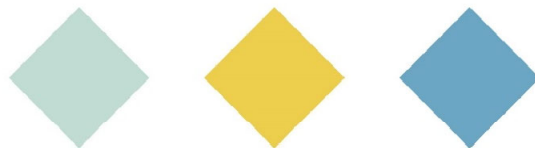




CITY OF SIMPSONVILLE,  
SOUTH CAROLINA



Annual Comprehensive Financial Report  
Year Ended June 30, 2025





**CITY OF SIMPSONVILLE, SOUTH CAROLINA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2025**



Prepared By: Finance Department  
Tee Coker, City Administrator  
Maria Tooley, Finance Director



# **INTRODUCTORY SECTION**

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CITY OF SIMPSONVILLE, SOUTH CAROLINA

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YEAR ENDED JUNE 30, 2025

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January 22, 2026

The Honorable Mayor Paul Shewmaker  
Members of the Simpsonville City Council  
Citizens of the City  
Simpsonville, South Carolina

Dear Mayor Shewmaker, City Council Members, and Citizens:

State law requires that all general-purpose local governments, at the close of each fiscal year, publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Simpsonville, South Carolina ("City") for the year ended June 30, 2025.

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

The City's financial statements have been audited by Greene Finney Cauley, LLP, a firm of licensed public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## Profile of the Government

**Population.** The City is located in the Upstate Region of South Carolina and has an estimated population of 28,000. Simpsonville has experienced a high rate of growth in the past twenty years, and has become the retail hub of southern Greenville County as stores follow residential rooftops. Originally founded around the Woodside textile mill, Simpsonville is now a diverse economic market with the highest average per-capita income in Greenville County.

**Form of Government.** The City was originally incorporated in 1901. The City adopted the Council form of government pursuant to the Home Rule Act of 1975. The current governing body is comprised of a mayor elected at-large and six council members, all of whom are elected at-large but must reside in specific wards. As contained in Section 2-31 of the Code of Ordinances of the City, the City Council shall fix the policies of City government, and as contained in Section 2-161 the City Administrator shall execute and administer such policies. Section 2-164 of the Code of Ordinances provides the City Administrator with the necessary authority to appoint administrative employees. Four department heads currently report to the City Administrator and are responsible for the following functions: Police, Fire, Public Works, and Recreation. The City Administrator is also department head of the Administration Department where the Finance and Human Resources Directors report directly to him, along with Planning and Court staff.

**Services Provided.** The City provides a range of services to its citizens ranging from upkeep and extension of sewers and roads to senior activities and recreation. Our police and fire departments are continually recognized in the state for their exemplary service provision. The City's progressive leadership and focus on quality of life issues for its citizens will continue to make Simpsonville one of the most desirable locations in the state to locate a business or family.

**Budget Process.** The budget process begins in February of each year for the upcoming fiscal year which runs from July 1 to June 30. The Finance Director's office projects fixed operating costs, vehicle replacement, and salary and fringe benefits costs for currently budgeted staffing and service levels. Departments develop objectives, performance measures, and funding requests for new services and capital needs. This information is assimilated by the Finance Director's office in March with current financial results. In March, the Finance Director's office projects revenues for all funds based on current tax rates and fee structures. Certain growth assumptions are made based on analysis of local and regional economic trends. In March, the City Administrator meets with department heads to review funding requests, prioritize program needs, and establish consensus on objectives and performance measures. Based on the most recent revenue estimates available, the City Administrator and the Finance Director modify funding requests according to prioritized service levels.

A preliminary budget document is then prepared and submitted to Council for review in late April. City Council has the first reading in the first council meeting in May, with a second reading of the budget ordinance in the first meeting of June.

## Factors Affecting Economic Condition

**Local Economy.** The City continues to benefit from a strong local economy relative to other areas of the country and state. Building permits have slackened but are still on an upward trajectory; therefore, tax receipts and other revenues are expected to continue to remain steady. New residential growth and commercial occupancy also remain positive.

**Long-Term Financial Planning.** The Capital Improvement Program (“CIP”) is a five-year fiscal planning instrument that is used to identify needed capital purchases and projects, and to coordinate the financing and timing of those projects. The capital improvement budget is revised annually. It identifies funding sources and structures necessary to implement the improvements. Capital projects in the plan require subsequent appropriation as funds become available in the five-year term. Projects included in the CIP represent major facility construction, infrastructure renovation, capital equipment purchases, and economic development projects. The City has also established a Capital Projects Fund.

**Financial Policies.** The City’s Finance Director is responsible for cash management and prepares monthly cash flow projections for the General Fund. The City adopted a comprehensive procurement policy in April 2011 that meets all state procurement standards. To facilitate improved planning of cash flow, City departments are regularly contacted to identify major expenditures and major receipts of reimbursements from state and federal grant programs. These and other efforts ensure that the cash position of the General Fund remains positive and adequate to meet current and future requirements.

**Risk Management.** The purpose of the Risk Management program is to ensure that an action or event will not adversely affect the City’s ability to successfully achieve its goals and objectives. Possible occurrences include, but are not limited to, incurring unnecessary liabilities, negative publicity, unintentional errors and misstatements, noncompliance with laws and regulations, and fraud. Risk assessment is an ongoing and dynamic process. City services are constantly modified to reflect changes in organizational structure, federal and state mandates, and demands from citizens. Such realities require risk assessment to be a continuous course of action.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Simpsonville, South Carolina for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and it will be submitted to the Government Finance Officers Association to determine its eligibility for another certificate.

The timely and accurate preparation of the Annual Comprehensive Financial Report could not be accomplished without the diligent efforts of our Department Heads and Finance Director. We express appreciation to the fine employees of this City who contributed in the completion of the report.

Respectfully Submitted,

*Thomas A. “Tee” Coker, Jr.*

Thomas A. Coker, Jr.  
City Administrator

*Maria Tooley*

Maria Tooley  
Finance Director

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**CITY OF SIMPSONVILLE, SOUTH CAROLINA**

**LISTING OF PRINCIPAL OFFICIALS**

**YEAR ENDED JUNE 30, 2025**

Established

1901

**MAYOR**

Paul Shewmaker

**CITY COUNCIL MEMBERS**

Chad O'Rear, Ward 1  
Aaron Rupe, Ward 2  
Shannon Williams, Ward 3  
Sherry Roche, Ward 4  
Tim Pinkerton, Ward 5  
Jerry Tusso, Ward 6

**CITY ADMINISTRATOR**

Tee Coker

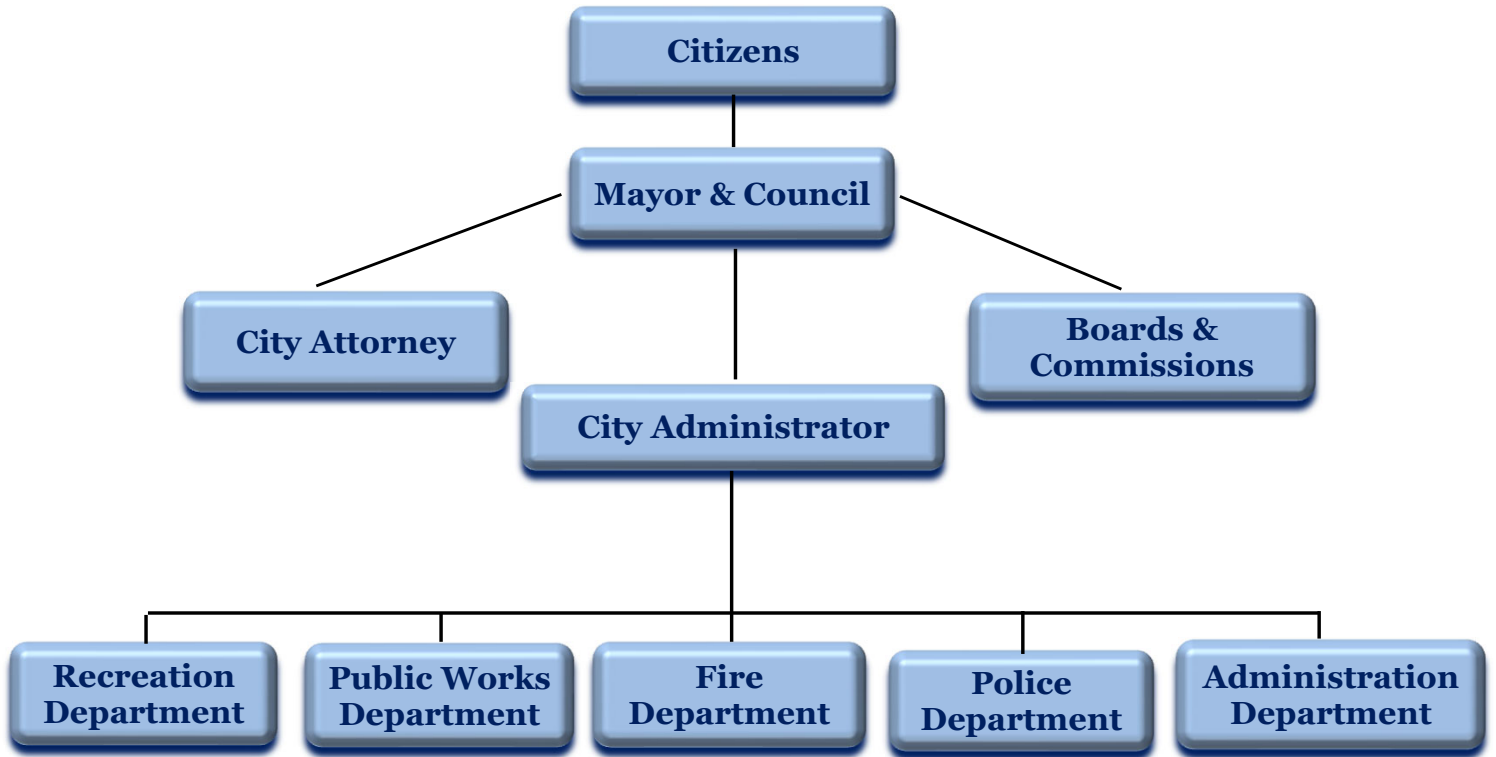
**FINANCE DIRECTOR**

Maria Tooley

**CITY ATTORNEY**

Daniel R. Hughes

# CITY OF SIMPSONVILLE







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Simpsonville  
South Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

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# **FINANCIAL SECTION**

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# Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simpsonville, South Carolina (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

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

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

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

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Greene Finney Cauley, LLP*

Greene Finney Cauley, LLP  
Mauldin, South Carolina  
January 22, 2026

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## CITY OF SIMPSONVILLE, SOUTH CAROLINA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### YEAR ENDED JUNE 30, 2025

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As management of the City of Simpsonville ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended June 30, 2025 ("FY 2025" or "2025") compared to year ended June 30, 2024 ("FY 2024" or "2024"). The intent of this discussion and analysis is to look at the City's financial performance as a whole. We would encourage readers to not only consider the information presented here, but also the information provided in letter of transmittal, the financial statements, and the notes to the financial statements to enhance their understanding the City's overall financial performance.

#### FINANCIAL HIGHLIGHTS

- In the Statement of Net Position, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent year by approximately \$123,857,000. Unrestricted net position was approximately \$22,790,000.
- The City's total net position increased by approximately \$12,713,000 compared to the prior year, as revenues of approximately \$43,271,000 exceeded expenses of approximately \$30,558,000.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of approximately \$42,498,000, a decrease of approximately \$7,814,000 from the prior year ending fund balances.
- At the end of the current year, unassigned fund balance for the General Fund was approximately \$24,937,000, which was approximately 92% of total FY 2025 General Fund expenditures.
- The City's capital assets increased by approximately \$18,142,000 to approximately \$122,618,000. The increase in capital assets was primarily due to capital asset additions of approximately \$22,720,000, partially offset by depreciation expense of approximately \$4,546,000 and disposals of approximately \$32,000.
- The City's total debt decreased by approximately \$2,052,000 to approximately \$32,363,000. This decrease was due to regularly scheduled principal payments of approximately \$1,729,000 and amortization of premiums of approximately \$323,000.

#### OVERVIEW OF FINANCIAL STATEMENTS

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

##### Financial Statements

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

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

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

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

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

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#### OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes, business licenses and permits, and state and federal grant funds (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, public works, and recreation and parks. The business-type activities include the City's sewer and public works (sanitation and road improvements) operations for which it charges its customers a fee to provide these services. The government-wide financial statements can be found as listed in the table of contents.

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

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

The City maintains five major government funds and a number of nonmajor governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, the Accommodations and Hospitality Tax Fund, the Simpsonville Municipal Facilities Corporation Fund, the American Rescue Plan Fund, and the Capital Projects Fund. The governmental fund financial statements can be found as listed in the table of contents.

**Proprietary Funds** – The City maintains one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer and public works (sanitation and road improvements) operations. Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail; therefore, the enterprise fund financial statements provide more detailed information for the sewer and public works operations, which are considered major funds of the City. The financial statements of the enterprise funds can be found as listed in the table of contents.

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

**Other Information** – In addition to the financial statements and accompanying notes, this report includes certain required supplementary information. The City adopts an annual budget for its General Fund and Accommodations and Hospitality Tax Fund, as required by General Statutes. A required budgetary comparison schedule has been provided for the General Fund and Accommodations and Hospitality Tax Fund to demonstrate compliance with these budgets.

The City has also provided the required schedules for the pension plans as required by generally accepted accounting principles ("GAAP") for its participation in the State retirement plans. Required supplementary information can be found as listed in the table of contents.

**CITY OF SIMPSONVILLE, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2025**

**OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)**

Other supplementary information, referred to in the table of contents, is presented immediately following the required supplementary information. This information can be found as listed in the table of contents.

Figure A-1			
Major Features of the City's Government-Wide and Fund Financial Statements			
	Fund Financial Statements		
	Government-Wide Financial Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government.	The activities of the City that are not proprietary.	Activities the City operates similar to private businesses.
Required Financial Statements	<ul style="list-style-type: none"> <li>▪ Statement of Net Position.</li> <li>▪ Statement of Activities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Balance Sheet.</li> <li>▪ Statement of Revenues, Expenditures, and Changes in Fund Balances.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of Net Position</li> <li>▪ Statement of Revenues, Expenses, and Changes in Net Position.</li> <li>▪ Statement of Cash Flows.</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.
Type of Balance Sheet Information	All balance sheet elements, both financial and capital, and short-term and long-term.	Only balance sheet elements that come due during the year or shortly thereafter. No capital assets or long-term obligations are included.	All balance sheet elements, short-term and long-term.
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid.

# CITY OF SIMPSONVILLE, SOUTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the City's net position as of June 30, 2025 compared to June 30, 2024.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and Other Assets	\$ 45,520,671	54,258,930	6,659,048	6,409,885	52,179,719	\$ 60,668,815
Capital Assets, Net	89,309,752	76,279,615	33,308,346	28,196,303	122,618,098	104,475,918
Total Assets	134,830,423	130,538,545	39,967,394	34,606,188	174,797,817	165,144,733
Deferred Outflows of Resources	3,806,519	3,630,823	141,793	131,539	3,948,312	3,762,362
Liabilities						
Other Liabilities	3,218,532	4,173,516	667,224	233,863	3,885,756	4,407,379
Net Pension Liabilities	15,401,960	17,278,622	804,815	819,858	16,206,775	18,098,480
Long-Term Liabilities	25,084,109	26,784,302	7,660,946	8,145,433	32,745,055	34,929,735
Total Liabilities	43,704,601	48,236,440	9,132,985	9,199,154	52,837,586	57,435,594
Deferred Inflows of Resources	1,941,461	306,755	109,784	20,486	2,051,245	327,241
Net Position						
Net Investment in Capital Assets	66,622,288	62,275,771	24,544,689	19,824,067	91,166,977	82,099,838
Restricted	9,676,025	8,054,520	224,125	210,225	9,900,150	8,264,745
Unrestricted	16,692,567	15,295,882	6,097,604	5,483,795	22,790,171	20,779,677
Total Net Position	\$ 92,990,880	85,626,173	30,866,418	25,518,087	123,857,298	\$ 111,144,260

The City's total assets increased approximately \$9,653,000 from the prior year. Current and other assets decreased approximately \$8,489,000 primarily due to a decrease in cash and cash equivalents and investments due to spending down bond proceeds on the new Municipal Complex/Park Improvement Project ("Project"). Capital assets increased approximately \$18,142,000 from the prior year primarily due to capital asset additions exceeding depreciation expense. Total liabilities decreased approximately \$4,598,000 from the prior year primarily due to a decrease in long term obligations due to regularly scheduled principal payments and amortization of premiums of approximately \$2,185,000 and a decrease in the net pension liabilities of approximately \$1,892,000. The changes in net pension liabilities, deferred outflows of resources, and deferred inflows of resources were primarily due to service costs, contributions, differences between expected and actual liability/investment experience, changes in assumptions, and changes in the percentage of the City's share of the net pension liabilities in the State retirement plans.

The City's net investment in capital assets (i.e., land, buildings, machinery, equipment, infrastructure, vehicles, etc.) less any related outstanding debt or leases used to acquire those assets was approximately \$91,167,000 at June 30, 2025. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City's net position of approximately \$9,900,000 represents resources that are subject to external restrictions on how they may be used. This portion of net position is restricted primarily for debt service or special revenue programs which are restricted by the revenue source (i.e. hospitality fees, accommodations taxes, etc.). The remaining portion of the City's net position of approximately \$22,790,000 is unrestricted.

**CITY OF SIMPSONVILLE, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2025**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The following table shows the changes in the City's net position for 2025 compared to 2024.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2025</b>	<b>2024 *</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024 *</b>
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,153,466	2,361,010	3,761,983	3,743,901	5,915,449	\$ 6,104,911
Operating Grants and Contributions	651,145	10,180,688	-	-	651,145	10,180,688
Capital Grants and Contributions	1,493,639	4,691,653	5,018,309	2,134,284	6,511,948	6,825,937
General Revenues:						
Taxes	27,821,392	25,814,201	-	-	27,821,392	25,814,201
Other	2,170,007	3,295,704	200,933	270,437	2,370,940	3,566,141
Total Revenues	<u>34,289,649</u>	<u>46,343,256</u>	<u>8,981,225</u>	<u>6,148,622</u>	<u>43,270,874</u>	<u>52,491,878</u>
Expenses:						
General Government	3,890,133	2,929,426	-	-	3,890,133	2,929,426
Public Safety	16,082,317	15,378,648	-	-	16,082,317	15,378,648
Public Works	3,344,610	2,197,460	-	-	3,344,610	2,197,460
Recreation and Parks	3,477,020	3,078,863	-	-	3,477,020	3,078,863
Interest and Other Charges	625,374	673,962	-	-	625,374	673,962
Sewer	-	-	1,381,337	1,697,059	1,381,337	1,697,059
Public Works	-	-	1,757,045	1,419,177	1,757,045	1,419,177
Total Expenses	<u>27,419,454</u>	<u>24,258,359</u>	<u>3,138,382</u>	<u>3,116,236</u>	<u>30,557,836</u>	<u>27,374,595</u>
Change in Net Position Before Transfers	6,870,195	22,084,897	5,842,843	3,032,386	12,713,038	25,117,283
Transfers In (Out)	<u>494,512</u>	<u>489,699</u>	<u>(494,512)</u>	<u>(489,699)</u>	<u>-</u>	<u>-</u>
Change in Net Position	7,364,707	22,574,596	5,348,331	2,542,687	12,713,038	25,117,283
Net Position, Beginning of Year	<u>85,626,173</u>	<u>63,051,577</u>	<u>25,518,087</u>	<u>22,975,400</u>	<u>111,144,260</u>	<u>86,026,977</u>
Net Position, End of Year	<u>\$ 92,990,880</u>	<u>85,626,173</u>	<u>30,866,418</u>	<u>25,518,087</u>	<u>123,857,298</u>	<u>\$ 111,144,260</u>

^ Certain governmental activities department expense amounts have been reclassified.

**Governmental Activities.** Governmental activities increased the City's net position by approximately \$7,365,000 in the current year. Key changes in governmental activities revenues and expenses compared to the prior year were as follows:

- Total governmental activities revenues decreased approximately \$12,054,000 (26%) from the prior year primarily due to a decrease in operating and capital grants and contributions of approximately \$12,728,000 (primarily related to American Rescue Plan grant revenues being fully recognized in the prior year) and a decrease in investment earnings of \$1,023,000 (due to spending down grant and bond proceeds on the Project), partially offset by higher taxes of \$2,007,000 (primarily related to higher assessed values and higher growth related business taxes).
- Total governmental activities expenses increased by approximately \$3,161,000 (13%) from the prior year primarily due to increases in salaries and benefits, operating expenses, and Hurricane Helene cleanup expenses.

**Business-Type Activities.** Net position for business-type activities (sewer and public works) increased by approximately \$5,348,000. Please see "Proprietary Funds" discussion in the following section for details.

CITY OF SIMPSONVILLE, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025

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**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

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

As of the end of the current year, the City's governmental funds reported combined ending fund balances of approximately \$42,498,000, a decrease of approximately \$7,814,000 from the prior year fund balances. Please see below and discussion in the General Fund Budgetary Highlights section for more information on this decrease.

Approximately \$24,937,000 (59%) of the total governmental fund balances of approximately \$42,498,000 constitutes unassigned fund balance. The remainder of the fund balance is nonspendable, restricted, or assigned to indicate that it is not available for new spending because it has already been set aside/constrained for (1) prepaids (\$1,276,000; nonspendable), (2) public safety (\$196,000; restricted), (3) tourism related expenditures (\$8,568,000; restricted), (4) unspent debt proceeds (\$1,967,000; restricted), (5) municipal court (\$432,000; restricted), (6) debt service (\$693,000; restricted), (7) capital projects (\$4,385,000; assigned), and (8) cultural arts and other items (\$44,000; restricted or assigned).

The General Fund is the chief operating fund of the City. At the end of the current year, the total fund balance was approximately \$25,976,000. As a measure of the General Fund's liquidity, it may be useful to compare total unassigned fund balance to total General Fund expenditures. Total unassigned fund balance of the General Fund (\$24,937,000) represents approximately 92% of total General Fund expenditures for the current year.

The fund balance for the General Fund increased by approximately \$2,715,000 as revenues and net other financing sources exceeded expenditures in the current year. Revenues were approximately \$27,010,000, an increase of approximately \$737,000 over the prior year. This increase was primarily driven by higher tax revenues (higher assessed values and growth related business taxes), partially offset by lower investment earnings (due to lower interest rates and cash balances).

The fund balance for the Accommodations and Hospitality Tax Fund decreased by approximately \$9,885,000 to approximately \$11,898,000, as expenditures and other financing uses exceeded revenues in the current year. Revenues were approximately \$6,303,000, an increase of approximately \$387,000 over the prior year. This increase was primarily due to growth in accommodations and hospitality tax collections and interest income. Total expenditures and other financing uses were approximately \$16,188,000, an increase of approximately \$12,449,000 over the prior year. This increase was primarily due to park costs incurred on the Project that was either paid during the year or for which will ultimately be reimbursed/paid from the bond proceeds in this fund.

The fund balance for the Simpsonville Municipal Facilities Corporation Fund decreased approximately \$2,000 as expenditures exceeded revenues and other financing sources in the current year. The Simpsonville Municipal Facilities Corporation Fund reported an ending fund balance of less than \$1,000 – all of which is restricted for future capital projects (unspent debt proceeds).

The fund balance for the American Rescue Plan Fund increased by approximately \$9,000 for interest earned in the current year. At the end of the current fiscal year, the American Rescue Plan Fund reported \$9,000 in ending fund balance.

The fund balance for the Capital Projects Fund decreased by approximately \$711,000 as expenditures and net other financing uses exceeded revenues in the current year. At the end of the current fiscal year, the Capital Projects Fund reported an ending fund balance of approximately \$4,275,000 – which is assigned for future capital projects.

In addition, the fund balances of the other governmental funds increased by approximately \$60,000 from the prior year, primarily due to revenues and other financing sources exceeding expenditures.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail.

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

#### FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

Net position of the Sewer Enterprise Fund at the end of the year amounted to approximately \$28,964,000. Details on changes in the City's Sewer Fund were as follows:

- Total sewer operating revenues of approximately \$2,130,000 decreased approximately \$16,000 from the prior year. Sewer operating expenses of approximately \$1,137,000 decreased approximately \$298,000 from the prior year primarily due to lower repairs/maintenance and depreciation expense. The City received approximately \$4,268,000 in SC Infrastructure Investment Program grants for the Lower Reedy Basin Sanitary Sewer Rehabilitation project in the current year, versus approximately \$1,929,000 in the prior year. Capital contributions related to infrastructure donations were approximately \$750,000 in the current year, an increase of approximately \$545,000 over the prior year amount. The City also transferred approximately \$245,000 to the General Fund to cover administrative costs in the current year. Net position increased approximately \$5,681,000 in the current year.

Net position of the Public Works Enterprise Fund at the end of the year was approximately \$1,903,000. Details on changes in the City's Public Works Fund were as follows:

- Total operating revenues of approximately \$1,632,000 increased by approximately \$34,000 from the prior year. Operating expenses of approximately \$1,757,000 increased approximately \$338,000 from the prior year primarily due to higher costs associated with Hurricane Helene cleanup. The City transferred \$250,000 to the General Fund to cover administrative costs (same as the prior year). Net position decreased approximately \$333,000 from the prior year.

**General Fund Budgetary Highlights:** General Fund actual revenues of approximately \$27,010,000 exceeded budgeted revenues by approximately \$3,033,000 for the year ended June 30, 2025. This was primarily due to property taxes, MASC telecommunications and insurance taxes, and licenses, permits, and fees being over budget by approximately \$1,654,000, \$829,000, and \$329,000, respectively. General Fund expenditures of approximately \$27,010,000 were over budget by approximately \$2,425,000 primarily due to a portion of the costs related to the Project being funded by the General Fund (for which Council elected to not amend the budget).

If budget amendments are made, they generally fall into one of three categories: amendments made to adjust the estimates used to prepare the original budget ordinance once exact information is available; amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and increases in appropriations that become necessary to maintain services. The City did not make any budget amendments during 2025.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

##### *Capital Assets*

The City's capital assets as of June 30, 2025 and June 30, 2024, amounted to approximately \$122,618,000 and \$104,476,000 (net of accumulated depreciation), respectively. This investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure, machinery and equipment, and vehicles. The City's capital assets (net of depreciation) as of June 30, 2025 and 2024 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 7,775,661	7,220,458	-	-	7,775,661	\$ 7,220,458
Construction in Progress	1,338,437	29,762,097	18,873,618	14,354,817	20,212,055	44,116,914
Buildings and Improvements	74,871,023	30,990,062	-	-	74,871,023	30,990,062
Machinery and Equipment	7,778,398	7,264,704	2,703,734	2,686,091	10,482,132	9,950,795
Infrastructure	31,394,727	31,394,727	21,769,193	21,019,193	53,163,920	52,413,920
Vehicles	12,747,901	12,679,969	1,382,780	767,280	14,130,681	13,447,249
Capital Assets	135,906,147	119,312,017	44,729,325	38,827,381	180,635,472	158,139,398
Accumulated Depreciation	46,596,395	43,032,402	11,420,979	10,631,078	58,017,374	53,663,480
Capital Assets, Net	\$ 89,309,752	76,279,615	33,308,346	28,196,303	122,618,098	\$ 104,475,918

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

#### CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

##### *Capital Assets (Continued)*

The total increase in the City's capital assets for the current year was approximately \$18,142,000. Major capital asset events during the current year included the following:

- Capital asset additions of approximately \$16,818,000 for governmental activities which consisted primarily of the following:
  - Additions to construction in progress of approximately \$15,135,000 related primarily to the Municipal Complex/Park Improvement project, Streetscape project, Multi-Use Path project, City Park Football Fields project, and the Greenways and Trails project.
  - Building and improvement additions of approximately \$877,000.
  - Purchases of various machinery and equipment of approximately \$514,000.
  - Purchases of various vehicles of approximately \$292,000.
- Capital asset additions of approximately \$5,902,000 for business-type activities which consisted primarily of the following:
  - Additions to construction in progress of approximately \$4,519,000 related to sewer rehabilitation projects.
  - Infrastructure additions of approximately \$750,000 donated by developers.
  - Vehicle additions of approximately \$616,000.
  - Purchases of various equipment of approximately \$17,000.
- Depreciation expense of approximately \$3,756,000 for governmental activities and approximately \$790,000 for business-type activities.
- Disposals of approximately \$32,000 for governmental activities.

More detailed information about the City's capital assets is included in Note III.D in the notes to the financial statements.

##### *Debt Administration*

As of June 30, 2025 and June 30, 2024, the City had total outstanding debt of approximately \$32,363,000 and \$34,415,000, respectively. Of the City's total long-term obligations at June 30, 2025, \$115,000 was general obligation debt which is backed by the full faith and credit of the City. The City's total debt as of June 30, 2025 and 2024 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Debt:						
General Obligation Bonds	\$ 115,000	229,000	-	-	115,000	\$ 229,000
Revenue Bonds	10,105,000	10,515,000	7,070,000	7,520,000	17,175,000	18,035,000
Tax Revenue Bonds	11,040,000	11,795,000	-	-	11,040,000	11,795,000
Premiums on Revenue Bonds	3,480,831	3,756,889	552,089	599,088	4,032,920	4,355,977
Total Debt	<u>\$ 24,740,831</u>	<u>26,295,889</u>	<u>7,622,089</u>	<u>8,119,088</u>	<u>32,362,920</u>	<u>\$ 34,414,977</u>

The total decrease in the City's debt for the current year was approximately \$2,052,000. Major 2025 events for the City's governmental and business-type activities were as follows:

- The City's governmental activities total debt decreased by approximately \$1,555,000 due to regularly scheduled principal payments and premium amortization.
- The City's business-type activities total debt decreased by approximately \$497,000 during the current year due to regularly scheduled principal payments and premium amortization.



**CITY OF SIMPSONVILLE, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2025**

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**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

***Debt Administration (Continued)***

The State of South Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. As of June 30, 2025, the City had approximately \$115,000 of bonded debt subject to the 8% debt limit of approximately \$12,584,000 resulting in an unused legal debt margin of approximately \$12,469,000.

Other long-term obligations include the City's accrued compensated absence liability. More detailed information about the City's long-term obligations is included in Note III.E in the notes to the financial statements.

**ECONOMIC FACTORS AND FY 26 BUDGET FOR THE CITY**

The City's elected officials and staff considered many factors when setting the budget for the year ended June 30, 2026 ("FY 26") budget. The state of the economy, tourism activity, anticipated building activity, future capital needs, and the best interests of the City's residents were all taken into account. The General Fund's budgeted expenditures are projected to be approximately \$26,576,000. Economic factors and key budget highlights that were considered in preparing the FY 26 budget were as follows:

- The City continues to benefit from a strong local economy compared to other areas of the country and state. In turn, tax receipts and other revenues are expected to continue to grow as well. Commercial occupancy rates also appear to be steadily improving.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide an overview of the City'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 Finance Director, City of Simpsonville, 425 E. Curtis Street, Simpsonville, South Carolina 29681 or visit our website at [www.simpsonville.com](http://www.simpsonville.com).

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# **BASIC FINANCIAL STATEMENTS**

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

## STATEMENT OF NET POSITION

JUNE 30, 2025

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 18,165,820	3,976,694	\$ 22,142,514
Cash and Cash Equivalents, Restricted	23,321,445	224,125	23,545,570
Property Taxes Receivable, Net	158,548	-	158,548
Accounts Receivable	1,337,530	237,205	1,574,735
Grant Receivable		3,481,934	3,481,934
Internal Balances	1,261,493	(1,261,493)	-
Prepays	1,275,835	583	1,276,418
Capital Assets, Net:			
Non-Depreciable	9,114,098	18,873,618	27,987,716
Depreciable, Net	80,195,654	14,434,728	94,630,382
<b>TOTAL ASSETS</b>	<b>134,830,423</b>	<b>39,967,394</b>	<b>174,797,817</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Charges	3,806,519	141,793	3,948,312
<b>LIABILITIES</b>			
Accounts Payable	1,094,837	26,907	1,121,744
Accrued Salaries and Fringe Benefits	951,186	-	951,186
Accrued Expenses	621,033	569,734	1,190,767
Developers' Escrow Liability	201,703	-	201,703
Accrued Interest Payable	341,823	69,553	411,376
Unearned Revenue	7,950	1,030	8,980
Non-Current Liabilities:			
Long-Term Obligations - Due Within One Year	1,342,164	471,943	1,814,107
Long-Term Obligations - Due in More Than One Year	23,741,945	7,189,003	30,930,948
Net Pension Liabilities - Due in More Than One Year	15,401,960	804,815	16,206,775
<b>TOTAL LIABILITIES</b>	<b>43,704,601</b>	<b>9,132,985</b>	<b>52,837,586</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Credits	1,941,461	109,784	2,051,245
<b>NET POSITION</b>			
Net Investment in Capital Assets	66,622,288	24,544,689	91,166,977
Restricted For:			
Tourism and Related Costs	8,568,366	-	8,568,366
Debt Service	445,589	224,125	669,714
Court	432,063	-	432,063
Public Safety	196,072	-	196,072
Cultural Arts	5,619	-	5,619
Other	28,316	-	28,316
Unrestricted	16,692,567	6,097,604	22,790,171
<b>TOTAL NET POSITION</b>	<b>\$ 92,990,880</b>	<b>30,866,418</b>	<b>\$ 123,857,298</b>

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

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

## STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>PRIMARY GOVERNMENT:</b>							
Governmental Activities:							
General Government	\$ 3,890,133	689,671	-	8,818	(3,191,644)	-	\$ (3,191,644)
Public Safety	16,082,317	546,725	531,856	-	(15,003,736)	-	(15,003,736)
Public Works	3,344,610	-	100,459	238,067	(3,006,084)	-	(3,006,084)
Recreation and Parks	3,477,020	917,070	18,830	1,246,754	(1,294,366)	-	(1,294,366)
Interest and Related Charges	625,374	-	-	-	(625,374)	-	(625,374)
Total Governmental Activities	27,419,454	2,153,466	651,145	1,493,639	(23,121,204)	-	(23,121,204)
Business-Type Activities:							
Sewer	1,381,337	2,130,070	-	5,018,309	-	5,767,042	5,767,042
Public Works	1,757,045	1,631,913	-	-	-	(125,132)	(125,132)
Total Business-Type Activities	3,138,382	3,761,983	-	5,018,309	-	5,641,910	5,641,910
<b>TOTAL - PRIMARY GOVERNMENT</b>	<b>\$ 30,557,836</b>	<b>5,915,449</b>	<b>651,145</b>	<b>6,511,948</b>	<b>(23,121,204)</b>	<b>5,641,910</b>	<b>(17,479,294)</b>
General Revenues and Transfers:							
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					15,085,022	-	15,085,022
Hospitality and Accommodations Taxes					4,428,573	-	4,428,573
Business Licenses and MASC Taxes					6,461,266	-	6,461,266
Franchise Fees					1,846,531	-	1,846,531
Unrestricted Intergovernmental Revenue					452,311	-	452,311
Unrestricted Investment Earnings					1,463,442	198,383	1,661,825
Gain on Disposal of Capital Assets					-	2,550	2,550
Miscellaneous					254,254	-	254,254
Transfers In (Out)					494,512	(494,512)	-
Total General Revenues and Transfers					30,485,911	(293,579)	30,192,332
<b>CHANGE IN NET POSITION</b>					<b>7,364,707</b>	<b>5,348,331</b>	<b>12,713,038</b>
NET POSITION, Beginning of Year					85,626,173	25,518,087	111,144,260
<b>NET POSITION, End of Year</b>					<b>92,990,880</b>	<b>30,866,418</b>	<b>\$ 123,857,298</b>

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

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2025

	GENERAL FUND	ACCOMMODATIONS AND HOSPITALITY TAX FUND
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 13,962,620	-
Cash and Cash Equivalents, Restricted	473,794	22,409,879
Receivables, Net:		
Taxes	158,548	-
Accounts	991,132	346,398
Interfund Receivables	12,857,870	-
Prepays	564,579	711,256
<b>TOTAL ASSETS</b>	<b>\$ 29,008,543</b>	<b>23,467,533</b>
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,055,087	39,750
Accrued Salaries and Fringe Benefits	951,186	-
Accrued Expenses	619,833	-
Interfund Payables	253,116	11,529,781
Developers' Escrow Liability	-	-
Unearned Revenue	7,950	-
<b>TOTAL LIABILITIES</b>	<b>2,887,172</b>	<b>11,569,531</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue - Property Taxes	145,622	-
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>3,032,794</b>	<b>11,569,531</b>
<b>FUND BALANCES</b>		
Nonspendable - Prepays	564,579	711,256
Restricted For:		
Tourism Related Costs	-	8,568,366
Debt Service	-	693,089
Capital Improvements (Unspent Debt Proceeds)	41,731	1,925,291
Court	432,063	-
Public Safety	-	-
Cultural Arts	-	-
Other	-	-
Assigned For:		
Capital Projects	-	-
American Rescue Plan Costs	-	-
Unassigned	24,937,376	-
<b>TOTAL FUND BALANCES</b>	<b>25,975,749</b>	<b>11,898,002</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 29,008,543</b>	<b>23,467,533</b>

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

<b>SIMPSONVILLE MUNICIPAL FACILITIES CORPORATION FUND</b>	<b>AMERICAN RESCUE PLAN FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>NON MAJOR FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
-	7,651	4,024,873	170,676	\$ 18,165,820
2,662	-	-	435,110	23,321,445
-	-	-	-	158,548
-	-	-	-	1,337,530
-	1,297	249,687	2,132	13,110,986
-	-	-	-	1,275,835
<b>2,662</b>	<b>8,948</b>	<b>4,274,560</b>	<b>607,918</b>	<b>\$ 57,370,164</b>
-	-	-	-	\$ 1,094,837
-	-	-	-	951,186
-	-	-	1,200	621,033
2,200	-	-	64,396	11,849,493
-	-	-	201,703	201,703
-	-	-	-	7,950
<b>2,200</b>	<b>-</b>	<b>-</b>	<b>267,299</b>	<b>14,726,202</b>
-	-	-	-	145,622
<b>2,200</b>	<b>-</b>	<b>-</b>	<b>267,299</b>	<b>14,871,824</b>
-	-	-	-	1,275,835
-	-	-	-	8,568,366
-	-	-	-	693,089
462	-	-	-	1,967,484
-	-	-	-	432,063
-	-	-	196,072	196,072
-	-	-	5,619	5,619
-	-	-	28,316	28,316
-	-	4,274,560	110,612	4,385,172
-	8,948	-	-	8,948
-	-	-	-	24,937,376
<b>462</b>	<b>8,948</b>	<b>4,274,560</b>	<b>340,619</b>	<b>42,498,340</b>
<b>2,662</b>	<b>8,948</b>	<b>4,274,560</b>	<b>607,918</b>	<b>\$ 57,370,164</b>

**CITY OF SIMPSONVILLE, SOUTH CAROLINA**

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

**JUNE 30, 2025**

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<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 42,498,340</b>
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Amounts reported for the governmental activities in the Statement of Net Position are different because of the following:

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore have been deferred in the funds.	145,622
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets was \$135,906,147 and the accumulated depreciation was \$46,596,395.	89,309,752
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Interest is recorded as an expenditure when paid in the governmental funds. Interest is recorded in the government-wide statements when it is due. This amount represents the amount of interest due but unpaid at year-end.	(341,823)
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The City's proportionate shares of the net pension liabilities, deferred outflows of resources, and deferred inflows of resources related to its participation in the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(13,536,902)
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Long-term liabilities, including debt and compensated absences, are not due or payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of the following:

Long-Term Debt and Premiums	(24,740,831)
Compensated Absences (Annual Leave)	(343,278)

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<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 92,990,880</u></b>
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The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.



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## CITY OF SIMPSONVILLE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

	GENERAL FUND	ACCOMMODATIONS AND HOSPITALITY TAX FUND
<b>REVENUES</b>		
Taxes:		
Property	\$ 15,073,731	-
Hospitality and Accommodations	-	4,074,842
MASC Telecommunications and Insurance	4,214,301	-
Franchise	1,846,531	-
Licenses, Permits, and Fees	3,170,942	-
Grants	301,426	1,050,000
Fines and Forfeitures	151,002	-
One Percent Income	-	-
Shared Revenue:		
County	238,067	-
State	806,042	-
Interest	326,006	979,311
Other	882,111	196,934
Gain on Investments	-	1,650
<b>TOTAL REVENUES</b>	<b>27,010,159</b>	<b>6,302,737</b>
<b>EXPENDITURES</b>		
Current:		
General Government	2,860,532	42,327
Public Safety	14,620,172	-
Public Works	2,654,432	-
Recreation and Parks	2,721,045	-
Capital Outlay	4,034,959	8,376,455
Debt Service:		
Principal	114,000	755,000
Interest and Other Fiscal Charges	4,545	525,200
<b>TOTAL EXPENDITURES</b>	<b>27,009,685</b>	<b>9,698,982</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>474</b>	<b>(3,396,245)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	3,577,060	-
Transfers Out	(1,051,444)	(6,488,594)
Insurance Proceeds	167,925	-
Sale of Capital Assets	20,520	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,714,061</b>	<b>(6,488,594)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>2,714,535</b>	<b>(9,884,839)</b>
Fund Balances, Beginning of Year	23,261,214	21,782,841
<b>FUND BALANCES, End of Year</b>	<b>\$ 25,975,749</b>	<b>11,898,002</b>

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

<b>SIMPSONVILLE MUNICIPAL FACILITIES CORPORATION FUND</b>	<b>AMERICAN RESCUE PLAN FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>NON MAJOR GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
-	-	-	-	\$ 15,073,731
-	-	-	-	4,074,842
-	-	-	-	4,214,301
-	-	-	-	1,846,531
-	-	-	-	3,170,942
-	-	-	-	1,351,426
-	-	-	24,183	175,185
-	-	-	345,579	345,579
-	-	-	-	238,067
-	-	-	-	806,042
113	8,948	132,122	15,292	1,461,792
-	-	-	76,381	1,155,426
-	-	-	-	1,650
<b>113</b>	<b>8,948</b>	<b>132,122</b>	<b>461,435</b>	<b>33,915,514</b>
2,200	-	-	57,085	2,962,144
-	-	-	342,566	14,962,738
-	-	-	-	2,654,432
-	-	-	-	2,721,045
4,366,352	-	132,638	1,842	16,912,246
410,000	-	-	-	1,279,000
391,444	-	-	-	921,189
<b>5,169,996</b>	<b>-</b>	<b>132,638</b>	<b>401,493</b>	<b>42,412,794</b>
<b>(5,169,883)</b>	<b>8,948</b>	<b>(516)</b>	<b>59,942</b>	<b>(8,497,280)</b>
5,167,796	-	250,000	-	8,994,856
-	-	(960,306)	-	(8,500,344)
-	-	-	-	167,925
-	-	-	-	20,520
<b>5,167,796</b>	<b>-</b>	<b>(710,306)</b>	<b>-</b>	<b>682,957</b>
<b>(2,087)</b>	<b>8,948</b>	<b>(710,822)</b>	<b>59,942</b>	<b>(7,814,323)</b>
2,549	-	4,985,382	280,677	50,312,663
<b>462</b>	<b>8,948</b>	<b>4,274,560</b>	<b>340,619</b>	<b>\$ 42,498,340</b>

CITY OF SIMPSONVILLE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

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TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (7,814,323)

Amounts reported for the governmental activities in the Statement of Activities are different because of the following:

Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenues in the Statement of Activities.	11,291
Changes in the City's proportionate share of the net pension liabilities, deferred outflows of resources, and deferred inflows of resources related to the State retirement plans for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	417,652
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	1,279,000
Premiums on issuance of debt must be deferred and amortized over the life of the respective debt in the Statement of Activities. These proceeds were reported as an other financing source in the year they were received in the governmental funds.	276,058
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	19,757
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	145,135
In the Statement of Activities the loss on disposal of capital assets is reported, whereas in the governmental funds, proceeds from disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.	(31,173)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, capital outlay expenditures that qualify as capital assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which capital asset additions of \$16,817,760 (which includes donated capital assets of \$205,572) exceeded depreciation expense of \$3,756,450 in the current period.	13,061,310

TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 7,364,707

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

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

## STATEMENT OF NET POSITION - ENTERPRISE FUNDS

JUNE 30, 2025

	SEWER FUND	PUBLIC WORKS FUND	TOTAL ENTERPRISE FUNDS
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 2,009,168	1,967,526	\$ 3,976,694
Cash and Cash Equivalents, Restricted	224,125	-	224,125
Trade Receivables, Net	237,205	-	237,205
Grant Receivable	3,481,934		3,481,934
Prepays	583	-	583
Total Current Assets	5,953,015	1,967,526	7,920,541
Noncurrent Assets:			
Capital Assets, Net:			
Non-Depreciable	18,873,618	-	18,873,618
Depreciable, Net	13,696,174	738,554	14,434,728
Total Noncurrent Assets	32,569,792	738,554	33,308,346
<b>TOTAL ASSETS</b>	38,522,807	2,706,080	41,228,887
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Charges	57,760	84,033	141,793
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	26,907	-	26,907
Accrued Interest Payable	69,553	-	69,553
Accrued Expenses	569,734	-	569,734
Interfund Payables	936,195	325,298	1,261,493
Unearned Revenue	1,030	-	1,030
Current Portion of Compensated Absences	929	1,014	1,943
Current Portion of Revenue Bond	470,000	-	470,000
Total Current Liabilities	2,074,348	326,312	2,400,660
Noncurrent Liabilities:			
Compensated Absences, Less Current Portion	17,656	19,258	36,914
Net Pension Liability	327,844	476,971	804,815
Revenue Bond, Less Current Portion	7,152,089	-	7,152,089
Total Noncurrent Liabilities	7,497,589	496,229	7,993,818
<b>TOTAL LIABILITIES</b>	9,571,937	822,541	10,394,478
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Credits	44,721	65,063	109,784
<b>NET POSITION</b>			
Net Investment in Capital Assets	23,806,135	738,554	24,544,689
Restricted for Debt Service	224,125	-	224,125
Unrestricted	4,933,649	1,163,955	6,097,604
<b>TOTAL NET POSITION</b>	\$ 28,963,909	1,902,509	\$ 30,866,418

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

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2025

	SEWER FUND	PUBLIC WORKS FUND	TOTAL ENTERPRISE FUNDS
<b>OPERATING REVENUES</b>			
Sewer Maintenance Fees	\$ 2,130,070	-	\$ 2,130,070
Public Works Fees	-	1,631,913	1,631,913
<b>TOTAL OPERATING REVENUES</b>	<b>2,130,070</b>	<b>1,631,913</b>	<b>3,761,983</b>
<b>OPERATING EXPENSES</b>			
Personnel	434,156	747,575	1,181,731
Contractual Services	3,781	-	3,781
Materials and Supplies	5,529	-	5,529
Repair and Maintenance	-	146,968	146,968
Other Operating	255,544	510,214	765,758
Depreciation	437,613	352,288	789,901
<b>TOTAL OPERATING EXPENSES</b>	<b>1,136,623</b>	<b>1,757,045</b>	<b>2,893,668</b>
<b>OPERATING INCOME</b>	<b>993,447</b>	<b>(125,132)</b>	<b>868,315</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	155,948	42,435	198,383
Interest Expense	(244,714)	-	(244,714)
Gain on Disposal of Capital Assets	2,550	-	2,550
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(86,216)</b>	<b>42,435</b>	<b>(43,781)</b>
<b>INCOME BEFORE TRANSFERS AND GRANTS/CONTRIBUTIONS</b>	<b>907,231</b>	<b>(82,697)</b>	<b>824,534</b>
Transfers Out	(244,512)	(250,000)	(494,512)
Capital Grants	4,268,309	-	4,268,309
Capital Contributions - Infrastructure	750,000	-	750,000
<b>CHANGE IN NET POSITION</b>	<b>5,681,028</b>	<b>(332,697)</b>	<b>5,348,331</b>
NET POSITION, BEGINNING OF YEAR	23,282,881	2,235,206	25,518,087
<b>NET POSITION, END OF YEAR</b>	<b>\$ 28,963,909</b>	<b>1,902,509</b>	<b>\$ 30,866,418</b>

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

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

## STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2025

	SEWER FUND	PUBLIC WORKS FUND	TOTAL ENTERPRISE FUNDS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 2,128,693	1,631,913	\$ 3,760,606
Cash Paid to Vendors	(237,947)	(657,182)	(895,129)
Payments to Employees	(518,603)	(586,615)	(1,105,218)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,372,143	388,116	1,760,259
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Transfers to Other Funds	(1,091,848)	(38,588)	(1,130,436)
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	(1,091,848)	(38,588)	(1,130,436)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of Capital Assets	(4,245,934)	(17,590)	(4,263,524)
Capital Grants and Contributions	966,264	-	966,264
Principal Paid on Revenue Bond	(450,000)	-	(450,000)
Interest and Fees Paid on Revenue Bond	(296,213)	-	(296,213)
Proceeds Received from the Disposal of Assets	2,550	-	2,550
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(4,023,333)	(17,590)	(4,040,923)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	155,948	42,435	198,383
NET CASH PROVIDED BY INVESTING ACTIVITIES	155,948	42,435	198,383
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(3,587,090)</b>	<b>374,373</b>	<b>(3,212,717)</b>
UNRESTRICTED AND RESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,820,383	1,593,153	7,413,536
<b>UNRESTRICTED AND RESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,233,293</b>	<b>1,967,526</b>	<b>\$ 4,200,819</b>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities:</b>			
Operating Income	\$ 993,447	(125,132)	\$ 868,315
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities			
Depreciation	437,613	352,288	789,901
Change in Accounts Representing Operating Activities:			
Accounts Receivable	(1,377)	-	(1,377)
Accounts Payable	26,907	-	26,907
Accrued Compensated Absences	2,155	10,357	12,512
Deferred Pension Charges	16,732	(26,986)	(10,254)
Net Pension Liability	(136,453)	121,410	(15,043)
Deferred Pension Credits	33,119	56,179	89,298
Net Cash Provided by Operating Activities	\$ 1,372,143	388,116	\$ 1,760,259
<b>Noncash Capital and Related Financing Items:</b>			
Donated Capital Assets	\$ 750,000	-	\$ 750,000
Change in Accrued Payables Related to Capital Assets	888,420	-	888,420
Change in Grant Receivables Related to Capital Grants	\$ (3,302,045)		\$ (3,302,045)

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

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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The City of Simpsonville ("City") was incorporated in 1901 under the laws of the State of South Carolina. Section 47-26 of the 1962 Code of Laws, as amended (Home Rule Act), requires that municipalities adopt a specific form of government. The City operates under the Council form of government. City Council ("Council") is composed of a Mayor and six Council members. The six Council members are elected at-large for four-year, staggered terms and the Mayor is elected at-large for a four year term. The Mayor and Council are vested with the legislative and policymaking powers of the City. The Council appoints a City Administrator who serves as the chief executive officer of the City and is responsible to Council for proper administration of all affairs of the City.

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. The Reporting Entity

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

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

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

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

- The Simpsonville Municipal Facilities Corporation ("SMFC" or "Corporation") is a blended component unit of the City. The Corporation has been organized and shall be operated exclusively for the exercise of essential governmental functions (within the meaning of Section 115 of the Internal Revenue Code of 1986, as amended (the "Code") for the benefit of, to perform the functions of, and to carry out the purposes of the City. Rental income to the Corporation is excludable under Code because the Corporation exercises an essential governmental function, and the Corporation will not be required to file an annual federal information return (Form 990) under current federal law. The Corporation issued Installment Purchase Revenue Bonds in June 2021, which will primarily be used to (a) finance the costs of constructing, acquiring, and equipping a new municipal complex consisting of a new City Hall, police department headquarters, fire station, municipal court facilities and related parking and for the construction and acquisition of additional parking lots near and adjacent to the project facilities and other costs and for renovations to the project facilities and (b) to defray the costs of issuing the bonds.



# CITY OF SIMPSONVILLE, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. The Reporting Entity (Continued)

The Corporation and the City have entered into a Municipal Facilities Purchase and Occupancy Agreement and a Base Lease Agreement whereby the City will occupy and use the facilities and the City, subject to annual appropriation by City Council, will make semi-annual acquisition payments to the Corporation in amounts sufficient to enable the Corporation to pay the debt service owed on the debt. The Corporation is governed by a board of directors ("Board") which consists of three members – all of which are appointed by City Council. City Council has the power at any time to remove a director with or without cause and to appoint a successor for such director. The Corporation is included as a major special revenue fund in the City's governmental fund financial statements. Separate financial statements for the Corporation are not issued.

#### *Potential Component Unit*

The Simpsonville Industrial Development Corporation, (the "SIDC") is a nonprofit organization whose purpose is to assist the City in promoting the economic development of the City for the benefit and welfare of the citizens of the City by providing and organizing (i) new business attraction, (ii) assisting current business retention, (iii) prospect response and follow-up, (iv) marketing and advertising, (v) data collection and research, (vi) prospect field trips, (vii) public relations, (viii) incentive negotiations, (ix) infrastructure development, and (x) fundraising. The City has financial accountability for SIDC but the activity and the balances of SIDC are not significant to the City and thus it has not been included in these financial statements.

#### *Major Operations*

The City's major governmental operations include: general government, public safety (police and fire), public works, and recreation and parks. In addition, the City provides sewer and public works operations through its enterprise funds.

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City (the "Primary Government"). For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these financial statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

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

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

**Governmental Fund Types** are those through which most governmental functions of the City are financed. The City's expendable financial resources and related balance sheet items (except for those accounted for in the Proprietary Funds) are accounted for through governmental funds. Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. The City's governmental fund types and major and non major funds are as follows:

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

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Accommodations and Hospitality Tax Fund, a major fund* and a budgeted fund, is used to account for (a) hospitality tax revenues paid by customers of prepared food and beverage businesses within the City limits and (b) accommodations tax revenues paid by guest who rent lodging in the City limits. Both taxes are legally restricted for tourism related costs.

The *Simpsonville Municipal Facilities Corporation Fund, a major fund* and an unbudgeted fund, and accounts for all of the activity of this blended component unit (see Note I.A for more details).

The *American Rescue Plan Fund, a major fund* and an unbudgeted fund, accounts for the activity related to the American Rescue Plan Act of 2021 and related stimulus grants.

The City has the following non major special revenue funds:

Veteran's Monument Fund	Firefighters' 1% Fund
Animals of Simpsonville Fund	Victims' Advocate Fund
Economic Development Fund	Seized Funds Fund
Fire Prevention Fund	Narcotics Fund
Fire Safety House Fund	Enforcing Underage Drinking Laws Fund
Simpsonville Arts Center Foundation Fund	

*Capital Projects Funds* are used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the acquisition of capital assets or construction of major capital facilities for the City. The City has the following major and non major capital projects funds:

The *Capital Projects Fund, a major fund* and an unbudgeted fund, is used to account for and report financial resources that are restricted, committed, or assigned for (a) the acquisition, construction, or renovation of major capital facilities, (b) ongoing major improvement projects which usually span more than one year, and (c) major equipment or other capital asset acquisitions which are not financed by another fund. The City has the following non major capital projects funds:

Bryson Meadows Project	Fowler Chase Project
Stewart Park Project	Heritage Pointe Project
Knightsbridge Project	Fox Trace Project

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

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

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The **Sewer Fund, a major fund** and a budgeted fund, is generally used to account for assets and activities of the City's sewer operations. Generally, all costs are financed through charges to utility customers.

The **Public Works Fund, a major fund** and a budgeted fund, is generally used to account for assets and activities of the City's sanitation and road improvement operations. All costs are financed through charges to citizens.

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

**1. Cash, Cash Equivalents, and Investments**

The City considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased (which includes money market mutual funds) and investments in the South Carolina Local Government Investment Pool to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) are reported as investments.

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

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

- South Carolina Local Government Investment Pool ("LGIP" or "Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" and GASB Statement No. 72 "*Fair Value Measurement and Application*", investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.
- Money market mutual funds ("MMMF") are generally open-ended funds that invest primarily in short term government debt securities that generally have a weighted average maturity of 60 days or less and do not invest more than 5% in any one issuer, except for government securities and repurchase agreements.
- U.S. securities are generally treasury notes, treasury bonds, treasury bills, and related securities which are debt obligations of the U.S. government (lending money to the federal government for a specified period of time). These debt obligations are backed by the "full faith and credit" of the government, and thus by its ability to raise tax revenues and print currency, U.S. Treasury securities are considered the safest of all investments.

**2. Receivables and Payables**

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

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

**3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method (if material). A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**4. Capital Assets**

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

The City defines capital assets as assets that exceed its capitalization thresholds with an estimated useful life in excess of one year. The City maintains an individual capitalization threshold of \$5,000 for all activities. The City maintains group purchase capitalization thresholds of \$125,000, \$25,000, and \$5,000 for its governmental activities, Sewer Fund, and Public Works Fund, respectively. Such assets are recorded at historical cost or estimated historical cost if not purchased or constructed. Donated capital assets are recorded at estimated acquisition value (as estimated by the City) at the date of donation.

Public domain (“infrastructure”) general capital assets, consist of the road network (i.e. roads, curbs, gutters, sidewalks, etc.) and sewer system assets that were acquired or that received substantial improvements. These assets are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. Capital assets are depreciated on the straight-line method using the following estimated useful lives:

Buildings and Improvements	10 - 50 years
Infrastructure	40 - 50 years
Vehicles	5 - 20 years
Machinery, Equipment, and Furnishings	5 - 15 years

**5. Compensated Absences**

It is the policy of the City to provide paid annual leave (commonly referred to as vacation leave or paid time off) which is earned on a monthly basis in varying amounts based on years of service to a maximum amount per scheduled work hour classification. The annual leave year runs from January 1<sup>st</sup> to December 31<sup>st</sup>. A maximum of 40 hours of accrued annual leave will be paid upon voluntary termination as long as the six month introductory period has been completed and proper notice has been satisfied. Sick leave is earned on a monthly basis. Sick leave can only be used for a valid illness and will not be paid at termination or retirement.

The City reports compensated absences in accordance with the provisions of GASB Statement No. 101 “*Compensated Absences*.” Accumulated annual leave is accrued based on each employees current pay rate and expected usage. Sick leave is accrued based on each employees current pay rate and expected future sick leave usage. The entire compensated absence liability and expense is reported on the government-wide and proprietary fund financial statements. In addition, compensated absences are reported in governmental funds only if they have unused reimbursable leave still outstanding following an employee’s resignation or retirement. The City estimates what will be paid out related to its compensated absences liability based on a last-in first-out basis. The City reflects changes to its compensated absences liability each year on a net basis on its long-term obligation rollforward.

**6. Accrued Liabilities and Long-Term Obligations**

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**6. *Accrued Liabilities and Long-Term Obligations (Continued)***

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

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

**7. *Deferred Outflows/Inflows of Resources***

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has one type of deferred outflows of resources. The City reports *deferred pension charges* in its Statements of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System (“Plans”). These *deferred pension charges* are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has two types of deferred inflows of resources: (1) The City reports *unavailable revenue – property taxes* only in the governmental funds balance sheet; it is deferred and recognized as an inflow of resources (property tax revenues) in the period the amounts become available. (2) The City also reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. These *deferred pension credits* are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

**8. *Fund Balance***

In accordance with GASB Statement No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*,” the City classifies its governmental fund balances as follows:

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

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**8. Fund Balance (Continued)**

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

**Assigned** – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made by an approved motion by City Council before the report issuance date.

**Unassigned** – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

The City's Council has set a General Fund unassigned fund balance target at 25% of current operating expenditures and a minimum unassigned fund balance target of 20% of current operating expenditures.

**9. Net Position**

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

**10. Pensions**

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.B and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for its participation in the Plans, which represents the City's proportionate share of the total pension liability over the fiduciary net position of the Plans, measured as of the City's preceding fiscal year-end.



**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**10. Pensions (Continued)**

Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

**11. Fair Value**

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

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

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

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

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

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

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

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

**12. Encumbrances**

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Accounting Estimates

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

14. Comparative Data

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City has elected to present its budgetary comparison information for the General Fund and Accommodations and Hospitality Tax Fund as separate schedules (required supplementary information) and not as basic financial statements. The General Fund and the Accommodations and Hospitality Tax Fund were the only major governmental funds for which the City had a legally adopted budget. See the notes to the budgetary comparison schedule – General Fund and Accommodations and Hospitality Tax Fund (following the notes to the financial statements) for details regarding the City’s budgetary information and process.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

**Custodial Credit Risk for Deposits:** Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City’s deposits might not be recovered. The City does not have a formal deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2025, none of the City’s bank balances of approximately \$31,643,000 (with a carrying value of approximately \$31,353,000) were exposed to custodial credit risk.

Investments

As of June 30, 2025, the City had the following investments:

Investment Type	Fair Value Level (1)	Credit Rating ^	Fair Value	WAM < 1 Year
Governmental MMMF	Level 1	AAAm, Aaa-mf, AAAMmf	\$ 14,334,244	\$ 14,334,244
LGIP	N/A	Unrated	1,027	1,027
Total			<u>\$ 14,335,271</u>	<u>\$ 14,335,271</u>

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

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

WAM - Weighted Average Maturity.

N/A or NR - Not Applicable or Not Required.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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

A. Deposits and Investments (Continued)

*Investments (Continued)*

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

**Custodial Credit Risk for Investments:** Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2025, none of the City's investments are exposed to custodial credit risk.

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

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

Certain cash, cash equivalents, and investments of the City are legally restricted for specified purposes. The major types of restrictions at June 30, 2025 were those imposed by the revenue or other financing source (i.e. accommodations and hospitality fees, unspent debt proceeds, debt service reserve funds, etc.).

*Reconciliation to the Financial Statements*

A reconciliation of cash and cash equivalents as shown in the Statements of Net Position for all activities is as follows:

Description	Amount
Carrying Amount of Deposits	\$ 31,352,813
Fair Value of Investments	14,335,271
Total Deposits and Investments	<u>\$ 45,688,084</u>
Statement of Net Position:	
Cash and Cash Equivalents	\$ 22,142,514
Cash and Cash Equivalents, Restricted	23,545,570
Total Cash and Cash Equivalents	<u>\$ 45,688,084</u>

B. Receivables and Unavailable/Unearned Revenues

*Property Taxes*

Property taxes receivable represent current real and personal property as well as delinquent real and personal property taxes for the past ten years, less an allowance for amounts estimated to be uncollectible. All net property taxes receivable at year end, except those collected within 60 days, are recorded as unavailable tax revenue and thus not recognized as revenue until collected in the governmental funds (if material).

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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

B. Receivables and Unavailable/Unearned Revenues (Continued)

*Property Taxes (Continued)*

Property taxes are assessed and collected by Greenville County. The County levies its real property taxes each September based upon current assessed valuation. Assessed values are established by the County Assessor, the County Auditor, and the South Carolina Department of Revenue and Taxation at various rates of 4 to 10.5 percent of the estimated market value.

Real property and all personal property taxes other than vehicle property taxes attach as an enforceable lien on property as of January 16th. Taxes are levied and billed in October on all property other than vehicles and are payable without penalty until January 15<sup>th</sup> of the following year. Penalties are assessed on unpaid taxes on the following dates:

January 16 through February 1	-	3% of tax
February 2 through March 15	-	10% of tax
After March 15	-	15% of tax plus collection cost

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

The City's fiscal year 2025 real and business personal property taxes (which was for tax year 2024) were levied in October 2024 based on a millage rate of 59.8 mills (same as the prior year) for the City and 36.0 mills (36.5 mills in the prior year) for the Fire Service Area, of which 4.6 mills (5.1 mills in the prior year) is retained by Greenville County for debt service payments. The City's assessed value of real and personal property (including vehicles) was approximately \$157.3 million (\$146.1 million in the prior year).

*Other Receivables*

Accounts receivable and other receivables represent amounts due to the City for grants, derived tax revenues, security services, charges for services, etc. All receivables are shown net of an allowance for uncollectibles of approximately \$7,000. The City's net receivables at June 30, 2025 consisted of the following:

Description	General Fund	Accommodations and Hospitality Tax Fund	Sewer Fund	Totals
Property Taxes	\$ 158,548	-	-	\$ 158,548
Utilities	-	-	237,205	237,205
Accommodations Taxes	107,549	39,621	-	147,170
Hospitality Fees	-	302,904	-	302,904
MASC Insurance	268,454	-	-	268,454
Franchise Fees	290,279	-	-	290,279
Grants	-	-	3,481,934	3,481,934
Other	324,850	3,873	-	328,723
Net Receivables	\$ 1,149,680	346,398	3,719,139	\$ 5,215,217

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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

B. Receivables and Unavailable/Unearned Revenues (Continued)

*Unavailable and Unearned Revenues*

Governmental funds report as a component of deferred inflows of resources revenues that are not considered to be available to liquidate liabilities (unavailable revenue) of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). As of June 30, 2025, the City's governmental funds had the following unavailable and unearned revenues:

Description	Fund	Unavailable	Unearned	Total
Property Taxes	General Fund	\$ 145,622	-	\$ 145,622
Other	General Fund	-	7,950	7,950
Total		<u>\$ 145,622</u>	<u>7,950</u>	<u>\$ 153,572</u>

C. Interfund Receivables, Payables and Transfers

*Interfund Receivables and Payables*

Interfund balances at June 30, 2025, consisted of the following individual fund receivables and payables (all of which are expected to be repaid within one year):

Fund	Receivables	Payables
General Fund	\$ 12,857,870	\$ 253,116
Accommodations and Hospitality Tax Fund	-	11,529,781
Simpsonville Municipal Facilities Corporation Fund	-	2,200
American Rescue Plan Fund	1,297	-
Capital Projects Fund	249,687	-
Non Major Governmental Funds	2,132	64,396
Sewer Fund	-	936,195
Public Works Fund	-	325,298
Totals	<u>\$ 13,110,986</u>	<u>\$ 13,110,986</u>

Generally, the interfund receivable and payable are a result of the General Fund handling the cash activities of the Sewer Fund, Public Works Fund, Accommodations and Hospitality Tax Fund ("AHT Fund"), Simpsonville Municipal Facilities Corporation Fund, American Rescue Plan Fund, and Non Major Governmental Funds. The General Fund (a) finances the salaries and other operating expenses for the Sewer Fund and Public Works Fund, and (b) processes vendor payments and payroll transactions for the Sewer Fund, AHT Fund, Simpsonville Municipal Facilities Corporation Fund, and Non Major Governmental Funds. As these cash activities occur, the General Fund records this activity in the interfund account with the actual income or expenditure/expense being recorded in the appropriate fund (i.e. Sewer Fund, Sanitation Fund, AHT Tax Fund, Simpsonville Municipal Facilities Corporation Fund, American Rescue Plan Fund, and Other Governmental Funds). Amounts to be paid between the funds are accounted for in the interfund receivable/payable accounts.

In the current year, the City elected to reallocate costs initially paid by the General Fund for the Municipal Complex/Park Improvement Project to the AHT Fund and Simpsonville Municipal Facilities Corporation Fund (see Note IV.E for more details). These amounts are expected to be reimbursed by the AHT Fund in the third quarter of fiscal year 2026.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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

C. Interfund Receivables, Payables and Transfers (Continued)

*Interfund Transfers*

Interfund transfers for the year ended June 30, 2025, consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 3,577,060	\$ 1,051,444
Simpsonville Municipal Facilities Corp. Fund	5,167,796	-
Special Revenue Fund	-	6,488,594
Capital Projects Fund	250,000	960,306
Sewer Fund	-	244,512
Public Works Fund	-	250,000
Totals	<u>\$ 8,994,856</u>	<u>\$ 8,994,856</u>

During the course of normal operations and in order to support the numerous functions of the City, transactions between funds may occur. The City uses transfers to move unrestricted receipts so that they may be used for various programs in other funds. Transfers from the General Fund to Capital Projects Fund were made for future capital needs. Transfers from the General Fund to the Simpsonville Municipal Facilities Corporation Fund were made to fund debt service expenditures. Transfers from the Sewer Fund and Public Works Fund to the General Fund were for indirect/administrative costs incurred in the General Fund related to these funds. Transfers from the Capital Projects Fund to the General Fund were to provide funds for costs associated with the Municipal Complex/Park Improvement Project.

In the current year, the City elected to reallocate costs initially paid by the General Fund for the Municipal Complex/Park Improvement Project to the AHT Fund and Simpsonville Municipal Facilities Corporation Fund (see Note IV.E for more details). This also resulted in the AHT Fund transferring approximately \$4,366,000 to the Simpsonville Municipal Facilities Corporation Fund to cover additional costs paid from this fund related to park related costs.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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

D. Capital Assets

Capital asset activity for the City's governmental activities for the year ended June 30, 2025, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	\$ 7,220,458		-	555,203	\$ 7,775,661
Construction In Progress	29,762,097	15,135,091	-	(43,558,751)	1,338,437
Total Capital Assets, Non-Depreciable	<u>36,982,555</u>	<u>15,135,091</u>	<u>-</u>	<u>(43,003,548)</u>	<u>9,114,098</u>
Capital Assets, Depreciable:					
Buildings and Improvements	30,990,062	877,413	-	43,003,548	74,871,023
Machinery and Equipment	7,264,704	513,694	-	-	7,778,398
Infrastructure	31,394,727	-	-	-	31,394,727
Vehicles	12,679,969	291,562	223,630	-	12,747,901
Total Capital Assets, Depreciable	<u>82,329,462</u>	<u>1,682,669</u>	<u>223,630</u>	<u>43,003,548</u>	<u>126,792,049</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	12,011,474	1,598,691	-	-	13,610,165
Machinery and Equipment	4,678,290	625,101	-	-	5,303,391
Infrastructure	15,728,406	519,990	-	-	16,248,396
Vehicles	10,614,232	1,012,668	192,457	-	11,434,443
Total Accumulated Depreciation	<u>43,032,402</u>	<u>3,756,450</u>	<u>192,457</u>	<u>-</u>	<u>46,596,395</u>
Total Capital Assets, Depreciable, Net	<u>39,297,060</u>	<u>(2,073,781)</u>	<u>31,173</u>	<u>43,003,548</u>	<u>80,195,654</u>
Governmental Activities Capital Assets, Net	<u>\$ 76,279,615</u>	<u>13,061,310</u>	<u>31,173</u>	<u>-</u>	<u>\$ 89,309,752</u>

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

Functions/Programs	Capital Asset Additions	Depreciation Expense
General Government	\$ 7,715,671	\$ 953,315
Public Safety	530,761	1,473,179
Public Works	126,238	688,177
Recreation and Parks	8,445,090	641,779
Total - Governmental Activities	<u>\$ 16,817,760</u>	<u>\$ 3,756,450</u>

During the year ended June 30, 2025, the City received donated streets/streetscape of approximately \$206,000. These amounts were included in General Government and Recreation and Parks capital asset additions noted above.

**CITY OF SIMPSONVILLE, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2025**

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

**D. Capital Assets (Continued)**

Capital asset activity for the City's business-type activities for the year ended June 30, 2025, was as follows:

<b>Business-Type Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital Assets, Non-Depreciable:					
Construction In Progress	\$ 14,354,817	4,518,801	-	-	\$ 18,873,618
Total Capital Assets, Non-Depreciable	<u>14,354,817</u>	<u>4,518,801</u>	<u>-</u>	<u>-</u>	<u>18,873,618</u>
Capital Assets, Depreciable:					
Infrastructure	21,019,193	750,000	-	-	21,769,193
Equipment	2,686,091	17,643	-	-	2,703,734
Vehicles	767,280	615,500	-	-	1,382,780
Total Capital Assets, Depreciable	<u>24,472,564</u>	<u>1,383,143</u>	<u>-</u>	<u>-</u>	<u>25,855,707</u>
Less: Accumulated Depreciation for:					
Infrastructure	8,550,821	352,203	-	-	8,903,024
Equipment	1,418,444	387,989	-	-	1,806,433
Vehicles	661,813	49,709	-	-	711,522
Total Accumulated Depreciation	<u>10,631,078</u>	<u>789,901</u>	<u>-</u>	<u>-</u>	<u>11,420,979</u>
Total Capital Assets, Depreciable, Net	<u>13,841,486</u>	<u>593,242</u>	<u>-</u>	<u>-</u>	<u>14,434,728</u>
Business-Type Activities Capital Assets, Net	<u>\$ 28,196,303</u>	<u>5,112,043</u>	<u>-</u>	<u>-</u>	<u>\$ 33,308,346</u>

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

<b>Functions/Programs</b>	<b>Capital Asset Additions</b>	<b>Depreciation Expense</b>
Sewer	\$ 5,884,354	\$ 437,613
Public Works	17,590	352,288
Total - Business-Type Activities	<u>\$ 5,901,944</u>	<u>\$ 789,901</u>

The City's Sewer Fund receive from time to time donated capital assets (generally sewer infrastructure) from subdivisions/projects that are given to the City from developers. In fiscal year 2025, the City received sewer infrastructure donations of approximately \$750,000 which are included in the above totals.



CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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

E. Long-Term Obligations

The City issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds (“GOB”) and General Obligation Refunding Bonds (“GORB”) are direct obligations and pledge the full faith and credit of the City and are subject to the 8% debt limit requirement if not issued under a bond referendum. Accommodations and Hospitality Tax Revenue Refunding Bonds (“AHTRRB”) and Accommodations and Hospitality Tax Revenue Refunding and Improvement Bonds (“AHTRRIB”) are considered a special obligation of the City and are payable solely from a pledge of accommodation and hospitality taxes. Installment Purchase Revenue Bonds (“IPRB”) are issued by the SMFC, a blended component unit of the City (see Note I.A for more details). Sewer Revenue Bonds (“RB”) are obligations of the City that are secured by revenue from the sewer operations of the City. The full faith, credit, and taxing powers of the City are not pledged for the payment of AHTRRB, AHTRRIB, IPRB, and RB obligations nor the interest thereon.

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

Details on the City’s outstanding debt as of year-end are as follows:

	Balance at June 30, 2025
<b><i>General Obligation Bonds</i></b>	
\$772,000 Series 2019 General Obligation Bond issued in August 2019 (“GOB – Series 2019”), which is due in annual principal payments of \$105,000 - \$115,000 beginning April 1, 2020 and running through April 1, 2026. Interest is payable semi-annually on April 1 <sup>st</sup> and October 1 <sup>st</sup> with interest at 1.955%. The proceeds from this bond were used to finance a new fire truck.	\$ 115,000
<b><i>Installment Purchase Revenue Bonds</i></b>	
\$11,300,000 Installment Purchase Revenue Bonds were issued in June 2021 (“IPRB – Series 2021”), which is due in annual principal installments of \$385,000 – \$785,000 beginning on April 1, 2023 through April 1, 2042. Interest is payable semi-annually on April 1 <sup>st</sup> and October 1 <sup>st</sup> with interest ranging from 2.125% to 4.000%. The proceeds from these bonds will be used for various capital projects for the City.	10,105,000
<b><i>Accommodations and Hospitality Tax Revenue Refunding and Improvement Bonds</i></b>	
\$14,155,000 Series 2021 Accommodations and Hospitality Tax Revenue Refunding and Improvement Bonds issued in June 2021 (“AHTRRIB – Series 2021”), which is due in annual principal installments of \$705,000 to \$1,230,000 beginning January 1, 2022 and ending January 1, 2036. Interest is payable semi-annually on January 1 <sup>st</sup> and July 1 <sup>st</sup> with interest from 3.0% to 5.0%. The proceeds from the AHTRRIB – Series 2021 were used to currently refund the AHTRRB – Series 2016 and fund future capital projects.	11,040,000
<b><i>Revenue Bonds</i></b>	
\$10,270,000 Series 2016 Revenue Bonds were issued in November of 2016 (“Series 2016 Revenue Bonds”), which is due in annual principal installments of \$360,000 – \$725,000 beginning on April 1, 2018 through April 1, 2037. Interest is payable semi-annually on April 1 <sup>st</sup> and October 1 <sup>st</sup> with interest ranging from 2.0% to 5.0%. The proceeds from these bonds will be used for various capital improvements in the Sewer Fund.	\$ 7,070,000

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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

E. Long-Term Obligations (Continued)

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

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Debt:					
GOB - Series 2019 - DBP	\$ 229,000	-	114,000	115,000	\$ 115,000
IPRB - Series 2021 - PT	10,515,000	-	410,000	10,105,000	425,000
AHTRRIB - Series 2021 - PT	11,795,000	-	755,000	11,040,000	785,000
Premium on IPRB - Series 2021	1,587,490	-	88,952	1,498,538	-
Premium on AHTRRIB - Series 2021	2,169,399	-	187,106	1,982,293	-
Total Debt	26,295,889	-	1,555,058	24,740,831	1,325,000
Compensated Absences	488,413	-	145,135	343,278	17,164
Total Governmental Activities	<u>\$ 26,784,302</u>	<u>-</u>	<u>1,700,193</u>	<u>25,084,109</u>	<u>\$ 1,342,164</u>

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

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-Type Activities:</b>					
Debt:					
RB - Series 2016 - PT	\$ 7,520,000	-	450,000	7,070,000	\$ 470,000
Premium on RB - Series 2016	599,088	-	46,999	552,089	-
Total Debt	8,119,088	-	496,999	7,622,089	470,000
Compensated Absences	26,345	12,512	-	38,857	1,943
Total Business-Type Activities	<u>\$ 8,145,433</u>	<u>12,512</u>	<u>496,999</u>	<u>7,660,946</u>	<u>\$ 471,943</u>

Resources from the General Fund have been utilized to liquidate the governmental activities GOB, IPRB, and compensated absences liability. Resources from the Accommodations and Hospitality Tax Fund have been used to liquidate the AHTRRIB. Resources from the Sewer Fund have been utilized to liquidate all of the business-type activities long-term obligations. Payments for the City's other long-term liabilities associated with its participation in the State retirement plans (see Note IV.B) are paid from the various funds for which the employees' salaries are charged.

Article Eight, Section Seven of the South Carolina Constitution of 1895, as amended, provides that no City or Town shall incur any bonded debt which shall exceed eight percent (8%) of the assessed value of the property therein and no such debt shall be created without the electors of such City or Town voting in favor of such further bonded debt. Prior to Home Rule Act of July 1, 1976, the bonded debt exemption was thirty five percent (35%). In 1976, the General Assembly reduced the general obligation debt limit without voter approval to eight percent (8%) of assessed valuation; whereas, with a referendum any amount can be floated. As of June 30, 2025, the City had approximately \$115,000 of general obligation debt. The City's 8% legal debt limit was approximately \$12,584,000 and the unused legal debt margin was approximately \$12,469,000 at June 30, 2025.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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

E. Long-Term Obligations (Continued)

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

Year Ended June 30,	Bonds - DBP		Bonds - Publicly Traded		Total
	Principal	Interest	Principal	Interest	
<b><u>Governmental Activities:</u></b>					
2026	\$ 115,000	2,248	1,210,000	870,044	\$ 2,197,292
2027	-	-	1,270,000	813,794	2,083,794
2028	-	-	1,325,000	754,744	2,079,744
2029	-	-	1,390,000	693,094	2,083,094
2030	-	-	1,455,000	628,394	2,083,394
2031-2035	-	-	8,285,000	2,127,620	10,412,620
2036-2040	-	-	4,655,000	636,220	5,291,220
2041-2042	-	-	1,555,000	49,721	1,604,721
Totals	\$ 115,000	2,248	21,145,000	6,573,631	\$ 27,835,879

Year Ended June 30,	Bonds - Publicly Traded		Total
	Principal	Interest	
<b>Business-Type Activities</b>			
2026	\$ 470,000	278,213	\$ 748,213
2027	480,000	264,112	744,112
2028	500,000	244,913	744,913
2029	520,000	224,912	744,912
2030	540,000	204,113	744,113
2031-2035	3,135,000	599,262	3,734,262
2036-2037	1,425,000	69,875	1,494,875
Totals	\$ 7,070,000	1,885,400	\$ 8,955,400

The RB – Series 2016 require the City to maintain user rates sufficient to generate net revenues (as defined by the agreement) of 125% per any fiscal year of the combined annual principal and interest payments on all debt paid from or secured by the revenues of the Sewer Fund. The City is in compliance with all such significant financial covenants and restrictions at June 30, 2025.

Interest paid on the debt issued by the City is generally exempt from federal income tax. The City sometimes temporarily reinvests the proceeds of such tax-exempt debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government. The City does not believe it has a significant arbitrage liability at June 30, 2025.

# CITY OF SIMPSONVILLE, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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### IV. OTHER INFORMATION

#### A. Risk Management

##### Participation in Public Entity Risk Pools for Property and Casualty Insurance

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

The City pays an annual premium to SCMIRF for its general risk insurance. For the year ended June 30, 2025, the City made premium payments totaling approximately \$643,000. SCMIRF is self-sustaining through member premiums and reinsures through commercial companies. SCMIRF’s net position from its most recently issued audited financial statements at December 31, 2024, totaled approximately \$15,434,000. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

The City pays an annual premium to SCMIT for its workers compensation insurance. For the year ended June 30, 2025, the City made premium payments totaling approximately \$145,000. The Trust uses reinsurance agreements to reduce its exposure to large workers’ compensation losses. SCMIT’s net position from its most recently issued audited financial statements at December 31, 2024, totaled approximately \$45,642,000. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

#### B. Retirement Plans

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

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

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

# CITY OF SIMPSONVILLE, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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### IV. OTHER INFORMATION (CONTINUED)

#### B. Retirement Plans (Continued)

##### *Plan Description*

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

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

##### *Plan Membership*

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

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

##### *Plan Benefits*

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

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

**IV. OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

*Plan Benefits (Continued)*

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

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

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

*Plan Contributions*

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, the SCRS and PORS (“Plans”) contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (“UAAL”) over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased and capped at 9.00 percent for the SCRS and 9.75 percent for the PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both the SCRS and PORS until reaching 18.56 percent for the SCRS and 21.24 percent for the PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA Board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

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

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

*Plan Contributions (Continued)*

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

	SCRS Rates	PORS Rates
	2025	2025
Employer Contribution Rate: ^		
Retirement	18.41%	20.84%
Incidental Death Benefit	0.15%	0.20%
Accidental Death Contributions	0.00%	0.20%
	18.56%	21.24%
Employee Contribution Rate ^	9.00%	9.75%

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

The actual and required contributions to the SCRS and PORS were approximately \$692,000 and \$1,623,000, respectively, for the year ended June 30, 2025 and include the nonemployer contributions noted below.

*Nonemployer Contributions*

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly (“State”) funded 1 percent of the SCRS and PORS contribution increases for the year ended June 30, 2025. The State’s budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2025 were approximately \$27,000 and \$42,000 for the SCRS and PORS, respectively. These contributions (on-behalf benefits) from the State were recognized as intergovernmental revenues and pension expenditures in the City’s governmental fund financial statements.

*Actuarial Assumptions and Methods*

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The GASB No. 67 valuation report prepared as of June 30, 2024 is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023 and will be used for future valuations.

The June 30, 2024 total pension liability (“TPL”), net pension liability (“NPL”), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company, and are based on an actuarial valuation performed as of July 1, 2023. The TPL was rolled-forward from the valuation date to the Plans’ fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

*Actuarial Assumptions and Methods (Continued)*

The following tables provide a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024 (measurement date) for the SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.00%	7.00%
Projected Salary Increases*	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

\* Includes inflation at 2.25%.

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

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

*Long-Term Expected Rate of Return*

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

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



CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

*Long-Term Expected Rate of Return (Continued)*

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

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

The NPL is calculated separately for each System and represents that particular System's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2024 measurement date, for the SCRS and PORS, are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 61,369,806,968	37,919,492,371	\$ 23,450,314,597	61.8%
PORS	\$ 10,177,904,231	7,178,118,865	\$ 2,999,785,366	70.5%

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

At June 30, 2025, the City reported liabilities of approximately \$5,748,000 and \$10,459,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2024, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2023 that was projected forward to the measurement date. The City's proportion of the NPL were based on a projection of the City's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2024 measurement date, the City's SCRS proportion was 0.024511 percent, which was a decrease of 0.002761 from its proportion measured as of June 30, 2023. At the June 30, 2024 measurement date, the City's PORS proportion was 0.348652 percent, which was a decrease of 0.029288 from its proportion measured as of June 30, 2023.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

For the year ended June 30, 2025, the City recognized pension expense of approximately \$438,000 and \$1,453,000 for the SCRS and PORS, respectively. At June 30, 2025, the City reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences Between Expected and Actual Experience	\$ 188,898	\$ 7,134
Change in Assumptions	101,335	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	221,471
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	57,659	555,463
Employer Contributions Subsequent to the Measurement Date	664,783	-
Total SCRS	<u>1,012,675</u>	<u>784,068</u>
<b>PORS</b>		
Differences Between Expected and Actual Experience	982,219	59,962
Change in Assumptions	227,707	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	586,363
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	144,796	620,852
Employer Contributions Subsequent to the Measurement Date	1,580,915	-
Total PORS	<u>2,935,637</u>	<u>1,267,177</u>
Total SCRS and PORS	<u>\$ 3,948,312</u>	<u>\$ 2,051,245</u>

Approximately \$665,000 and \$1,581,000 that were reported as deferred outflows of resources related to the City's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2026	\$ (252,268)	(145,660)	\$ (397,928)
2027	(8,711)	476,909	468,198
2028	(117,034)	(88,671)	(205,705)
2029	(58,163)	(155,033)	(213,196)
Total	<u>\$ (436,176)</u>	<u>87,545</u>	<u>\$ (348,631)</u>

CITY OF SIMPSONVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

*Discount Rate*

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the 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, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

*Sensitivity Analysis*

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

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability of the SCRS	\$ 7,448,700	5,747,955	\$ 4,181,703
City's proportionate share of the net pension liability of the PORS	15,152,828	10,458,820	6,614,185
Total	<u>\$ 22,601,528</u>	<u>16,206,775</u>	<u>\$ 10,795,888</u>

*Plans Fiduciary Net Position*

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

*Payable to Plans*

The City reported payables of approximately \$402,000 and \$248,000 to the PEBA as of June 30, 2025, representing required employer and employee contributions for the months of May and June 2025 for the SCRS and PORS, respectively. These amounts are included in Accrued Salaries and Fringe Benefits on the financial statements and were paid in July and August 2025, respectively.

*Pension Plans – Reconciliation to the Financial Statements*

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

	Net Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
SCRS	\$ 5,747,955	1,012,675	784,068	\$ 438,194
PORS	10,458,820	2,935,637	1,267,177	1,452,931
Total	<u>\$ 16,206,775</u>	<u>3,948,312</u>	<u>2,051,245</u>	<u>\$ 1,891,125</u>

**IV. OTHER INFORMATION (CONTINUED)**

**C. Deferred Compensation Plan**

The City offers its employees the option to participate in the South Carolina 401 (k), Roth 401 (k), and 457 Deferred Compensation plans (collectively the “Deferred Compensation Plans”). The Deferred Compensation Plans are administered by the PEBA. All amounts of compensation contributed under the Deferred Compensation Plans, all income, and rights attributed to such amounts remain the sole property of the participating employee. Current year payroll covered under the Deferred Compensation Plans was approximately \$1,503,000. Employees can contribute a minimum of \$10 of gross salary per paycheck, up to a maximum limits as prescribed by the Internal Revenue Service, with additional amounts allowed for participants who are over age 50 or will be turning 50 during the year.

Contributions are not available to employees until termination of employment, retirement, death, or foreseeable emergency, with the exceptions of education and purchase or improvement of a primary residence. There is no eligibility or vesting requirements. The City has no obligation to contribute to the Deferred Compensation Plans and has made no contributions during the year. Employee contributions were approximately \$65,000 for the year ended June 30, 2025. There were no significant changes in plan provisions during the current year.

**D. Postemployment Benefits Other Than Pensions**

In 2015, the GASB issued Statement No. 75 “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” (“GASB #75”). GASB #75 establishes standards for the measurement, recognition and display of Other Postemployment Benefits (“OPEB”) expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. The City adopted GASB #75 in the year ended June 30, 2018 and its implementation had no impact, as the City does not provide any OPEB benefits (i.e. retiree health benefits, etc.) to its retirees.

**E. Contingent Liabilities and Commitments**

***Litigation***

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

***Grants***

The City receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the City. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the City at June 30, 2025.

***Fire Protection Services***

In July 2005, the City entered into an agreement with Greenville County whereby the City will provide fire protection services to the unincorporated area of Greenville County known as the Simpsonville Fire Service Area (“FSA”). The County will pay the City operating fees based on millage (presently 36.0 mills of which 4.6 mills are held by the County to pay debt service payments). This agreement expired in June 2017 but has been automatically renewed each year thereafter for one-year terms; however, either party may terminate the agreement subject to a 90 day written notice to the other party prior to the annual June 30 expiration date. The City received approximately \$5,435,000 in tax revenues related to the FSA during the year ended June 30, 2025.

# CITY OF SIMPSONVILLE, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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### IV. OTHER INFORMATION (CONTINUED)

#### E. Contingent Liabilities and Commitments (Continued)

##### *Construction Contracts*

In August 2021, the City entered into an agreement with the Greenville Legislative Delegation Transportation Committee ("GLDTC") for services related to the Simpsonville Streetscape Construction Project ("the Project"). GLDTC will pay CoTransCo up to \$2,000,000 for engineering services related to the Project. GLDTC has paid approximately \$629,000 through fiscal year 2025 toward this commitment and the City has paid approximately \$520,000.

The City began a Sewer Rehabilitation project in March 2016 and has recognized costs of approximately \$12,356,000 as of June 30, 2025 (in Construction in Progress). The City's remaining construction commitment for this project is approximately \$4,990,000 as of June 30, 2025.

In August 2023, the City ordered a Pierce heavy duty rescue fire truck for approximately \$1,556,000. The County and the City have each agreed to each pay 50% of the cost of the fire truck. The fire truck is expected to be received in fiscal year 2027.

##### *Municipal Complex/Park Improvement Project – Cost Reallocation*

The City started its Municipal Complex/Park Improvement Project ("Project") in August 2021. This large project was to primarily use IPRB proceeds, ARPA grant funds, AHT bond proceeds, and General Fund monies. The City initially used its ARPA grant funds and IPRB proceeds for this Project in prior years. The AHT bond proceeds were not initially used as these bonds were issued not only for the above Project, but were to be primarily used for streetscape projects. As time went on, the streetscape projects got delayed and arbitrage was being incurred on the AHT bond proceeds (as these bond funds were not being spent down on a timely basis). In light of this situation, City management and the City's bond attorney met in 2025 on how best to address this situation. City management and the bond attorney agreed that the best option was to reallocate Projects costs - so that the City could maximize the use of AHT bond proceeds and thus minimize future arbitrage amounts.

All eligible costs related to the park portion of the Project were generally moved and recorded as an expenditure in the AHT Fund. For Project costs incurred in prior years, the City reallocated and moved approximately \$4,366,000 in park Project costs to the AHT Fund. For Project costs incurred in the current year, the City reallocated and moved approximately \$4,366,000 and \$6,993,000 to the Simpsonville Municipal Facilities Corporation Fund ("SMFC Fund") and AHT Fund, respectively. The City then transferred approximately \$4,366,000 from the AHT Fund to the SMFC Fund to cover these Project costs. This reallocation resulted in a significant interfund payable in the AHT Fund to the General Fund of approximately \$11,359,000 for these unreimbursed costs at June 30, 2025 that are expected to be settled in fiscal year 2026.

#### F. Related Party Transaction

At the beginning of fiscal year 2025, the former City Administrator signed a contract with Alliance Consulting Engineers on behalf of the City to provide engineering and consulting services primarily related to City projects and activities related to Hurricane Helene. The cost incurred by the City for these services was approximately \$300,000 for fiscal year 2025. The former City Administrator retired from the City at the end of fiscal year 2025 and is now employed at Alliance Consulting Engineers.

#### G. Subsequent Events

In July 2025, the City finalized the sale of the old City Hall building to Blue Ridge Land Holdings, LLC for \$837,000.

In October 2025, the City terminated its contract with TRZ Management regarding its management of CCNAB Amphitheatre at Heritage Park. The City has subsequently issued a request for proposal to search for a new management company.

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# **REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

## REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULES

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

YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>				
Taxes:				
Property	\$ 13,419,309	13,419,309	15,073,731	\$ 1,654,422
MASC Telecommunications and Insurance	3,385,000	3,385,000	4,214,301	829,301
Franchise	1,751,500	1,751,500	1,846,531	95,031
Licenses, Permits, and Fees	2,842,000	2,842,000	3,170,942	328,942
Grants	212,000	212,000	301,426	89,426
Fines	136,000	136,000	151,002	15,002
Shared Revenue:				
County	243,000	243,000	238,067	(4,933)
State	853,839	853,839	806,042	(47,797)
Interest	300,000	300,000	326,006	26,006
Other	834,733	834,733	882,111	47,378
<b>TOTAL REVENUES</b>	<b>23,977,381</b>	<b>23,977,381</b>	<b>27,010,159</b>	<b>3,032,778</b>
<b>EXPENDITURES</b>				
Current:				
General Government				
Mayor and City Council	156,290	156,290	123,997	32,293
City Administration	2,597,033	2,597,033	2,736,535	(139,502)
Public Safety				
Police Department	7,280,272	7,280,272	6,405,589	874,683
Fire Department	7,988,551	7,988,551	8,214,583	(226,032)
Public Works	1,610,041	1,610,041	2,654,432	(1,044,391)
Recreation and Parks	2,779,281	2,779,281	2,721,045	58,236
Capital Outlay	1,252,858	1,252,858	4,034,959	(2,782,101)
Debt Service:				
Principal	524,000	524,000	114,000	410,000
Interest	395,944	395,944	4,545	391,399
<b>TOTAL EXPENDITURES</b>	<b>24,584,270</b>	<b>24,584,270</b>	<b>27,009,685</b>	<b>(2,425,415)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(606,889)</b>	<b>(606,889)</b>	<b>474</b>	<b>607,363</b>
Transfers In	1,106,889	1,106,889	3,577,060	2,470,171
Transfers Out	(500,000)	(500,000)	(1,051,444)	(551,444)
Insurance Proceeds	-	-	167,925	167,925
Sale of Capital Assets	-	-	20,520	20,520
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>606,889</b>	<b>606,889</b>	<b>2,714,061</b>	<b>2,107,172</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>2,714,535</b>	<b>2,714,535</b>
FUND BALANCES, Beginning of Year	23,261,214	23,261,214	23,261,214	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 23,261,214</b>	<b>23,261,214</b>	<b>25,975,749</b>	<b>\$ 2,714,535</b>

Note: The notes to the budgetary comparison schedules are an integral part of this schedule.

Note: The amount spent above the budget was for capital outlay expenditures for the Municipal Complex/Park Improvement Project, but for which Council elected to not amend the budget.



CITY OF SIMPSONVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULES

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

YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>				
Hospitality Tax	\$ 3,400,000	3,400,000	3,541,383	\$ 141,383
Accommodations Tax	375,000	375,000	533,459	158,459
Interest	225,000	225,000	979,311	754,311
Grants	-	-	1,050,000	1,050,000
Other Revenue	-	-	196,934	196,934
Gain (Loss) on Investments	-	-	1,650	1,650
<b>TOTAL REVENUES</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>6,302,737</b>	<b>2,302,737</b>
<b>EXPENDITURES</b>				
Current:				
General Government	110,000	110,000	42,327	67,673
Capital Outlay	483,028	483,028	8,376,455	(7,893,427)
Debt Service:				
Principal	755,000	755,000	755,000	-
Interest and Other Fiscal Charges	525,200	525,200	525,200	-
Bond Issuance Costs	50,000	50,000	-	50,000
<b>TOTAL EXPENDITURES</b>	<b>1,923,228</b>	<b>1,923,228</b>	<b>9,698,982</b>	<b>(7,775,754)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,076,772</b>	<b>2,076,772</b>	<b>(3,396,245)</b>	<b>10,078,491</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(612,377)	(612,377)	(6,488,594)	(5,876,217)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(612,377)</b>	<b>(612,377)</b>	<b>(6,488,594)</b>	<b>(5,876,217)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,464,395</b>	<b>1,464,395</b>	<b>(9,884,839)</b>	<b>(11,349,234)</b>
FUND BALANCES, Beginning of Year	21,782,841	21,782,841	21,782,841	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 23,247,236</b>	<b>23,247,236</b>	<b>11,898,002</b>	<b>\$ (11,349,234)</b>

Note: The notes to the budgetary comparison schedules are an integral part of this schedule.

Note: The amount spent above the budget was for park costs related to the Municipal Complex/Park Improvement Project that was approved by City Council - but for which Council elected to not amend the budget.

## **CITY OF SIMPSONVILLE, SOUTH CAROLINA**

### **NOTES TO THE BUDGETARY COMPARISON SCHEDULES**

**YEAR ENDED JUNE 30, 2025**

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#### **A. BASIS OF ACCOUNTING**

The budgetary comparison schedules have been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

#### **B. BUDGETARY INFORMATION**

The City follows the following procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

1. During the months of February and March, the City department heads develop operating budgets while the management and finance departments develop revenue forecasts.
2. During March and April, the City Administrator reviews the department budgets and revenue forecasts. After various refinements and reviews, a proposed budget is presented to the City Council.
3. After two readings during May and June, for which public notices have been announced, the City Council adopts an annual budget ordinance for the General Fund, Accommodations and Hospitality Tax Fund, Simpsonville Arts Center Foundation Fund, Victims' Advocate Fund, Sewer Fund, and Public Works Fund.
4. During the year, accountability for the budget for each department is primarily the responsibility of the department head. The City Administrator has the authority to transfer funds within departments but funds can only be transferred between departments by approval of the City Council. The legal level of budgetary control is at the department level, as reflected in the required supplementary information.
5. The presented budgetary information is as originally adopted or as amended by the City Council. During the year, the City Council did not revise the budget.
6. At the year-end, unencumbered balances of appropriations lapse into the unappropriated fund balance.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

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

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability (Asset)	0.02451%	0.02727%	0.02808%	0.02686%	0.02614%	0.02703%	0.02506%	0.02540%	0.02741%	0.02757%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,747,955	6,593,636	6,806,888	5,812,865	6,679,861	6,172,387	5,614,255	5,716,823	5,854,522	\$ 5,227,835
City's Covered Payroll	\$ 3,758,971	3,448,062	3,336,297	3,036,286	2,920,508	2,854,442	2,596,500	2,562,239	2,654,218	\$ 2,584,532
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	152.91%	191.23%	204.03%	191.45%	228.72%	216.24%	216.22%	223.12%	220.57%	202.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.79%	58.65%	57.06%	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 691,857	697,665	605,480	552,491	472,446	454,431	415,607	352,085	296,195	\$ 293,557
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the City	664,783	670,591	578,406	525,417	445,372	427,357	388,533	325,011	296,195	293,557
Contributions from the State	27,074	27,074	27,074	27,074	27,074	27,074	27,074	27,074	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	\$ -
City's Covered Payroll	\$ 3,727,680	3,758,971	3,448,062	3,336,297	3,036,286	2,920,508	2,854,442	2,596,500	2,562,239	\$ 2,654,218
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%

CITY OF SIMPSONVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

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

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability (Asset)	0.34865%	0.37794%	0.37539%	0.36277%	0.32852%	0.32933%	0.32283%	0.30851%	0.32128%	0.30849%
City's Proportionate Share of the Net Pension Liability (Asset)	\$10,458,820	11,504,844	11,257,912	9,333,662	10,894,326	9,438,292	9,147,526	8,451,819	8,149,237	\$ 6,723,507
City's Covered Payroll	\$ 6,865,759	6,621,851	5,948,149	5,454,876	4,962,735	4,776,743	4,468,453	4,154,634	4,095,919	\$ 3,783,716
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	152.33%	173.74%	189.27%	171.11%	219.52%	197.59%	204.71%	203.43%	198.96%	177.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.53%	67.79%	66.45%	70.37%	58.79%	62.69%	61.73%	60.94%	60.44%	64.57%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS  
POLICE OFFICERS RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 1,623,026	1,458,287	1,340,263	1,144,424	994,969	905,203	823,511	725,677	591,620	\$ 562,779
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the City	1,580,914	1,416,175	1,298,151	1,102,312	952,857	863,091	781,399	683,565	591,620	562,779
Contributions from the State	42,112	42,112	42,112	42,112	42,112	42,112	42,112	42,112	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	\$ -
City's Covered Payroll	\$ 7,641,366	6,865,759	6,621,851	5,948,149	5,454,876	4,962,735	4,776,743	4,468,453	4,154,634	\$ 4,095,919
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%

# **SUPPLEMENTARY INFORMATION**

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
<b>General Government</b>			
Mayor and City Council:			
Current:			
Salaries	\$ 46,600	45,775	\$ 825
FICA	3,565	2,572	993
Retirement	4,000	1,039	2,961
Insurance - Group	63,900	50,276	13,624
Insurance - Worker's Compensation	1,000	593	407
Insurance - Liability	3,500	4,199	(699)
Discretionary Funds	27,125	14,021	13,104
Dues, Subscriptions, and Memberships	300	-	300
Office and Printing	5,700	4,987	713
Supplies	-	140	(140)
Telephone, Modem, and Fax	600	395	205
Total Mayor and City Council	156,290	123,997	32,293
City Administration: General			
Current:			
Salaries	807,680	849,217	(41,537)
Extra Duties - Overtime	5,500	-	5,500
FICA	61,788	61,998	(210)
Retirement	149,905	142,686	7,219
Insurance - Group	151,500	119,607	31,893
Insurance - Worker's Compensation	3,000	2,183	817
Insurance - Liability	16,000	23,280	(7,280)
Fuel Usage	5,000	4,478	522
Tires	2,000	-	2,000
Professional Training	24,750	20,899	3,851
Contractual Services - Professional	221,650	149,803	71,847
Dues, Subscriptions, and Memberships	15,000	16,865	(1,865)
Supplies	10,000	9,901	99
Telephone, Fax, Cell and Pagers	12,000	12,146	(146)
IT Communications	8,000	6,856	1,144
Computer Software and Support	103,200	91,163	12,037
Non-Capital Equipment	5,500	935	4,565
Utilities	183,000	243,602	(60,602)
Physical Examinations and Drug/Alcohol Testing	-	1,270	(1,270)
Local Meetings and Meals	7,500	10,462	(2,962)
Equipment Rent	19,200	11,462	7,738
Bank Fees	3,000	1,920	1,080
Building Inspection Fees	156,000	138,844	17,156
Advertising	1,700	2,270	(570)
Community Relations	110,200	160,584	(50,384)
Employee Recognition	12,000	11,429	571
Memorials and Awards	1,500	588	912
Miscellaneous	-	5,166	(5,166)
Postage	4,000	1,678	2,322
Business Service	70,000	18	69,982
Printing	13,000	12,368	632
Repairs and Maintenance - Buildings	12,050	5,419	6,631
Repairs and Maintenance - Equipment	4,700	282,043	(277,343)
Repairs and Maintenance - Routine	\$ 1,000	470	\$ 530

(Continued)



## CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
<b>General Government (Continued)</b>			
City Administration: General (Continued)			
Current:			
Repairs and Maintenance - Drive Train	\$ 1,500	-	\$ 1,500
Repairs and Maintenance - Vehicle Body Work	1,000	-	1,000
County Stormwater Fees	-	5,159	(5,159)
Contingency	33,000	17,864	15,136
Total City Administration: General	2,236,823	2,424,633	(187,810)
City Administration: Court Division			
Current:			
Salaries	176,700	175,016	1,684
FICA	11,444	11,531	(87)
Retirement	27,766	25,103	2,663
Insurance - Group	37,700	30,106	7,594
Insurance - Worker's Compensation	500	286	214
Insurance - Liability	2,500	3,606	(1,106)
Professional Training	6,000	7,197	(1,197)
Dues, Subscriptions, and Memberships	500	544	(44)
Supplies	1,500	925	575
Telephone, Fax, Cell and Pagers	1,300	3,548	(2,248)
IT Communications	5,200	4,812	388
Computer Software and Support	9,100	4,443	4,657
Printing	2,500	1,464	1,036
Repairs and Maintenance - Equipment	500	31	469
Postage	3,500	2,247	1,253
Professional Fees	50,000	23,785	26,215
Jurors, Bailiffs, and Witnesses	15,000	13,300	1,700
Non-Capital Equipment	500	-	500
Rental Expense	5,500	3,958	1,542
Miscellaneous	2,500	-	2,500
Total City Administration: Court Division	360,210	311,902	48,308
Total City Administration	2,597,033	2,736,535	(139,502)
Total General Government	2,753,323	2,860,532	(107,209)
<b>Public Safety</b>			
Police Department: Operations			
Current:			
Salaries	3,248,030	2,820,070	427,960
Overtime	250,000	158,210	91,790
Extra Duties-Overtime	135,000	199,480	(64,480)
FICA	251,272	236,350	14,922
Retirement	697,649	593,624	104,025
Insurance - Group	740,500	544,169	196,331
Insurance - Worker's Compensation	55,000	73,942	(18,942)
Insurance - Liability	245,000	273,890	(28,890)
Fuel Usage	140,000	121,144	18,856
Tires	18,000	12,006	5,994
Professional Training	24,625	23,318	1,307
Dues and Subscriptions	\$ 4,250	5,453	\$ (1,203)

(Continued)

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
<b>Public Safety (Continued)</b>			
Police Department: Operations (Continued)			
Current:			
Supplies	\$ 19,500	22,206	\$ (2,706)
Telephone, Fax, Cell and Pagers	56,650	46,830	9,820
Computer Software and Support	115,546	112,632	2,914
IT Communications	18,000	17,925	75
Utilities	16,000	57,430	(41,430)
Physical Examinations and Drug/Alcohol Testing	-	148	(148)
Local Meetings and Meals	5,800	6,291	(491)
Leases-Equipment	15,850	14,014	1,836
Advertising	3,000	2,801	199
Non-Capital Equipment	27,350	7,558	19,792
Community Relations	10,250	8,496	1,754
Vehicle License Fees	150	71	79
Postage	3,000	720	2,280
Uniforms	45,475	33,363	12,112
Employee Uniform Allowance	9,750	7,040	2,710
Printing	2,500	2,051	449
Animal Control	7,000	5,842	1,158
Repairs and Maintenance - Buildings	8,000	10,012	(2,012)
Repairs and Maintenance - Equipment	14,200	7,019	7,181
Repairs and Maintenance - Radios	5,000	2,802	2,198
Repairs and Maintenance - Drive Train	16,800	29,256	(12,456)
Repairs and Maintenance - Routine	40,000	49,245	(9,245)
Repairs and Maintenance - Vehicle Body Work	16,500	11,496	5,004
Tools and Small Equipment	-	1,890	(1,890)
Contingency	3,000	-	3,000
Firearms/Ammunition	25,470	6,708	18,762
Chemicals	500	482	18
Informant Fees	5,000	4,983	17
Housing - Inmate	80,000	89,480	(9,480)
Housing - Juvenile	12,000	3,975	8,025
Radio User Fees	59,780	31,872	27,908
UDL Enforcement	-	300	(300)
Grant Equipment	-	1,963	(1,963)
Tuition Reimbursements	2,000	2,000	-
Police Services	8,415	4,910	3,505
Vending	1,000	1,398	(398)
Miscellaneous	3,000	94	2,906
Total Police Department: Operations	6,465,812	5,666,959	798,853
Police Department: Dispatch			
Current:			
Salaries	478,680	451,944	26,736
Overtime	55,000	59,323	(4,323)
FICA	36,328	38,437	(2,109)
Retirement	98,346	85,534	12,812
Insurance - Group	115,000	90,938	24,062
Insurance - Workers' Compensation	700	435	265
Insurance - Liability	6,000	6,421	(421)
Professional Training	7,700	688	7,012
Dues, Subscriptions, and Memberships	\$ 1,006	19	\$ 987

(Continued)

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
<b>Public Safety (Continued)</b>			
Police Department: Dispatch (Continued)			
Current (Continued):			
Supplies - Other	\$ 700	699	\$ 1
Computer Software and Support	1,000	782	218
IT Communications	4,500	663	3,837
Repairs and Maintenance - Equipment	1,500	1,500	-
Repairs and Maintenance - Radios	1,000	662	338
Uniforms	4,000	585	3,415
Contingency	3,000	-	3,000
Total Police Department: Dispatch	814,460	738,630	75,830
Total Police Department	7,280,272	6,405,589	874,683
Fire Department:			
Current:			
Salaries	4,656,700	4,914,704	(258,004)
Extra Duties - Overtime	35,000	24,306	10,694
FICA	351,823	365,035	(13,212)
Retirement	976,828	971,526	5,302
Insurance - Group	1,058,500	977,838	80,662
Insurance - Workers' Compensation	65,000	60,773	4,227
Insurance - Liability	120,000	135,193	(15,193)
Insurance - Claims	-	5,001	(5,001)
Professional Training	64,500	59,405	5,095
Dues, Subscriptions, and Memberships	5,050	4,585	465
Supplies	26,000	20,419	5,581
Supplies - Safety	68,500	59,206	9,294
Telephone, Fax, Cell and Pagers	21,600	23,173	(1,573)
Computer Software and Support	34,600	33,965	635
IT Communications	31,650	29,513	2,137
Utilities	75,000	87,559	(12,559)
Equipment Rent	2,000	792	1,208
Fuel Usage	90,000	74,407	15,593
Tires Expenditures	45,000	38,121	6,879
Physical Examinations and Drug/Alcohol Testing	15,000	46	14,954
Local Meetings and Meals	8,500	4,912	3,588
Community Relations	3,000	3,833	(833)
Non-Capital Equipment	45,300	36,889	8,411
Postage	500	393	107
Uniforms	45,000	40,603	4,397
Printing	500	312	188
Repairs and Maintenance - Buildings	31,500	24,878	6,622
Repairs and Maintenance - Equipment	37,500	58,166	(20,666)
Repairs and Maintenance - Radios	3,500	2,361	1,139
Repairs and Maintenance - Drive Train	22,500	35,424	(12,924)
Repairs and Maintenance - Routine	32,500	55,999	(23,499)
Repairs and Maintenance - Vehicle Body Work	3,000	25,342	(22,342)
Contingency	3,000	4,382	(1,382)
Chemicals	1,500	-	1,500
Safety Equipment Grant	4,000	32,353	(28,353)
Miscellaneous	4,000	3,169	831
Total Fire Department	7,988,551	8,214,583	(226,032)
Total Public Safety	\$ 15,268,823	14,620,172	\$ 648,651

(Continued)

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
<b>Public Works</b>			
Sanitation, Maintenance, and Administration:			
Current:			
Salaries	\$ 472,100	441,409	\$ 30,691
Overtime	15,000	5,668	9,332
FICA	35,695	33,353	2,342
Retirement	85,058	72,363	12,695
Insurance - Group	151,500	165,406	(13,906)
Insurance - Workers' Compensation	25,000	25,373	(373)
Insurance - Liability	85,000	95,629	(10,629)
Temporary Employees	40,000	36,336	3,664
Professional Fees	7,000	100	6,900
Professional Training	6,500	3,837	2,663
Equipment Rent	17,400	14,000	3,400
Supplies - Cement and Masonry	7,000	6,607	393
Supplies - Asphalt and Paving	16,000	7,606	8,394
Supplies - Electric and Lighting	6,000	673	5,327
Supplies - Other	8,000	6,820	1,180
Supplies - Safety	2,500	1,482	1,018
Chemicals	6,800	3,812	2,988
Landscaping	15,000	13,766	1,234
Printing	750	333	417
Utilities	20,000	23,764	(3,764)
Dues, Subscriptions, and Memberships	3,000	1,884	1,116
Telephone, Fax, Cell and Pagers	13,000	5,013	7,987
Computer Software and Support	15,050	18,565	(3,515)
IT Communications	9,000	13,194	(4,194)
Physical Examinations and Drug/Alcohol Testing	-	46	(46)
Employee Recognition	1,500	1,456	44
Non-Capital Equipment	14,150	11,087	3,063
Postage	500	22	478
Uniforms	14,250	9,974	4,276
Repairs and Maintenance - Buildings	6,000	4,866	1,134
Repairs and Maintenance - Equipment	10,400	1,240,266	(1,229,866)
Repairs and Maintenance - Facilities	2,500	3,487	(987)
Repairs and Maintenance - Street, Buildings, and Parks	15,000	13,766	1,234
Repairs and Maintenance - Routine	10,400	926	9,474
Repairs and Maintenance - Vehicles	46,000	57,093	(11,093)
Fuel Usage	70,000	60,536	9,464
Tires Expenditures	25,000	17,118	7,882
Safety Grant Expenditures	4,000	3,856	144
Stormwater R.O.W.	3,000	1,950	1,050
Contingency	3,000	-	3,000
Miscellaneous	1,000	183	817
Total Sanitation, Maintenance, and Administration	1,289,053	2,423,625	(1,134,572)
<b>Fleet Division:</b>			
Current:			
Salaries	149,700	109,215	40,485
Overtime	1,500	-	1,500
FICA	11,368	8,285	3,083
Retirement	27,580	17,913	9,667
Insurance - Group	34,600	8,677	25,923
Insurance - Workers' Compensation	\$ 2,500	1,701	\$ 799

(Continued)

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
<b>Public Works (Continued)</b>			
Fleet Division (Continued):			
Current (Continued):			
Insurance - Liability	\$ 3,600	3,858	\$ (258)
Professional Training	2,000	465	1,535
Utilities	12,000	16,386	(4,386)
Supplies - Other	4,760	4,332	428
Supplies - Safety	1,100	332	768
Supplies - Garage Stock	1,300	307	993
Telephone, Fax, Cell and Pagers	1,400	849	551
Computer Software and Support	6,450	10,469	(4,019)
Repairs and Maintenance - Buildings	20,000	18,401	1,599
Repairs and Maintenance - Equipment	2,000	1,640	360
Repairs and Maintenance - Facilities	3,000	3,805	(805)
Uniforms	3,600	2,239	1,361
Equipment Rent	1,500	606	894
Postage	30	-	30
Chemicals	3,000	3,526	(526)
Oils and Lubricants	16,000	14,616	1,384
Non-Capital Equipment	9,000	3,185	5,815
Contingency	3,000	-	3,000
Total Fleet Division	320,988	230,807	90,181
Total Public Works	1,610,041	2,654,432	(1,044,391)
<b>Recreation and Parks</b>			
Recreation:			
Current:			
Salaries	842,000	789,670	52,330
Overtime	15,000	16,577	(1,577)
Extra Duties - Overtime	500	-	500
FICA	63,679	58,552	5,127
Retirement	148,797	129,811	18,986
Insurance - Group	217,500	164,726	52,774
Insurance - Liability	58,000	64,538	(6,538)
Insurance - Worker's Comp.	10,000	7,782	2,218
Insurance - General	5,706	3,644	2,062
Professional Training	4,000	387	3,613
Contractual Services - Recreation	55,000	45,139	9,861
Dues, Subscriptions, and Memberships	1,000	978	22
Supplies - Cement and Masonry	1,500	848	652
Supplies - Electric and Lighting	3,500	3,272	228
Supplies - Office	3,000	2,753	247
Supplies - Other	8,500	7,714	786
Supplies - Safety	500	586	(86)
Landscaping	13,000	13,387	(387)
Telephone, Fax, Cell and Pagers	13,600	6,794	6,806
Computer Software and Support	6,170	4,549	1,621
IT Communications	4,000	4,871	(871)
Utilities	75,000	95,654	(20,654)
Advertising	1,500	1,276	224
Postage	620	492	128
Uniforms	7,250	4,448	2,802
Non-Capital Equipment	7,000	3,595	3,405
Employee Uniform Allowance	\$ 1,500	784	\$ 716

(Continued)

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
<b>Recreation and Parks (Continued)</b>			
Recreation (Continued):			
Current (Continued):			
Printing	\$ 1,000	961	\$ 39
Repairs and Maintenance - Buildings	30,909	21,717	9,192
Repairs and Maintenance - Equipment	8,770	80,014	(71,244)
Repairs and Maintenance - Facilities	24,650	12,736	11,914
Repairs and Maintenance - Drive Train	6,000	3,742	2,258
Repairs and Maintenance - Routine	2,000	919	1,081
Repairs and Maintenance - Vehicle Body Work	1,000	-	1,000
Fuel Usage	25,000	21,638	3,362
Tires Expenditures	2,200	952	1,248
Contingency	3,000	2,317	683
Grant Fund Expenditures	10,000	10,373	(373)
PARD Grant Expenditures	30,163	18,804	11,359
Chemicals	8,500	5,288	3,212
Equipment Rent	5,000	1,656	3,344
Miscellaneous	2,950	5,401	(2,451)
Total Recreation Department	1,728,964	1,619,345	109,619
<b>Heritage Park:</b>			
Current:			
Salaries	259,000	257,128	1,872
Overtime	3,000	3,635	(635)
FICA	19,661	19,130	531
Retirement	47,699	33,465	14,234
Insurance - Group	56,200	55,494	706
Insurance - Liability	16,000	24,318	(8,318)
Insurance - Worker's Comp.	3,000	1,701	1,299
Professional Training	3,000	660	2,340
Dues, Subscriptions, and Memberships	880	550	330
Supplies - Cement and Masonry	2,500	117	2,383
Supplies - Electric and Lighting	3,500	3,000	500
Supplies - Office	3,000	2,715	285
Supplies - Other	8,000	7,441	559
Supplies - Safety	1,000	1,031	(31)
Supplies - Recreation	25,200	17,960	7,240
Landscaping	26,000	21,939	4,061
Telephone, Fax, Cell and Pagers	5,000	3,673	1,327
Computer Software and Support	4,600	2,816	1,784
IT Communications	2,385	3,312	(927)
Utilities	153,608	203,055	(49,447)
Advertising	1,500	947	553
Postage	680	737	(57)
Bank Fees	6,000	7,569	(1,569)
Non-Capital Equipment	6,500	6,700	(200)
Employee Uniform Allowance	1,800	1,408	392
Printing	1,000	562	438
Repairs and Maintenance - Buildings	17,603	12,324	5,279
Repairs and Maintenance - Equipment	15,750	16,034	(284)
Repairs and Maintenance - Facilities	7,500	8,796	(1,296)
Repairs and Maintenance - Drive Train	5,100	1,118	3,982
Repairs and Maintenance - Routine	1,200	25	1,175
Repairs and Maintenance - Vehicle Body Work	\$ 1,000	-	\$ 1,000

(Continued)

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES BY DEPARTMENT - REVISED BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED JUNE 30, 2025

	REVISED BUDGET	ACTUAL	VARIANCE
<b>Recreation and Parks (Continued)</b>			
Heritage Park (Continued):			
Current (Continued):			
Fuel Usage	\$ 12,000	11,768	\$ 232
Tires	2,200	1,138	1,062
Train Repairs and Maintenance - Drive Train	7,200	7,378	(178)
Train Repairs and Maintenance - Routine	650	236	414
Train Wheels	8,400	-	8,400
Contingency	3,000	-	3,000
Equipment Rent	10,500	772	9,728
Recreation Services	220,000	290,790	(70,790)
Chemicals	18,000	20,201	(2,201)
Little League All Stars	1,000	200	800
Cost of Concession Goods Sold	3,000	2,521	479
Total Heritage Park	994,816	1,054,364	(59,548)
Amphitheatre:			
Current:			
Insurance - Liability	10,000	10,295	(295)
Telephone, Modem, and Fax	5,500	13,748	(8,248)
IT Communications	7,000	3,914	3,086
Repairs and Maintenance	21,176	12,308	8,868
Landscaping	1,000	91	909
Supplies	6,000	5,875	125
Equipment Rental	1,000	-	1,000
Electric and Lighting Supplies	2,000	214	1,786
Miscellaneous	1,825	891	934
Total Amphitheatre	55,501	47,336	8,165
Total Recreation and Parks	2,779,281	2,721,045	58,236
Total Current Expenditures	22,411,468	22,856,181	(444,713)
Capital Outlay	1,252,858	4,034,959	(2,782,101)
Debt Service:			
Principal	524,000	114,000	410,000
Interest	395,944	4,545	391,399
Total Debt Service	919,944	118,545	801,399
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 24,584,270</b>	<b>27,009,685</b>	<b>\$ (2,425,415)</b>

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CITY OF SIMPSONVILLE, SOUTH CAROLINA

COMBINING BALANCE SHEET  
NON MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2025

	Non Major Special Revenue Funds	Non Major Capital Projects Funds	Total Non Major Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 170,676	-	\$ 170,676
Cash and Cash Equivalents, Restricted	214,323	220,787	435,110
Interfund Receivables	306	1,826	2,132
<b>Total Assets</b>	<b>\$ 385,305</b>	<b>222,613</b>	<b>\$ 607,918</b>
<b>Liabilities and Fund Balances</b>			
Interfund Payables	\$ 64,396	-	\$ 64,396
Accrued Expenses	1,200	-	1,200
Developers' Escrow Liability	-	201,703	201,703
<b>Total Liabilities</b>	<b>65,596</b>	<b>201,703</b>	<b>267,299</b>
<b>Fund Balances:</b>			
<b>Restricted:</b>			
Public Safety	196,072	-	196,072
Cultural Arts	5,619	-	5,619
Other	7,406	20,910	28,316
Assigned - Capital Projects	110,612	-	110,612
<b>Total Fund Balances</b>	<b>319,709</b>	<b>20,910</b>	<b>340,619</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 385,305</b>	<b>222,613</b>	<b>\$ 607,918</b>

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

COMBINING BALANCE SHEET  
NON MAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2025

	Veteran's Monument Fund	Animals of Simpsonville Fund	Economic Development Fund	Fire Prevention Fund	Fire Safety House Fund
<b>Assets</b>					
Cash and Cash Equivalents	\$ -	-	-	-	-
Cash and Cash Equivalents, Restricted	5,749	6,168	1,323	160	-
Interfund Receivables	-	-	-	10	296
<b>Total Assets</b>	<b>\$ 5,749</b>	<b>6,168</b>	<b>1,323</b>	<b>170</b>	<b>296</b>
<b>Liabilities and Fund Balances</b>					
Interfund Payables	\$ 130	-	85	-	-
Accrued Expenses	-	-	-	-	-
<b>Total Liabilities</b>	<b>130</b>	<b>-</b>	<b>85</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted:					
Public Safety	-	-	-	170	296
Cultural Arts	5,619	-	-	-	-
Other	-	6,168	1,238	-	-
Assigned - Capital Projects	-	-	-	-	-
<b>Total Fund Balances</b>	<b>5,619</b>	<b>6,168</b>	<b>1,238</b>	<b>170</b>	<b>296</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,749</b>	<b>6,168</b>	<b>1,323</b>	<b>170</b>	<b>296</b>

<b>Simpsonville Arts Center Foundation Fund</b>	<b>Firefighters' 1% Fund</b>	<b>Victims' Advocate Fund</b>	<b>Seized Funds Fund</b>	<b>Narcotics Fund</b>	<b>Enforcing Underage Drinking Laws Fund</b>	<b>Total Non Major Special Revenue Funds</b>
170,676	-	-	-	-	-	\$ 170,676
-	30,385	78,454	10,854	70,082	11,148	214,323
-	-	-	-	-	-	306
<b>170,676</b>	<b>30,385</b>	<b>78,454</b>	<b>10,854</b>	<b>70,082</b>	<b>11,148</b>	<b>\$ 385,305</b>
58,864	-	5,317	-	-	-	\$ 64,396
1,200	-	-	-	-	-	1,200
60,064	-	5,317	-	-	-	65,596
-	30,385	73,137	10,854	70,082	11,148	196,072
-	-	-	-	-	-	5,619
-	-	-	-	-	-	7,406
110,612	-	-	-	-	-	110,612
110,612	30,385	73,137	10,854	70,082	11,148	319,709
<b>170,676</b>	<b>30,385</b>	<b>78,454</b>	<b>10,854</b>	<b>70,082</b>	<b>11,148</b>	<b>\$ 385,305</b>

CITY OF SIMPSONVILLE, SOUTH CAROLINA

COMBINING BALANCE SHEET  
NON MAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2025

	Bryson Meadows Project	Stewart Park Project
<b>Assets</b>		
Cash and Cash Equivalents, Restricted	\$ 21,231	34,411
Interfund Receivables	-	-
<b>Total Assets</b>	<b>\$ 21,231</b>	<b>34,411</b>
<b>Liabilities and Fund Balances</b>		
Developers' Escrow Liability	\$ 19,231	31,144
Total Liabilities	19,231	31,144
Fund Balances:		
Restricted	2,000	3,267
Total Fund Balances	2,000	3,267
<b>Total Liabilities and Fund Balances</b>	<b>\$ 21,231</b>	<b>34,411</b>

<b>Knightsbridge Project</b>	<b>Fowler Chase Project</b>	<b>Heritage Pointe Project</b>	<b>Fox Trace Project</b>	<b>Total Non Major Capital Projects Funds</b>
123,131	-	1,542	40,472	\$ 220,787
-	1,826	-	-	1,826
<b>123,131</b>	<b>1,826</b>	<b>1,542</b>	<b>40,472</b>	<b>\$ 222,613</b>
111,170	1,810	1,398	36,950	\$ 201,703
111,170	1,810	1,398	36,950	201,703
11,961	16	144	3,522	20,910
11,961	16	144	3,522	20,910
<b>123,131</b>	<b>1,826</b>	<b>1,542</b>	<b>40,472</b>	<b>\$ 222,613</b>

**CITY OF SIMPSONVILLE, SOUTH CAROLINA**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON MAJOR GOVERNMENTAL FUNDS**

**YEAR ENDED JUNE 30, 2025**

	<b>Non Major Special Revenue Funds</b>	<b>Non Major Capital Projects Funds</b>	<b>Total Non Major Governmental Funds</b>
<b>REVENUES</b>			
Fines	\$ 24,183	-	\$ 24,183
One Percent Income	345,579	-	345,579
Other Income	76,381	-	76,381
Interest	9,220	6,072	15,292
<b>TOTAL REVENUES</b>	<b>455,363</b>	<b>6,072</b>	<b>461,435</b>
<b>EXPENDITURES</b>			
Current:			
General Government	57,085	-	57,085
Public Safety	342,566	-	342,566
Capital Outlay	1,842	-	1,842
<b>TOTAL EXPENDITURES</b>	<b>401,493</b>	<b>-</b>	<b>401,493</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>53,870</b>	<b>6,072</b>	<b>59,942</b>
Fund Balances, Beginning of Year	265,839	14,838	280,677
<b>FUND BALANCES, End of Year</b>	<b>\$ 319,709</b>	<b>20,910</b>	<b>\$ 340,619</b>

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CITY OF SIMPSONVILLE, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2025

	Veteran's Monument Fund	Animals of Simpsonville Fund	Economic Development Fund	Fire Prevention Fund
<b>REVENUES</b>				
Fines	\$ -	-	-	-
One Percent Income	-	-	-	-
Other Income	200	-	-	-
Interest	157	193	36	4
<b>TOTAL REVENUES</b>	<b>357</b>	<b>193</b>	<b>36</b>	<b>4</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>357</b>	<b>193</b>	<b>36</b>	<b>4</b>
FUND BALANCES, Beginning of Year	5,262	5,975	1,202	166
<b>FUND BALANCES, End of Year</b>	<b>\$ 5,619</b>	<b>6,168</b>	<b>1,238</b>	<b>170</b>



<b>Fire Safety House Fund</b>	<b>Simpsonville Arts Center Foundation Fund</b>	<b>Firefighters' 1% Fund</b>	<b>Victims' Advocate Fund</b>	<b>Seized Funds Fund</b>	<b>Narcotics Fund</b>	<b>Enforcing Underage Drinking Laws Fund</b>	<b>Total Non Major Special Revenue Funds</b>
-	-	-	24,183	-	-	-	\$ 24,183
-	-	345,579	-	-	-	-	345,579
-	51,695	-	-	-	23,487	999	76,381
-	3,999	-	2,810	298	1,403	320	9,220
-	<b>55,694</b>	<b>345,579</b>	<b>26,993</b>	<b>298</b>	<b>24,890</b>	<b>1,319</b>	<b>455,363</b>
-	31,355	-	25,730	-	-	-	57,085
-	-	340,245	-	-	32	2,289	342,566
-	1,842	-	-	-	-	-	1,842
-	<b>33,197</b>	<b>340,245</b>	<b>25,730</b>	<b>-</b>	<b>32</b>	<b>2,289</b>	<b>401,493</b>
-	<b>22,497</b>	<b>5,334</b>	<b>1,263</b>	<b>298</b>	<b>24,858</b>	<b>(970)</b>	<b>53,870</b>
296	88,115	25,051	71,874	10,556	45,224	12,118	265,839
<b>296</b>	<b>110,612</b>	<b>30,385</b>	<b>73,137</b>	<b>10,854</b>	<b>70,082</b>	<b>11,148</b>	<b>\$ 319,709</b>

**CITY OF SIMPSONVILLE, SOUTH CAROLINA**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON MAJOR CAPITAL PROJECTS FUNDS**

**YEAR ENDED JUNE 30, 2025**

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	<b>Bryson Meadows Project</b>	<b>Stewart Park Project</b>
<b>REVENUES</b>		
Interest	\$ 583	946
<b>TOTAL REVENUES</b>	<b>583</b>	<b>946</b>
<b>EXPENDITURES</b>		
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>583</b>	<b>946</b>
FUND BALANCES, Beginning of Year	1,417	2,321
<b>FUND BALANCES, End of Year</b>	<b>\$ 2,000</b>	<b>3,267</b>

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Knightsbridge Project	Fowler Chase Project	Heritage Pointe Project	Fox Trace Project	Total Non Major Capital Projects Funds
3,387	-	43	1,113	\$ 6,072
<b>3,387</b>	<b>-</b>	<b>43</b>	<b>1,113</b>	<b>6,072</b>
-	-	-	-	-
<b>3,387</b>	<b>-</b>	<b>43</b>	<b>1,113</b>	<b>6,072</b>
8,574	16	101	2,409	14,838
<b>11,961</b>	<b>16</b>	<b>144</b>	<b>3,522</b>	<b>\$ 20,910</b>

**CITY OF SIMPSONVILLE, SOUTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL  
SIMPSONVILLE ARTS CENTER FOUNDATION FUND**

**YEAR ENDED JUNE 30, 2025**

	<b>ORIGINAL BUDGET</b>	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>REVENUES</b>				
Other Income	\$ 50,000	50,000	51,695	\$ 1,695
Interest	500	500	3,999	3,499
<b>TOTAL REVENUES</b>	<b>50,500</b>	<b>50,500</b>	<b>55,694</b>	<b>5,194</b>
<b>EXPENDITURES</b>				
Current:				
General Government	38,500	38,500	31,355	7,145
Capital Outlay	500	500	1,842	(1,342)
<b>TOTAL EXPENDITURES</b>	<b>39,000</b>	<b>39,000</b>	<b>33,197</b>	<b>5,803</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>11,500</b>	<b>11,500</b>	<b>22,497</b>	<b>10,997</b>
FUND BALANCES, Beginning of Year	88,115	88,115	88,115	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 99,615</b>	<b>99,615</b>	<b>110,612</b>	<b>\$ 10,997</b>

CITY OF SIMPSONVILLE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>				
Fines	\$ 24,000	24,000	24,183	\$ 183
Interest	500	500	2,810	2,310
<b>TOTAL REVENUES</b>	<b>24,500</b>	<b>24,500</b>	<b>26,993</b>	<b>2,493</b>
<b>EXPENDITURES</b>				
Current:				
General Government	24,465	24,465	25,730	(1,265)
<b>TOTAL EXPENDITURES</b>	<b>24,465</b>	<b>24,465</b>	<b>25,730</b>	<b>(1,265)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>35</b>	<b>35</b>	<b>1,263</b>	<b>1,228</b>
FUND BALANCES, Beginning of Year	71,874	71,874	71,874	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 71,909</b>	<b>71,909</b>	<b>73,137</b>	<b>\$ 1,228</b>

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## CITY OF SIMPSONVILLE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2025

## FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
<b>Court Fines and Assessments:</b>				
Court fines and assessments collected			\$ 375,765	\$ 375,765
Court fines and assessments remitted to State Treasurer			(200,580)	(200,580)
<b>Total Court Fines and Assessments retained</b>			<b>175,185</b>	<b>175,185</b>
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained			5,894	5,894
Assessments retained			18,289	18,289
<b>Total Surcharges and Assessments retained for victim services</b>			<b>\$ 24,183</b>	<b>\$ 24,183</b>

## FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
<b>Carryforward from Previous Year – Beginning Balance</b>	<b>\$ 71,874</b>		<b>\$ 71,874</b>
<b>Victim Service Revenue:</b>			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	18,289		18,289
Victim Service Surcharges Retained by City/County Treasurer	5,894		5,894
Interest Earned	2,810		2,810
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
<b>Contribution Received from Victim Service Contracts:</b>			
(1) Town of			
(2) Town of			
(3) City of			
<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>	<b>\$ 98,867</b>		<b>\$ 98,867</b>
<b>Expenditures for Victim Service Program:</b>	<b>Municipal</b>	<b>County</b>	<b>Total</b>
Salaries and Benefits	\$ 21,830		\$ 21,830
Operating Expenditures	3,900		3,900
<b>Victim Service Contract(s):</b>			
(1) Entity's Name			
(2) Entity's Name			
<b>Victim Service Donation(s):</b>			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	<b>\$ 25,730</b>		<b>\$ 25,730</b>
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)			
<b>Less: Prior Year Fund Deficit Repayment</b>			
<b>Carryforward Funds – End of Year</b>	<b>\$ 73,137</b>		<b>\$ 73,137</b>

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## **STATISTICAL SECTION**

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# STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
Financial Trends Information <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	107
Revenue Capacity Information <i>These schedules contain information to help the reader assess the City's most significant local revenue source.</i>	114
Debt Capacity Information <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	118
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	123
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	125

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

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## CITY OF SIMPSONVILLE, SOUTH CAROLINA

## NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

## UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	\$ 27,193,768	29,760,910	30,553,710	33,093,999	36,091,957	37,323,078	43,820,346	46,647,741	62,275,771	\$ 66,622,288
Restricted	2,013,994	2,921,779	3,339,797	3,957,154	3,860,620	4,741,261	4,600,462	6,044,506	8,054,520	9,676,025
Unrestricted	(2,979,408)	(1,727,728)	(392,319)	1,974,856	3,027,552	3,745,399	7,132,170	10,359,330	15,295,882	16,692,567
Total Governmental Activities Net Position	\$ 26,228,354	30,954,961	33,501,188	39,026,009	42,980,129	45,809,738	55,552,978	63,051,577	85,626,173	\$ 92,990,880
Business-Type Activities										
Net Investment in Capital Assets	\$ 10,825,894	11,278,595	11,784,103	11,426,949	11,860,613	11,922,765	15,800,469	17,565,511	19,824,067	\$ 24,544,689
Restricted	-	-	186,384	186,786	186,272	187,114	186,582	196,279	210,225	224,125
Unrestricted	777,098	524,907	203,778	1,112,639	3,220,029	6,064,016	6,203,084	5,213,610	5,483,795	6,097,604
Total Business-Type Activities Net Position	\$ 11,602,992	11,803,502	12,174,265	12,726,374	15,266,914	18,173,895	22,190,135	22,975,400	25,518,087	\$ 30,866,418
Primary Government										
Net Investment in Capital Assets	\$ 38,019,662	41,039,505	42,337,813	44,520,948	47,952,570	49,245,843	59,620,815	64,213,252	82,099,838	\$ 91,166,977
Restricted	2,013,994	2,921,779	3,526,181	4,143,940	4,046,892	4,928,375	4,787,044	6,240,785	8,264,745	9,900,150
Unrestricted	(2,202,310)	(1,202,821)	(188,541)	3,087,495	6,247,581	9,809,415	13,335,254	15,572,940	20,779,677	22,790,171
Total Primary Government Net Position	\$ 37,831,346	42,758,463	45,675,453	51,752,383	58,247,043	63,983,633	77,743,113	86,026,977	111,144,260	\$ 123,857,298

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

## UNAUDITED

	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)	2025
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 1,886,308	2,008,607	1,869,082	2,031,474	2,292,004	2,554,241	1,915,631	2,492,288	2,929,426	\$ 3,890,133
Public Safety	8,362,290	9,506,408	9,857,761	10,404,863	11,402,360	13,091,901	13,135,059	13,924,075	15,378,648	16,082,317
Public Works	2,389,424	2,814,137	3,043,757	3,337,616	3,360,969	3,359,106	2,391,531	2,208,397	2,197,460	3,344,610
Recreation and Parks	2,411,881	2,655,560	2,667,757	2,573,468	2,561,335	2,650,800	3,508,938	3,381,962	3,078,863	3,477,020
Interest and Fiscal Charges	431,374	198,482	184,162	133,907	129,724	939,520	743,299	709,250	673,962	625,374
Total Governmental Activities Expenses	15,481,277	17,183,194	17,622,519	18,481,328	19,746,392	22,595,568	21,694,458	22,715,972	24,258,359	27,419,454
Business-Type Activities:										
Sewer	820,130	1,531,164	1,668,451	1,583,036	1,510,394	1,524,342	1,419,026	1,515,594	1,697,059	1,381,337
Public Works					692,284	50,082	950,569	1,464,063	1,419,177	1,757,045
Total Business-Type Activities Expenses	820,130	1,531,164	1,668,451	1,583,036	2,202,678	1,574,424	2,369,595	2,979,657	3,116,236	3,138,382
Total Primary Government Expenses	\$ 16,301,407	18,714,358	19,290,970	20,064,364	21,949,070	24,169,992	24,064,053	25,695,629	27,374,595	\$ 30,557,836
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 831,858	743,636	803,535	1,106,806	706,533	1,379,250	1,513,182	668,368	818,631	\$ 689,671
Public Safety	370,742	385,648	475,329	416,065	309,462	393,711	417,923	514,913	560,331	546,725
Public Works	206,634	174,378	264,384	278,345	5,989	-	-	125	772	-
Recreation and Parks	429,671	359,375	383,359	472,337	356,134	400,979	713,898	777,605	981,276	917,070
Operating Grants and Contributions	138,979	187,586	130,201	69,519	189,794	359,163	308,868	489,533	10,180,688	651,145
Capital Grants and Contributions	1,143,307	3,104,844	208,145	2,611,512	2,611,936	1,419,386	4,341,381	1,507,233	4,691,653	1,493,639
Total Governmental Activities Program Revenues	3,121,191	4,955,467	2,264,953	4,954,584	4,179,848	3,952,489	7,295,252	3,957,777	17,233,351	4,298,250
Business-Type Activities:										
Charges for Services	1,657,735	1,706,102	1,947,686	2,011,390	3,300,739	3,630,432	3,849,919	3,612,435	3,743,901	3,761,983
Capital Grants and Contributions	1,700,210	-	-	-	1,379,531	990,950	3,232,386	456,125	2,134,284	5,018,309
Total Business-Type Activities Program Revenues	3,357,945	1,706,102	1,947,686	2,011,390	4,680,270	4,621,382	7,082,305	4,068,560	5,878,185	8,780,292
Total Primary Government Program Revenues	\$ 6,479,136	6,661,569	4,212,639	6,965,974	8,860,118	8,573,871	14,377,557	8,026,337	23,111,536	\$ 13,078,542
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (12,360,086)	(12,227,727)	(15,357,566)	(13,526,744)	(15,566,544)	(18,643,079)	(14,399,206)	(18,758,195)	(7,025,008)	\$ (23,121,204)
Business-Type Activities	2,537,815	174,938	279,235	428,354	2,477,592	3,046,958	4,712,710	1,088,903	2,761,949	5,641,910
Total Primary Government Net (Expense)/Revenue	\$ (9,822,271)	(12,052,789)	(15,078,331)	(13,098,390)	(13,088,952)	(15,596,121)	(9,686,496)	(17,669,292)	(4,263,059)	\$ (17,479,294)

(Continued)

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

## UNAUDITED

	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)	2025
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 8,583,366	8,975,602	9,517,849	9,943,275	10,705,976	11,566,880	12,037,860	12,767,249	14,092,162	\$ 15,085,022
Hospitality and Accommodations Tax	2,082,167	2,264,750	2,475,732	2,576,876	2,434,320	2,806,249	3,347,691	3,718,018	4,011,257	4,428,573
MASC Telecommunications and Insurance Tax	1,994,342	2,101,552	2,313,859	2,649,703	2,783,846	2,769,050	3,443,325	3,354,413	3,787,809	4,214,301
Business Licenses	1,255,961	1,322,763	1,358,682	1,515,570	1,360,614	1,770,287	1,947,252	1,892,387	2,159,549	2,246,965
Franchise Fees	1,414,408	1,419,668	1,499,218	1,558,842	1,550,696	1,546,901	1,622,169	1,681,756	1,763,424	1,846,531
Unrestricted Intergovernmental Revenue	410,435	414,058	496,024	486,192	506,595	510,906	1,043,286	623,349	650,589	452,311
Unrestricted Investment Earnings	25,917	32,136	64,165	108,856	109,774	61,442	(146,404)	1,525,497	2,486,547	1,463,442
Gain on Disposal/Sale of Capital Assets	98,674	119,508	83,848	23,399	11,559	53,971	5,197	100,216	59,170	-
Miscellaneous Revenues	14,819	304,297	94,416	188,852	57,284	191,104	127,244	93,909	99,398	254,254
Transfers	-	-	-	-	-	158,420	714,826	500,000	489,699	494,512
Total Governmental Activities	15,880,089	16,954,334	17,903,793	19,051,565	19,520,664	21,435,210	24,142,446	26,256,794	29,599,604	30,485,911
Business-Type activities:										
Unrestricted Investment Earnings	4,730	18,317	91,528	123,755	62,948	18,443	18,356	192,112	270,437	198,383
Gain/(Loss) on Disposal/Sale of Capital Assets	47,331	-	-	-	-	-	-	4,250	-	2,550
Miscellaneous Revenues	-	7,255	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	(158,420)	(714,826)	(500,000)	(489,699)	(494,512)
Total Business-Type Activities	52,061	25,572	91,528	123,755	62,948	(139,977)	(696,470)	(303,638)	(219,262)	(293,579)
Total Primary Government	\$ 15,932,150	16,979,906	17,995,321	19,175,320	19,583,612	21,295,233	23,445,976	25,953,156	29,380,342	\$ 30,192,332
<b>Change in Net Position:</b>										
Governmental Activities	\$ 3,520,003	4,726,607	2,546,227	5,524,821	3,954,120	2,792,131	9,743,240	7,498,599	22,574,596	\$ 7,364,707
Business-Type Activities	2,589,876	200,510	370,763	552,109	2,540,540	2,906,981	4,016,240	785,265	2,542,687	5,348,331
Total Primary Government	\$ 6,109,879	4,927,117	2,916,990	6,076,930	6,494,660	5,699,112	13,759,480	8,283,864	25,117,283	\$ 12,713,038

(1) Certain governmental activities department expense amounts have been reclassified compared to how they were initially reported in the FY 2024 ACFR.

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

## UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 1,074,678	43,482	271,773	190,231	899,352	14,928	13,656	14,339	1,027,894	\$ 564,579
Restricted	484,453	195,304	233,529	249,562	272,503	243,191	286,535	373,514	428,954	473,794
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	7,298,425	9,316,521	11,193,286	13,865,310	15,145,120	17,684,520	18,240,905	18,863,889	21,804,366	24,937,376
Total General Fund	\$ 8,857,556	9,555,307	11,698,588	14,305,103	16,316,975	17,942,639	18,541,096	19,251,742	23,261,214	\$ 25,975,749
All Other Governmental Funds										
Nonspendable	\$ -	-	-	-	-	6,000	1,379,151	1,057,217	302,245	\$ 711,256
Restricted	1,900,798	2,776,768	3,161,913	3,745,856	3,626,668	31,559,035	30,431,278	29,042,685	21,675,707	11,417,215
Assigned	-	-	-	-	-	-	2,525,342	5,008,187	5,073,497	4,394,120
Unassigned	-	-	-	(1,885)	-	(98,082)	-	-	-	-
Total All Other Governmental Funds	\$ 1,900,798	2,776,768	3,161,913	3,743,971	3,626,668	31,466,953	34,335,771	35,108,089	27,051,449	\$ 16,522,591
Total Governmental Funds	\$ 10,758,354	12,332,075	14,860,501	18,049,074	19,943,643	49,409,592	52,876,867	54,359,831	50,312,663	\$ 42,498,340



## CITY OF SIMPSONVILLE, SOUTH CAROLINA

Table 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

## UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues</b>										
Taxes:										
Property	\$ 8,558,134	9,009,254	9,512,599	9,976,558	10,677,572	11,543,240	12,067,175	12,693,116	14,122,364	\$ 15,073,731
Hospitality and Accommodations	1,939,169	2,078,213	2,256,807	2,366,028	2,261,827	2,644,119	3,136,105	3,485,441	3,763,630	4,074,842
MASC Telecommunications and Insurance	1,994,342	2,101,552	2,313,859	2,649,703	2,783,846	2,769,050	3,443,324	3,354,413	3,787,809	4,214,301
Franchise	1,414,408	1,419,668	1,499,218	1,558,842	1,550,696	1,747,133	1,622,169	1,681,756	1,763,424	1,846,531
Licenses, Permits and Fees	2,249,468	2,195,346	2,258,217	2,741,774	2,193,287	3,307,335	3,635,746	2,784,087	3,207,165	3,170,942
Intergovernmental	768,792	1,140,517	922,031	1,203,904	1,037,680	1,008,167	1,157,127	1,092,706	1,204,834	1,044,109
Fines and Forfeitures	141,131	140,474	208,676	162,491	106,095	132,359	147,623	221,238	178,743	175,185
One Percent Income	-	-	-	-	-	149,157	253,331	264,225	270,381	345,579
Interest	25,917	32,136	17,522	108,856	109,780	61,442	71,727	1,231,700	2,261,766	1,461,792
Grants	122,320	177,132	122,058	60,739	184,697	193,043	787,502	571,031	12,959,403	1,351,426
Other	618,245	554,381	891,320	1,008,205	469,259	531,052	963,168	905,131	1,205,352	1,155,426
Gain (Loss) on Investments	-	-	-	-	-	-	(218,131)	293,797	224,781	1,650
Total Revenues	\$ 17,831,926	18,848,673	20,002,307	21,837,100	21,374,739	24,086,097	27,066,866	28,578,641	44,949,652	\$ 33,915,514
<b>Expenditures</b>										
Current:										
General Government	\$ 1,826,119	1,889,808	1,728,275	1,897,694	2,078,687	2,297,799	2,395,703	2,522,343	2,682,727	\$ 2,962,144
Public Safety	7,783,058	8,131,574	8,428,966	8,972,648	9,617,464	10,915,104	11,654,972	12,616,949	13,654,609	14,962,738
Public Works	1,723,950	2,087,881	2,197,392	2,342,378	2,679,297	2,852,711	1,758,044	1,604,375	1,502,695	2,654,432
Parks and Recreation	1,856,219	2,064,361	2,256,970	2,071,443	1,939,984	2,084,780	2,205,191	2,337,589	2,393,639	2,721,045
Capital Outlay	2,164,112	1,579,471	1,440,767	1,437,936	2,259,844	2,178,331	4,366,631	6,456,457	27,144,830	16,912,246
Debt Service:										
Principal	1,705,799	1,774,959	1,957,520	1,907,441	1,940,721	1,634,492	1,245,188	1,200,000	1,237,000	1,279,000
Payment to Refunded Debt Escrow Agent	7,700,990	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	176,330	168,415	143,802	117,891	96,807	72,216	714,022	999,307	964,434	921,189
Bond Issuance Costs	72,751	-	11,945	-	-	624,753	-	-	3,634	-
Total Expenditures	25,009,328	17,696,469	18,165,637	18,747,431	20,612,804	22,660,186	24,339,751	27,737,020	49,583,568	42,412,794
Excess of Revenues Over (Under) Expenditures	\$ (7,177,402)	1,152,204	1,836,670	3,089,669	761,935	1,425,911	2,727,115	841,621	(4,633,916)	\$ (8,497,280)

(Continued)

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

(Modified Accrual Basis of Accounting)

**UNAUDITED**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 2,149,993	1,205,239	1,429,860	541,505	453,927	613,854	5,267,120	3,431,932	1,767,508	\$ 8,994,856
Transfers Out	(2,149,993)	(1,205,239)	(1,429,860)	(541,505)	(453,927)	(455,434)	(4,552,294)	(2,931,932)	(1,277,809)	(8,500,344)
Issuance of Bonds	1,175,000	-	480,000	-	772,000	13,154,346	-	-	-	-
Issuance of Capital Lease	519,400	-	-	-	-	-	-	-	-	-
Issuance of Financed Purchases	509,775	-	-	-	314,003	-	-	-	-	-
Issuance of Refunding Debt	7,216,000	-	-	-	-	16,885,717	-	-	-	-
Payment to Refund Debt Escrow Agent	-	-	-	-	-	(2,445,469)	-	-	-	-
Sale of Capital Assets	71,786	128,667	134,415	23,399	13,357	67,865	5,197	100,216	59,170	20,520
Insurance Proceeds	31,805	292,850	77,341	75,505	33,274	181,681	20,137	41,127	37,879	167,925
Total Other Financing Sources (Uses)	9,523,766	421,517	691,756	98,904	1,132,634	28,002,560	740,160	641,343	586,748	682,957
Net Change in Fund Balances	\$ 2,346,364	1,573,721	2,528,426	3,188,573	1,894,569	29,428,471	3,467,275	1,482,964	(4,047,168)	\$ (7,814,323)
Debt Service as a Percentage of Noncapital Expenditures	41.9%	12.1%	12.6%	11.7%	11.1%	8.3%	9.8%	10.3%	9.8%	8.5%

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

GOVERNMENTAL FUNDS TAX REVENUE BY SOURCE  
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

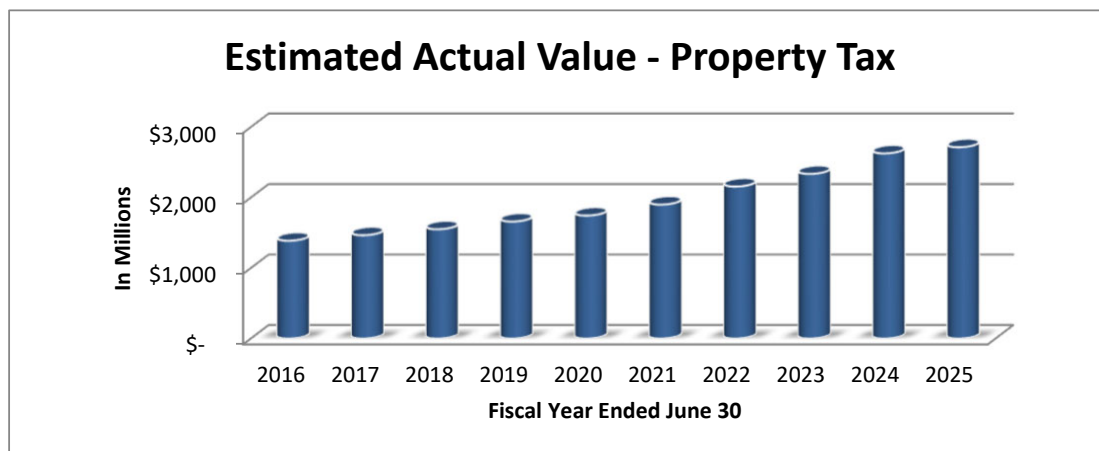
## UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Taxes by Source:										
Property Tax	\$ 8,558,134	9,009,254	9,512,599	9,976,558	10,677,572	11,543,240	12,067,175	12,693,116	14,122,364	\$ 15,073,731
Hospitality and Accommodations Tax	1,939,169	2,078,213	2,256,807	2,366,028	2,261,827	2,644,119	3,136,105	3,485,441	3,763,630	4,074,842
MASC Telecommunications and Insurance Tax	1,994,342	2,101,552	2,313,859	2,649,703	2,783,846	2,769,050	3,443,324	3,354,413	3,787,809	4,214,301
Franchise Fees	1,414,408	1,419,668	1,499,218	1,558,842	1,550,696	1,747,133	1,921,937	1,681,756	1,763,424	1,846,531
Total Tax Revenues	\$ 13,906,053	14,608,687	15,582,483	16,551,131	17,273,941	18,703,542	20,568,541	21,214,726	23,437,227	\$ 25,209,405

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year Ended June 30	Assessed Real Property		Assessed Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Tax Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property					
2016	\$ 31,493,970	35,906,270	11,685,320	\$ 79,085,560	63.60	\$ 1,387,873,759	5.70%
2017	33,493,150	37,537,010	12,470,420	83,500,580	63.60	1,465,902,366	5.70%
2018	35,585,930	39,246,570	12,966,580	87,799,080	63.60	1,551,108,806	5.66%
2019	35,120,630	41,293,300	13,037,200	89,451,130	63.60	1,659,696,264	5.39%
2020	38,935,293	42,581,610	13,464,680	94,981,583	63.60	1,744,598,772	5.44%
2021	42,619,850	50,206,440	13,627,710	106,454,000	63.60	1,900,551,543	5.60%
2022	50,238,980	53,570,280	14,968,520	118,777,780	59.80	2,156,233,649	5.51%
2023	53,782,570	59,154,510	16,486,840	129,423,920	59.80	2,335,669,927	5.54%
2024	58,548,150	68,996,020	18,598,350	146,142,520	59.80	2,626,590,372	5.56%
2025	\$ 62,396,550	70,422,270	24,485,377	\$ 157,304,197	59.80	\$ 2,714,679,917	5.79%



Source: Greenville County Information Systems and Services.

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS

## UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>City Direct Rates:</b>										
Operating	56.8	56.8	56.8	56.8	56.8	56.8	59.8	59.8	59.8	59.8
Debt Service	6.8	6.8	6.8	6.8	6.8	6.8	-	-	-	-
	63.6	63.6	63.6	63.6	63.6	63.6	59.8	59.8	59.8	59.8
<b>County Rates:</b>										
Greenville County	51.9	51.9	51.9	51.9	51.9	51.9	48.8	48.8	55.8	55.8
<b>School District Rates:</b>										
Greenville County Schools	184.9	184.9	191.8	196.9	202.9	202.9	194.2	198.7	207.7	206.7
<b>Fire District Rates:</b>										
Simpsonville Fire District	32.8	32.3	32.1	32.1	37.5	36.6	36.6	36.6	36.5	36.0

Source: Greenville County Millage Rate Sheets

Note: Overlapping rates are those of local and county governments that apply to property owners within the City of Simpsonville. Not all overlapping rates apply to all of the City of Simpsonville property owners (i.e., the rates for fire/special purpose districts apply only to the proportion of the City of Simpsonville's property owners whose property is located within the geographic boundaries of the fire/special purpose district).

## CITY OF SIMPSONVILLE, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

## UNAUDITED

	2025				2016			
	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
	Duke Energy Carolinas	\$ 2,738,510	1	1.74%	Duke Energy	\$ 1,411,680	1	1.79%
	HME Palmetto Apartments	2,525,930	2	1.61%	Walmart Real Estate	1,103,960	2	1.40%
	DLH The Ascent at Grande Place	2,100,000	3	1.33%	Waypoint Garden District	995,220	3	1.26%
	HR/CSIM Harrison Property Owner	1,832,580	4	1.16%	Developers Diversified Finance	919,240	4	1.16%
	Waterleaf at Neely Ferry LLC	1,581,960	5	1.01%	Jasmine Cove	884,930	5	1.12%
	Waterleaf at Neely Ferry Phase	1,401,430	6	0.89%	Centro Bradley Fairview Corner	635,700	6	0.80%
	Jasmine Cove Properties LLC	1,389,290	7	0.88%	NNN Arbors at Fairview	620,510	7	0.78%
	Upstate Garden District Apartment	1,320,750	8	0.84%	Gresham LLC	572,320	8	0.72%
	Martin Family Limited Partners	1,224,430	9	0.78%	Enclave Grandview LLC	570,930	9	0.72%
	Simpsonville Apartment Partners	1,218,990	10	0.77%	Lowe's Home Center	541,070	10	0.68%
Totals		\$ 17,333,870		11.0%		\$ 8,255,560		10.4%

Source: Greenville County Information Systems and Services.

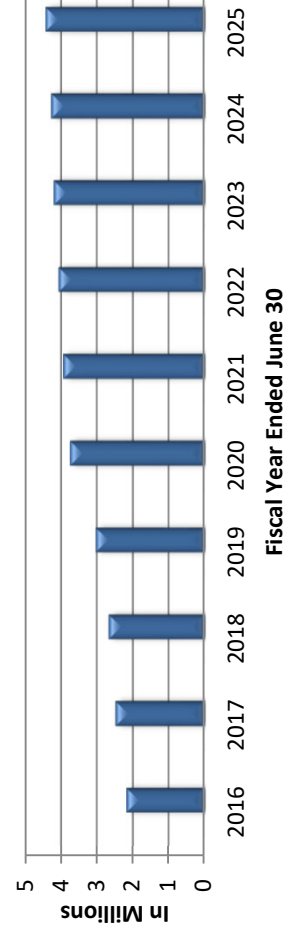
Note: Percentage is based on the Total Taxable Assessed Value of respective year.

**CITY OF SIMPSONVILLE, SOUTH CAROLINA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year Ended June 30	Adjustments to		Collected within the Fiscal		Collections in Subsequent Years	Total Collections to Date	
	Original Tax Levy for Fiscal Year	Adjusted Tax Levy for Fiscal Year (1)	Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 4,871,523	-	4,811,194	98.8%	-	\$ 4,811,194	98.8%
2017	5,224,884	-	5,066,391	97.0%	70,312	5,136,703	98.3%
2018	5,419,676	-	5,260,774	97.1%	-	5,260,774	97.1%
2019	5,872,218	-	5,722,987	97.5%	103,843	5,826,830	99.2%
2020	6,024,964	-	5,913,501	98.1%	-	5,913,501	98.1%
2021	6,568,862	-	6,425,459	97.8%	-	6,425,459	97.8%
2022	7,000,589	-	6,901,992	98.6%	-	6,901,992	98.6%
2023	7,601,800	-	7,399,921	97.3%	-	7,399,921	97.3%
2024	8,615,653	-	8,551,951	99.3%	-	8,551,951	99.3%
2025	\$ 9,528,400	-	8,922,490	93.6%	-	\$ 8,922,490	93.6%

**Total Taxes Collected**



Source: Greenville County Information Systems and Services.  
 (1) This excludes property taxes levied for the Fire Service Area.

**CITY OF SIMPSONVILLE, SOUTH CAROLINA**

**Table 10**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Financed Purchases	Leases	Revenue Bonds	Financed Purchases					
2016	\$ 1,553,513	7,216,000	1,541,005	519,400	-	329,943	\$	11,159,861	1.95%	\$	538
2017	1,192,226	6,323,000	1,179,333	360,400	11,198,081	254,376		20,507,416	3.37%		962
2018	1,240,409	5,368,000	767,630	201,400	10,791,082	172,543		18,541,064	2.95%		840
2019	867,815	4,398,000	393,583	-	10,379,083	94,442		16,132,923	2.38%		700
2020	1,154,801	3,410,000	239,879	-	9,952,084	-		14,756,764	2.00%		609
2021	661,521	30,040,063	104,667	-	9,515,085	-		40,321,336	5.26%		1,727
2022	451,000	28,834,005	-	-	9,063,086	-		38,348,091	4.88%		1,553
2023	341,000	27,467,947	-	-	8,601,087	-		36,410,034	3.99%		1,473
2024	229,000	26,066,889	-	-	8,119,088	-		34,414,977	3.24%		1,251
2025	\$ 115,000	24,625,831	-	-	7,622,089	-	\$	32,362,920	2.93%	\$	1,153

Note: Details regarding the City of Simpsonville's outstanding debt can be found in the notes to the financial statements.  
See the Schedule of Demographic and Economic Statistics for personal income and population data.



**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Fiscal Year Ended June 30</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Funds</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2016	\$ 1,553,513	-	\$ 1,553,513	0.1%	\$ 75
2017	1,192,226	-	1,192,226	0.1%	56
2018	1,240,409	-	1,240,409	0.1%	56
2019	867,815	-	867,815	0.1%	38
2020	1,154,801	-	1,154,801	0.1%	48
2021	661,521	-	661,521	0.0%	28
2022	451,000	-	451,000	0.0%	18
2023	341,000	-	341,000	0.0%	14
2024	229,000	-	229,000	0.0%	8
2025	\$ 115,000	-	\$ 115,000	0.0%	\$ 4

Note: Details regarding the City of Simpsonville outstanding debt can be found in the notes to the basic financial statements. See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data. See the Schedule of Demographic and Economic Statistics for population data.

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2025**

**UNAUDITED**

<b>Governmental Unit</b>	<b>Governmental Activities Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>County:</b>			
Greenville County	\$ 319,640,014	4.12%	\$ 13,169,169
<b>School District:</b>			
Greenville County School District	326,942,000	4.12%	13,470,010
Subtotal, Overlapping Debt			26,639,179
City of Simpsonville Direct Debt			
General Obligation Bonds	115,000	100%	115,000
Revenue Bonds	\$ 24,625,831	100%	24,625,831
			24,740,831
Total Direct and Overlapping Debt			\$ 51,380,010

Sources: Assessed value data used to estimate applicable percentages and amount of debt outstanding provided by the applicable government.

Note 1: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City of Simpsonville's taxable assessed value that is within the government's boundaries and dividing it by the City of Simpsonville's total taxable assessed value.

Note 2: Overlapping rates are those of county and local governments that apply to property owners within the City of Simpsonville. Not all overlapping rates apply to all of the City of Simpsonville's property owners (i.e., the rates for fire/special purpose districts apply only to the proportion of the City of Simpsonville's property owners whose property is located within the geographic boundaries of the fire/special purpose district).

CITY OF SIMPSONVILLE, SOUTH CAROLINA

Table 13

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 6,196,180	6,540,213	6,878,257	7,300,762	7,598,527	8,516,320	9,502,222	10,353,914	11,691,402	\$ 12,584,336
Total Net Debt Applicable to Debt Limit	1,553,513	1,192,226	1,240,409	867,815	1,154,801	661,521	451,000	341,000	229,000	115,000
Legal Debt Margin	\$ 4,642,667	5,347,987	5,637,848	6,432,947	6,443,726	7,854,799	9,051,222	10,012,914	11,462,402	\$ 12,469,336
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	25.1%	18.2%	18.0%	11.9%	15.2%	7.8%	4.7%	3.3%	2.0%	0.9%

Legal Debt Margin Calculation for Fiscal Year

Total Assessed Value	\$ 157,304,197
Debt Limit Percentage	8.0%
Debt Limit 8% of Total Assessed Value	12,584,336
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	115,000
Total Amount of Debt Applicable to Debt Limit	115,000
Legal Debt Margin	\$ 12,469,336

Note: Article Eight (8), Section Seven (7) of the South Carolina Constitution, as amended, provides that no government shall incur any bonded debt which shall exceed 8% percent of the assessed value of the property therein without voter approval.

**PLEDGED REVENUE COVERAGE - SEWER REVENUE BONDS  
LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year Ended June 30	Sewer Revenue Bonds					
	Charges and Other Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	\$ 1,662,465	564,419	1,098,046	45,000	\$ 1,746	23.5
2017	1,724,419	540,527	1,183,892	-	146,299	8.1
2018	2,039,214	734,564	1,304,650	441,833	390,494	1.6
2019	2,135,145	642,340	1,492,805	459,396	366,621	1.8
2020	2,000,137	544,096	1,456,041	380,000	354,063	2.0
2021	2,204,490	451,544	1,752,946	390,000	356,218	2.3
2022	2,368,541	418,547	1,949,994	405,000	344,519	2.6
2023	2,249,365	647,544	1,601,821	415,000	330,212	2.1
2024	2,383,669	1,002,049	1,381,620	435,000	313,612	1.8
2025	\$ 2,286,018	699,010	1,587,008	450,000	\$ 296,213	2.1

Notes:

Details regarding the City of Simpsonville's outstanding debt can be found in the notes to the financial

Operating revenues do not include gains on disposal or sale of capital assets.

Operating expenses do not include depreciation.

Debt service represents scheduled revenue bond and financed purchase payments for the current fiscal year.

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Fiscal Year Ended June 30</b>	<b>Population <sup>1</sup></b>	<b>Personal Income</b>	<b>Per Capita Personal Income <sup>2</sup></b>	<b>Median Age <sup>2</sup></b>	<b>Unemployment Rate <sup>2</sup></b>
2016	20,736	\$ 572,292,864	\$ 27,599	37.8	4.6
2017	21,314	608,237,618	28,537	39.7	4.1
2018	22,072	629,471,368	28,519	37.7	3.3
2019	23,037	678,324,465	29,445	38.8	2.8
2020	24,221	736,076,190	30,390	39.1	2.8
2021	23,354	766,501,634	32,821	37.8	3.6
2022	24,685	785,846,975	31,835	36.2	4.2
2023	24,724	911,845,844	36,881	36.6	3.6
2024	27,506	1,061,236,492	38,582	37.8	4.1
2025	28,078	\$ 1,105,795,874	\$ 39,383	36.4	4.0

Data Sources:

- 1 Based on 2013 and 2020 Census plus estimated growth rate and annexations.
- 2 Represents data as reported by the U.S. Census Bureau based on census results in the years 2013 and 2020, with non-census years data estimated based on trends reported by the U.S. Census Bureau for Greenville County.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

Table 16

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

2025		2016	
Employer	Number of Employees	Employer	Number of Employees
	Rank		Rank
	Percentage		Percentage
Prisma Health (FKA Greenville Health Systems)	15,941	Greenville Health Systems	12,770
School District of Greenville County	10,095	School District of Greenville County	9,580
Michelin North America, Inc. (Gvl)	7,120	Bon Secours St. Francis	5,047
Bi-Lo, LLC	4,600	Michelin North America, Inc. (Gvl)	4,000
Bon Secours St. Francis	4,355	GE Power	3,400
GE Power	3,400	State of South Carolina	3,036
Duke Energy Corp.	3,300	Flour Corporation	2,260
Greenville County Government	2,685	Bi-Lo, LLC	2,089
State of South Carolina	2,552	US Government	1,835
Flour Corporation	2,400	Greenville County Government	1,771
Totals	56,448	Totals	45,788
			100.00%

CITY OF SIMPSONVILLE, SOUTH CAROLINA

Table 17

OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

UNAUDITED

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Business Licenses	1,487	1,349	1,401	1,462	1,281	1,792	1,730	1,666	1,926	2,035
Building Permits Issued	709	922	782	947	802	985	1,003	676	840	706
Building Inspections Conducted	4,682	7,357	5,787	4,789	5,125	5,004	6,246	5,823	4,648	2,456
Public Safety - Police										
Physical Arrests	956	485	632	618	593	913	720	514	596	596
Parking and Traffic Violations	2,925	4,936	3,693	3,076	2,465	2,285	2,886	3,267	3,278	3,278
Public Safety - Fire										
Emergency Responses	2,635	3,101	3,306	2,740	2,564	3,194	3,416	3,601	4,816	5,361
Fires Extinguished	80	117	84	98	103	112	120	101	120	151
Inspections	1,083	1,202	1,228	1,074	1,304	1,128	1,881	1,415	1,026	1,573
Public Service										
Potholes Repaired	68	73	204	264	170	238	158	81	136	97
Roads Maintained (in Miles)	74	78	80	80	86	86	86	86	87	87
Parks and Recreation										
Recreational Participants	2,222	2,064	2,121	2,230	1,540	2,488	2,845	2,823	2,915	2,847

Sources: City of Simpsonville Department records.

**CITY OF SIMPSONVILLE, SOUTH CAROLINA**

**Table 18**

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

**UNAUDITED**

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
General Government	10	11	11	11	11	11	11	11	11	16
Justice and Legal	2	2	2	4	3	3	3	3	3	3
Public Safety	107	107	111	121	113	129	129	128	123	131
Public Works	21	18	19	22	20	26	25	24	23	25
Parks and Recreation	18	19	18	17	17	25	18	17	17	28
Total	158	157	161	175	164	194	186	183	177	203

Source: City of Simpsonville Payroll Records.



**CITY OF SIMPSONVILLE, SOUTH CAROLINA**

**Table 19**

**CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

**UNAUDITED**

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Justice and Legal										
Correction/Jail Cell Facility Capacity	2	2	2	2	2	2	2	2	2	2
Public Safety - Police										
Number of Police Stations	1	1	1	1	1	1	1	1	1	1
Number of Patrol Units	26	26	25	24	28	28	28	28	28	28
Public Safety - Fire										
Number of Fire Stations	4	4	5	5	5	6	6	6	6	6
Number of Fire Trucks	10	12	12	12	12	12	14	14	14	14
Public Service										
Streets (in Miles)	74	100	102	102	106	106	106	106	106	106
Traffic Signals	22	23	22	22	22	22	22	22	22	22
Parks and Recreation										
Parks Acreage	167	171	171	171	171	171	171	171	171	171
Parks	8	9	9	9	9	9	9	9	9	9
Ball Fields	13	13	13	13	13	13	13	13	13	13
Solid Waste										
Collection/Refuse Trucks	22	4	1	1	1	4	4	4	4	4

Sources: Various City of Simpsonville Departments.

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# **COMPLIANCE SECTION**

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## CITY OF SIMPSONVILLE, SOUTH CAROLINA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

<b>Program</b>	<b>Assistance Listing Number</b>	<b>Grant / Contract Number</b>	<b>Expenditures</b>
<b>US DEPARTMENT OF HOMELAND SECURITY</b>			
Pass Through SC Office of Adjutant General: Disaster Grants - Public Assistance (Debris Removal) - Hurricane Helene	97.036	4829DRSCP00005241	\$ 98,487
<b>TOTAL US DEPARTMENT OF HOMELAND SECURITY</b>			<b>98,487</b>
<b>US DEPARTMENT OF THE TREASURY</b>			
Pass Through SC Rural Infrastructure Authority: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan)	21.027	A-23-C177	4,268,309
<b>TOTAL US DEPARTMENT OF THE TREASURY</b>			<b>4,268,309</b>
<b>GRAND TOTALS</b>			<b>\$ 4,366,796</b>

Note: There were no expenditures to subrecipients for the year ended June 30, 2025.

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

**CITY OF SIMPSONVILLE, SOUTH CAROLINA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2025**

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**A. GENERAL**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of the City of Simpsonville, South Carolina (the “City”) for the year ended June 30, 2025. Expenditures for federal financial assistance awarded directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

**B. BASIS OF ACCOUNTING**

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

**C. RELATIONSHIP TO THE FINANCIAL STATEMENTS**

Federal award expenditures are reported in the City’s financial statements as expenditures in the General Fund and special revenue funds and as capital asset additions in the enterprise funds.

**D. MATCHING COSTS**

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

**E. INDIRECT COST RATE**

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



# Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("Government Auditing Standards"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simpsonville, South Carolina (the "City") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 22, 2026.

#### Report on Internal Control Over Financial Reporting

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

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

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

#### Report on Compliance and Other Matters

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

### **Purpose of This Report**

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

*Greene Finney Cauley, LLP*

Greene Finney Cauley, LLP  
Mauldin, South Carolina  
January 22, 2026





# Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

### INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and the Members of City Council  
City of Simpsonville, South Carolina

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

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

We have audited the City of Simpsonville, South Carolina's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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

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

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

##### ***Responsibilities of Management for Compliance***

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

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

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

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

#### **Report on Internal Control over Compliance**

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

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

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

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

*Greene Finney Cauley, LLP*

Greene Finney Cauley, LLP  
Mauldin, South Carolina  
January 22, 2026

**CITY OF SIMPSONVILLE, SOUTH CAROLINA**

**SUMMARY OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2025**

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There were no audit findings in the prior year.

CITY OF SIMPSONVILLE, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

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Section I - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>          </u> Yes	<u>      X      </u> No
Significant deficiency(s) identified that are not considered to be material weaknesses?	<u>          </u> Yes	<u>      X      </u> None Reported
Noncompliance material to financial statements noted?	<u>          </u> Yes	<u>      X      </u> No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	<u>          </u> Yes	<u>      X      </u> No
Significant deficiency(s) identified that are not considered to be material weaknesses?	<u>          </u> Yes	<u>      X      </u> None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516 (Uniform Guidance)?	<u>          </u> Yes	<u>      X      </u> No
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Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan)

Dollar threshold used to distinguish between type A and type B programs:	<u>      \$ 750,000      </u>
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Auditee qualified as low-risk auditee?	<u>          </u> Yes	<u>      X      </u> No
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Section II - Financial Statement Findings

No matters to report.

Section III - Federal Awards Findings and Questioned Costs

No matters to report.