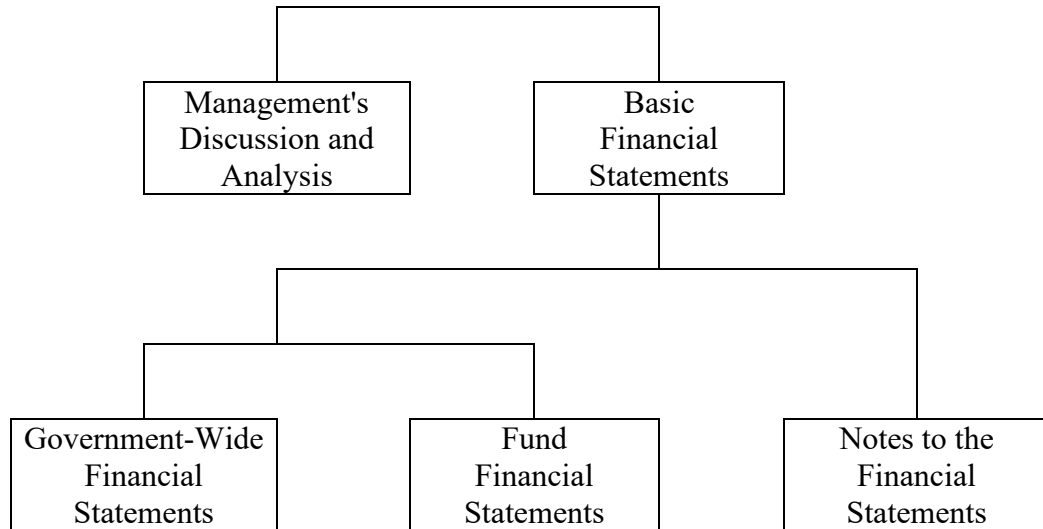
Financial Highlights

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows by \$33,707,410 at June 30, 2025 as compared to \$29,070,746 at the end of the previous fiscal year. The net position in the governmental activities increased \$1,292,336 while the net position of the proprietary fund increased \$3,344,328.
- As of the close of the fiscal year, the Town's governmental fund reported an ending fund balance of \$5,762,972 as compared to \$4,980,321 for the previous fiscal year, resulting in an increase of \$782,651.

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 business-type activities reported in the government-wide statements, 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, 2025, the Town's assets and deferred outflows exceeded liabilities and deferred inflows by \$33,707,410 (net position). This represents an increase in the Town's net position of \$4,636,664 or 15.9% from the prior year.

The following is a comparative presentation of the net position of the Town as of June 30, 2025, and June 30, 2024.

	Governmental Activities		Business- type Activities		Totals	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Assets:						
Current Assets	\$ 6,383,862	\$ 5,265,766	\$ 4,683,719	\$ 5,515,123	\$ 11,067,581	\$ 10,780,889
Capital Assets, Net	7,170,348	6,922,828	25,775,189	21,607,058	32,945,537	28,529,886
Total Assets	13,554,210	12,188,594	30,458,908	27,122,181	44,013,118	39,310,775
Deferred Outflows of Resources	928,291	704,668	175,687	114,942	1,103,978	819,610
Current Liabilities	629,014	415,429	499,953	368,257	1,128,967	783,686
Long-term Liabilities	4,076,162	4,018,798	5,784,815	5,872,482	9,860,977	9,891,280
Total Liabilities	4,705,176	4,434,227	6,284,768	6,240,739	10,989,944	10,674,966
Deferred Inflows of Resources	379,064	353,110	40,678	31,563	419,742	384,673
Net Position						
Net investment in capital assets	6,743,670	6,325,394	20,666,017	16,392,938	27,409,687	22,718,332
Restricted	319,152	482,059	1,900,225	1,312,894	2,219,377	1,794,953
Unrestricted	2,335,439	1,298,472	1,742,907	3,258,989	4,078,346	4,557,461
Total Net Position	\$ 9,398,261	\$ 8,105,925	\$ 24,309,149	\$ 20,964,821	\$ 33,707,410	\$ 29,070,746

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 \$27,409,687 at June 30, 2025. The Town's long-term liabilities as of June 30, 2025 were \$9,860,977, which was a decrease of \$30,303 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, 2025 and June 30, 2024:

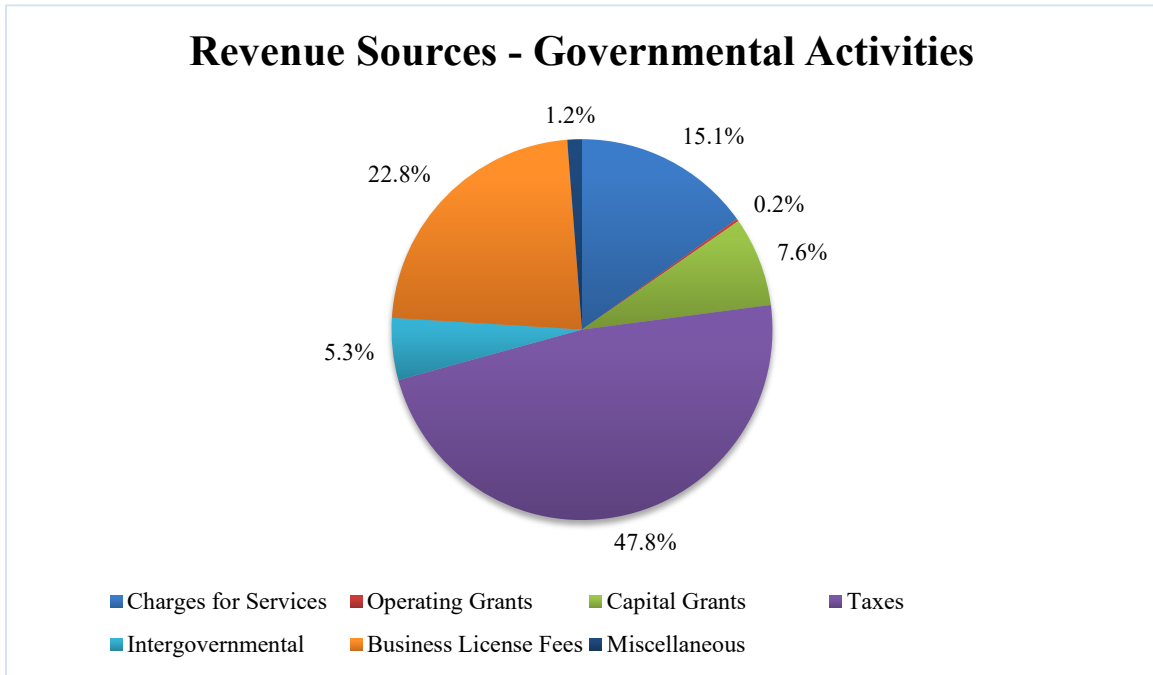
Changes in Net Position For the Years Ended June 30:

	Governmental Activities		Business- type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues						
Charges for Service	\$ 1,003,554	\$ 901,364	\$ 2,596,714	\$ 2,671,424	\$ 3,600,268	\$ 3,572,788
Operating Grants & Contributions	14,050	-	-	-	14,050	-
Capital Grants & Contributions	503,843	-	2,685,843	3,071,378	3,189,686	3,071,378
Total Program Revenues	1,521,447	901,364	5,282,557	5,742,802	6,804,004	6,644,166
General Revenues						
Taxes	3,171,025	3,014,771	-	-	3,171,025	3,014,771
Business License Fees	1,510,761	1,352,524	-	-	1,510,761	1,352,524
Intergovernmental	348,413	121,283	-	-	348,413	121,283
Investment Earnings	1,835	2,229	42,809	76,050	44,644	78,279
Impact & Capacity Fees	-	-	508,191	557,320	508,191	557,320
Miscellaneous	57,157	148,356	11,197	30,050	68,354	178,406
Grants & Contributions not restricted	-	323,338	-	-	-	323,338
Sale of Property	23,208	22,978	-	18,906	23,208	41,884
Transfers	334,750	325,000	(334,750)	(325,000)	-	-
Total General Revenues	5,447,149	5,310,479	227,447	357,326	5,674,596	5,667,805
Total Revenues	6,968,596	6,211,843	5,510,004	6,100,128	12,478,600	12,311,971
Expenses:						
Administrative	1,115,690	890,945	-	-	1,115,690	890,945
General Services	590,787	477,520	-	-	590,787	477,520
Public Safety	3,104,568	2,839,413	-	-	3,104,568	2,839,413
Tourism	360,969	217,058	-	-	360,969	217,058
Planning and Zoning	491,949	279,222	-	-	491,949	279,222
Water	-	-	973,032	905,788	973,032	905,788
Sewer	-	-	1,107,627	1,364,262	1,107,627	1,364,262
Interest	12,297	19,413	85,017	86,723	97,314	106,136
Total Expenses	5,676,260	4,723,571	2,165,676	2,356,773	7,841,936	7,080,344
Change in Net Position	1,292,336	1,488,272	3,344,328	3,743,355	4,636,664	5,231,627
Net Position- Beginning	8,105,925	6,617,653	20,964,821	17,221,466	23,839,119	23,839,119
Net Position- Ending	\$ 9,398,261	\$ 8,105,925	\$ 24,309,149	\$ 20,964,821	\$ 33,707,410	\$ 29,070,746

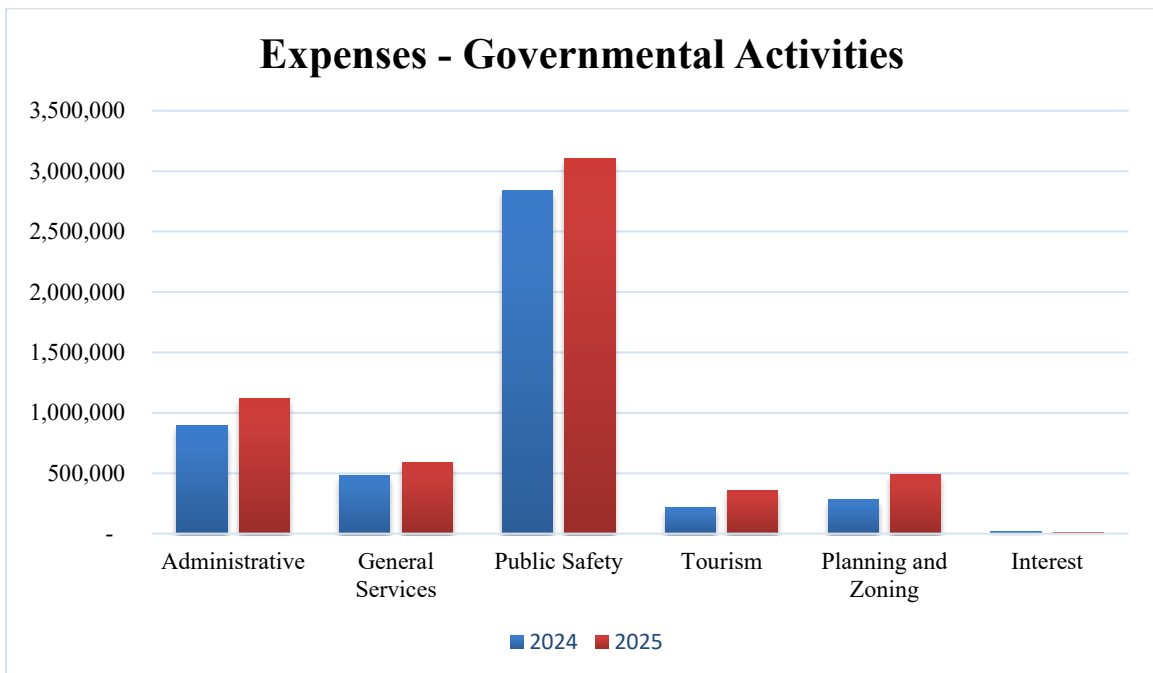
Overall revenues increased by \$166,629, driven primarily by higher collections of taxes and business licenses fees, as well as increased intergovernmental revenues.

Overall expenses increased by \$761,592. This increase was driven primarily by higher administrative and public safety expenditures.

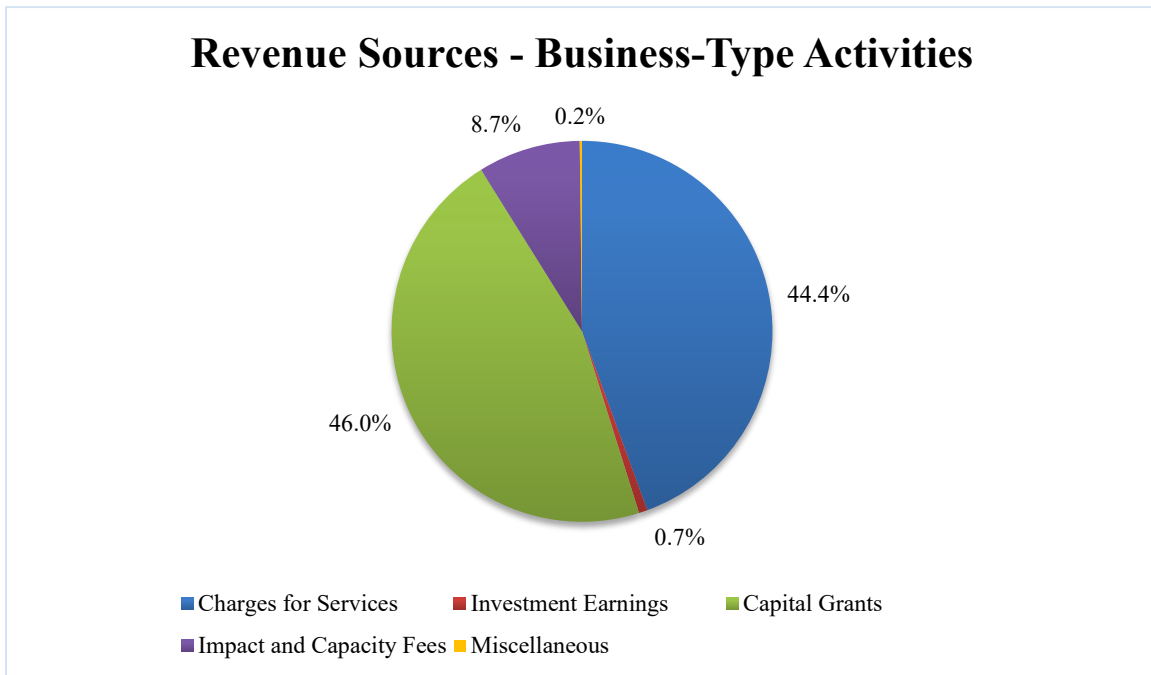
The following graph depicts the revenue sources for the various governmental activities of the Town.



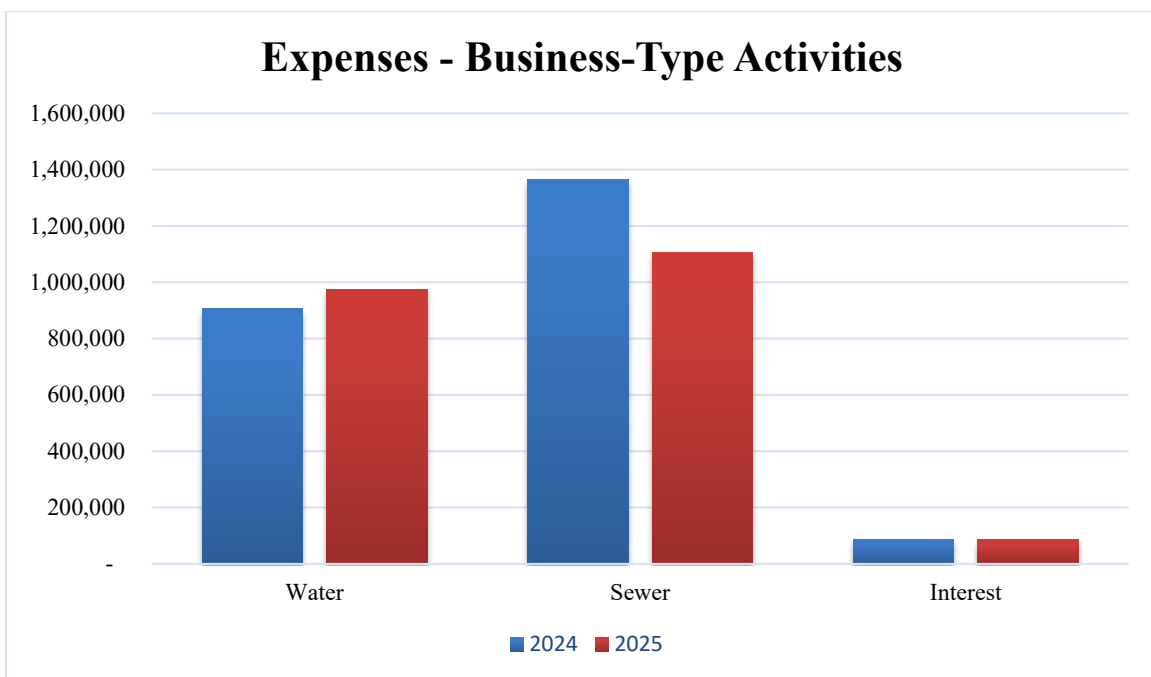
The following graph depicts the expenses for the various governmental activities of the Town.



The following graph depicts the revenue sources for the various business-type activities of the Town.



The following graph depicts the expenses for the various 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 \$5,762,972, an increase of 15.7% or \$782,651. \$319,152 is restricted for capital projects, tourism, victim assistance, the drug fund, and 1% firefighter's fund, leaving an unassigned balance of \$5,443,820.

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 \$24,309,149, an increase of 16.0% or \$3,344,328. Net position of \$1,900,225 is restricted for capital projects, debt service, and repairs. The investment in capital assets less accumulated depreciation and related debt is \$20,666,017, leaving a balance of \$1,742,907 in unrestricted net position.

General Fund Budgetary Highlights

The general fund revenues exceeded budgeted amounts by \$1,325,333. These changes are mostly attributable to the receipt of unbudgeted grant revenue. Expenditures exceeded budgeted amounts by \$620,429. This difference was mostly attributable to capital outlay expenditures.

Capital Assets

The Town of Ridgeland's capital assets for its governmental and business-type activities as of June 30, 2025, totals \$32,945,537 (net of depreciation). The following schedule details the capital assets, net of depreciation, at June 30, 2025 with a comparison to fiscal year ended June 30, 2024:

	Governmental Activities	Business-Type Activities	June 30, 2025 Total	June 30, 2024 Total
Construction in Progress	\$ 748,434	\$ 1,462,487	\$ 2,210,921	\$ 1,661,709
Land	1,270,665	1,244,658	2,515,323	2,515,323
Buildings & Improvements	1,522,667	137,278	1,659,945	1,798,831
Improvements other than Building	1,559,848	-	1,559,848	1,570,037
Machinery, Equipment, Vehicles	1,665,868	348,543	2,014,411	2,203,394
Infrastructure, Engineering & Legal	402,866	22,582,223	22,985,089	18,780,592
Total Capital Assets- net	<u>\$ 7,170,348</u>	<u>\$ 25,775,189</u>	<u>\$ 32,945,537</u>	<u>\$ 28,529,886</u>

Increases in capital assets in governmental activities were \$871,043, which includes \$104,185 in vehicles and equipment for Police, Fire, Tourism and General Services, \$120,516 in improvements for Tourism, and \$646,342 for ongoing capital projects. Depreciation expense was \$560,281 for June 30, 2025.

Increases in capital assets in business-type activities were \$4,748,600, which includes \$35,425 for a vehicle, \$1,661,553 for water and sewer projects, and \$3,051,622 for ongoing capital projects. Depreciation expense was \$580,467 for June 30, 2025.

Long-Term Obligations

At June 30, 2025, the Town has long-term obligations in the amount of \$4,184,565 in the Governmental Activities and \$5,908,289 in the Business-Type Activities. The long-term obligations attributable to notes payable are for 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, 2025, with a comparison to fiscal year ended June 30, 2024:

	Governmental Activities	Business-Type Activities	June 30, 2025 Total	June 30, 2024 Total
Notes Payable	\$ 426,678	\$ -	\$ 426,678	\$ 597,434
Revenue Bonds	-	5,109,172	5,109,172	5,214,120
Net Pension Liability	3,494,497	731,951	4,226,448	4,160,281
Compensated Absences	263,390	67,166	330,556	260,199
Total Long-Term Debt	<u>\$ 4,184,565</u>	<u>\$ 5,908,289</u>	<u>\$ 10,092,854</u>	<u>\$ 10,232,034</u>

Economic Factors and Next Year's Budget

Local Economy

The Town of Ridgeland is the county seat of Jasper County, South Carolina. According to 2023 U.S. Census Bureau data, Ridgeland has a population of 3,738, a median household income of \$71,023, and per capital income at \$33,063. Ridgeland contains approximately 597 housing units, making it one of the smallest municipalities in the region. Ridgeland's existing retail marketplace is estimated at approximately \$303 million (extrapolated from business license returns). While Jasper County is one of South Carolina's fastest-growing counties, most of that growth is concentrated in the southern portion of the county, with population growth of nearly 123% from 2000 to 2008. In contrast, Ridgeland's population has grown by only 1% over the same time period.

A lack of available commercial space and limited developable land has constrained retail expansion within the Town. However, Ridgeland recently approved several infill residential developments from national and regional builders (including DR Horton, Mungo Homes, Ryan Homes, and McGuinn homes) that could collectively add up to 2,000 new residential units over time. Based on current interest rates and sales trends, full build-out may take more than 15 years. Should mortgage rates continue to decline, the absorption rate is expected to accelerate as existing homeowners face fewer barriers to relocating and new buyers encounter more favorable financing conditions.

Factors Affecting Financial Condition

The Town's most significant long-term challenge continues to be the slow growth of its assessed tax base, which has remained relatively flat over the past 15 years. Elevated mortgage rates continue to hold the residential housing market back. Though South Carolina—and Jasper County in particular—continues to see an influx of new residents from other states, the Town has experienced slow population growth due to a lack of housing inventory.

The recently approved residential subdivisions (Groves at Bees Creek, Bees Creek Plantation Phase 2, Weathersbee, Fox Chase and the Nimmer Subdivision) are expected to contribute long-term growth to the Town's tax base as build-out progresses over the next 10-15 years. The Town also continues to experience substantial retail leakage, estimated at more than \$85 million annually, and hopes that residential growth will eventually support new commercial investment as the market matures.

Major Initiatives

The town operates its own water and sewer utility that serves over 2,000 residential and commercial customers. To prepare for future growth, the Town has undertaken a series of major system improvements:

1. Completion of a \$10 million USDA/SCRIA funded 1.8-million-gallon-per-day wastewater treatment facility
2. Completion of a \$6.6 million USDA funded refurbishment of all existing pump stations and one well.
3. Completion of a \$0.7 million SCIIP funded sludge lagoon rehabilitation and aerator project
4. Ongoing \$0.8 million CDBG funded well refurbishment project
5. Ongoing \$1 million SCRIA funded sewer line resiliency project

In addition to utility improvements, the Town is investing in recreation and quality-of-life initiatives. Construction is scheduled to begin this winter on a SC Parks and Recreation grant-funded nature trail within the Town's newly acquired 26-acre downtown nature preserve. The Town has also refurbished its tennis and pickleball courts and installed sun shelters around the splash pad at Turpin Park.

Ridgeland currently maintains an ISO Class 3 rating and is working to improve this rating through recent acquisitions of an E-One ladder truck, a brush truck, and a rescue vehicle. The Town also plans to construct a second fire station in the newly approved DR Horton subdivision along SC-336/Tarboro Road. The project will be funded through impact fees collected on new construction.

The South Carolina Department of Transportation has announced plans to widen I-95 from the Savannah River to Point South beginning in 2026–2027. All three Ridgeland exits (18, 21, and 22) are slated for improvements in lighting, access, and safety. These upgrades are expected to enhance economic opportunities in the Town’s commercially zoned areas, particularly around Exit 22.

Long-term Financial Planning

The Town’s long-term financial strategy focuses on ensuring that the cost of providing services to a growing population does not exceed the revenues generated by that growth. To support this objective, Ridgeland has commissioned an Impact Fee Study and a comprehensive Capital Improvement Plan, which will help ensure that new development bears an appropriate share of infrastructure costs rather than shifting the burden to existing residents.

The Town also places strong emphasis on building financial reserves gradually and responsibly. Since 2016, fund balances have more than doubled, reflecting disciplined financial management and a commitment to strengthening fiscal stability.

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, 2025

	Primary Government		
	Governmental Activities	Business - Type Activities	Total
Assets			
Cash and cash equivalents	\$ 5,254,544	\$ 1,425,738	\$ 6,680,282
Cash and cash equivalents - restricted	325,288	1,900,224	2,225,512
Accounts receivable, net	804,030	1,357,757	2,161,787
Capital assets:			
Non-depreciable	2,019,099	2,707,145	4,726,244
Depreciable, net	5,151,249	23,068,044	28,219,293
Total assets	13,554,210	30,458,908	44,013,118
Deferred outflows of resources			
Deferred pension outflows	928,291	175,687	1,103,978
Total assets and deferred outflows of resources	14,482,501	30,634,595	45,117,096
Liabilities			
Accounts payable	432,932	139,405	572,337
Accrued payroll and related withholdings	48,689	8,737	57,426
Accrued interest payable	8,227	4,442	12,669
Unearned revenue	30,763	223,895	254,658
Current portion of compensated absences	65,847	16,792	82,639
Current portion of long-term debt	42,556	106,682	149,238
Long-term liabilities:			
Noncurrent portion of compensated absences	197,543	50,374	247,917
Noncurrent portion of long-term debt	384,122	5,002,490	5,386,612
Net pension liability	3,494,497	731,951	4,226,448
Total liabilities	4,705,176	6,284,768	10,989,944
Deferred inflows of resources			
Deferred pension inflows	379,064	40,678	419,742
Total liabilities and deferred inflows of resources	5,084,240	6,325,446	11,409,686
Net position			
Net investment in capital assets	6,743,670	20,666,017	27,409,687
Restricted			
Capital projects	42,849	991,839	1,034,688
Debt service	-	497,275	497,275
Tourism	71,694	-	71,694
Victim assistance	21,605	-	21,605
Repairs and contingencies	-	411,111	411,111
Drug fund	159,362	-	159,362
1% Firefighters fund	23,642	-	23,642
Unrestricted	2,335,439	1,742,907	4,078,346
Total net position	\$ 9,398,261	\$ 24,309,149	\$ 33,707,410

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Town operations	\$ 180,317	\$ -	\$ -	\$ 503,843	\$ 323,526	\$ -	\$ 323,526
Town hall	935,373	-	-	-	(935,373)	-	(935,373)
General services	590,787	-	-	-	(590,787)	-	(590,787)
Police department	1,455,442	-	14,050	-	(1,441,392)	-	(1,441,392)
Fire department	1,317,662	18,953	-	-	(1,298,709)	-	(1,298,709)
Judicial department	331,464	551,886	-	-	220,422	-	220,422
Planning and zoning	491,949	432,715	-	-	(59,234)	-	(59,234)
Tourism	360,969	-	-	-	(360,969)	-	(360,969)
Interest	12,297	-	-	-	(12,297)	-	(12,297)
Total governmental activities	5,676,260	1,003,554	14,050	503,843	(4,154,813)	-	(4,154,813)
Business-type activities							
Water	973,032	1,198,450	-	2,685,843	-	2,911,261	2,911,261
Sewer	1,107,627	1,398,264	-	-	-	290,637	290,637
Interest	85,017	-	-	-	-	(85,017)	(85,017)
Total business-type activities	2,165,676	2,596,714	-	2,685,843	-	3,116,881	3,116,881
Total primary government	\$ 7,841,936	\$ 3,600,268	\$ 14,050	\$ 3,189,686	(4,154,813)	3,116,881	(1,037,932)
General revenues and transfers:							
General revenues:							
Taxes:							
Property and vehicle					1,365,555	-	1,365,555
Local option sales tax					1,226,496	-	1,226,496
Hospitality					483,489	-	483,489
Accommodations					95,485	-	95,485
Intergovernmental					348,413	-	348,413
Impact and capacity fees					-	508,191	508,191
Business license fees					1,510,761	-	1,510,761
Unrestricted investment earnings					1,835	42,809	44,644
Miscellaneous					57,157	11,197	68,354
Gain on sale of capital assets					23,208	-	23,208
Transfers					334,750	(334,750)	-
Total general revenues and transfers					5,447,149	227,447	5,674,596
Change in net position					1,292,336	3,344,328	4,636,664
Net position, at beginning of year					8,105,925	20,964,821	29,070,746
Net position, end of year					\$ 9,398,261	\$ 24,309,149	\$ 33,707,410

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2025

	General Fund	Special Revenue Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 5,254,544	\$ -	\$ 5,254,544
Cash and cash equivalents - restricted	142,284	183,004	325,288
Accounts receivable	804,030	-	804,030
Total assets	<u>6,200,858</u>	<u>183,004</u>	<u>6,383,862</u>
Liabilities, Deferred Inflows and Fund Balances			
Liabilities			
Accounts payable	432,932	-	432,932
Accrued payroll and related withholdings	48,689	-	48,689
Unearned revenues	30,763	-	30,763
Total liabilities	<u>512,384</u>	<u>-</u>	<u>512,384</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	108,506	-	108,506
Total deferred inflows of resources	<u>108,506</u>	<u>-</u>	<u>108,506</u>
Fund Balances			
Restricted			
Capital projects	42,849	-	42,849
Tourism	71,694	-	71,694
Victim assistance	21,605	-	21,605
Drug fund	-	159,362	159,362
1% fund	-	23,642	23,642
Unassigned	5,443,820	-	5,443,820
Total fund balances	<u>5,579,968</u>	<u>183,004</u>	<u>5,762,972</u>
Total liabilities and fund balances	<u><u>\$ 6,200,858</u></u>	<u><u>\$ 183,004</u></u>	<u><u>\$ 6,383,862</u></u>

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

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

JUNE 30, 2025

Total fund balances - governmental funds	\$ 5,762,972
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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	\$ 13,732,818	
Accumulated depreciation	<u>(6,562,470)</u>	
		7,170,348

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	108,506
----------------	---------

Interest on long-term debt is not accrued in governmental funds,
but rather is recognized as an expenditure when due.

(8,227)

Long-term liabilities are not due and payable in the current period and
therefore are not reported in governmental funds.

Compensated absences	(263,390)	
Notes payable	<u>(426,678)</u>	
		(690,068)

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.

(3,494,497)

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	928,291	
Deferred inflows of resources related to pensions	<u>(379,064)</u>	
		549,227

Net position of governmental activities

\$ 9,398,261

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Total Governmental Funds
	<hr/>	<hr/>	<hr/>
Revenues			
Property taxes	\$ 1,359,603	\$ -	\$ 1,359,603
Hospitality and accommodations taxes	578,974	-	578,974
Fees and fines	984,602	18,953	1,003,555
Intergovernmental	348,413	-	348,413
Local option sales taxes	1,226,496	-	1,226,496
Business licenses	1,510,761	-	1,510,761
Investment earnings	1,835	-	1,835
Miscellaneous	42,639	14,517	57,156
Grant	517,893	-	517,893
Total revenues	<hr/> 6,571,216	<hr/> 33,470	<hr/> 6,604,686
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Town operations	176,940	-	176,940
Town hall	895,365	-	895,365
General services	547,764	-	547,764
Police department	1,334,636	37,067	1,371,703
Fire department	1,227,404	13,806	1,241,210
Judicial department	326,485	-	326,485
Tourism	132,117	-	132,117
Planning and zoning	494,418	-	494,418
Capital outlay	871,043	-	871,043
Debt service:			
Principal	170,756	-	170,756
Interest and fiscal charges	15,434	-	15,434
Total expenditures	<hr/> 6,192,362	<hr/> 50,873	<hr/> 6,243,235
	<hr/>	<hr/>	<hr/>
Excess (deficit) of revenues over (under) expenditures	<hr/> 378,854	<hr/> (17,403)	<hr/> 361,451
	<hr/>	<hr/>	<hr/>
Other Financing Sources			
Proceeds from sale of capital assets	86,450	-	86,450
Transfers	334,750	-	334,750
Total other financing sources	<hr/> 421,200	<hr/> -	<hr/> 421,200
	<hr/>	<hr/>	<hr/>
Net change in fund balance	800,054	(17,403)	782,651
Fund balance, beginning of year	4,779,914	200,407	4,980,321
Fund balance, end of year	<hr/> <u>\$ 5,579,968</u>	<hr/> <u>\$ 183,004</u>	<hr/> <u>\$ 5,762,972</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, 2025

Net change in fund balance - total governmental funds	\$ 782,651
Amounts reported for governmental activities in the Statement of Activities are different due to the following:	
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.	
Property taxes	5,952
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.	
Acquisition of capital assets	871,043
Depreciation	(560,281)
Net change in capital assets	310,762
The net effect of various transactions involving capital assets (i.e. sales and donations) is a decrease in net assets.	
Loss on sale of capital assets	(63,242)
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:	
Principal repayments	170,756
Governmental funds report interest on long-term debt. However, accrued interest is not reported in the funds.	
	3,137
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.	
	144,038
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.	
	(61,718)
Change in net position of governmental activities	<u>\$ 1,292,336</u>

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS

JUNE 30, 2025

	Water and Sewer Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 1,425,738
Receivables, net	1,357,757
Restricted Assets	
Cash and cash equivalents	1,900,224
Non-current assets	
Capital assets, not being depreciated	2,707,145
Capital assets, being depreciated, net	23,068,044
Total assets	<u>30,458,908</u>
Deferred outflows of resources	
Deferred pension outflows	175,687
Total assets and deferred outflows of resources	<u>30,634,595</u>
Liabilities	
Current liabilities	
Accounts payable	139,405
Accrued expenses	8,737
Interest payable	4,442
Customer deposits	223,895
Current portion of compensated absences	16,792
Current portion of long-term debt	106,682
Non-current liabilities	
Compensated absences	50,374
Bond payable	5,002,490
Net pension liability	731,951
Total liabilities	<u>6,284,768</u>
Deferred inflows of resources	
Deferred pension inflows	40,678
Total liabilities and deferred inflows of resources	<u>6,325,446</u>
Net position	
Net investment in capital assets	20,666,017
Restricted for capital projects	991,839
Restricted for debt service	497,275
Restricted for repairs and contingencies	411,111
Unrestricted	1,742,907
Total net position	<u><u>\$ 24,309,149</u></u>

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

	Water and Sewer Fund
Operating revenue	
Charges for services	\$ 2,596,714
Miscellaneous	11,197
Total operating revenue	<u>2,607,911</u>
Operating expenses	
Personnel services	640,824
Contractual services	380,099
Utilities	123,565
Office expense	21,317
Repairs and maintenance	64,658
Supplies	208,497
Depreciation and amortization	580,467
Other operating expenses	61,232
Total operating expenses	<u>2,080,659</u>
Operating income	<u>527,252</u>
Nonoperating revenue (expenses)	
Investment income	42,809
Impact and capacity fees	508,191
Grant income	2,685,843
Interest expense	(85,017)
Total nonoperating revenue	<u>3,151,826</u>
Income before capital contributions and transfers	<u>3,679,078</u>
Capital grants, contributions and transfers	
Transfers	(334,750)
Total capital grants, contributions and transfers	<u>(334,750)</u>
Change in net position	3,344,328
Total net position, beginning	20,964,821
Total net position, ending	<u><u>\$ 24,309,149</u></u>

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2025

	Water and Sewer Fund
Cash flows from operating activities	
Cash received from customers	\$ 4,255,032
Cash paid to suppliers	(750,426)
Cash paid to and for employees	(671,279)
Net cash provided by operating activities	<u>2,833,327</u>
Cash flows from non-capital financing activities	
Transfers	(334,750)
Net cash (used in) noncapital financing activities	<u>(334,750)</u>
Cash flows from capital and related financing activities	
Impact and capacity fees	508,191
Purchase of capital assets	(4,748,600)
Grant income	2,685,843
Principal paid on long-term debt	(104,948)
Interest paid on long-term debt	(85,017)
Net cash (used in) capital and related financing activities	<u>(1,744,531)</u>
Cash flows from investing activities	
Interest income	42,809
Net cash provided by investing activities	<u>42,809</u>
Net increase in cash and cash equivalents	796,855
Cash and cash equivalents, beginning	<u>2,529,107</u>
Cash and cash equivalents, ending	<u><u>\$ 3,325,962</u></u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:	
Cash and cash equivalents	\$ 1,425,738
Restricted cash and cash equivalents	<u>1,900,224</u>
Total cash and cash equivalents	<u><u>\$ 3,325,962</u></u>

(CONTINUED)

TOWN OF RIDGELAND, SOUTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2025

-CONTINUED-

	<u>Water and Sewer Fund</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 527,252
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	580,469
Changes in assets and liabilities:	
Accounts receivable	1,591,374
Due from general fund	36,883
Accounts payable	106,942
Accrued expenses	2,090
Interest payable	(90)
Customer deposits	18,862
Compensated absences	8,639
Net pension liability and related accounts	(39,094)
Net cash provided by operating activities	<u><u>\$ 2,833,327</u></u>

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

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 related liability is recognized as incurred in the government-wide and proprietary fund financial statements. In governmental funds, a liability is recorded only to the extent the obligation has matured due to employee resignations or retirements. The liability for compensated absences includes salary-related benefits.

Accumulated sick leave does not vest or result in payment upon separation; therefore, no liability is recorded for sick leave.

During fiscal year 2025, the Town adopted GASB Statement No. 101, *Compensated Absences*, retroactively. Adoption of the standard did not result in an accrual for sick leave, and the Town continues to recognize vacation leave in accordance with its established policy and the new guidance.

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 \$1,103,978 as of June 30, 2025.

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 \$419,742 as of June 30, 2025.

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, 2025, \$2,219,377 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, 2025, 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, 2025, 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 \$1,325,333. Actual expenditures exceeded budgeted expenditures by \$620,429.

3. Deposits & Investments

As of June 30, 2025, cash and investments restricted as to use are as follows:

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Depreciation Fund	\$ -	\$ -	\$ 202,994	\$ 202,994
Drug Fund	-	159,362	-	159,362
Contingent Fund	-	-	294,281	294,281
RF Grant Expense	-	-	62,440	62,440
Water & Sewer Deposits	-	-	221,455	221,455
RF Grant Account	-	-	79	79
RF #2 Grant Account	-	-	100	100
Grant Account	100	-	-	100
ACH Clearing Account	100	-	-	100
Water Tank Repair	-	-	348,670	348,670
Accommodations Tax	84	-	-	84
Impact Fees	-	-	770,110	770,110
Tourism Support	71,694	-	-	71,694
Victim Assistance	21,605	-	-	21,605
Rural Development	-	-	95	95
Veterans Memorial Park	12,086	-	-	12,086
Firemans 1% Fund	-	23,642	-	23,642
American Rescue Plan Act	33,665	-	-	33,665
Tree Mitigation Account	2,950	-	-	2,950
Total Restrictions on Cash and Cash Equivalents	<u>\$ 142,284</u>	<u>\$ 183,004</u>	<u>\$ 1,900,224</u>	<u>\$ 2,225,512</u>

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, 2025.

4. Receivables

Receivables at June 30, 2025, consist of the following:

	Governmental Activities	Business-type Activities	Total
Accounts receivable:			
Property taxes	\$ 127,967	\$ -	\$ 127,967
Auto taxes	12,396	-	12,396
Accommodation taxes	23,549	-	23,549
Local option sales taxes	111,238	-	111,238
Business licenses	51,579	-	51,579
Tourism	66,821	-	66,821
Water/sewer billings	-	250,777	250,777
Grants receivable	416,530	1,106,980	1,523,510
Gross receivables	810,080	1,357,757	2,167,837
Less, allowance for uncollectibles	(6,050)	-	(6,050)
Net receivables	<u>\$ 804,030</u>	<u>\$ 1,357,757</u>	<u>\$ 2,161,787</u>

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

5. Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

Governmental Activities	June 30, 2024	Additions	Disposals	Transfers	June 30, 2025
Non-Depreciable Assets					
Land and improvements	\$ 1,270,665	\$ -	\$ -	\$ -	\$ 1,270,665
CIP	120,965	646,342	-	(18,873)	748,434
Total Non-Depreciable Assets	1,391,630	646,342	-	(18,873)	2,019,099
Depreciable Assets					
Buildings	2,494,188	-	(60,298)	-	2,433,890
Improvements other than buildings	2,700,581	101,451	-	-	2,802,032
Vehicles and equipment	3,989,799	104,185	(158,318)	18,873	3,954,539
Infrastructure	2,504,193	19,065	-	-	2,523,258
Total Depreciable Assets	11,688,761	224,701	(218,616)	18,873	11,713,719
Accumulated Depreciation					
Buildings	(850,592)	(65,656)	5,025	-	(911,223)
Improvements other than buildings	(1,130,544)	(111,640)	-	-	(1,242,184)
Vehicles and equipment	(2,111,371)	(327,649)	150,349	-	(2,288,671)
Infrastructure	(2,065,056)	(55,336)	-	-	(2,120,392)
Total Accumulated Depreciation	(6,157,563)	(560,281)	155,374	-	(6,562,470)
Depreciable Assets, net	5,531,198	(335,580)	(63,242)	18,873	5,151,249
Governmental Activities Capital Assets	<u>\$ 6,922,828</u>	<u>\$ 310,762</u>	<u>\$ (63,242)</u>	<u>\$ -</u>	<u>\$ 7,170,348</u>

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

<u>Governmental Activities</u>	
Administrative services	\$ 34,463
Police	141,016
Fire	120,842
General services	35,108
Tourism	228,852
Total	<u>\$ 560,281</u>

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

5. Capital Assets (continued)

Business-Type Activities	June 30, 2024	Additions	Disposals	Transfers	June 30, 2025
Non-Depreciable Assets					
Land and improvements	\$ 1,244,658	\$ -	\$ -	\$ -	\$ 1,244,658
CIP	1,540,744	3,051,622	-	(3,129,879)	1,462,487
Total Non-Depreciable Assets	2,785,402	3,051,622	-	(3,129,879)	2,707,145
Depreciable Assets					
Buildings	195,330	-	-	-	195,330
Vehicles and equipment	657,555	35,425	(112,416)	-	580,564
Water/sewer systems	27,834,163	1,661,553	(2,477)	3,129,879	32,623,118
Engineering and legal	252,238	-	(168,350)	-	83,888
Total Depreciable Assets	28,939,286	1,696,978	(283,243)	3,129,879	33,482,900
Accumulated Depreciation					
Buildings	(54,490)	(3,562)	-	-	(58,052)
Vehicles and equipment	(318,194)	(26,243)	112,416	-	(232,021)
Water/sewer systems	(9,511,120)	(549,406)	2,477	-	(10,058,049)
Engineering and legal	(233,826)	(1,258)	168,350	-	(66,734)
Total Accumulated Depreciation	(10,117,630)	(580,469)	283,243	-	(10,414,856)
Depreciable Assets, net	18,821,656	1,116,509	-	3,129,879	23,068,044
Business-Type Activities Capital Assets	<u>\$ 21,607,058</u>	<u>\$ 4,168,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,775,189</u>

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

<u>Business-Type Activities</u>	
Water Utilities	\$ 290,234
Sewer Utilities	290,235
Total	<u>\$ 580,469</u>

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, 2024	Increases	Decreases	June 30, 2025	Current Portion
Governmental Activities					
Notes payable	\$ 597,434	\$ -	\$ (170,756)	\$ 426,678	\$ 42,556
Compensated absences	201,672	263,390	(201,672)	263,390	65,847
Governmental Activities					
Long-Term Obligations	<u>\$ 799,106</u>	<u>\$ 263,390</u>	<u>\$ (372,428)</u>	<u>\$ 690,068</u>	<u>\$ 108,403</u>
Business-Type Activities					
Notes payable	\$ 5,214,120	\$ -	\$ (104,948)	\$ 5,109,172	\$ 106,682
Compensated absences	58,527	67,166	(58,527)	67,166	16,792
Business-Type Activities					
Long-Term Obligations	<u>\$ 5,272,647</u>	<u>\$ 67,166</u>	<u>\$ (163,475)</u>	<u>\$ 5,176,338</u>	<u>\$ 123,474</u>

Governmental Activities

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, 2025 is \$426,678.

The annual requirements to amortize the note payable, as described in the preceding paragraph, at June 30, 2025, are as follows:

Year Ending			
June 30,	Principal	Interest	Total
2026	\$ 42,556	\$ 11,423	\$ 53,979
2027	43,694	10,284	53,978
2028	44,864	9,114	53,978
2029	46,065	7,913	53,978
2030	47,298	6,680	53,978
Thereafter	202,201	13,712	215,913
	<u>\$ 426,678</u>	<u>\$ 59,126</u>	<u>\$ 485,804</u>

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

6. Long-Term Obligations (continued)

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 forty years until maturity. The balance of these bonds on June 30, 2025 is \$5,109,172

The annual requirements to amortize the bonds payable, as described in the preceding paragraph, at June 30, 2025, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	113,912	76,144	190,056
Thereafter	4,557,838	1,247,882	5,805,720
	<u>\$ 5,109,172</u>	<u>\$1,646,828</u>	<u>\$ 6,756,000</u>

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan

South Carolina Retirement System

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

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

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

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

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

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

Effective July 1, 2023, employees participating in the SCRS were required to contribute 9.00% of all earnable compensation. The employer contribution rate for SCRS was 18.56%. Included in the total SCRS employer contribution rate is a base retirement contribution of 18.41% and 0.15% contribution rate for the incidental death program. The Town's actual contributions to the SCRS for the years ended June 30, 2025, 2024, and 2023 were approximately \$249,666, \$229,211, and \$180,069, respectively, and equaled the base required retirement contribution rate, excluding surcharge of 18.56% for 2025 and 2024, and 17.56% for 2023.

Police Officers Retirement System

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

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

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

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

Effective July 1, 2023, employees participating in the PORS were required to contribute 9.75% of all earnable compensation. The employer contribution rate for PORS was 21.24%. Included in the total PORS employer contribution rate is a base retirement contribution of 20.84%, .20% for the incidental death benefit, and .20% for the accidental death program. The Town's actual contributions to the PORS for the years ended June 30, 2025, 2024, and 2023 were approximately \$326,731, \$295,936, and \$254,046, respectively, and equaled the base required retirement contribution rate, excluding surcharge of 21.24% for 2025 and 2024, and 20.24% for 2023.

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

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

At June 30, 2025, the Town reported \$2,107,491 and \$2,118,957 for its proportionate share of the net pension liabilities of SCRS and PORS, respectively. The net pension liability of the SCRS defined benefit pension plan was determined based on the July 1, 2023, actuarial valuations, using most recent membership data, projected forward to June 30, 2024, and financial information of the pension trust funds as of June 30, 2024, using generally accepted actuarial procedures. The Town's portion of the net pension liability was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2025, the Town's SCRS proportion was 0.009% and its PORS proportion was 0.071%.

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

At June 30, 2025, 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	\$ 69,260	\$ 198,998
Assumption changes	37,155	46,133
Net difference between project and actual investment earnings	-	-
Differences between employer contributions and proportionate share	149,771	26,264
Contributions made from measurement date to June 30, 2025	249,666	326,731
Total deferred outflows of resources	<u>505,852</u>	<u>598,126</u>
Deferred Inflows of Resources		
Differences between expected and actual experience	2,616	12,148
Net difference between projected and actual investment earnings	81,202	118,797
Differences between employer contributions and proportionate share	33,305	171,674
Total deferred inflows of resources	<u>117,123</u>	<u>302,619</u>
Net deferred outflows/(inflows)	<u>\$ 388,729</u>	<u>\$ 295,507</u>

Deferred outflows of \$249,666 and \$326,731 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, 2026.

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>
2026	\$ (2,094)	\$ (77,663)	\$ (79,757)
2027	132,903	67,279	200,182
2028	29,578	10,569	40,147
2029	(21,324)	(31,409)	(52,733)
	<u>\$ 139,063</u>	<u>\$ (31,224)</u>	<u>\$ 107,839</u>

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

The total pension liabilities in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

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

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

Assumptions used in the determination of the June 30, 2024, 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 Males multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Males multiplied by 107%

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

7. Pension Plan (continued)

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

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private Equity	9.0%	9.60%	0.86%
Privatized Debt	7.0%	6.90%	0.48%
Real Assets	12.0%		
Real Estate	9.0%	4.30%	0.39%
Infrastructure	3.0%	7.30%	0.22%
Total Expected Return	100.0%		5.49%
Inflation for Actuarial Purposes			2.25%
			<u>7.74%</u>

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

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

Plan	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
SCRS	\$ 2,731,070	\$ 2,107,491	\$ 1,553,224
PORS	3,069,963	2,118,957	1,340,034
	<u>\$ 5,801,033</u>	<u>\$ 4,226,448</u>	<u>\$ 2,893,258</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 \$334,750 in transfers and received \$334,750 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	\$ 13,732,818	\$ 36,190,045	\$ 49,922,863
Less accumulated depreciation	(6,562,470)	(10,414,856)	(16,977,326)
Less related debt	(426,678)	(5,109,172)	(5,535,850)
Total	<u>\$ 6,743,670</u>	<u>\$ 20,666,017</u>	<u>\$ 27,409,687</u>

TOWN OF RIDGELAND, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

-CONTINUED-

11. Subsequent events

Subsequent events were evaluated through December 9, 2025, 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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property taxes	\$ 1,414,425	\$ 1,414,425	\$ 1,359,603	\$ (54,822)
Hospitality and accommodations taxes	455,000	455,000	578,974	123,974
Fees and fines	671,000	671,000	984,602	313,602
Intergovernmental	275,632	275,632	348,413	72,781
Local option sales tax	1,155,626	1,155,626	1,226,496	70,870
Business licenses	1,215,000	1,215,000	1,510,761	295,761
Investment earnings	5,200	5,200	1,835	(3,365)
Miscellaneous	54,000	54,000	42,639	(11,361)
Grant	-	-	517,893	517,893
Total revenue	<u>5,245,883</u>	<u>5,245,883</u>	<u>6,571,216</u>	<u>1,325,333</u>
Expenditures				
Current				
Town operations	148,487	148,487	176,940	(28,453)
Town hall	818,483	818,483	895,365	(76,882)
General services	577,322	577,322	547,764	29,558
Police department	1,448,755	1,448,755	1,334,636	114,119
Fire department	1,229,923	1,229,923	1,227,404	2,519
Judicial department	353,598	353,598	326,485	27,113
Tourism	127,211	127,211	132,117	(4,906)
Planning and zoning	389,140	389,140	494,418	(105,278)
Capital outlay	479,014	479,014	871,043	(392,029)
Debt service:				
Principal	-	-	170,756	(170,756)
Interest and fiscal charges	-	-	15,434	(15,434)
Total expenditures	<u>5,571,933</u>	<u>5,571,933</u>	<u>6,192,362</u>	<u>(620,429)</u>
Excess (deficit) of revenues over (under) expenditures	<u>(326,050)</u>	<u>(326,050)</u>	<u>378,854</u>	<u>704,904</u>
Other Financing Sources				
Proceeds from sale of capital assets	-	-	86,450	86,450
Transfers	334,750	334,750	334,750	-
Total other financing sources	<u>334,750</u>	<u>334,750</u>	<u>421,200</u>	<u>86,450</u>
Net change in fund balance	<u>\$ 8,700</u>	<u>\$ 8,700</u>	800,054	<u>\$ 791,354</u>
Fund balance, beginning of year			<u>4,779,914</u>	
Fund balance, end of year			<u>\$ 5,579,968</u>	

See accompanying notes.

TOWN OF RIDGELAND, SOUTH CAROLINA

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

LAST TEN FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
South Carolina Retirement System										
Town's proportion of the net pension liability	0.008987%	0.008188%	0.008055%	0.008758%	0.008792%	0.009200%	0.009377%	0.008364%	0.009497%	0.009117%
Town's proportionate share of the net pension liability	\$ 2,107,491	\$ 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
Town's covered payroll	\$ 1,234,973	\$ 1,025,450	\$ 959,173	\$ 990,004	\$ 980,868	\$ 951,147	\$ 971,689	\$ 843,867	\$ 919,656	\$ 954,862
Town's proportionate share of the net pension liability as a percentage of its covered payroll	170.65%	193.04%	203.58%	191.45%	229.03%	220.87%	216.22%	223.12%	220.58%	181.08%
Plan fiduciary net position as a percentage of the total pension liability	61.80%	58.60%	57.10%	60.70%	50.70%	54.10%	54.10%	53.30%	52.90%	57.00%
South Carolina Police Officers Retirement System										
Town's proportion of the net pension liability	0.070637%	0.071638%	0.082455%	0.078309%	0.082225%	0.088791%	0.089651%	0.090380%	0.098730%	0.096530%
Town's proportionate share of the net pension liability	\$ 2,118,957	\$ 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
Town's covered payroll	\$ 1,393,296	\$ 1,255,168	\$ 1,244,192	\$ 1,177,520	\$ 1,242,128	\$ 1,246,421	\$ 1,240,905	\$ 1,217,086	\$ 1,258,646	\$ 1,195,850
Town's proportionate share of the net pension liability as a percentage of its covered payroll	152.08%	173.74%	198.75%	171.11%	219.52%	204.16%	204.71%	203.43%	198.96%	175.93%
Plan fiduciary net position as a percentage of the total pension liability	70.50%	67.80%	66.40%	70.40%	58.80%	61.70%	61.70%	60.90%	60.40%	64.60%

* - The amounts presented for each fiscal year were determined as of July 1 of five 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 *

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
South Carolina Retirement System										
Contractually required contributions	\$ 249,666	\$ 229,211	\$ 180,069	\$ 158,839	\$ 154,045	\$ 152,623	\$ 138,487	\$ 131,761	\$ 97,551	\$ 101,714
Contributions in relation to the contractually required contribution	(249,666)	(229,211)	(180,069)	(158,839)	(154,045)	(152,623)	(138,487)	(131,761)	(97,551)	(101,714)
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	\$ 1,345,183	\$ 1,234,973	\$ 1,025,450	\$ 959,173	\$ 990,006	\$ 980,868	\$ 951,147	\$ 971,689	\$ 843,867	\$ 919,656
Contributions as a percentage of covered payroll	18.56%	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%
South Carolina Police Officers Retirement System										
Contractually required contributions	\$ 326,731	\$ 295,936	\$ 254,046	\$ 239,383	\$ 214,780	\$ 226,564	\$ 214,883	\$ 201,523	\$ 173,313	\$ 172,938
Contributions in relation to the contractually required contribution	(326,731)	(295,936)	(254,046)	(239,383)	(214,780)	(226,564)	(214,883)	(201,523)	(173,313)	(172,938)
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	\$ 1,538,282	\$ 1,393,296	\$ 1,255,168	\$ 1,244,194	\$ 1,177,522	\$ 1,242,127	\$ 1,246,421	\$ 1,240,905	\$ 1,217,086	\$ 1,258,646
Contributions as a percentage of covered payroll	21.24%	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%

* - The amounts presented for each fiscal year were determined as of July 1 of five years prior, using membership data as of the day, projected forward to June 30 of the previous year.

SUPPLEMENTARY INFORMATION

TOWN OF RIDGELAND, SOUTH CAROLINA

SCHEDULE OF COURT FINES, FEES, ASSESSMENTS, AND SURCHARGES

JUNE 30, 2025

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED	<u>General</u>	<u>Magistrate</u>	<u>Municipal</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	-	-	1,075,457	1,075,457
Court fines and assessments remitted to State	-	-	569,488	569,488
Total Court Fines and Assessments retained	-	-	505,969	505,969
Surcharges and Assessments retained for victim				
Surcharges collected and retained	-	-	1,036	1,036
Assessments retained	-	-	54,048	54,048
Total Surcharges and Assessments retained for victim	-	-	55,084	55,084

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	11,459	-	11,459
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer	-		-
Victim Service Assessments Retained by City/County Treasurer	54,048		54,048
Victim Service Surcharges Retained by City/County Treasurer	1,036		1,036
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)	66,543	-	66,543
<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	-	-	-
Operating Expenditures	44,938	-	44,938
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)	44,938	-	44,938
Total Victim Service Funds Retained by Municipal/County Treasurer	21,605	-	21,605
Less: Prior Year Fund Deficit Repayment	-	-	-
Carryforward Funds – End of Year	21,605	-	21,605

OTHER REPORTING

THE BRITTINGHAM GROUP, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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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, each major fund, and the aggregate remaining fund information of the Town of Ridgeland, (the "Town") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 9, 2025.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001, that we consider to be a material weakness.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and responses as item 2025-001.

Purpose of this Report

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

The Brittingham Group LLP

West Columbia, South Carolina
December 9, 2025

TOWN OF RIDGELAND, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2025

Summary of Auditors' Results:

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the Town of Ridgeland.
2. One material weakness and no significant deficiencies relating to the financial statements are reported in the 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*.
3. No instance of noncompliance with laws, regulations, or the provisions of contracts and grant agreements that are material to the basic financial statements were noted.

Financial Statement Findings:

Material Weakness

Finding 2025-001: Incomplete Recording of Payroll Transactions in the Accounting System

Criteria:

The Town should reconcile and record all payroll transactions in the accounting system.

Condition:

During testing of the payroll bank account reconciliation, we noted that certain payroll liability-clearing entries were not captured in the accounting system. Management performs manual reconciliations; however, because the Town is in the midst of a multi-phase transition to a new accounting platform, the automated interface between payroll processing and the general ledger has not been fully established. As a result, certain payroll activity did not flow completely into the accounting records during the fiscal year.

Cause:

The Town is in the process of transitioning to a new accounting platform, and the payroll module has not yet been fully configured or deployed. The system's current configuration does not support automated liability-clearing entries, and the reconciliation process does not include a mechanism to upload or sync manual adjustments to the general ledger. The timing of the software provider's implementation schedule overlapped with the fiscal year-end close, limiting the Town's ability to fully establish and document new closing procedures at this stage. These system-related factors resulted in certain payroll transactions not flowing completely into the accounting records.

TOWN OF RIDGELAND, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES

(CONTINUED)

Financial Statement Findings: (Continued)

Effect:

The general ledger did not reflect all activity in the payroll bank account, resulting in misstated balances for cash, payroll liabilities, and interfund accounts. These variances were subsequently identified and corrected through management's reconciliation process; however, the absence of full system integration reduces the reliability of financial information used for monitoring and decision-making and increases the risk that misstatements may not be detected or corrected in a timely manner.

Auditors' Recommendation:

We recommend that the Town continue its progress toward full configuration and integration of the payroll module within the new accounting system. As part of this process, the Town should obtain appropriate training on the system's payroll and reconciliation functions to ensure staff are equipped to use the module as intended. Until full integration is achieved, management should continue performing monthly reconciliations and recording necessary manual adjustments to ensure that financial information remains complete and accurate.

Management's Response:

Management concurs with the finding and notes that the Town is actively working to complete the integration of the payroll module within the new accounting platform. Management has arranged system training to ensure staff understand the payroll and reconciliation functions and can effectively utilize the module once configuration is complete. In the interim, the Town will continue to prepare timely reconciliations and record necessary adjusting entries to ensure accurate financial reporting.