



**CITY OF WALTERBORO  
SOUTH CAROLINA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2025**

**MAYOR - WILLIAM T. YOUNG, JR**

**CITY COUNCIL**

JAMES BRODERICK	CARL BROWN
GREG PRYOR	JUDY BRIDGE
LADSON FISHBURNE	PAUL SIEGEL

**CITY MANAGER - JEFF MOLINARI**

**FINANCE DIRECTOR - AMY RISHER**

PREPARED BY:  
FINANCE DEPARTMENT

# City of Walterboro, South Carolina

## Annual Comprehensive Financial Report

### For the Fiscal Year Ended June 30, 2025

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**City of Walterboro, South Carolina**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2025**

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# INTRODUCTORY SECTION



November 15, 2025

The Honorable Members of City Council and the Citizens of the City of Walterboro, South Carolina

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (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 City of Walterboro (City) for the fiscal year ended June 30, 2025.

This report consists of management's representations concerning the finances of the City of Walterboro. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Walterboro has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Walterboro's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, City of Walterboro'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 dependable in all material respects.

The City of Walterboro's financial statements have been audited by The Baird Audit Group, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Walterboro for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the City of Walterboro's financial statements for the fiscal year ending June 30, 2025, are fairly presented in conformity with GAAP. The independent auditors' 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 MD&A and should be read in conjunction with it. City of Walterboro's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The City of Walterboro was incorporated in 1826 and is located in Colleton County, South Carolina. It is 54 miles south of Charleston, South Carolina and 69 miles north of Savannah, Georgia on Interstate I-95 exits 53

and 57. As of June 30, 2025, the City of Walterboro occupied a land area of 6.7 square miles and serves a population of approximately 5,544. The City of Walterboro is empowered to levy a property tax on both real and personal property located within its boundaries.

The City of Walterboro operates under the council manager form of government. Policy-making and legislative authority are vested in a governing council consisting of seven members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The City's Manager is responsible for conducting policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of various departments. The six Council members and Mayor are each elected to four-year staggered terms, with three council members elected every two years.

The City of Walterboro provides a full range of services to its citizens including police, fire, public works, planning and development, parks, municipal court, economic development, tourism, and water and sewer services.

The annual budget serves as the foundation for the City of Walterboro's financial planning and control. All departments of the City of Walterboro are required to submit requests for appropriations to the manager in the first week of February each year. The City Manager uses these requests as the starting point for developing a proposed budget. These requests are based upon the policy goals requested by the Council at an annual planning retreat. The City Manager then presents this proposed budget to the Council for review the first week in April. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30th, the close of the City of Walterboro's fiscal year. The appropriated budget is prepared by fund and department. Budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the manager at the fund level and may be amended as necessary during the fiscal year. Budget-to-actual comparisons are provided in the report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 66 as part of the required supplementary information for governmental funds.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Walterboro operates.

### **Local Economy**

According to the Census Bureau, the median household income is approximately \$48,366. Walterboro's existing retail marketplace remained steady at approximately \$450 million (as extrapolated from business license returns). Many big box retailers and more than a dozen large hotels continue their operations in Walterboro's vibrant local economy. In 2025, several notable property renovations were completed, including those at Walmart, Waffle House, Cracker Barrel, DaVita, and Colleton Medical Center. Additionally, new construction projects were undertaken including Dollar General and Express Oil. Krystal has opened in the former Popeyes location, and AgFirst Farm Credit has commenced construction on a new office building. Economic development efforts continue to create commercial redevelopment throughout the City of Walterboro.

### **Long-term Financial Planning**

One of the City of Walterboro's primary concerns is that the necessary planning and growth management tools

are implemented to ensure that the future cost of providing City of Walterboro services does not exceed the revenues generated from slow but steady growth. During the budget preparation process, capital needs are projected five years into the future, along with anticipated revenues and related operating expenditures. These projections are updated each year. The City of Walterboro's water and wastewater treatment operations continue to be a critical component of the City of Walterboro's ability to service its population and attract commercial development. The City of Walterboro continues its efforts to provide quality water and wastewater treatment services to its customers.

## **Relevant Accounting Policies**

***Internal Controls*** – Internal controls are procedures that are designed to protect assets from loss, theft, or misuse; to check the accuracy and reliability of accounting data; to promote operational efficiency; and to encourage compliance with managerial policies. The management of the City of Walterboro is responsible for establishing a system of internal controls designed to provide reasonable assurance these objectives are met.

***Budgetary Controls*** – The City of Walterboro maintains budgetary controls which are designed to ensure compliance with legal provisions of the annual budget adopted by Council. It is the City of Walterboro's objective to conduct an open budget process providing for input from department administrators, top management, elected officials, and the public as the City of Walterboro's programs and services are determined for the next year.

## **Major Initiatives**

The City of Walterboro has identified a 6.35-mile transportation corridor along Highways 63 and 64 from I-95 exit 53 to exit 57, known as the "I-95 Business Loop Streetscape Corridor" as a major gateway and economic growth corridor. Design and engineering on Phase 3 began this year. Phase 3 will extend along Bells Highway from Jefferies Blvd to Exit 57 and will complete the project. The goal of the Loop Project is to tie exits 53 and 57 together through the City of Walterboro with an enhanced streetscape with decorative mast arms, sidewalks, landscaped medians, street trees, signage, decorative mast arms, stamped asphalt crosswalks, lighting, and the milling and resurfacing of the entire corridor.

The City of Walterboro has undertaken several significant infrastructure projects, including the expansion of the Wastewater Treatment Plant and the development of Sewer Subsystems 1 East and 3, which are currently 96% complete. Additionally, construction has begun on multiple park projects aimed at enhancing the quality of life for all residents of Walterboro.

These projects include:

- 1) \$ 45,108 Wastewater Treatment Plant Trunk Line
- 2) \$ 37,700 Gadsden Loop Water Project
- 3) \$13,826,624 Wastewater Treatment Plant Expansion
- 4) \$ 356,694 Subsystem 1 East and 3
- 5) \$ 1,092,610 Wastewater Treatment Plant Generator
- 6) \$ 90,311 Hwy 17 & 63 Pump & Force Main
- 7) \$ 430,875 Northwest Sewer Improvements
- 8) \$ 257,733 Ireland Creek Revitalization
- 9) \$ 298,610 I95 Loop Phase 3
- 10) \$ 197,775 Boardwalk Replacement Project
- 11) \$ 10,665 Water Tower Park

## Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement in Financial Reporting. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

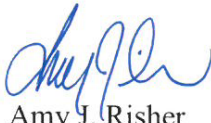
For the past thirteen consecutive years, the City of Waltherboro has received a "Certificate of Achievement for Excellence in Finance Reporting" award. A Certificate of Achievement is valid for a period of one year only. The current report will conform to certificate of achievement program requirements and will be submitted to the GFOA to determine its eligibility for another certificate.

The preparation of the annual comprehensive financial report was made possible by the cooperation of the department managers and staff of the City of Waltherboro. Each of these individuals has our sincere appreciation for the contributions made in the preparation of this report.

Sincerely,



Jeffrey P. Molinari  
City Manager



Amy J. Risher  
Finance Director



Government Finance Officers Association

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

Presented to

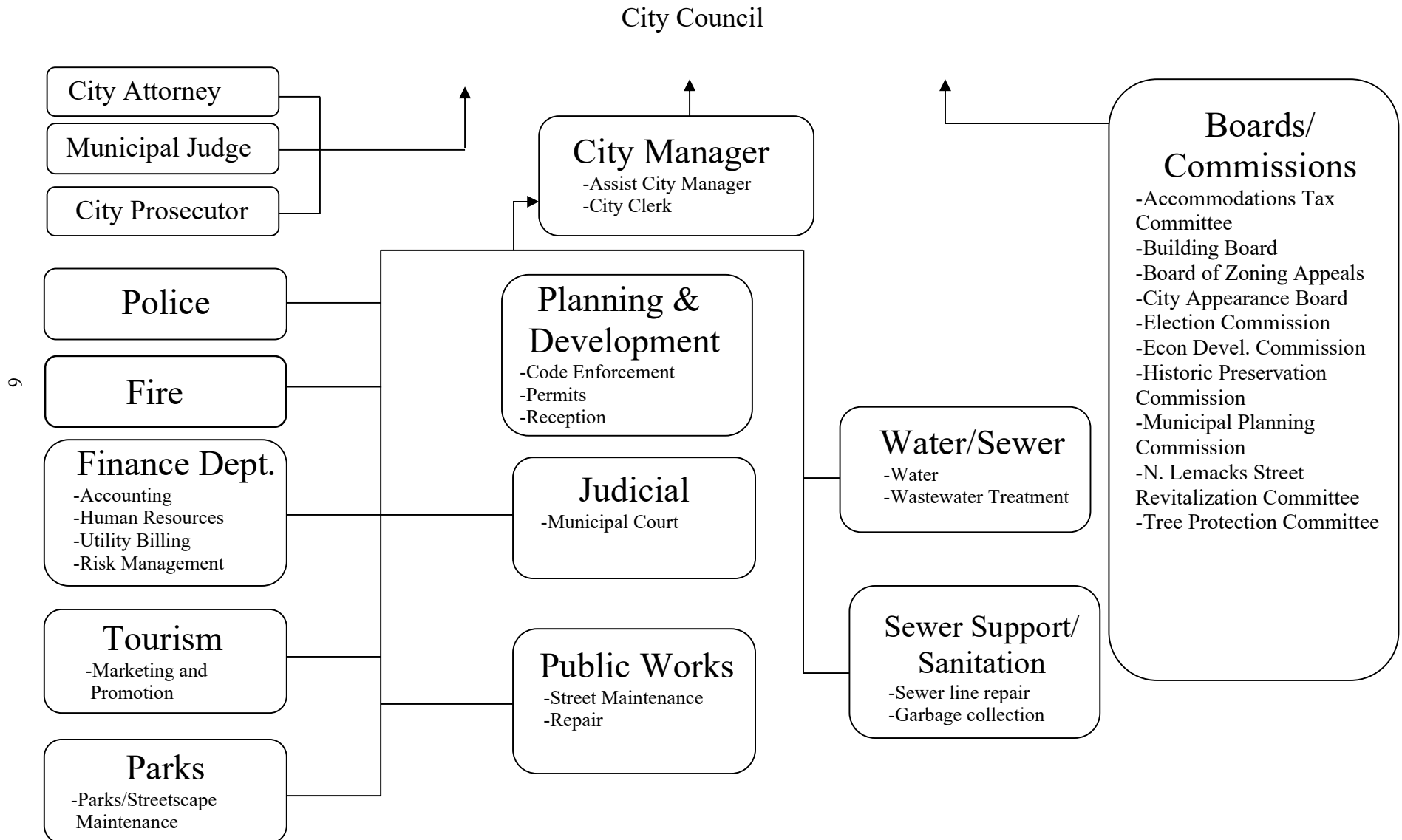
**City of Walterboro  
South Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

Executive Director/CEO

# CITY OF WALTERBORO, SOUTH CAROLINA ORGANIZATIONAL CHART



**CITY OF WALTERBORO  
SOUTH CAROLINA  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2025**

<b>TITLE</b>	<b>NAME</b>
Mayor.....	William T. Young, Jr.
Council Member.....	James Broderick
Council Member.....	Carl Brown
Council Member.....	Greg Pryor
Council Member.....	Judy Bridge
Council Member.....	Ladson Fishburne
Council Member.....	Paul Siegel
City Manager.....	Jeff Molinari
Assistant City Manager .....	Ryan McLeod
Finance Director.....	Amy Risher
City Attorney.....	Peden B. McLeod, Jr.
Utility Director.....	Wayne Crosby
Public Works Director.....	Michael Crosby
Police Chief.....	Wade Marvin
Fire Chief.....	Paul Seigler
Tourism Director.....	Patricia Utsey (Vacant until 8/19/24)
Parks Director.....	Jonathan Burroughs

## FINANCIAL SECTION

## INDEPENDENT AUDITORS' REPORT

Mayor and City Council  
City of Walterboro, South Carolina  
Walterboro, South Carolina 29488

### Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Walterboro, South Carolina, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Walterboro, South Carolina 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 the 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 of Walterboro, South Carolina's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional 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 of Walterboro, South Carolina'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 of Walterboro, South Carolina'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 and budgetary comparison schedules, schedule of proportionate share of net pension liability, schedule of contributions, schedule of changes in net OPEB liability, schedule of net OPEB liability, and schedule of employer contributions on pages 11 – 19 and 66 -71 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 of Walterboro, South Carolina's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, and the schedule of court fines, assessments, and surcharges 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 combining and individual nonmajor fund financial statements and the schedule of court fines, assessments, and surcharges 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 and statistical sections but does not include the basic financial statements and our auditors' 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 November 15, 2025, on our consideration of the City of Walterboro, South Carolina'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 results of that testing, and not to provide an opinion on the effectiveness of the City of Walterboro, South Carolina'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 City of Walterboro, South Carolina's internal control over financial reporting and compliance.



The Baird Audit Group, LLC  
Certified Public Accountants

Augusta, GA  
November 15, 2025

## City of Walterboro, South Carolina

### Management's Discussion and Analysis

As management of City of Walterboro, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 to 4 of this report.

#### Financial Highlights

- The assets and deferred outflows of the City exceed its liabilities and deferred inflows at the close of the most recent fiscal year by \$68,025,670 (net position). Of this amount, \$3,455,312 (restricted net position) was restricted for specific purposes, \$76,706,083 represented the net investment in capital assets, and the remaining deficit of \$(12,135,725) was unrestricted. The City's net position increased by \$11,881,142 for the year ended June 30, 2025.
- The City's beginning net position was restated by \$(201,902) for the adoption of GASB Statement 101, *Compensated Absences*.
- As of the close of the current fiscal year the City's governmental funds reported combined ending fund balance of \$8,145,024, a decrease of \$327,166.
- At the end of the current fiscal year, total unassigned general fund balance was \$5,083,711 or 55% of the total fund expenditures excluding projects of \$644,299 funded by outside contributions.
- At the close of the current fiscal year, the City's proprietary type funds reported a combined ending net position of \$52,166,828, an increase of \$11,250,883.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of City of Walterboro'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, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in the net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, finance, public works, sanitation, emergency services, planning and development, courts, police, fire, and parks, recreation and tourism. The business-type activities of the City include a water and sewer authority and the sanitation department.

The government-wide financial statements can be found on pages 20-22 of this report.

**Fund financial statements.** 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 other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into these three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governments for which similar information is presented for the governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and capital project funds that are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 23-26 of this report.

**Proprietary funds.** Services provided to the general public for which customers are charged a fee are generally reported in Enterprise funds, which are proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City has one proprietary fund for water, sewer and sanitation services, which is an enterprise fund. A budget is presented in the supplemental statements to monitor the performance of the operations. Also included in the supplemental statements is a combining schedule that reports the balances by City for the communities of Ruffin and Hendersonville. The basic proprietary fund financial statements can be found on pages 27-29 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The basic fiduciary fund financial statement can be found on pages 30-31 of this report.

**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 on pages 32-65 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget, historical pension and other post employment benefits on pages 66-71.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 72-85 of this report.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of City of Walterboro assets and deferred outflows exceeded liabilities and deferred inflows by \$68,025,670 at the close of the most recent fiscal year. The following table reflects the condensed government-wide statement of net position.

CITY OF WALTERBORO, SOUTH CAROLINA NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 9,105,823	\$ 9,509,478	\$ 8,856,587	\$ 11,895,097	\$ 17,962,410	\$ 21,404,575
Capital Assets	21,507,021	21,355,247	64,793,243	49,523,330	86,300,264	70,878,577
Total Assets	30,612,844	30,864,725	73,649,830	61,418,427	104,262,674	92,283,152
Deferred Outflows of Resources	2,649,643	3,038,990	-	-	2,649,643	3,038,990
Long-term Liabilities Outstanding	14,469,100	15,956,062	8,679,442	8,827,514	23,148,542	24,783,576
Other Liabilities	841,516	853,136	12,803,560	11,642,120	13,645,076	12,495,256
Total Liabilities	15,310,616	16,809,198	21,483,002	20,469,634	36,793,618	37,278,832
Deferred Inflows of Resources	2,093,029	1,696,880	-	-	2,093,029	1,696,880
Net Position						
Net Investment in Capital Assets	18,775,143	18,231,874	57,930,940	43,065,075	76,706,083	61,296,949
Restricted	3,061,313	3,555,984	393,999	343,930	3,455,312	3,899,914
Unrestricted	(5,977,614)	(6,390,221)	(6,158,111)	(2,460,212)	(12,135,725)	(8,850,433)
Total Net Position	\$ 15,858,842	\$ 15,397,637	\$ 52,166,828	\$ 40,948,793	\$ 68,025,670	\$ 56,346,430

By far the largest portion of the City's net position \$76,706,083 (113%) reflects its investment in capital assets (e.g., land, construction in progress, building and improvements, machinery and equipment, vehicles, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the net position of \$3,455,312 (5%) represents restricted resources and are not available to fund other commitments. The largest portion of the restricted net position represents \$1,512,053 committed for tourism related expenses, \$1,493,308 restricted for capital projects, \$393,999 restricted for debt covenants, and \$55,952 restricted to public safety.

The balance of unrestricted net position represents a deficit of \$(12,135,725) (-118%) due to the recognition of the net pension liability and other post-employment benefits as a long-term obligation.

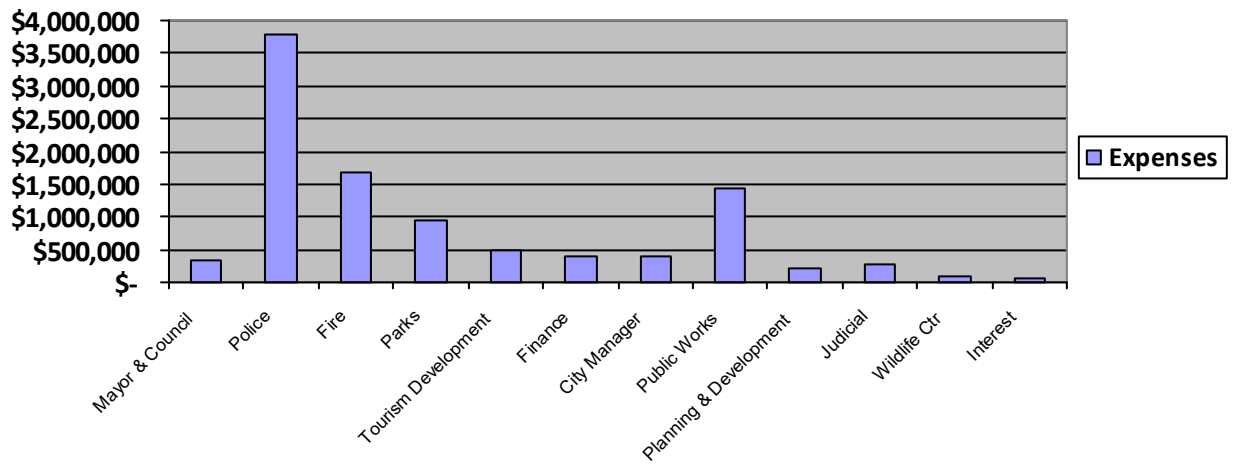
The City's total net position increased by \$11,881,142 for the year ended June 30, 2025 summarized below:

CITY OF WALTERBORO, SOUTH CAROLINA CHANGES IN NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program Revenues						
Charges for Services	\$ 265,799	\$ 181,743	\$ 5,710,407	\$ 4,796,155	\$ 5,976,206	\$ 4,977,898
Operating Grants and Contributions	147,858	68,064	31,596	31,026	179,454	99,090
Capital Grants and Contributions	649,299	588,916	11,526,796	15,376,847	12,176,095	15,965,763
General Revenues						
Taxes	5,959,362	5,419,590	-	-	5,959,362	5,419,590
Business Licenses	3,017,129	3,199,514	-	-	3,017,129	3,199,514
Grants and contributions not restricted to specific programs	144,975	138,100	-	-	144,975	138,100
Investment earnings	262,727	353,300	126,259	182,122	388,986	535,422
Miscellaneous	136,701	248,647	-	-	136,701	248,647
Total revenues	10,583,850	10,197,874	17,395,058	20,386,150	27,978,908	30,584,024
Expenses						
Mayor and Council	333,042	310,669	-	-	333,042	310,669
Police	3,773,004	3,660,553	-	-	3,773,004	3,660,553
Fire	1,669,274	1,643,950	-	-	1,669,274	1,643,950
Parks	952,972	721,467	-	-	952,972	721,467
Tourism Development	483,991	421,188	-	-	483,991	421,188
Finance	382,876	411,813	-	-	382,876	411,813
City Manager	405,779	411,866	-	-	405,779	411,866
Public Works	1,427,107	1,546,262	-	-	1,427,107	1,546,262
Planning and Development	216,166	198,945	-	-	216,166	198,945
Judicial	269,556	253,660	-	-	269,556	253,660
Wildlife Center	103,524	111,159	-	-	103,524	111,159
Interest Expense	53,847	64,605	-	-	53,847	64,605
Water	-	-	2,358,877	1,892,575	2,358,877	1,892,575
Sewer	-	-	1,595,266	1,512,291	1,595,266	1,512,291
Sewer Support	-	-	484,893	423,016	484,893	423,016
Utility Support	-	-	1,109,941	876,997	1,109,941	876,997
Sanitation	-	-	477,651	512,642	477,651	512,642
Total expenses	10,071,138	9,756,137	6,026,628	5,217,521	16,097,766	14,973,658
Change in net position before transfers	512,712	441,737	11,368,430	15,168,629	11,881,142	15,610,366
Transfers	117,547	450,000	(117,547)	(450,000)	-	-
Change in net position	630,259	891,737	11,250,883	14,718,629	11,881,142	15,610,366
Net position – beginning	15,397,637	14,505,900	40,948,793	26,230,164	56,346,430	40,736,064
Prior period restatement	(169,054)	-	(32,848)	-	(201,902)	-
Net position – ending	\$ 15,858,842	\$ 15,397,637	\$ 52,166,828	\$ 40,948,793	\$ 68,025,670	\$ 56,346,430

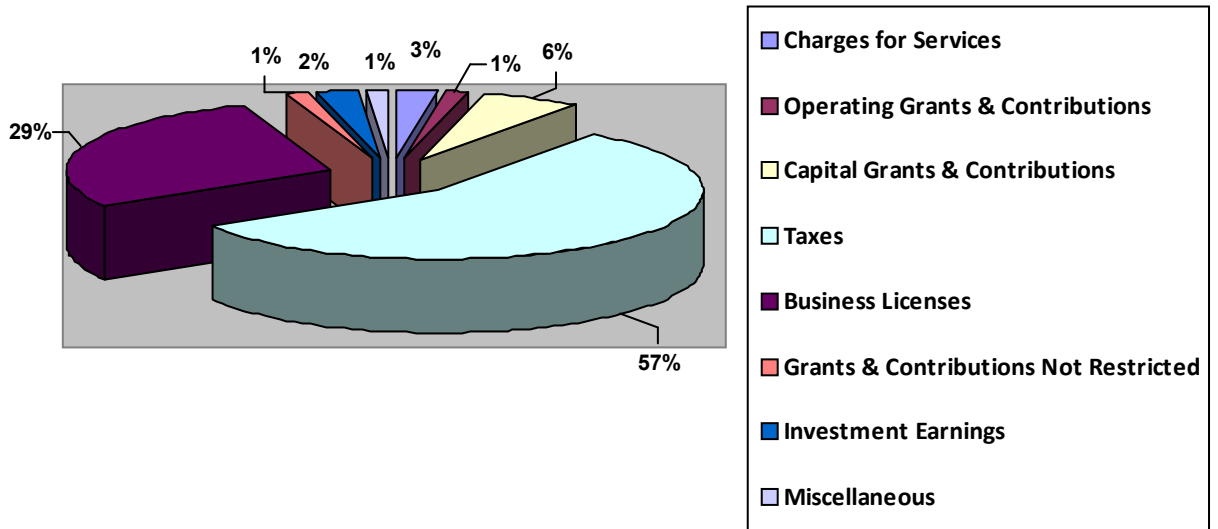
**Governmental activities.** Governmental activities increased the City's net position by \$630,259 for the fiscal year ended June 30, 2025. Key elements of this increase are as follows:

- Overall revenues increased \$385,976 with the majority of this increase in taxes and an overall increase in expenses of \$315,001.
- Depreciation/amortization expenses for governmental activities of \$990,341 were recognized in each functional department with capital outlay of \$1,142,115 reported on the statement of net position. See Capital Assets for further discussion.
- Payment of principal of \$597,121 was reported on the statement of net position along with lease issuance of \$18,156. See Long-term Obligations for further discussion.
- The net pension liability decreased expenses by \$426,871 and the other post employments benefits increased expenses by \$123,872.
- There was a prior period restatement for the adoption of GASB Statement 101, *Compensated Absences*, of \$(169,054).

### Expenses – Governmental Activities



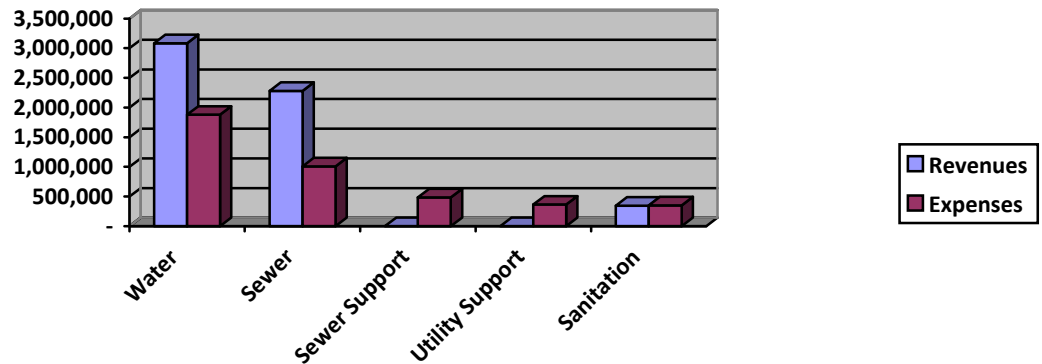
### Revenues by Source – Governmental Activities



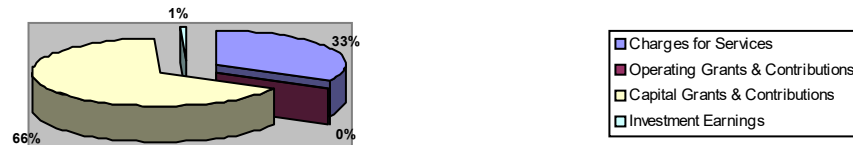
**Business-type activities.** Business-type activities increased the City's net position by \$11,250,883. Key elements of this increase are as follows:

- Overall revenues were down \$2,991,092 compared to the prior year because capital grants were down \$3,850,051, charges for services were up \$914,252, and interest earnings were down \$55,863.
- Overall expenses were up \$809,107 which is attributable to the increase in water expenses of \$466,302 to include salaries and benefits of approximately \$224,000 and Bells Highway water line repairs of approximately \$245,000. Utility support was up \$232,944 mostly for interest expense. Sewer expenses were up \$82,975 that related to an increase in sludge removal of \$51,000, costs related to Beaver Lift Station of \$37,000, insurance of \$21,000, and depreciation of \$35,808 with decreases of \$77,000 in salaries and benefits and utilities of \$13,000. Sewer support increased \$61,877 which mostly relates to salaries and benefits. Sanitation expenses were down \$34,991 for personnel costs of approximately \$37,000.
- Capital contributions of \$11,526,796 less the transfer of \$117,547 impacted the increase in net position.
- There was a prior period restatement for the adoption of GASB Statement 101, *Compensated Absences*, of \$(32,848).

#### Expenses and Program Revenues – Business-type Activities



#### Revenues by Source – Business-type Activities



## **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 of Walterboro's financing requirements. In particular, the fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,145,024, a decrease of \$327,166. This decrease is mostly attributable to the net decrease in the capital projects fund of \$618,703 which was related to the American Rescue Plan Act (ARPA) funds received and spent on capital outlay for parks.

The fund balance of the City's general fund increased by \$167,505 during the current fiscal year. This increase is mostly attributable to unanticipated revenues of approximately \$170,000 for business licenses, approximately \$370,170 in property taxes, approximately \$33,000 in franchise revenue, approximately \$95,000 in local option sales taxes, and \$644,000 in grants which helped to offset unbudgeted expenditures. The unanticipated revenues offset the expenditures budget fluctuations.

### **General Fund Budgetary Highlights**

**Original Budget Compared to Final Budget.** The original budget was funded with 99.86 mills with budgeted expenditures of \$8,915,536 for the general fund and budgeted expenses of \$5,939,120 for the proprietary fund. No amendments were made to the budget.

**Final Budget Compared to Actual Results.** Overall revenues were \$1,507,166 more than budgeted. Likewise, the City's overall expenditures were over budget by \$988,324. Approximately \$618,000 of the revenue and expenditure budget overages related to projects that were funded by outside grants. The final variance of \$343,605 was the result of higher than anticipated revenues of \$1,331,929 less expenditure budget overages of \$988,324, including the other financing sources (uses). Additional revenues included local option sales taxes of \$95,000, business licenses \$263,000, property taxes of \$345,000, franchise revenue of \$33,000 and miscellaneous revenues of \$653,358 which include grants of \$644,000 that were not budgeted. Expenditure budget overages of \$556,343 related to grants for I95 Loop of \$294,610 and Ireland Creek Revitalization of \$257,733, as well as police department overages of \$319,547 that include salaries and related benefits of \$110,390, contractual services of \$21,538, vehicle expenses of \$90,295, and in-car camera grant of \$87,956. The transfer from the proprietary fund was reduced by \$193,393 due to budgetary constraints related to the wastewater treatment plant expansion.

## Capital Assets and Debt Administration

**Capital Assets.** The City's investment in capital assets as of June 30, 2025 amounts to \$86,300,264 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, vehicles, and infrastructure. Major capital asset events during the current year include the following:

CITY OF WALTERBORO, SOUTH CAROLINA CAPITAL ASSETS						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and Land Improvements	\$ 2,045,356	\$ 1,862,802	\$ 44,773	\$ 44,773	\$ 2,090,129	\$ 1,907,575
Construction in progress	910,562	154,429	39,206,475	24,190,965	40,117,037	24,345,394
Buildings and Improvements	4,771,927	4,934,329	26,038	33,445	4,797,965	4,967,774
Machinery and Equipment	303,018	295,423	482,390	412,409	785,408	707,832
Vehicles	1,142,013	1,317,010	842,698	599,235	1,984,711	1,916,245
Infrastructure	12,298,592	12,766,673	24,190,869	24,242,503	36,489,461	37,009,176
ROU Leased Equipment	35,553	24,581	-	-	35,553	24,581
Total	\$ 21,507,021	\$ 21,355,247	\$ 64,793,243	\$ 49,523,330	\$ 86,300,264	\$ 70,878,577

In governmental activities, capital additions of \$1,142,115 related to:

- Mayor and Council: \$8,930 for equipment was capitalized.
- Public Works: \$580,742 includes I95 Loop for \$298,610, Ireland Creek Revitalization for \$257,733, and equipment for \$24,399.
- Police: \$129,559 includes \$111,403 for vehicles and \$18,156 for copiers were capitalized.
- Fire: \$11,899 for building improvements were capitalized.
- Parks: \$410,985 includes equipment for \$28,641, Water Tower Park for \$14,055, Ford Property & Pinckney Park for \$170,514, and boardwalk repairs for \$197,775.

In business-type activities, capital additions of \$16,462,749 related to vehicles of \$450,983, equipment of \$131,843, sewer projects of \$15,879,923 (includes WWTP \$13,826,624, WWTP Generator \$1,092,610, Northwest Walterboro Sewer Improvements \$430,875, Subsystem 1-East & 3 \$356,694, WWTP Trunk \$45,108, Highway 17 & 63 \$90,312, and water system projects of \$37,700 for Gadsden Loop Water).

Additional information on the City's capital assets can be found in note 5 beginning on page 41 of this report.

**Long-term Obligations.** At the end of the current fiscal year, the City had total long-term obligations outstanding of \$23,139,162. The City reports GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in accordance with generally accepted accounting principles and is reporting its proportionate share of the net pension liability of \$7,879,156 and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which resulted in the reporting of a long-term obligations \$3,306,499. New debt incurred during the year ended June 30, 2025 included \$18,156 for leases issued for office equipment. Additionally, the City received a bond anticipation note for \$10,625,985 during the construction of the wastewater treatment plant. All other debt payments were made as scheduled.

During the year ended June 30, 2025, the City adopted GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the City now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. As a result of this adoption, the beginning balances were restated in the governmental activities for \$(169,054) and business-type activities in the water, sewer and sanitation fund for \$(32,848).

Changes in outstanding debt are summarized in the following chart:

CITY OF WALTERBORO, SOUTH CAROLINA OUTSTANDING OBLIGATION						
	Governmental Activities		Business-type Activities		Total	
	2025	2024 Restated	2025	2024 Restated	2025	2024 Restated
General Obligation Bonds	\$ 125,500	\$ 246,770	\$ -	\$ -	\$ 125,500	\$ 246,770
Revenue Bonds	2,441,528	2,830,743	8,216,063	8,668,163	10,657,591	11,498,906
Leases	36,233	24,862	355,838	96,499	392,071	121,361
Notes Payable	254,980	334,831	-	-	254,980	334,831
Compensated Absences	415,824	413,760	107,541	95,700	523,365	509,460
OPEB	3,306,499	3,718,423	-	-	3,306,499	3,718,423
Net Pension Liability	7,879,156	8,555,727	-	-	7,879,156	8,555,727
Total	<u>\$ 14,459,720</u>	<u>\$ 16,125,116</u>	<u>\$ 8,679,442</u>	<u>\$ 8,860,362</u>	<u>\$ 23,139,162</u>	<u>\$ 24,985,478</u>

State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8% of its total assessed valuation. The current debt limitation for the City is \$2,967,636 of which \$125,500 is outstanding.

Additional information on the City's long-term obligations can be found in note 7 beginning on page 43 of this report.

### Economic Factors and Next Year's Budgets

In 2025, the City has experienced continued growth in retail sales and the hospitality sector. Activities continue to increase, and we expect a strong upcoming year. The City continues to receive inquiries regarding commercial space and development opportunities located within the City limits which indicates businesses are optimistic about continued economic growth in Walterboro. The unemployment rate for Colleton County, South Carolina was 4.7% for June 2024 compared to 4.7% for June 2025.

The City set the millage for the 2026 budget at 99.86 mills. Budgeted general fund expenditures for 2026 are projected to be \$9,641,632. Also, the City has budgeted \$6,166,866 in expenses for the proprietary fund in 2026.

### Requests for Information

This financial report is designed to provide a general overview of the City of Walterboro's finances for all those with as interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance and Administration, City of Walterboro, 300 Hampton Street, Walterboro, South Carolina, 29488.

# BASIC FINANCIAL STATEMENTS

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Tourism Commission	Development Corporation
<b>ASSETS</b>					
Cash	\$ 5,987,786	\$ 1,281,158	\$ 7,268,944	\$ 110,330	\$ 27,248
Receivables	1,552,172	5,257,538	6,809,710	50,186	-
Inventories	-	214,294	214,294	-	-
Restricted Cash	1,565,865	2,103,597	3,669,462	-	-
Capital Assets, being depreciated	18,551,103	25,541,995	44,093,098	-	-
Capital Assets, not being depreciated	2,955,918	39,251,248	42,207,166	-	-
Total Assets	<u>30,612,844</u>	<u>73,649,830</u>	<u>104,262,674</u>	<u>160,516</u>	<u>27,248</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Outflows Related to Pension	1,741,722	-	1,741,722	-	-
Deferred Outflows Related to OPEB	907,921	-	907,921	-	-
Total Deferred Outflows of Resources	<u>2,649,643</u>	<u>-</u>	<u>2,649,643</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 33,262,487</u>	<u>\$ 73,649,830</u>	<u>\$ 106,912,317</u>	<u>\$ 160,516</u>	<u>\$ 27,248</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 475,520	\$ 1,409,706	\$ 1,885,226	\$ 12,227	\$ -
Salaries and Benefits Payable	214,295	70,005	284,300	-	-
Interest Payable	9,380	61,389	70,769	-	-
Unearned Revenues	151,701	207,981	359,682	-	-
Customer Deposits	-	428,494	428,494	-	-
Bond Anticipation Note	-	10,625,985	10,625,985	-	-
Noncurrent Liabilities:					
Due within one year	635,777	571,996	1,207,773	-	-
Due in more than one year:					
Debt	2,247,464	8,004,905	10,252,369	-	-
Compensated Absences	390,824	102,541	493,365	-	-
Net Pension Liability	7,879,156	-	7,879,156	-	-
Other Post Employment Benefits	3,306,499	-	3,306,499	-	-
Total Liabilities	<u>15,310,616</u>	<u>21,483,002</u>	<u>36,793,618</u>	<u>12,227</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows Related to Pension	849,653	-	849,653	-	-
Deferred Inflows Related to OPEB	1,243,376	-	1,243,376	-	-
Total Deferred Inflows of Resources	<u>2,093,029</u>	<u>-</u>	<u>2,093,029</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Unrestricted	(5,977,614)	(6,158,111)	(12,135,725)	-	27,248
Restricted:					
Capital Projects	1,493,308	-	1,493,308	-	-
Tourism	1,512,053	-	1,512,053	148,289	-
Other (see note 11)	55,952	393,999	449,951	-	-
Net Investment in Capital Assets	18,775,143	57,930,940	76,706,083	-	-
Total Net Position	<u>15,858,842</u>	<u>52,166,828</u>	<u>68,025,670</u>	<u>148,289</u>	<u>27,248</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 33,262,487</u>	<u>\$ 73,649,830</u>	<u>\$ 106,912,317</u>	<u>\$ 160,516</u>	<u>\$ 27,248</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Tourism Commission	Development Corporation
<b>Primary Government</b>									
Governmental Activities									
Mayor and Council	\$ 333,042	\$ -	\$ -	\$ -	\$ (333,042)	\$ -	\$ (333,042)	\$ -	\$ -
Police	3,773,004	137,690	29,650	87,956	(3,517,708)	-	(3,517,708)	-	-
Fire	1,669,274	-	41,064	-	(1,628,210)	-	(1,628,210)	-	-
Parks	952,972	-	-	5,000	(947,972)	-	(947,972)	-	-
Tourism Development	483,991	-	-	-	(483,991)	-	(483,991)	-	-
Finance	382,876	-	-	-	(382,876)	-	(382,876)	-	-
City Manager	405,779	-	-	-	(405,779)	-	(405,779)	-	-
Public Works	1,427,107	-	77,144	556,343	(793,620)	-	(793,620)	-	-
Planning and Development	216,166	80,602	-	-	(135,564)	-	(135,564)	-	-
Judicial	269,556	982	-	-	(268,574)	-	(268,574)	-	-
Wildlife Center	103,524	46,525	-	-	(56,999)	-	(56,999)	-	-
Interest on long-term debt	53,847	-	-	-	(53,847)	-	(53,847)	-	-
Total Governmental Activities	10,071,138	265,799	147,858	649,299	(9,008,182)	-	(9,008,182)	-	-
Business-type Activities									
Water	2,358,877	3,083,948	31,596	37,700	-	794,367	794,367	-	-
Sewer	1,595,266	2,279,667	-	11,489,096	-	12,173,497	12,173,497	-	-
Sewer Support	484,893	-	-	-	-	(484,893)	(484,893)	-	-
Utility Support	1,109,941	-	-	-	-	(1,109,941)	(1,109,941)	-	-
Sanitation	477,651	346,792	-	-	-	(130,859)	(130,859)	-	-
Total Business-type Activities	6,026,628	5,710,407	31,596	11,526,796	-	11,242,171	11,242,171	-	-
Total Primary Government	\$ 16,097,766	\$ 5,976,206	\$ 179,454	\$ 12,176,095	(9,008,182)	11,242,171	2,233,989	-	-

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Units	
					Governmental Activities	Business-type Activities		Tourism Commission	Development Corporation
<b>Component Units</b>									
Tourism Commission	\$ 163,277	\$ -	\$ 11,519	\$ -				(151,758)	-
Development Corporation	225	-	-	-				-	(225)
Total Component Units	<u>\$ 163,502</u>	<u>\$ -</u>	<u>\$ 11,519</u>	<u>\$ -</u>				<u>(151,758)</u>	<u>(225)</u>
General Revenues									
Property Taxes					2,367,674	-	2,367,674	-	-
Local Option Sales Taxes					2,220,365	-	2,220,365	-	-
Hospitality and Accommodations Taxes					1,371,323	-	1,371,323	184,614	-
Business Licenses					3,017,129	-	3,017,129	-	-
Grants and Contributions not restricted to specific programs					144,975	-	144,975	-	-
Investment Earnings					262,727	126,259	388,986	-	-
Miscellaneous					136,701	-	136,701	-	-
Transfers					117,547	(117,547)	-	-	-
Total General Revenues and Transfers					<u>9,638,441</u>	<u>8,712</u>	<u>9,647,153</u>	<u>184,614</u>	<u>-</u>
Change in Net Position					630,259	11,250,883	11,881,142	32,856	(225)
Net Position, Beginning					15,397,637	40,948,793	56,346,430	115,433	27,473
Prior Period Restatement					(169,054)	(32,848)	(201,902)	-	-
Net Position, Ending					<u>\$ 15,858,842</u>	<u>\$ 52,166,828</u>	<u>\$ 68,025,670</u>	<u>\$ 148,289</u>	<u>\$ 27,248</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

	<b>General</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash	\$ 4,575,241	\$ -	\$ 1,412,545	\$ 5,987,786
Receivables	1,203,481	154,997	193,694	1,552,172
Cash Restricted	-	1,565,865	-	1,565,865
Total Assets	<u>\$ 5,778,722</u>	<u>\$ 1,720,862</u>	<u>\$ 1,606,239</u>	<u>\$ 9,105,823</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 209,732	\$ 227,554	\$ 38,234	\$ 475,520
Salaries and Benefits Payable	214,295	-	-	214,295
Unearned Revenues	151,701	-	-	151,701
Total Liabilities	<u>575,728</u>	<u>227,554</u>	<u>38,234</u>	<u>841,516</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues-Property Taxes	119,283	-	-	119,283
Total Deferred Inflows of Resources	<u>119,283</u>	<u>-</u>	<u>-</u>	<u>119,283</u>
<b>FUND BALANCES</b>				
Unassigned	5,083,711	-	-	5,083,711
Assigned	-	1,493,308	-	1,493,308
Restricted	-	-	394,044	394,044
Committed	-	-	1,173,961	1,173,961
Total Fund Balances	<u>5,083,711</u>	<u>1,493,308</u>	<u>1,568,005</u>	<u>8,145,024</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,778,722</u>	<u>\$ 1,720,862</u>	<u>\$ 1,606,239</u>	<u>\$ 9,105,823</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

Total net position reported for governmental activities in the statement of net position is different because:

Total fund balances for governmental funds	\$	8,145,024
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and Improvements	2,045,356	
Construction in Progress	910,562	
Buildings and Improvements, net of \$2,534,738 accumulated depreciation	4,771,927	
Machinery and Equipment, net of \$1,567,392 accumulated depreciation	303,018	
Vehicles, net of \$2,694,101 accumulated depreciation	1,142,013	
Infrastructure, net of \$3,441,738 accumulated depreciation	12,298,592	
Right to Use Equipment, net of \$9,438 accumulated amortization	35,553	
Total Capital Assets		21,507,021

Deferred outflows and inflows of resources represents amounts applicable to future periods and, therefore, are not reported in the funds:

Deferred outflows of resources:		
Related to pensions and other post employment benefits	2,649,643	
Deferred inflows of resources:		
Related to pensions and other post employment benefits	(2,093,029)	
Related to receivables	119,283	
Total deferred outflows and inflows of resources		675,897

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities --both current and long-term--are reported in the statement of net position.

Balances at end of year are:

Accrued Interest Payable	(9,380)	
Bonds, Notes, and Leases Payable	(2,858,241)	
Net Pension Liability	(7,879,156)	
OPEB Liability	(3,306,499)	
Accrued Compensated Absences	(415,824)	
Total Long-Term Liabilities		(14,469,100)

Total net position of governmental activities	\$	15,858,842
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The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>General</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 7,723,534	\$ -	\$ 1,330,453	\$ 9,053,987
Fines, Fees and Licenses	265,799	-	-	265,799
Intergovernmental	144,975	-	-	144,975
Miscellaneous	1,015,344	84,896	96,345	1,196,585
Total Revenues	<u>9,149,652</u>	<u>84,896</u>	<u>1,426,798</u>	<u>10,661,346</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Mayor and Council	321,022	5,000	-	326,022
Police	3,705,369	25,000	11,971	3,742,340
Fire	1,589,631	-	46,644	1,636,275
Parks	640,052	-	-	640,052
Tourism Development	151,981	-	334,100	486,081
Finance	360,858	-	-	360,858
City Manager	412,505	-	-	412,505
Public Works	1,128,696	-	-	1,128,696
Planning and Development	218,771	-	-	218,771
Judicial	271,597	-	-	271,597
Wildlife Center	104,688	-	-	104,688
<b>Capital Outlay</b>				
Mayor and Council	8,930	-	-	8,930
Police	129,559	-	-	129,559
Fire	11,899	-	-	11,899
Parks	35,496	375,489	-	410,985
Public Works	580,742	-	-	580,742
<b>Debt Service</b>				
Principal	207,907	-	389,214	597,121
Interest	21,157	-	35,937	57,094
Total Expenditures	<u>9,900,860</u>	<u>405,489</u>	<u>817,866</u>	<u>11,124,215</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Leases	18,156	-	-	18,156
Transfers In	903,557	-	3,000	906,557
Transfers Out	(3,000)	(298,110)	(487,900)	(789,010)
Total Other Financing Sources (Uses)	<u>918,713</u>	<u>(298,110)</u>	<u>(484,900)</u>	<u>135,703</u>
Net Change in Fund Balances	167,505	(618,703)	124,032	(327,166)
Fund Balances, Beginning	4,916,206	2,112,011	1,443,973	8,472,190
Fund Balances, Ending	<u>\$ 5,083,711</u>	<u>\$ 1,493,308</u>	<u>\$ 1,568,005</u>	<u>\$ 8,145,024</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balances - total governmental funds		\$ (327,166)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays (\$1,142,115) exceeded depreciation/amortization (\$990,341) in the current period.		151,774
Proceeds of debt and leases are reported as a revenue in governmental funds. However, in the government wide statements proceeds of debt are treated as a liability.		(18,156)
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.		597,121
Governmental funds report employee benefits as expenditures. However in the statement of activities, the cost of employee benefits earned net of employee contributions is reported as an expense.		
Pension contributions	1,075,454	
Cost of benefits earned net of employee contributions	<u>(648,583)</u>	426,871
Other Post Employee Benefits	(148,973)	
Cost of other post employment benefits	<u>25,101</u>	(123,872)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(77,496)
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 governmental funds.		
Compensated absences	(2,064)	
Accrued interest	<u>3,247</u>	
Net change in expenses		<u>1,183</u>
Total change in net position of governmental activities		<u>\$ 630,259</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2025**

	<b>Business-type Activities</b>
	<b>Enterprise Funds</b>
	<b>Water, Sewer &amp; Sanitation</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 1,281,158
Receivables	5,257,538
Inventories	214,294
Total Current Assets	<u>6,752,990</u>
Noncurrent Assets	
Restricted Cash	2,103,597
Capital Assets - not being depreciated	39,251,248
Capital Assets - being depreciated	25,541,995
Total Noncurrent Assets	<u>66,896,840</u>
Total Assets	<u><u>\$ 73,649,830</u></u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 1,409,706
Salaries and Benefits Payable	70,005
Interest Payable	61,389
Current Portion of Long-term Liabilities	571,996
Unearned Revenues	207,981
Customer Deposits	428,494
Bond Anticipation Note Payable	10,625,985
Total Current Liabilities	<u>13,375,556</u>
Noncurrent Liabilities	
Debt	8,004,905
Compensated Absences	102,541
Total Noncurrent Liabilities	<u>8,107,446</u>
Total Liabilities	<u>21,483,002</u>
<b>NET POSITION</b>	
Unrestricted	(6,158,111)
Restricted for Debt Escrow	393,999
Net Investment in Capital Assets	57,930,940
Total Net Position	<u>52,166,828</u>
Total Liabilities and Net Position	<u><u>\$ 73,649,830</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Business-type Activities</b>
	<b>Enterprise Funds</b>
	<b>Water, Sewer &amp; Sanitation</b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Water Sales	\$ 3,083,948
Sewer Charges	2,279,667
Sanitation Charges	346,792
Total Operating Revenues	<u>5,710,407</u>
<b>OPERATING EXPENSES</b>	
Costs of Sales and Services	
Water	1,879,211
Sewer	1,008,798
Sewer Support	484,893
Utility Support	364,436
Sanitation	350,949
Depreciation	1,192,836
Total Operating Expenses	<u>5,281,123</u>
Operating Income	<u>429,284</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Income	126,259
Surplus Equipment and Insurance Reimbursements	31,596
Interest Expense	(734,830)
Bond Costs	(1,500)
Bank Charges	(9,175)
Total Nonoperating Revenues (Expenses)	<u>(587,650)</u>
Income Before Contributions and Transfers	(158,366)
Capital Contributions	11,526,796
Transfers In	282,453
Transfers Out	<u>(400,000)</u>
Change in Net Position	11,250,883
Net Position, Beginning	40,948,793
Prior Period Restatement	(32,848)
Net Position, Ending	<u><u>\$ 52,166,828</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Business-type Activities</b>
	<b>Enterprise Funds</b>
	<b>Water, Sewer &amp; Sanitation</b>
<b>Cash Flows From Operating Activities</b>	
Cash received from customers	\$ 5,609,763
Cash paid for operating goods and services	(2,420,163)
Cash paid to employees	(1,001,000)
Net Cash Provided (Used) by Operating Activities	<u>2,188,600</u>
<b>Cash Flows From Noncapital Financing Activities</b>	
Transfers between other funds	(117,547)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(117,547)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Bond issue costs	(1,500)
Principal paid on capital debt	(500,053)
Grant and capital contributions	14,462,123
Bond anticipation note	3,090,734
Note payable	307,292
Interest paid on capital debt	(729,830)
Net effect of transactions involving capital assets	31,596
Acquisition and construction of capital assets	(19,191,146)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,530,784)</u>
<b>Cash Flows From Investing Activities</b>	
Interest received on investments	126,259
Net Cash Provided (Used) by Investing Activities	<u>126,259</u>
 NET INCREASE (DECREASE) IN CASH	 (333,472)
CASH AT BEGINNING OF YEAR	3,718,227
CASH AT END OF YEAR	<u><u>\$ 3,384,755</u></u>
 <b>Reconciliation of Net Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>	
Operating income	<u>\$ 429,284</u>
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities	
Depreciation and amortization	1,192,836
(Increase) decrease in customer receivables	(155,909)
(Increase) decrease in inventories	(74,380)
Increase (decrease) in accounts payable	714,086
Increase (decrease) in salaries and benefits payable	15,577
Increase (decrease) in compensated absences	11,841
Increase (decrease) in deferred revenues	39,912
Increase (decrease) in customer deposits	15,353
Total adjustments	<u>1,759,316</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 2,188,600</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2025**

	<b>Post Retirement Fund</b>
<b>ASSETS</b>	
Cash	\$ 1,214,019
Total Assets	<u>\$ 1,214,019</u>
<b>LIABILITIES</b>	
Due to Others	<u>\$ -</u>
Total Liabilities	<u>-</u>
<b>NET POSITION</b>	
Restricted for OPEB	1,214,019
Total Net Position	<u>\$ 1,214,019</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO, SOUTH CAROLINA  
STATEMENT OF CHANGES FIDUCIARY IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Post Retirement Fund</b>
<b>Additions</b>	
Investment Income (Loss)	\$ 83,811
Total Additions	<u>83,811</u>
<b>Deductions</b>	
Contractual Expenses	<u>208,078</u>
Total Deductions	<u>208,078</u>
Change in Net Position	(124,267)
Net Position, Beginning of Year	<u>1,338,286</u>
Net Position, End of Year	<u><u>\$ 1,214,019</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

**Reporting Entity**

The City of Walterboro, South Carolina is a political subdivision of the State of South Carolina, operating under the Council-Manager form of government to provide services authorized by its charter. It is governed by an elected Board (the "Council"), which is governed by state statutes and regulations. The City Council acts as the governing body of the City with power to pass ordinances and adopt resolutions. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

**Discretely Presented Component Units**

Three of the four members of the Walterboro Tourism Commission are appointed by the Council. The Walterboro Tourism Commission is fiscally dependent upon the government because the City Council approves the budget and can significantly influence the decisions of the Walterboro Tourism Commission. The Walterboro Tourism Commission does not issue separate financial statements.

Three of the five members of the Walterboro Development Corporation are appointed by the Council. The Walterboro Development Corporation is fiscally dependent upon the government because the City Council approves the budget and can significantly influence the decisions of the Walterboro Development Corporation. The Walterboro Development Corporation does not issue separate financial statements.

**Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects fund* accounts for the acquisition of capital assets or construction of major capital projects.

The City reports the following non-major funds:

The *special revenue funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects) such as grants, fire and other special purpose fees, and economic development.

The City reports the following major proprietary fund:

The *water and sewer fund* accounts for the activities of the water, sewer and sanitation operations. The City operates the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

Additionally, the City reports the following fiduciary fund types.

The *post retirement fund* accounts for the activities of the retired employee's health benefits, which accumulates resources for payment of retirees' health insurance.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the presentation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The City's 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 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. For this purpose, the City considers revenues to be available if they are collected within the first 60 days of the end of the current fiscal period, except for grant reimbursements for which the availability period is 90 days. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt for acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary and other postemployment benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The fiduciary fund utilizes the *accrual basis of accounting* for reporting its assets, liabilities deferred outflows/inflows of resources and fiduciary net position.

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and issuances of debt) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the administrator. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year.

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**Cash and Cash Equivalents and Deposits**

The City considers cash and cash equivalents for cash flow purposes to be currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts, and liquid investments with an original maturity of three months or less when purchased.

**Investments**

Investments for the City are reported at fair value determined annually based upon quoted market prices.

**Inventories and Prepaid items**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenses when consumed rather than when purchased in the proprietary fund.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items,) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, other than infrastructure, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. For infrastructure assets the same estimated minimum useful life is used, but only those infrastructure assets with an initial, individual cost of \$50,000 are reported as capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, received in a service concession arrangement should be reported at acquisition value rather than fair value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction of governmental-type activities is not capitalized.

All reported capital assets except land and construction in progress are depreciated. Useful lives for infrastructure are estimated based on the City's historical records of necessary improvements and replacements. Depreciation is provided using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Years</u>
Buildings and Improvements	5 to 50
Vehicles	5 to 20
Machinery and Equipment	5 to 30
Infrastructure	5 to 50

Leases

The City is a lessee for noncancellable leases. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and the proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of the lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include the discount rate, the lease terms and the lease payments. For the discount rate, the City uses the interest rate charged by the lessor. If an interest rate is not provided by the lessor, the City will use its estimated incremental borrowing rate as the discount rate. Lease terms include the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Leases - Continued

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that significantly affect the amount of the lease liabilities.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows related to its other post employment benefits and net pension liability in the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The statement of net position reports deferred inflows related to its other post employment benefits and net pension liability.

Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the finance director to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget unlike commitments. These assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**Revenues and Expenditures/Expenses**

**Program Revenues**

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**Property Taxes**

Taxes on real property and certain personal property attach as an enforceable lien on the property as of January 1. Taxes are levied and billed the following September on all property other than vehicles and are payable without penalty until January 15 of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16 – three percent, February 1 – an additional seven percent, March 16 – an additional five percent. If not paid by October 1, the property is subject to sale by the delinquent tax office. Assessed property is subject to lien one year from the levy date if taxes remain unpaid. Taxes on licensed motor vehicles are levied during the month when the taxpayer's license registration is due for renewal. The property tax rate approved by ordinance for tax year 2024 is 99.86 mills.

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

The City's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employment of the City and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Proprietary Fund Operating and Non-operating Revenues and Expenses

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 the water and sewer fund are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

In accordance with the State of South Carolina General Statute, the City prepares an annual balanced budget ordinance. The basis of budgeting is the same as generally accepted accounting principles. The City adopts annual budgets for the general fund using the modified accrual basis. An annual budget for the special revenue fund is not adopted as sufficient budgetary control is achieved through restrictions included in the various grant agreements.

In March, the budget process begins with a special comprehensive work session in which the finance department and city manager meet with all department heads to discuss current and future trends, needs and goals of the City. All department heads submit comprehensive lists of programs, projects, and initiatives to be considered in the upcoming budget and meet with finance department staff and the administrator individually. During May and June, formal budget workshops are held. The Council holds public hearings, and a final budget must be prepared and adopted no later than June 30.

Budgets are prepared at the fund, function and department level. Budgets are adopted at the fund level and are amended as necessary during the fiscal year in one of two ways. First, the City Manager delegated by the City Council may make line item transfers within individual fund budgets with subsequent monthly notice to City Council. Such transfers can neither increase nor decrease the overall budget at the fund level. Secondly, the budget may be increased or decreased at the fund level as changing circumstances dictate, subject to City Council approval.

**NOTE 3 DEPOSITS AND INVESTMENTS**

**Credit Risk**

The City has an investment policy that limits investment types to those approved by the South Carolina Code of Laws to obligations of the United States and agencies thereof, general obligations of the State of South Carolina or any of its political subdivisions, certificates of deposit where the certificates are collaterally insured by securities described above held by a third party as escrow agent or custodian of a market value not less than the amount of the certificates of deposits so secured including interest, or repurchase agreements when collateralized by securities set forth above. Currently, the City's investments consist of deposits with the South Carolina Local Government Investment Pool (LGIP).

The LGIP is considered to be a 2a7-like pool that operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The pool is managed by the Treasurer's Office of the State of South Carolina. The pool is not registered with the SEC as an investment company. The fair value of the balance in the LGIP represents the same value as the pool shares.

**Interest Rate Risk**

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

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy for custodial credit risk. As of June 30, 2025, the bank balances were \$11,075,984. All of the City's deposits at year end were covered by federal depository insurance or by collateral held in the pledging financial institution's trust department in the City's name. Therefore, none of the City's deposits were exposed to custodial credit risk at June 30, 2025.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 4 RECEIVABLES**

Receivables at June 30, 2025, including the applicable allowances for uncollectible accounts, are as follows for the fund and government-wide financial statements:

Receivables	General	Capital Projects Fund	Other Governmental Funds	Water and Sewer Fund	Total	Component Units	Total all Funds
Taxes	\$ 948,467	\$ -	\$ 192,079	\$ -	\$ 1,140,546	\$ -	\$ 1,140,546
Fines and Fees	15,290	-	1,615	-	16,905	-	16,905
Intergovernmental	37,602	-	-	-	37,602	-	37,602
Accounts	-	-	-	1,017,324	1,017,324	-	1,017,324
Other	452,181	154,997	-	4,375,107	4,982,285	50,186	5,032,471
Gross Receivables	1,453,540	154,997	193,694	5,392,431	7,194,662	50,186	7,244,848
Allowance for Uncollectible Accounts	(250,059)	-	-	(134,893)	(384,952)	-	(384,952)
Net Total Receivables	<u>\$ 1,203,481</u>	<u>\$ 154,997</u>	<u>\$ 193,694</u>	<u>\$ 5,257,538</u>	<u>\$ 6,809,710</u>	<u>\$ 50,186</u>	<u>\$ 6,859,896</u>

**NOTE 5 CAPITAL ASSETS**

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

Governmental Activities	June 30, 2024	Increases	Decreases	Transfers	June 30, 2025
<i>Capital Assets - not being depreciated/amortized</i>					
Land and Improvements	\$ 1,862,802	\$ -	\$ -	\$ 182,554	\$ 2,045,356
Construction in Progress	154,429	938,687	-	(182,554)	910,562
Total Capital Assets, not being depreciated/amortized	<u>2,017,231</u>	<u>938,687</u>	<u>-</u>	<u>-</u>	<u>2,955,918</u>
<i>Capital Assets - being depreciated/amortized</i>					
Buildings and Improvements	7,294,766	11,899	-	-	7,306,665
Machinery and Equipment	1,808,440	61,970	-	-	1,870,410
Vehicles	3,839,882	111,403	115,171	-	3,836,114
Infrastructure	15,740,330	-	-	-	15,740,330
Right-to-use Lease Equipment	26,835	18,156	-	-	44,991
Total Capital Assets - being depreciated/amortized	<u>28,710,253</u>	<u>203,428</u>	<u>115,171</u>	<u>-</u>	<u>28,798,510</u>
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	2,360,437	174,301	-	-	2,534,738
Machinery and Equipment	1,513,017	54,375	-	-	1,567,392
Vehicles	2,522,872	286,400	115,171	-	2,694,101
Infrastructure	2,973,657	468,081	-	-	3,441,738
Right-to-use Lease Equipment	2,254	7,184	-	-	9,438
Total Accumulated Depreciation/Amortization	<u>9,372,237</u>	<u>990,341</u>	<u>115,171</u>	<u>-</u>	<u>10,247,407</u>
Total Capital Assets - being dep/amort, net	<u>19,338,016</u>	<u>(786,913)</u>	<u>-</u>	<u>-</u>	<u>18,551,103</u>
Governmental Activity Capital Assets, Net	<u>\$ 21,355,247</u>	<u>\$ 151,774</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,507,021</u>

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
City Manager	\$ 9,867
Finance	23,291
Fire	98,074
Mayor and Council	895
Parks, Recreation and Tourism	318,702
Police	170,601
Public Works	368,911
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 990,341</u>

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 5 CAPITAL ASSETS – CONTINUED**

<b>Business-type</b>	<b>June 30, 2024</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>June 30, 2025</b>
<i>Capital Assets - not being depreciated/amortized</i>					
Land and Improvements	\$ 44,773	\$ -	\$ -	\$ -	\$ 44,773
Construction in Progress	24,190,965	15,879,923	-	(864,413)	39,206,475
Total Capital Assets, not being depreciated/amortized	24,235,738	15,879,923	-	(864,413)	39,251,248
<i>Capital Assets - being depreciated/amortized</i>					
Water System and Improvements	19,088,593	-	-	864,413	19,953,006
Sewer System and Improvements	23,056,354	-	-	-	23,056,354
Buildings and Improvements	283,711	-	-	-	283,711
Machinery and Equipment	1,135,125	131,843	7,004	-	1,259,964
Vehicles	1,994,416	450,983	-	-	2,445,399
Total Capital Assets - being depreciated/amortized	45,558,199	582,826	7,004	864,413	46,998,434
Less Accumulated Depreciation/Amortization for:					
Water System and Improvements	8,066,269	405,847	-	-	8,472,116
Sewer System and Improvements	9,836,175	510,200	-	-	10,346,375
Buildings and Improvements	250,266	7,407	-	-	257,673
Machinery and Equipment	722,716	61,862	7,004	-	777,574
Vehicles	1,395,181	207,520	-	-	1,602,701
Total Accumulated Depreciation/Amortization	20,270,607	1,192,836	7,004	-	21,456,439
Total Capital Assets - being dep/amort, net	25,287,592	(610,010)	-	864,413	25,541,995
Business-type Activity Capital Assets, Net	\$ 49,523,330	\$ 15,269,913	\$ -	\$ -	\$ 64,793,243

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

<b>Business-type Activities</b>	
Water	\$ 479,666
Sewer	586,468
Sanitation	126,702
Total Depreciation/Amortization Expense - Business-type Activities	\$ 1,192,836

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 6 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

<b>Transfer Out</b>	<b>Transfers In</b>			
	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Water &amp; Sewer</b>	<b>Total</b>
General Fund	\$ -	\$ 3,000	\$ -	\$ 3,000
Capital Projects	15,657	-	282,453	298,110
Water and Sewer Fund	400,000	-	-	400,000
Other Governmental Funds	487,900	-	-	487,900
Total Transfers Out	<u>\$ 903,557</u>	<u>\$ 3,000</u>	<u>\$ 282,453</u>	<u>\$ 1,189,010</u>

Transfers are used to (1) move revenues from the water and sewer fund and nonmajor funds to the general fund as provided in the budget, (2) move completed projects from the nonmajor projects fund to the water and sewer fund, and (3) move amounts earmarked for future equipment replacement from the nonmajor equipment replacement fund.

Interfund balances must generally be eliminated in the government-wide financial statements, except for the net residual amounts due between governmental activities. Amounts involving fiduciary funds should be reported as external transactions. Any allocations must reduce the expense of the function from which the expenses are being allocated, so that expenses are reported only once – in the function in which they are allocated. No amounts were reported in the government-wide financial statements, as the amount did not involve the transfers of financial resources.

**NOTE 7 LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the year ended June 30, 2025:

<b>Governmental Activities</b>	<b>June 30, 2024 Restated</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2025</b>	<b>Due Within A Year</b>
Bonds Payable:					
General Obligation	\$ 246,770	\$ -	\$ 121,270	\$ 125,500	\$ 125,500
Revenue Bond	2,830,743	-	389,215	2,441,528	394,200
Total Bonds	3,077,513	-	510,485	2,567,028	519,700
Notes Payable	334,831		79,851	254,980	82,284
Leases Payable	24,862	18,156	6,785	36,233	8,793
Compensated Absences*	413,760	2,064	-	415,824	25,000
Total	<u>\$ 3,850,966</u>	<u>\$ 20,220</u>	<u>\$ 597,121</u>	<u>\$ 3,274,065</u>	<u>\$ 635,777</u>

\*The change in compensated absences above is a net change for the year.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

<b>Business-type Activities</b>	<b>June 30, 2024 Restated</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2025</b>	<b>Due Within A Year</b>
Bonds Payable:					
Revenue Bonds	\$ 8,668,163	\$ -	\$ 452,100	\$ 8,216,063	\$ 461,405
Notes Payable	96,499	307,292	47,953	355,838	105,591
Compensated Absences*	95,700	11,841	-	107,541	5,000
Total	<u>\$ 8,860,362</u>	<u>\$ 319,133</u>	<u>\$ 500,053</u>	<u>\$ 8,679,442</u>	<u>\$ 571,996</u>

\*The change in compensated absences above is a net change for the year.

For compensated absences, the general fund liquidates the portion attributable to governmental activities, while the water and sewer fund liquidates the portion reported in the business-type activities.

**Leases Payable - Governmental Activities**

The City has various lease agreements for the acquisition and use of office equipment. An initial lease liability was recorded in the amount of \$44,991. As of June 30, 2025, the value of the liability was \$36,233. The City is required to make monthly principal and interest payments of \$867. The lease has an interest rate of 5%. The City is not expected to renew the lease at the end of the lease term. The value of the right-to-use asset as of the end of the current fiscal year was \$35,553 and had accumulated amortization of \$9,438.

The future principal and interest lease payments as of June 30, 2025 are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 8,793	\$ 1,610	\$ 10,403
2027	9,243	1,162	10,405
2028	8,492	704	9,196
2029	7,680	303	7,983
2030	2,025	30	2,055
Total	<u>\$ 36,233</u>	<u>\$ 3,809</u>	<u>\$ 40,042</u>

**Notes Payable - Governmental Activities**

**Balance**

\$411,941 firetruck, due in annual payments of \$90,834 including interest of 3.35% over five years through November 2027.

\$ 254,980

Annual debt service requirements to maturity for notes payable are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 82,284	\$ 8,550	\$ 90,834
2027	85,041	5,793	90,834
2028	87,655	3,179	90,834
Total	<u>\$ 254,980</u>	<u>\$ 17,522</u>	<u>\$ 272,502</u>

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

**Notes Payable - Business-type Activities**

	<u><b>Balance</b></u>
\$236,144 sanitation vehicle, due in annual payments of \$49,303 including interest of 1.4499% over five years through October 2025.	\$ 48,546
\$307,292 sanitation vehicle, due in annual payments of \$69,348 including interest of 4.19% over five years through November 2029.	<u>307,292</u>
	<u><u>\$ 355,838</u></u>

Annual debt service requirements to maturity for notes payable are as follows:

<u><b>Fiscal Year Ending June 30,</b></u>	<u><b>Principal</b></u>	<u><b>Interest</b></u>	<u><b>Total</b></u>
2026	\$ 105,591	\$ 13,061	\$ 118,652
2027	58,717	10,631	69,348
2028	61,211	8,137	69,348
2029	63,797	5,551	69,348
2030	66,522	2,826	69,348
Total	<u>\$ 355,838</u>	<u>\$ 40,206</u>	<u>\$ 396,044</u>

**General Obligation Bonds**

	<u><b>Balance</b></u>
The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and large equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The bonds were issued for 15 years in annual installments plus interest ranging from 2.20% to 3.50%.	<u>\$ 125,500</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u><b>Fiscal Year Ending June 30,</b></u>	<u><b>Principal</b></u>	<u><b>Interest</b></u>	<u><b>Total</b></u>
2026	\$ 125,500	\$ 4,382	\$ 129,882
Total	<u>\$ 125,500</u>	<u>\$ 4,382</u>	<u>\$ 129,882</u>

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

**Revenue Bonds - Governmental Funds**

**Balance**

The City has issued a revenue bond to complete construction of the Walterboro Wildlife Sanctuary and Center. Local hospitality and accommodation tax revenues are pledged for the payment. The original amount of the bond was \$4,000,000, payable in yearly installments of approximately \$425,000 including interest at 1.27% for ten years.

**\$ 2,441,528**

Annual debt service requirements to maturity for the revenue bond is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 394,200	\$ 31,008	\$ 425,208
2027	399,200	26,002	425,202
2028	404,300	20,932	425,232
2029	409,400	15,798	425,198
2030	414,600	10,598	425,198
2031	419,828	5,405	425,233
Total	<u>\$ 2,441,528</u>	<u>\$ 109,743</u>	<u>\$ 2,551,271</u>

**Revenue Bonds – Proprietary Funds**

The City has entered into three separate revenue bonds for water and sewer expansion as follows:

**Balance**

\$3,062,830 Sewer Rehabilitation Bond payable in quarterly installments of \$45,841 at 1.84% interest through December 2030.

\$ 904,851

\$1,480,000 Wastewater Treatment Plant Upgrade Bond payable in quarterly installments of \$22,071 at 1.8% interest through December 2037.

986,212

\$7,000,000 Waterworks & Sewer System Improvement Bond Series 2021 payable in variable semi-annual installments of principal and interest at 2.59% interest through June 2040.

6,325,000

**\$ 8,216,063**

Annual debt service requirements to maturity for the revenue bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 461,405	\$ 197,535	\$ 658,940
2027	475,841	187,271	663,112
2028	485,414	176,611	662,025
2029	495,125	165,684	660,809
2030	504,979	154,485	659,464
2031-2035	2,717,961	590,972	3,308,933
2036-2040	3,075,338	238,076	3,313,414
Total	<u>\$ 8,216,063</u>	<u>\$ 1,710,634</u>	<u>\$ 9,926,697</u>

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

**Short-Term Debt – Proprietary Funds**

<u>Business-type Activities</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>June 30, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>
Waterworks & Sewer Imp	2023	4.17%	\$ 7,535,251	\$ 16,144,525	\$ 13,053,791	\$ 10,625,985

The purpose of the short-term borrowings was to provide resources for Wastewater Treatment Facility Expansion. The form of financing used was a bond anticipation note. The City will be issuing a \$12,000,000 revenue bond in December 2025. The amount issued for business-type activities relates solely to the water and sewer fund.

**Compensated Absences**

Liabilities for compensated absences are reported in the applicable governmental type activities columns in the government-wide financial statements. Compensated absences are paid from the general fund and water, sewer, and sanitation fund. The liability for compensated absences at June 30, 2025, amounted to \$415,824 and \$107,541, respectively, for the governmental activities and business-type activities and includes 20% for employee benefits.

**Other Post Employment Benefits**

*Plan Description* – The City provides postemployment health care benefits to employees who participate in the City's health insurance plan and who retire from City service in accordance with the South Carolina Retirement System through a single-employer defined benefit plan. The benefits, benefit levels and employee contributions, and employer contributions are governed by the City of Walterboro and can be amended by the City through its personnel manual. Service Retirees and employees enrolled in the health plan on or before July 1, 2010, and meet at least one of the following criteria: (1) have at least 16 years of continuous service with the City and be a Mayor, Council Member, or Council Appointee; or (2) have at least 15 years of continuous service with the City and retire from PORS; or (3) have at least 18 years of continuous service with the City and retire from SCRS. Participants with less than 10 years of service with the City on July 1, 2010 may not receive benefits until they are at least age 60 regardless of age at retirement. Participants with at least 10 years of service with the City on July 1, 2010 receive benefits immediately upon retirement.

*Funding Policy* – The liability for other postemployment benefits will be fully liquidated from the general fund. The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City Council. For fiscal year ended June 30, 2025, the City contributed \$25,100 to the plan. Administrative costs of the OPEB Trusts are paid from the plan assets. The following table summarizes the membership of the Plan as of December 31, 2022, the valuation date:

<u>Membership</u>	
	Number
Inactive Employees or Beneficiaries Currently Receiving Benefits	14
Inactive Members Entitled To But Not Yet Receiving Benefits	0
Active Employees	23
Total Membership	37

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

As of December 31, 2024, the Measurement Date is presented in the table below:

<b>Measurement Date as of December 31, 2024</b>	
Total OPEB Liability (TOL)	\$ 4,575,888
Fiduciary Net Position (FNP)	1,269,389
Net OPEB Liability (NOL)	<u>\$ 3,306,499</u>
Ratio of FNP to TOL	<u>27.74%</u>

**Actuarial Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The occurrences that must be considered include employee turnover, pay increases, disablement, retirement, deaths, and investment income on anticipated plan assets. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented below, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

The TOL was determined by an actuarial valuation as of December 31, 2022, using the following key actuarial assumptions and other inputs:

Inflation	2.25%
Real wage growth	
SCRS	0.75%
PORS	1.25%
Wage inflation	
SCRS	3.00%
PORS	3.50%
Salary increases, including wage inflation	
SCRS	3.00% - 9.5%
PORS	3.50% - 11.00%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	4.75%
Municipal Bond Index Rate	
Prior Measurement Date	3.26%
Measurement Date	4.08%
Year FNP is projected to be depleted	
Prior Measurement Date	2033
Measurement Date	2034
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	3.37%
Measurement Date	4.14%
Health Care Cost Rates	
Pre-Medicare	7.0% for 2023 decreasing to an ultimate rate of 4.5% by 2033
Medicare	5.25% for 2023 decreasing to an ultimate rate of 4.5% by 2029

The discount rate used to measure the TOL was based on the Single Equivalent Interest Rate.

Mortality rates were based on the PUB-2010 Mortality Tables for Employees with a 100% multiplier to better reflect the anticipated experience and provide margin for future improvements.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the December 31, 2022 valuation were based on the results of the 2024 actuarial experience study adopted by SCRS and PORS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the December 31, 2022 valuation were based on a review of recent plan experience done concurrently with the December 31, 2022 valuation.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges should be combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans which are likely to cover a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

As of the most recent adoption of the current long-term rate of return by the Plan, the target asset allocation for each major asset class, as provided by the Plan, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Expected Arithmetic Real Rate of Return</b>
US Government Agency	58.0%	4.40%
US Govt MBS/CMO/CMBS	40.0%	4.90%
Cash and Short Duration (Net)	2.0%	3.85%
Total	100.0%	

*Discount Rate (SEIR).* The discount rate used to measure the TOL as of the Measurement Date was 4.14%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of December 31, 2022. In addition to the actuarial methods and assumptions of the December 31, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually using the payroll growth assumptions.
- Active employees do not explicitly contribute to the Plan.
- In all future years, the employer continues to contribute the amount equal to the average contribution over the last five years. These contributions may be either to the Trust or as direct payment of benefits to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make contributions to the Trust and benefit payments from its own resources for all periods in the projection.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan's FNP was projected to be depleted in 2034 and, as a result, the Municipal Bond Index Rate was used in the determination of the SEIR. Here, the long-term expected rate of return of 4.75% on Plan investments was applied to periods through 2033 and the Municipal Bond Index Rate at the Measurement Date (4.08%) was applied to periods on and after City of Walterboro, resulting in an SEIR at the Measurement Date (4.14%). As a result of the change to the Municipal Bond Index Rate, there was a change in the discount rate from 3.37% at the Prior Measurement Date to 4.14% at the Measurement Date.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

The FNP projections are based upon the Plan's financial status on the Valuation Date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

**Sensitivity of Net OPEB Liability to Health Care Cost Trend Rates:** The following exhibit presents the NOL of the Plan, calculated using current health care cost trend rates, as well as what the Plan's NOL would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates.

<b><u>Health Care Cost Trend Rate Sensitivity</u></b>			
<b>System</b>	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Net OPEB Liability	\$ 2,586,368	\$ 3,306,499	\$ 4,217,041

**Sensitivity of Net OPEB Liability to Discount Rates:** This paragraph requires disclosure of the sensitivity of the NOL to changes in the discount rate. The following exhibits present the NOL of the Plan, calculated using the discount rate of 4.14%, as well as what the Plan's NOL would be if it were calculated using a Discount Rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

<b><u>Discount Rate Sensitivity</u></b>			
<b>System</b>	<b>1% Decrease (3.14%)</b>	<b>Current Discount</b>	<b>1% Increase (5.14%)</b>
		<b>Rate (4.14%)</b>	
Net OPEB Liability	\$ 4,083,162	\$ 3,306,499	\$ 2,684,134

**Change in Net OPEB Liability (NOL)**

<b>Description</b>	<b>Total OPEB Liability (a)</b>	<b>Plan Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
<b>Balance at December 31, 2023</b>	\$ 5,055,066	\$ 1,336,643	\$ 3,718,423
<b>Changes for the year:</b>			
Service cost at the end of the year*	78,276	-	78,276
Interest on the TOL and Cash Flows	168,405	-	168,405
Difference between expected and actual experience	(7,406)	-	(7,406)
Changes of assumptions or other inputs	(601,738)	-	(601,738)
Contributions - employer	-	25,100	(25,100)
Net investment income	-	25,361	(25,361)
Benefit payments and implicit subsidy credit**	(116,715)	(116,715)	-
Plan administrative expenses***	-	(1,000)	1,000
Net changes	(479,178)	(67,254)	(411,924)
<b>Balance at December 31, 2024</b>	<b>\$ 4,575,888</b>	<b>\$ 1,269,389</b>	<b>\$ 3,306,499</b>

\* The service cost includes interest for the year.

\*\* Benefit payments are net of participant contributions and include a payment of \$25,100 for the implicit subsidy.

\*\*\* Administrative expenses are based on the fees paid from the plan's trust.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

CavMac has assumed no significant changes, other than the change in the Municipal Bond Index Rate, has occurred between the Valuation Date and the Measurement Date. If a significant change, other than the change in the Municipal Bond Index Rate, has occurred between the valuation Date and Measurement Date, an updated valuation may need to be performed.

The TOL is based upon an actuarial valuation performed as of the Valuation Date, December 31, 2022. An expected TOL is determined as of December 31, 2024 using standard roll forward techniques. The roll forward calculation begins with the TOL, as of December 31, 2023, subtracts the actual benefit payments and refunds for the year, applies interest at the discount rate for the year, and then adds the annual Normal Cost (also called the Service Cost).

Information regarding changes in benefit terms and changes to assumptions or other inputs should be noted. The following changes have been made since the prior measurement date:

**Changes in Benefit Terms:** None

**Changes to Assumptions or Other Inputs:**

- Change in discount rate
- The decremental and salary increase assumptions have been updated based on the most recent SCRS and PORS experience analysis.

Since certain expense items are recognized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts will increase OPEB Expense they are labeled Deferred Outflows of Resources. If they serve to reduce OPEB Expense they are labeled Deferred Inflows of Resources. The recognition of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average expected remaining service life of the active and inactive Plan members at the beginning of the measurement period.

**Deferred Inflows of Resources and Deferred Outflows of Resources:** The following table provides a summary of the Deferred Outflows of Resources and Deferred Inflows of Resources as of December 31, 2024:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 6,932	\$ 368,940
Changes of assumptions or other inputs	708,278	874,436
Net difference between projected and actual earnings on plan investments	192,711	-
Total	<u>\$ 907,921</u>	<u>\$ 1,243,376</u>

**CITY OF WALTERBORO, SOUTH CAROLINA**  
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**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

**Schedule of the Recognition of Deferred (Inflows)/Outflows of Resources in OPEB Expense:**  
Amounts reported as Deferred Outflow of Resources and Deferred Inflows of Resources related to OPEB benefits will be recognized in OPEB Expense as follows:

<u>Measurement Period Ended December 31:</u>	<u>Amount</u>
2025	\$ (25,331)
2026	(173,073)
2027	(90,127)
2028	(46,924)
2029	-
Thereafter	-

**Pension Plan**

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and 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 generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

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

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

Plan Descriptions

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

Membership

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

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member 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 PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

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

**CITY OF WALTERBORO, SOUTH CAROLINA**  
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**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

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.

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.

**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, SCRS and PORS 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 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for 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.

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to 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 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 plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

Required employee contribution rates<sup>1</sup> are as follows:

	<u>Fiscal Year 2025<sup>1</sup></u>	<u>Fiscal Year 2024<sup>1</sup></u>
<b>SCRS</b>		
Employee class two	9.00%	9.00%
Employee class three	9.00%	9.00%
<b>PORS</b>		
Employee class two	9.75%	9.75%
Employee class three	9.75%	9.75%

Required employer contribution rates<sup>1</sup> are as follows:

	<u>Fiscal Year 2025<sup>1</sup></u>	<u>Fiscal Year 2024<sup>1</sup></u>
<b>SCRS</b>		
Employer class two	18.56% <sup>2</sup>	18.56%
Employer class three	18.56% <sup>2</sup>	18.56%
<b>PORS</b>		
Employer class two	21.24% <sup>3</sup>	21.24%
Employer class three	21.24% <sup>3</sup>	21.24%

<sup>1</sup>Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

<sup>2</sup>Includes incidental death benefit contribution rate of 0.15%.

<sup>3</sup>Includes incidental death benefit and accidental death benefit contribution rate of 0.20% each.

**Actuarial Assumptions and Methods**

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

**CITY OF WALTERBORO, SOUTH CAROLINA  
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**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

The June 30, 2024, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2023. The total pension liability 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.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024.

	<b><u>SCRS</u></b>	<b><u>PORS</u></b>
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return <sup>1</sup>	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service) <sup>1</sup>	3.5% to 10.5% (varies by service) <sup>1</sup>
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

<sup>1</sup> 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), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2024, TPL are as follows.

<b><u>Former Job Class</u></b>	<b><u>Males</u></b>	<b><u>Females</u></b>
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%

**Net Pension Liability**

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB 67 less that system's fiduciary net position. NPL totals, as of June 30, 2024, for SCRS and PORS are presented below.

<b><u>System</u></b>	<b><u>Total Pension Liability</u></b>	<b><u>Plan Fiduciary Net Position</u></b>	<b><u>Employers' Net Pension Liability (Asset)</u></b>	<b><u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u></b>
<b>SCRS</b>	\$ 10,819,497	\$ 6,685,207	\$ 4,134,290	61.8%
<b>PORS</b>	12,705,892	8,961,026	3,744,866	70.5%
<b>Total</b>	<u>\$ 23,525,389</u>	<u>\$ 15,646,233</u>	<u>\$ 7,879,156</u>	

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 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 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

**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 rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7 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.

<b>Allocation/Exposure</b>	<b>Policy Target</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
<b>Public Equity</b>	46.0%	6.23%	2.86%
<b>Bonds</b>	26.0%	2.60%	0.68%
<b>Private Equity<sup>1</sup></b>	9.0%	9.60%	0.86%
<b>Private Debt<sup>1</sup></b>	7.0%	6.90%	0.48%
<b>Real Assets</b>	12.0%		
Real Estate <sup>1</sup>	9.0%	4.30%	0.39%
Infrastructure <sup>1</sup>	3.0%	7.30%	0.22%
Total expected return <sup>2</sup>	100.0%		5.49%
Inflation for actuarial purposes			2.25%
Expected rate of return			7.74%

<sup>1</sup>RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.

<sup>2</sup>Portable Alpha Strategies, which utilizes Hedge Funds and are not included in the Policy Target, will be capped at 15% of total assets.

**Discount Rate**

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

<b>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</b>			
<b>System</b>	<b>1% Decrease (6%)</b>	<b>Current Discount Rate (7%)</b>	<b>1% Increase (8%)</b>
SCRS	\$ 5,357,573	\$ 4,134,280	\$ 3,007,744
PORS	5,425,602	3,744,876	2,368,267
	<u>\$ 10,783,175</u>	<u>\$ 7,879,156</u>	<u>\$ 5,376,011</u>

**Pension Expense**

The aggregate amount of pension expense for SCRS and PORS is \$874,374. Components of collective pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2024, are presented below.

<b>Description</b>	<b>SCRS</b>	<b>PORS</b>
Service cost (annual cost of current service)	\$ 208,474	\$ 300,728
Interest on the total pension liability	706,562	813,696
Plan administrative costs	3,201	4,206
Plan member contributions	(196,999)	(246,801)
Expected return on plan assets	(423,410)	(564,075)
Recognition of current year amortization - difference between expected and actual experience & assumption changes	156,598	243,888
Recognition of current year amortization - difference between projected and actual investment earnings	(55,701)	(74,126)
Other	319	(2,186)
<b>Total</b>	<u>\$ 399,044</u>	<u>\$ 475,330</u>

Additional items included in Total Employer Pension Expense in the Schedules of Pension Amounts by Employer are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective NPL and differences between actual employer contributions and proportionate share of total plan employer contributions. These two deferrals are specific to cost-sharing multiple-employer defined benefit pension plans as discussed in paragraphs 54 and 55 of GASB 68.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

**Deferred Outflows of Resources and Deferred Inflows of Resources**

The following schedules reflect the amortization of collective deferred outflows/(inflows) of resources related to pensions outstanding at June 30, 2024.

<b><u>SCRS</u></b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 135,867	\$ 5,131
Assumption changes	72,887	-
Net difference between projected and actual investment earnings	-	159,295
Deferred amounts from changes in proportionate share and differences between employer contributions & proportionate share of total plan employer contributions	17,393	178,581
Contributions subsequent to the measurement date	491,148	-
Total	<u>\$ 717,295</u>	<u>\$ 343,007</u>

<b><u>PORS</u></b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 351,693	\$ 21,470
Assumption changes	81,533	
Net difference between projected and actual investment earnings	-	209,953
Deferred amounts from changes in proportionate share and differences between employer contributions & proportionate share of total plan employer contributions	6,895	275,223
Contributions subsequent to the measurement date	584,306	-
Total	<u>\$ 1,024,427</u>	<u>\$ 506,646</u>
Total All Plans	<u>\$ 1,741,722</u>	<u>\$ 849,653</u>

As discussed in paragraph 71b of GASB 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions. Accordingly, the Outstanding Balance of Deferred Outflows of Resources in the Schedules of Pension Amounts by Employer reflects the current net difference between projected and actual pension plan investment earnings.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

Additional items reported within the Outstanding Balance of Deferred Outflows and Inflows of Resources in the Schedules of Pension Amounts by Employer result from the two cost-sharing multiple-employer defined benefit pension plan-specific deferrals previously discussed.

The amounts of \$491,148 and \$584,306 reported as deferred outflows of resources relate to the contributions subsequent to the measurement date of the SCRS and PORS, respectively, and will be recognized as a reduction of the net pension liabilities for the year ended June 30, 2026.

<b>Amortization of Deferred Outflows/(Inflows) of Resources</b>			
<b>Amortized period ending June 30,</b>	<b>SCRS</b>	<b>PORS</b>	<b>Total</b>
2025	\$ (97,258)	\$ (85,068)	\$ (182,326)
2026	107,510	179,048	286,558
2027	(44,982)	(37,910)	(82,892)
2028	(82,130)	(122,595)	(204,725)
Net balance of deferred outflows/(inflows) of resources	\$ (116,860)	\$ (66,525)	\$ (183,385)

**Employer and Nonemployer Contributions**

Employers' proportionate shares were calculated on the basis of employer and nonemployer contributions remitted to the plan. In an effort to help offset a portion of the increased contribution requirements for employers, the General Assembly again provided nonemployer contributions to PEBA. Based on the criteria provided by the General Assembly, PEBA issued credit invoices to certain SCRS and PORS employers for fiscal year 2024 who then applied the credit invoices towards contributions otherwise due to the Systems. The amount of credit invoices issued in fiscal year 2024 totaled \$88.7 million and \$12.5 million for SCRS and PORS, respectively.

Employer contributions recognized by the Systems that are not representative of future contribution effort are excluded in the determination of employers' proportionate shares. Examples of employer contributions not representative of future contribution effort are contributions towards the purchase of employee service purchases and employer contributions paid by employees.

The following table provides a reconciliation of Employer and Nonemployer contributions in the plans' Statement of Changes in Fiduciary Net Position (per the Systems' separately issued financial statements) to the Employer and Nonemployer contributions used in the determination of employers' proportionate shares of collective pension amounts reported in the Schedules of Employer and Nonemployer Allocations.

	<b>SCRS</b>	<b>PORS</b>
Employer contributions reported in statement of changes in net position for the fiscal year ended June 30, 2024	\$ 434,268	\$ 508,704
Nonemployer contributions reported in statement of changes in net position for the fiscal year ended June 30, 2024	15,639	15,568
Employer contributions not representative of future contribution effort	(261)	(1,259)
Employer and nonemployer contributions used as the basis for allocating employers' proportionate shares of collective pension amounts - June 30, 2024 measurement date	\$ 449,646	\$ 523,013

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED**

**Additional Financial and Actuarial Information**

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2024, and the accounting valuation report as of June 30, 2024. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

**Payable to the Pension Plan**

At June 30, 2025, the amount reported for payables was \$0. The liability for pension-related obligations is fully liquidated by the general fund.

**401(K) Plan**

The City of Walterboro currently offers substantially all full-time employees the option of participating in a 401(K) plan. Empower Retirement administers the plan as an affiliate of Great West Financial Services, Inc. Under the terms of the plan employees may contribute a minimum of two percent and a maximum of twenty percent of adjusted gross income subject to the limits of Section 401(K) of the Internal Revenue Code. It is the opinion of the City's legal counsel that the government has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Therefore, the assets and liabilities of the 401(K) plan are not reflected in the City's financial statements.

**NOTE 8 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

The City has several lawsuits against it. Most of this litigation is covered by insurance or settled through subsequent agreements. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City the resolution of these matters will not have a material adverse effect on the financial condition of the City.

In the normal course of operations, the City receives grant funds from various federal and state agencies. These grant programs are subject to program compliance audits by grantors or representatives. The amount, if any, of liability for reimbursement which may arise from these audits cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 RISK MANAGEMENT**

The City is exposed to various types of risk of loss and maintains elements of both self-insurance and purchased insurance policies divided into coverage of worker's compensation, property and casualty, and employee health insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits.

The State of South Carolina itself assumes substantially all risks for the following:

- Claims of covered public employees for health and dental insurance benefits (Office of Insurance Services),
- Claims of covered public employees for long-term disability and group-life insurance benefits (Retirement System), and
- Property and casualty insurance on buildings, equipment, and vehicles owned by the City as well as tort liability on City employees (South Carolina Municipal Risk Fund).

The City participates in the South Carolina Municipal Insurance Trust Pool, a public entity risk pool for its Workers Compensation coverage. Pool members are subject to a supplemental assessment in the event of deficiencies.

The City has recorded insurance premium expenditures in the applicable functional expenditure categories of the General Fund. These expenditures do not include estimated claim losses and estimable premium adjustments.

In management's opinion, supplemental premium assessments, if any, would not be significant enough to have a material adverse effect on the financial position of the City.

There have not been any reductions in insurance coverage from the prior year.

The amounts of settlements have not exceeded coverage in each of the past three fiscal years.

**NOTE 10 NET POSITION**

The following is a detail of the net investment in capital assets as reported on the Statement of Net Position:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<u>Net Investment in Capital Assets</u>		
Capital assets	\$ 21,507,021	\$ 64,793,243
Long-term debt	(3,274,065)	(8,679,442)
Add: Compensated absences included above	415,824	107,541
Unspent Bond Funds	126,363	1,709,598
Net Investment in Capital Assets	<u>\$ 18,775,143</u>	<u>\$ 57,930,940</u>

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 11 FUND BALANCE AND NET POSITION CLASSIFICATIONS**

The following is a detail of the fund balance and net position classifications:

Governmental Funds	
<u>Committed</u>	
Funds committed by local ordinance for tourism related expenditures:	
Accommodations Tax	\$ 670,233
Hospitality Tax	503,728
Total Committed Fund Balance	<u>\$ 1,173,961</u>
<u>Assigned</u>	
Unspent bond and grant funds	\$ 126,363
ARPA Coronavirus Fiscal Recovery Funds	1,366,945
Total Assigned Fund Balance	<u>\$ 1,493,308</u>
<u>Restricted</u>	
State accommodations tax restricted by the state for tourism	\$ 338,092
1% Funds restricted for firemen	5,273
Funds restricted for police	50,679
Total Restricted Fund Balance	<u>\$ 394,044</u>
Proprietary Fund	
<u>Restricted</u>	
Funds restricted by bond ordinance for a debt service reserve	\$ 393,999
Total Restricted Net Position	<u>\$ 393,999</u>

**NOTE 12 RESTATEMENT OF BEGINNING BALANCES**

During the current year, the City implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the City now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences.

	Net Position/Fund Balance June 30, 2024 As Previously Reported	Restatement - GASB 101 Implementation	Net Position/Fund Balance June 30, 2025 As Restated
<b>Government-wide</b>			
Governmental Activities	\$ 15,397,637	\$ (169,054)	\$ 15,228,583
Business-type Activities	40,948,793	(32,848)	40,915,945
Total Government-wide	<u>\$ 56,346,430</u>	<u>\$ (201,902)</u>	<u>\$ 56,144,528</u>
<b>Proprietary Fund</b>			
Enterprise Fund			
Major Fund:			
Water, Sewer & Sanitation	\$ 40,948,793	\$ (32,848)	\$ 40,915,945
Total Enterprise Fund	<u>\$ 40,948,793</u>	<u>\$ (32,848)</u>	<u>\$ 40,915,945</u>

**CITY OF WALTERBORO, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 13 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 15, 2025, the date the financial statements were issued, and determined that the following significant events have occurred: The City has been awarded several grants to upgrade or make improvements to existing infrastructure. A list of awards by project is as follows:

<b>Project</b>	<b>Grant Amount</b>	<b>Expected Completion</b>
Sewer Upgrade Subsystem 1 East & 3	\$ 2,321,831	Year 2026
Wastewater Treatment Plant Expansion	\$ 25,665,446	Year 2026
Wastewater Generator	\$ 1,188,784	Year 2026
Wastewater Trunkline	\$ 3,257,501	Year 2026
Northwest Sewer Improvements	\$ 10,000,000	Year 2026
Forest Hills Water Improvement	\$ 1,340,143	Year 2027

## REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 6,966,000	\$ 6,966,000	\$ 7,723,534	\$ 757,534
Fines, Fees and Licenses	171,300	171,300	265,799	94,499
Intergovernmental	143,200	143,200	144,975	1,775
Miscellaneous	361,986	361,986	1,015,344	653,358
Total Revenues	7,642,486	7,642,486	9,149,652	1,507,166
<b>EXPENDITURES</b>				
<b>Current</b>				
Mayor and Council	298,290	298,290	321,022	(22,732)
Police	3,385,912	3,385,912	3,705,369	(319,457)
Fire	1,528,497	1,528,497	1,589,631	(61,134)
Parks	610,891	610,891	640,052	(29,161)
Tourism Development	202,269	202,269	151,981	50,288
Finance	364,570	364,570	360,858	3,712
City Manager	408,805	408,805	412,505	(3,700)
Public Works	1,168,053	1,168,053	1,128,696	39,357
Planning and Development	217,840	217,840	218,771	(931)
Judicial	263,147	263,147	271,597	(8,450)
Wildlife Center	87,446	87,446	104,688	(17,242)
<b>Capital Outlay</b>				
Mayor and Council	-	-	8,930	(8,930)
Police	114,000	114,000	129,559	(15,559)
Fire	12,000	12,000	11,899	101
Parks	25,000	25,000	35,496	(10,496)
Public Works	5,100	5,100	580,742	(575,642)
<b>Debt Service</b>				
Principal	196,716	196,716	207,907	(11,191)
Interest	24,000	24,000	21,157	2,843
Total Expenditures	8,912,536	8,912,536	9,900,860	(988,324)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Leases	-	-	18,156	18,156
Transfers In	1,096,950	1,096,950	903,557	(193,393)
Transfers Out	(3,000)	(3,000)	(3,000)	-
Total Other Financing Sources (Uses)	1,093,950	1,093,950	918,713	(175,237)
Net Change in Fund Balances	(176,100)	(176,100)	167,505	343,605
Fund Balances, Beginning	4,916,206	4,916,206	4,916,206	-
Fund Balances, Ending	\$ 4,740,106	\$ 4,740,106	\$ 5,083,711	\$ 343,605

**NOTES TO REQUIRED SUPPLEMENTARY SCHEDULE:**

The basis of budgeting is the same as generally accepted accounting principles. The City adopts annual budgets for the general fund using the modified accrual basis. Appropriations lapse at the end of the year.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**STATE PENSION PLAN**  
**LAST TEN FISCAL YEARS**

**SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)**

	<b>Fiscal Year</b>									
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Proportion of the Net Pension Liability (Asset)	0.022228%	0.023383%	0.022336%	0.022226%	0.020759%	0.019926%	0.018358%	0.018726%	0.018599%	0.017630%
Proportionate Share of the Net Pension Liability (Asset)	\$ 4,215,647	\$ 4,994,574	\$ 5,028,193	\$ 4,980,145	\$ 4,740,204	\$ 5,091,332	\$ 3,972,979	\$ 4,539,679	\$ 4,496,769	\$ 4,134,280
Covered Payroll	\$ 2,082,192	\$ 2,264,917	\$ 2,253,646	\$ 2,303,233	\$ 2,192,125	\$ 2,222,965	\$ 2,075,241	\$ 2,228,974	\$ 2,351,348	\$ 2,422,666
Proportionate Share of the New Pension Liability (Asset) as a Percentage of Its Covered Payroll	202.46%	220.52%	223.11%	216.22%	216.24%	229.03%	191.45%	203.67%	191.24%	170.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.00%	52.90%	53.30%	54.10%	54.40%	50.70%	60.70%	57.10%	58.60%	61.80%

**POLICE OFFICER RETIREMENT SYSTEMS (PORS)**

	<b>Fiscal Year</b>									
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Proportion of the Net Pension Liability (Asset)	0.126160%	0.148610%	0.141630%	0.139537%	0.136987%	0.133873%	0.141516%	0.139276%	0.133339%	0.124838%
Proportionate Share of the Net Pension Liability (Asset)	\$ 2,749,696	\$ 3,769,354	\$ 3,880,067	\$ 3,953,839	\$ 3,925,963	\$ 4,439,500	\$ 3,641,093	\$ 4,176,861	\$ 4,058,958	\$ 3,744,876
Covered Payroll	\$ 1,564,963	\$ 1,894,530	\$ 1,907,323	\$ 1,931,400	\$ 1,986,940	\$ 2,022,343	\$ 2,127,966	\$ 2,204,177	\$ 2,336,399	\$ 2,462,403
Proportionate Share of the New Pension Liability (Asset) as a Percentage of Its Covered Payroll	175.70%	198.96%	203.43%	204.71%	197.59%	219.52%	171.11%	189.50%	173.73%	152.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.60%	60.40%	60.90%	61.70%	62.70%	58.80%	70.40%	66.40%	67.80%	70.50%

**NOTES TO REQUIRED SUPPLEMENTARY SCHEDULE:**

Year 2022, the General Assembly approved a change in discount rate from 7.25% to 7.0%.

**CITY OF WALTERBORO, SOUTH CAROLINA  
SCHEDULE OF CONTRIBUTIONS  
STATE PENSION PLAN  
LAST TEN FISCAL YEARS**

**SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)**

	<b>Fiscal Year</b>									
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Contractually Required Contribution	\$ 250,501	\$ 260,522	\$ 312,319	\$ 319,173	\$ 345,893	\$ 322,908	\$ 369,269	\$ 412,897	\$ 449,646	\$ 491,148
Contributions in Relation to the Contractually Required Contribution	\$ 250,501	\$ 260,522	\$ 312,319	\$ 319,173	\$ 345,893	\$ 322,908	\$ 369,269	\$ 412,897	\$ 449,646	\$ 491,148
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,264,917	\$ 2,253,646	\$ 2,303,233	\$ 2,192,125	\$ 2,222,965	\$ 2,075,241	\$ 2,228,974	\$ 2,351,348	\$ 2,422,666	\$ 2,646,282
Contributions as a Percentage of Covered Payroll	11.06%	11.56%	13.56%	14.56%	15.56%	15.56%	16.56%	17.56%	18.56%	18.56%

**POLICE OFFICER RETIREMENT SYSTEMS (PORS)**

	<b>Fiscal Year</b>									
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Contractually Required Contribution	\$ 260,309	\$ 271,600	\$ 313,659	\$ 342,548	\$ 368,876	\$ 388,139	\$ 424,085	\$ 472,887	\$ 523,013	\$ 584,306
Contributions in Relation to the Contractually Required Contribution	\$ 260,309	\$ 271,600	\$ 313,659	\$ 342,548	\$ 368,876	\$ 388,139	\$ 424,085	\$ 472,887	\$ 523,013	\$ 584,306
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,894,530	\$ 1,907,323	\$ 1,931,400	\$ 1,986,940	\$ 2,022,343	\$ 2,127,966	\$ 2,204,177	\$ 2,336,399	\$ 2,462,403	\$ 2,750,966
Contributions as a Percentage of Covered Payroll	13.74%	14.24%	16.24%	17.24%	18.24%	18.24%	19.24%	20.24%	21.24%	21.24%

Amounts presented for each fiscal year were determined as of June 30th.

**CITY OF WALTERBORO, SOUTH CAROLINA  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total OPEB Liability</b>										
Service cost at the end of the year	\$ -	\$ -	\$ 79,023	\$ 81,498	\$ 84,052	\$ 61,474	\$ 96,542	\$ 100,620	\$ 69,252	\$ 78,276
Interest on the TOL and Cash Flows	-	-	189,559	198,792	206,369	191,585	178,972	139,582	170,318	168,405
Difference between expected and actual experience	-	-	(13,863)	(14,391)	(398,620)	55,082	(1,596,052)	(19,326)	(27,690)	(7,406)
Changes of assumption or other inputs	-	-	-	-	(52,440)	974,559	1,555,155	(1,000,777)	451,877	(601,738)
Benefit payments	-	-	(50,155)	(70,739)	(142,880)	(158,519)	(97,413)	(91,622)	(110,258)	(116,715)
Net change in Total OPEB Liability	-	-	204,564	195,160	(303,519)	1,124,181	137,204	(871,523)	553,499	(479,178)
Total OPEB Liability - beginning	-	-	4,015,500	4,220,064	4,415,224	4,111,705	5,235,886	5,373,090	4,501,567	5,055,066
Total OPEB Liability - ending	-	-	4,220,064	4,415,224	4,111,705	5,235,886	5,373,090	4,501,567	5,055,066	4,575,888
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	-	-	258,583	16,300	82,689	91,498	25,200	20,500	24,400	25,100
Net investment income	-	-	44,169	18,621	90,501	101,728	(44,967)	(243,892)	48,484	25,361
Benefit payments	-	-	(50,155)	(70,739)	(142,880)	(158,519)	(97,413)	(91,622)	(110,258)	(116,715)
Administrative expense	-	-	(14,697)	-	-	(4,345)	(4,595)	(1,250)	(5,757)	(1,000)
Net change in Plan Fiduciary Net Position	-	-	237,900	(35,818)	30,310	30,362	(121,775)	(316,264)	(43,131)	(67,254)
Plan Fiduciary Net Position - beginning	-	-	1,555,059	1,792,959	1,757,141	1,787,451	1,817,813	1,696,038	1,379,774	1,336,643
Plan Fiduciary Net Position - ending	-	-	1,792,959	1,757,141	1,787,451	1,817,813	1,696,038	1,379,774	1,336,643	1,269,389
Net OPEB Liability - ending	\$ -	\$ -	\$ 2,427,105	\$ 2,658,083	\$ 2,324,254	\$ 3,418,073	\$ 3,677,052	\$ 3,121,793	\$ 3,718,423	\$ 3,306,499

**NOTES TO REQUIRED SUPPLEMENTARY SCHEDULE:**

Kay changes in assumptions and other inputs:

Year 2019, no change in benefit terms or assumptions.

Year 2020, changes in medical trend.

Year 2021, change in discount rate from 4.75% to 3.45%.

Year 2022, decremental & salary increase assumptions updated based on the most recent SCRS and PORS experience analysis, changes in medical trend, change in discount rate from 3.45% to 2.62%.

Year 2023, change in discount rate from 2.62% to 3.83%.

Year 2024, change in discount rate from 3.83% to 3.37%, updated claims costs, change in medical trend, decremental & salary increase assumptions updated based on most recent SCRS & PORS experience analysis.

Year 2025, change in discount rate from 3.37% to 5.14%, decremental & salary increase assumptions updated based on most recent SCRS & PORS experience analysis.

**CITY OF WALTERBORO, SOUTH CAROLINA  
SCHEDULE OF THE NET OPEB LIABILITY  
LAST TEN FISCAL YEARS**

Description	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability	\$ -	\$ 4,015,500	\$ 4,220,064	\$ 4,415,224	\$ 4,111,705	\$ 5,235,886	\$ 5,373,090	\$ 4,501,567	\$ 5,055,066	\$ 4,575,888
Plan Fiduciary Net Position	-	(1,555,059)	(1,792,959)	(1,757,141)	(1,787,451)	(1,817,813)	(1,696,038)	(1,379,774)	(1,336,643)	(1,269,389)
Net OPEB Liability	<u>\$ -</u>	<u>\$ 2,460,441</u>	<u>\$ 2,427,105</u>	<u>\$ 2,658,083</u>	<u>\$ 2,324,254</u>	<u>\$ 3,418,073</u>	<u>\$ 3,677,052</u>	<u>\$ 3,121,793</u>	<u>\$ 3,718,423</u>	<u>\$ 3,306,499</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	<u>0.0%</u>	<u>38.7%</u>	<u>42.49%</u>	<u>39.80%</u>	<u>43.47%</u>	<u>34.72%</u>	<u>31.57%</u>	<u>30.65%</u>	<u>26.44%</u>	<u>27.74%</u>
Covered Payroll*	<u>\$ -</u>	<u>\$ 1,512,507</u>	<u>\$ 1,512,507</u>	<u>\$ 1,512,507</u>	<u>\$ 1,284,855</u>	<u>\$ 1,284,855</u>	<u>\$ 1,199,147</u>	<u>\$ 1,199,147</u>	<u>\$ 1,093,027</u>	<u>\$ 1,093,027</u>
Net OPEB Liability as a percentage of covered payroll	<u>0.0%</u>	<u>162.7%</u>	<u>160.5%</u>	<u>175.7%</u>	<u>180.9%</u>	<u>266.0%</u>	<u>306.6%</u>	<u>260.3%</u>	<u>340.2%</u>	<u>302.5%</u>

\*For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.

**CITY OF WALTERBORO, SOUTH CAROLINA  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
LAST TEN FISCAL YEARS**

Description	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Employer Contribution (ADEC)	\$ -	\$ -	\$ 256,105	\$ 241,203	\$ 226,586	\$ 212,127	\$ 202,404	\$ 192,885	\$ 217,495	\$ 243,659
Contributions in relation to the ADEC	-	-	258,583	16,300	82,689	91,498	25,200	20,500	24,400	25,100
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,478)</u>	<u>\$ 224,903</u>	<u>\$ 143,897</u>	<u>\$ 120,629</u>	<u>\$ 177,204</u>	<u>\$ 172,385</u>	<u>\$ 193,095</u>	<u>\$ 218,559</u>
Covered Payroll*	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,524,468</u>	<u>\$ 1,531,583</u>	<u>\$ 1,292,307</u>	<u>\$ 1,284,855</u>	<u>\$ 1,199,147</u>	<u>\$ 1,199,147</u>	<u>\$ 1,093,027</u>	<u>\$ 1,093,027</u>
Actual contributions as a percentage of covered payroll	<u>0%</u>	<u>0%</u>	<u>16.96%</u>	<u>1.06%</u>	<u>6.40%</u>	<u>7.12%</u>	<u>2.10%</u>	<u>1.71%</u>	<u>2.23%</u>	<u>2.30%</u>

\*For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.

## SUPPLEMENTARY INFORMATION

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

- Police Fund Accounts for assets seized from drug related arrests. Funds designated for victims of crime and grants for police.
- Firemen Fund Funds designated for victims of crime and grants for fire.
- State Accommodations Tax Accounts for revenues and expenditures that are restricted by State Law.
- Local Accommodation Tax Fund Accounts for revenues and expenditures that are restricted by ordinance.
- Local Hospitality Tax Fund Accounts for revenues and expenditures that are restricted by ordinance.

**CITY OF WALTERBORO, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	<b>Police Fund</b>	<b>Firemens Fund</b>	<b>State Accom Tax Fund</b>	<b>Local Accom Tax Fund</b>	<b>Local Hospitality Tax Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>						
Cash	\$ 49,064	\$ 5,322	\$ 269,555	\$ 646,138	\$ 442,466	\$ 1,412,545
Receivables	1,615	-	105,442	25,375	61,262	193,694
Total Assets	<u>\$ 50,679</u>	<u>\$ 5,322</u>	<u>\$ 374,997</u>	<u>\$ 671,513</u>	<u>\$ 503,728</u>	<u>\$ 1,606,239</u>
<b>LIABILITIES</b>						
Current Liabilities						
Accounts Payable	\$ -	\$ 49	\$ 36,905	\$ 1,280	\$ -	\$ 38,234
Total Liabilities	<u>-</u>	<u>49</u>	<u>36,905</u>	<u>1,280</u>	<u>-</u>	<u>38,234</u>
<b>FUND BALANCES</b>						
Restricted	50,679	5,273	338,092	-	-	394,044
Committed	-	-	-	670,233	503,728	1,173,961
Total Fund Balances	<u>50,679</u>	<u>5,273</u>	<u>338,092</u>	<u>670,233</u>	<u>503,728</u>	<u>1,568,005</u>
Total Liabilities, Deferred Inflows of Resources, & Fund Balances	<u>\$ 50,679</u>	<u>\$ 5,322</u>	<u>\$ 374,997</u>	<u>\$ 671,513</u>	<u>\$ 503,728</u>	<u>\$ 1,606,239</u>

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Police Fund	Firemens Fund	State Accom Tax Fund	Local Accom Tax Fund	Local Hospitality Tax Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ 342,393	\$ 310,650	\$ 677,410	\$ 1,330,453
Miscellaneous	29,650	41,064	447	17,462	7,722	96,345
Total Revenues	29,650	41,064	342,840	328,112	685,132	1,426,798
<b>EXPENDITURES</b>						
<b>Current</b>						
Police	11,971	-	-	-	-	11,971
Fire	-	46,644	-	-	-	46,644
Tourism Development	-	-	319,038	15,062	-	334,100
<b>Debt Service</b>						
Principal	-	-	-	91,547	297,667	389,214
Interest	-	-	-	8,453	27,484	35,937
Total Expenditures	11,971	46,644	319,038	115,062	325,151	817,866
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	3,000	-	-	-	-	3,000
Transfers Out	(19,500)	-	-	(168,400)	(300,000)	(487,900)
Total Other Financing Sources (Uses)	(16,500)	-	-	(168,400)	(300,000)	(484,900)
Net Change in Fund Balances	1,179	(5,580)	23,802	44,650	59,981	124,032
Fund Balances, Beginning	49,500	10,853	314,290	625,583	443,747	1,443,973
Fund Balances, Ending	\$ 50,679	\$ 5,273	\$ 338,092	\$ 670,233	\$ 503,728	\$ 1,568,005

## **PROPRIETARY FUND**

### **Enterprise Fund**

Proprietary Funds are used to account for operation of the City (a) that are financed and operated in a manner similar to private business, where the intent is for the cost of providing goods or services to be recovered, in whole or in part, through user charges; or (b) where the City Council has decided that periodic determination of revenues earned, expense incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. This fund consists of water and sewer operations in the City of Walterboro, and communities of Ruffin and Hendersonville. It also reports the revenues and expenses generated by the Sanitation Department.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**PROPRIETARY FUND - BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Water, Sewer &amp; Sanitation</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>OPERATING REVENUES</b>				
Charges for Services				
Water Sales	\$ 3,040,700	\$ 3,040,700	\$ 3,083,948	\$ 43,248
Sewer Charges	2,196,428	2,196,428	2,279,667	83,239
Sanitation Charges	350,500	350,500	346,792	(3,708)
Total Operating Revenues	<u>5,587,628</u>	<u>5,587,628</u>	<u>5,710,407</u>	<u>122,779</u>
<b>OPERATING EXPENSES</b>				
Costs of Sales and Services				
Water	1,909,871	1,909,871	1,879,211	30,660
Sewer	1,007,736	1,007,736	1,008,798	(1,062)
Sewer Support	517,775	517,775	484,893	32,882
Utility Support	355,337	355,337	364,436	(9,099)
Sanitation	417,385	417,385	350,949	66,436
Depreciation	-	-	1,192,836	(1,192,836)
Total Operating Expenses	<u>4,208,104</u>	<u>4,208,104</u>	<u>5,281,123</u>	<u>(1,073,019)</u>
Operating Income	<u>1,379,524</u>	<u>1,379,524</u>	<u>429,284</u>	<u>(950,240)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Income	64,000	64,000	126,259	62,259
Miscellaneous	28,920	28,920	31,596	2,676
Interest Expense	(1,110,466)	(1,110,466)	(734,830)	375,636
Bond Costs	-	-	(1,500)	(1,500)
Bank Charges	-	-	(9,175)	(9,175)
Total Nonoperating Revenues (Expenses)	<u>(1,017,546)</u>	<u>(1,017,546)</u>	<u>(587,650)</u>	<u>429,896</u>
Income Before Contributions and Transfers	361,978	361,978	(158,366)	(520,344)
Capital Contributions	-	-	11,526,796	11,526,796
Transfers In	158,572	158,572	282,453	123,881
Transfers Out	<u>(620,550)</u>	<u>(620,550)</u>	<u>(400,000)</u>	<u>220,550</u>
Change in Net Position	(100,000)	(100,000)	11,250,883	11,350,883
Net Position, Beginning	40,948,793	40,948,793	40,948,793	-
Prior Period Restatement	<u>(32,848)</u>	<u>(32,848)</u>	<u>(32,848)</u>	<u>-</u>
Net Position, Ending	<u>\$ 40,815,945</u>	<u>\$ 40,815,945</u>	<u>\$ 52,166,828</u>	<u>\$ 11,350,883</u>

**CITY OF WALTERBORO, SOUTH CAROLINA  
COMBINING SCHEDULE OF NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
JUNE 30, 2025**

	Business-type Activities			
	Walterboro Water, Sewer & Sanitation	Ruffin Water	Hendersonville Water & Sewer	Total
<b>ASSETS</b>				
Current Assets				
Cash	\$ 428,490	\$ 683,441	\$ 169,227	\$ 1,281,158
Receivables	5,245,579	9,153	2,806	5,257,538
Inventories	214,294	-	-	214,294
Total Current Assets	5,888,363	692,594	172,033	6,752,990
Noncurrent Assets				
Restricted Cash	2,103,597	-	-	2,103,597
Capital Assets, not being depreciated	39,251,248	-	-	39,251,248
Capital Assets, being depreciated	24,365,995	783,072	392,928	25,541,995
Total Noncurrent Assets	65,720,840	783,072	392,928	66,896,840
Total Assets	<u>\$ 71,609,203</u>	<u>\$ 1,475,666</u>	<u>\$ 564,961</u>	<u>\$ 73,649,830</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$ 1,409,706	\$ -	\$ -	\$ 1,409,706
Salaries and Benefits Payable	70,005	-	-	70,005
Interest Payable	61,389	-	-	61,389
Current Portion of Long-term Liabilities	571,996	-	-	571,996
Unearned Revenues	207,981	-	-	207,981
Customer Deposits	428,494	-	-	428,494
Bond Anticipation Note Payable	10,625,985	-	-	10,625,985
Total Current Liabilities	13,375,556	-	-	13,375,556
Noncurrent Liabilities				
Debt	8,004,905	-	-	8,004,905
Compensated Absences	102,541	-	-	102,541
Total Noncurrent Liabilities	8,107,446	-	-	8,107,446
Total Liabilities	21,483,002	-	-	21,483,002
<b>NET POSITION</b>				
Unrestricted	(7,022,738)	692,594	172,033	(6,158,111)
Restricted	393,999	-	-	393,999
Net Investment in Capital Assets	56,754,940	783,072	392,928	57,930,940
Total Net Position	50,126,201	1,475,666	564,961	52,166,828
Total Liabilities and Net Position	<u>\$ 71,609,203</u>	<u>\$ 1,475,666</u>	<u>\$ 564,961</u>	<u>\$ 73,649,830</u>

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS - ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Business-type Activities			
	Walterboro Water, Sewer & Sanitation	Ruffin Water	Hendersonville Water & Sewer	Total
<b>OPERATING REVENUES</b>				
Charges for Services				
Water Sales	\$ 3,015,024	\$ 58,843	\$ 10,081	\$ 3,083,948
Sewer Charges	2,274,060	-	5,607	2,279,667
Sanitation Charges	346,792	-	-	346,792
Total Operating Revenues	<u>5,635,876</u>	<u>58,843</u>	<u>15,688</u>	<u>5,710,407</u>
<b>OPERATING EXPENSES</b>				
Costs of Sales and Services				
Water	1,854,684	19,364	5,163	1,879,211
Sewer	1,008,798	-	-	1,008,798
Sewer Support	484,893	-	-	484,893
Utility Support	359,680	3,755	1,001	364,436
Sanitation	350,949	-	-	350,949
Depreciation	1,151,665	27,125	14,046	1,192,836
Total Operating Expenses	<u>5,210,669</u>	<u>50,244</u>	<u>20,210</u>	<u>5,281,123</u>
Operating Income	<u>425,207</u>	<u>8,599</u>	<u>(4,522)</u>	<u>429,284</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Miscellaneous	31,596	-	-	31,596
Investment Income	126,259	-	-	126,259
Interest Expense	(734,830)	-	-	(734,830)
Bond Costs	(1,500)	-	-	(1,500)
Bank Charges	(9,175)	-	-	(9,175)
Total Nonoperating Revenues (Expenses)	<u>(587,650)</u>	<u>-</u>	<u>-</u>	<u>(587,650)</u>
Income Before Contributions and Transfers	(162,443)	8,599	(4,522)	(158,366)
Capital Contributions	11,526,796	-	-	11,526,796
Transfers In	282,453	-	-	282,453
Transfers Out	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>(400,000)</u>
Change in Net Position	11,246,806	8,599	(4,522)	11,250,883
Net Position, Beginning	38,912,243	1,467,067	569,483	40,948,793
Prior Period Restatement	<u>(32,848)</u>	<u>-</u>	<u>-</u>	<u>(32,848)</u>
Net Position, Ending	<u>\$ 50,126,201</u>	<u>\$ 1,475,666</u>	<u>\$ 564,961</u>	<u>\$ 52,166,828</u>

# COMPONENT UNITS

## Major Component Units

Component Units are used to account for organizations that raise and hold economic resources for the direct benefit of the governmental unit and for which the elected officials of the primary government are financially accountable.

- Tourism Commission                      Accounts for funds received and expended for tourism in the Walterboro area.
- Development Corporation              Accounts for funds received and expended for economic development in the Walterboro area.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**BALANCE SHEET**  
**COMPONENT UNITS - WALTERBORO TOURISM COMMISSION**  
**JUNE 30, 2025**

	<u>General</u>	<u>Total</u>
<b>ASSETS</b>		
Cash	\$ 110,330	\$ 110,330
Receivables	50,186	50,186
Total Assets	<u>\$ 160,516</u>	<u>\$ 160,516</u>
 <b>LIABILITIES</b>		
Total Liabilities	<u>\$ 12,227</u>	<u>\$ 12,227</u>
 <b>FUND BALANCES</b>		
Restricted	<u>148,289</u>	<u>148,289</u>
Total Fund Balances	<u>148,289</u>	<u>148,289</u>
 Total Liabilities and Fund Balances	<u>\$ 160,516</u>	<u>\$ 160,516</u>

There are no reconciling items between the governmental funds balance sheet and the statement of net position.

The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**COMPONENT UNITS - WALTERBORO TOURISM COMMISSION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>General</u>	<u>Total</u>
<b>REVENUES</b>		
Taxes	\$ 184,614	\$ 184,614
Miscellaneous	11,519	11,519
Total Revenues	<u>196,133</u>	<u>196,133</u>
 <b>EXPENDITURES</b>		
<b>Current</b>		
Tourism Commission	163,277	163,277
Total Expenditures	<u>163,277</u>	<u>163,277</u>
 Net Change in Fund Balances	32,856	32,856
Fund Balances, Beginning	115,433	115,433
Fund Balances, Ending	<u><u>\$ 148,289</u></u>	<u><u>\$ 148,289</u></u>

There are no reconciling items between the change in net position for governmental activities and the change in fund balances for governmental funds.

The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**BALANCE SHEET**  
**COMPONENT UNITS - WALTERBORO DEVELOPMENT CORPORATION**  
**JUNE 30, 2025**

	<u>General</u>	<u>Total</u>
<b>ASSETS</b>		
Cash	\$ 27,248	\$ 27,248
Total Assets	<u>\$ 27,248</u>	<u>\$ 27,248</u>
 <b>FUND BALANCES</b>		
Unassigned	\$ 27,248	\$ 27,248
Total Fund Balances	<u>27,248</u>	<u>27,248</u>
 Total Liabilities and Fund Balances	<u>\$ 27,248</u>	<u>\$ 27,248</u>

There are no reconciling items between the governmental funds balance sheet and the statement of net position.

The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**COMPONENT UNITS - WALTERBORO DEVELOPMENT CORPORATION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>General</u>	<u>Total</u>
<b>REVENUES</b>		
Miscellaneous	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>		
<b>Current</b>		
Tourism	<u>225</u>	<u>225</u>
Total Expenditures	<u>225</u>	<u>225</u>
Net Change in Fund Balances	(225)	(225)
Fund Balances, Beginning	<u>27,473</u>	<u>27,473</u>
Fund Balances, Ending	<u>\$ 27,248</u>	<u>\$ 27,248</u>

There are no reconciling items between the change in net position for governmental activities and the change in fund balances for governmental funds.

The notes to the financial statements are an integral part of this statement.

**CITY OF WALTERBORO**  
**UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**FOR THE STATE TREASURER'S OFFICE:**

<b>COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT</b>	<b><u>General Sessions</u></b>	<b><u>Magistrate Court</u></b>	<b><u>Municipal Court</u></b>	<b><u>Total</u></b>
<b>Court Fines and Assessments:</b>				
Court fines and assessments collected			320,269	320,269
Court fines and assessments remitted to State Treasurer			162,263	162,263
<b>Total Court Fines and Assessments retained</b>			<b>158,006</b>	<b>158,006</b>
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained			4,955	4,955
Assessments retained			16,269	16,269
<b>Total Surcharges and Assessments retained for victim services</b>			<b>21,224</b>	<b>21,224</b>

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

<b><u>VICTIM SERVICE FUNDS COLLECTED</u></b>		<b><u>Municipal</u></b>	<b><u>County</u></b>	<b><u>Total</u></b>
<b>Carryforward from Previous Year – Beginning Balance</b>		1,995		1,995
<b><u>Victim Service Revenue:</u></b>				
Victim Service Fines Retained by City/County Treasurer		-	-	-
Victim Service Assessments Retained by City/County Treasurer		16,269	-	16,269
Victim Service Surcharges Retained by City/County Treasurer		4,955	-	4,955
Interest Earned		-	-	-
Grant Funds Received		-	-	-
Grant from:		-	-	-
General Funds Transferred to Victim Service Fund		-	-	-
<b>Contribution Received from Victim Service Contracts:</b>		-	-	-
(1) Town of		-	-	-
(2) Town of		-	-	-
(3) City of		-	-	-
<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>		<b>23,219</b>	<b>-</b>	<b>23,219</b>

**CITY OF WALTERBORO**  
**UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)**  
**FOR THE YEAR ENDED JUNE 30, 2025**

<b><u>Expenditures for Victim Service Program:</u></b>	<b><u>Municipal</u></b>	<b><u>County</u></b>	<b><u>Total</u></b>
Salaries and Benefits	-	-	-
Operating Expenditures	1,601	-	1,601
<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	19,500	-	19,500
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	<b>21,101</b>	<b>-</b>	<b>21,101</b>
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	2,118	-	<b>2,118</b>
<b>Less:</b> Prior Year Fund Deficit Repayment	-	-	-
<b>Carryforward Funds – End of Year</b>	<b>2,118</b>	<b>-</b>	<b>2,118</b>

## STATISTICAL SECTION

# CITY OF WALTERBORO, SOUTH CAROLINA

## STATISTICAL SECTION

This part of the City of Walterboro, South Carolina comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosure, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	87-91
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	92-95
Debt Capacity 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.	96-100
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help comparisons over time and with other governments.	101-102
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the district provides and the activities it performs.	103-105

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

**CITY OF WALTERBORO, SOUTH CAROLINA  
NET POSITION BY COMPONENTS  
LAST TEN FISCAL YEARS**

**Schedule 1**

	FISCAL YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>GOVERNMENTAL ACTIVITIES</b>										
Unrestricted	\$ (2,806,763)	\$ (3,147,767)	\$ (8,073,534)	\$ (8,592,818)	\$ (8,774,326)	\$ (7,076,070)	\$ (6,460,049)	\$ (6,169,486)	\$ (6,390,221)	\$ (5,977,614)
Restricted	781,910	1,028,324	3,136,260	1,995,852	1,123,605	1,228,562	1,965,116	3,166,275	3,555,984	3,061,313
Net Investment in Capital Assets	9,045,274	9,099,786	9,473,261	11,777,584	14,180,766	12,602,005	14,600,248	17,509,111	18,231,874	18,775,143
Total Governmental Activities Net Position	<u>\$ 7,020,421</u>	<u>\$ 6,980,343</u>	<u>\$ 4,535,987</u>	<u>\$ 5,180,618</u>	<u>\$ 6,530,045</u>	<u>\$ 6,754,497</u>	<u>\$ 10,105,315</u>	<u>\$ 14,505,900</u>	<u>\$ 15,397,637</u>	<u>\$ 15,858,842</u>
<b>BUSINESS TYPE ACTIVITIES</b>										
Unrestricted	\$ 1,342,285	\$ 1,569,756	\$ 1,454,718	\$ 1,634,661	\$ 1,624,891	\$ 1,788,487	\$ 1,479,734	\$ 1,346,102	\$ (2,460,212)	\$ (6,158,111)
Restricted	214,926	1,784,545	316,184	323,353	328,162	328,325	311,463	323,956	343,930	393,999
Net Investment in Capital Assets	17,960,124	18,058,249	21,031,061	20,791,577	20,996,287	22,209,111	23,153,268	24,560,106	43,065,075	57,930,940
Total Business-type Activities Net Position	<u>\$ 19,517,335</u>	<u>\$ 21,412,550</u>	<u>\$ 22,801,963</u>	<u>\$ 22,749,591</u>	<u>\$ 22,949,340</u>	<u>\$ 24,325,923</u>	<u>\$ 24,944,465</u>	<u>\$ 26,230,164</u>	<u>\$ 40,948,793</u>	<u>\$ 52,166,828</u>
<b>PRIMARY GOVERNMENT</b>										
Unrestricted	\$ (1,464,478)	\$ (1,578,011)	\$ (6,618,816)	\$ (6,958,157)	\$ (7,149,435)	\$ (5,287,583)	\$ (4,980,315)	\$ (4,823,384)	\$ (8,850,433)	\$ (12,135,725)
Restricted	996,836	2,812,869	3,452,444	2,319,205	1,451,767	1,556,887	2,276,579	3,490,231	3,899,914	3,455,312
Net Investment in Capital Assets	27,005,398	27,158,035	30,504,322	32,569,161	35,177,053	34,811,116	37,753,516	42,069,217	61,296,949	76,706,083
Total Net Position	<u>\$ 26,537,756</u>	<u>\$ 28,392,893</u>	<u>\$ 27,337,950</u>	<u>\$ 27,930,209</u>	<u>\$ 29,479,385</u>	<u>\$ 31,080,420</u>	<u>\$ 35,049,780</u>	<u>\$ 40,736,064</u>	<u>\$ 56,346,430</u>	<u>\$ 68,025,670</u>

Source: City Audit Reports

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

**Schedule 2**

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	FISCAL YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Mayor/Council/Attorney/Judge	\$ 214,369	\$ 205,110	\$ 262,495	\$ 267,588	\$ 301,269	\$ 228,143	\$ 277,949	\$ 284,877	\$ 310,669	\$ 333,042
City Manager/City Clerk	237,284	275,356	400,555	390,936	418,648	376,673	336,928	378,158	411,866	405,779
Finance	417,915	352,254	359,865	386,869	414,441	421,870	440,498	402,755	411,813	382,876
Public Works	990,559	1,178,124	1,512,264	1,652,317	1,589,089	1,862,475	1,725,088	1,275,749	1,546,262	1,427,107
Planning and Development	261,833	176,955	162,593	224,125	200,055	175,670	172,602	218,526	198,945	216,166
Judicial	177,325	210,250	247,355	263,206	215,522	208,459	210,462	237,554	253,660	269,556
Police	2,584,037	2,784,237	2,939,744	3,007,067	2,999,446	3,034,078	2,976,726	3,151,336	3,660,553	3,773,004
Fire	1,179,975	1,332,419	1,389,024	1,367,812	1,419,196	1,439,812	1,467,964	1,563,280	1,643,950	1,669,274
Sanitation	496,128	-	-	-	-	-	-	-	-	-
Parks	555,763	611,094	474,504	580,713	637,001	646,771	567,016	831,954	721,467	952,972
Tourism	437,928	440,156	581,688	498,171	428,129	340,766	485,607	493,529	421,188	483,991
Housing Project	62	59	66	68	-	-	-	-	-	-
Wildlife Center	-	-	39,000	-	-	43,401	53,552	79,143	111,159	103,524
Administration	353,543	257,844	-	-	-	-	-	-	-	-
Interest on Long-term Debt	92,025	76,000	73,008	118,945	106,856	91,593	70,792	70,011	64,605	53,847
<b>Total Governmental Activities Expenses</b>	<u>7,998,746</u>	<u>7,899,858</u>	<u>8,442,161</u>	<u>8,757,817</u>	<u>8,729,652</u>	<u>8,869,711</u>	<u>8,785,184</u>	<u>8,986,872</u>	<u>9,756,137</u>	<u>10,071,138</u>
<b>Business-type Activities</b>										
Water	1,179,967	1,405,744	1,292,462	1,253,161	1,396,882	1,355,688	1,478,600	1,595,326	1,892,575	2,358,877
Sewer	1,097,332	1,146,176	1,175,706	1,276,330	1,274,133	1,242,527	1,276,089	1,426,818	1,512,291	1,595,266
Sewer Support	321,292	296,326	302,905	331,022	317,713	350,891	404,836	406,682	423,016	484,893
Utility Support	197,870	308,279	311,432	385,368	338,880	428,792	537,134	550,718	876,997	1,109,941
Sanitation	-	530,106	540,378	573,423	416,858	324,123	435,453	449,800	512,642	477,651
<b>Total Business Activities Expenses</b>	<u>2,796,461</u>	<u>3,686,631</u>	<u>3,622,883</u>	<u>3,819,304</u>	<u>3,744,466</u>	<u>3,702,021</u>	<u>4,132,112</u>	<u>4,429,344</u>	<u>5,217,521</u>	<u>6,026,628</u>
<b>Total Primary Government Expenses</b>	<u>10,795,207</u>	<u>11,586,489</u>	<u>12,065,044</u>	<u>12,577,121</u>	<u>12,474,118</u>	<u>12,571,732</u>	<u>12,917,296</u>	<u>13,416,216</u>	<u>14,973,658</u>	<u>16,097,766</u>
<b>Revenues</b>										
<b>Governmental Activities:</b>										
Program Revenues										
Charges for Services:										
General Government	673,814	228,855	152,696	145,109	115,037	106,349	131,911	157,871	181,743	265,799
Operating Grants and Contributions	162,333	191,564	61,821	115,006	148,447	54,717	180,785	147,851	68,064	147,858
Capital Grants and Contributions	2,071,341	824,472	225,424	1,169,997	1,730,365	543,214	1,863,567	2,821,457	588,916	649,299
<b>Total Governmental Activities Program Revenues</b>	<u>2,907,488</u>	<u>1,244,891</u>	<u>439,941</u>	<u>1,430,112</u>	<u>1,993,849</u>	<u>704,280</u>	<u>2,176,263</u>	<u>3,127,179</u>	<u>838,723</u>	<u>1,062,956</u>
<b>Business-Type Activities</b>										
Charges for Services:										
Water	2,298,824	2,324,598	2,250,004	2,298,662	2,354,359	2,323,757	2,424,145	2,444,482	2,682,987	3,083,948
Sewer	1,347,548	1,370,321	1,340,906	1,436,440	1,507,349	1,496,357	1,551,581	1,697,256	1,765,128	2,279,667
Sanitation	-	434,146	432,983	491,623	395,297	300,550	339,518	346,691	348,040	346,792
Operating Grants and Contributions	-	-	-	-	-	-	116,417	124,241	31,026	31,596
Capital Grants and Contributions	132,428	1,225,276	1,580,683	264,088	304,288	1,495,736	1,060,019	1,529,796	15,376,847	11,526,796
<b>Total Business-Type Activities Program Revenues</b>	<u>3,778,800</u>	<u>5,354,341</u>	<u>5,604,576</u>	<u>4,490,813</u>	<u>4,561,293</u>	<u>5,616,400</u>	<u>5,491,680</u>	<u>6,142,466</u>	<u>20,204,028</u>	<u>17,268,799</u>
<b>Total Primary Government Program Revenues</b>	<u>6,686,288</u>	<u>6,599,232</u>	<u>6,044,517</u>	<u>5,920,925</u>	<u>6,555,142</u>	<u>6,320,680</u>	<u>7,667,943</u>	<u>9,269,645</u>	<u>21,042,751</u>	<u>18,331,755</u>
<b>Net (Expense) Revenue</b>										
Governmental Activities	(5,091,258)	(6,654,967)	(8,002,220)	(7,327,705)	(6,735,803)	-	(6,608,921)	(5,859,693)	(8,917,414)	(9,008,182)
Business-Type Activities	982,339	1,667,710	1,981,693	671,509	816,827	-	1,359,568	1,713,122	14,986,507	11,242,171
<b>Total Primary Government Net Revenue / (Expense)</b>	<u>(4,108,919)</u>	<u>(4,987,257)</u>	<u>(6,020,527)</u>	<u>(6,656,196)</u>	<u>(5,918,976)</u>	<u>-</u>	<u>(5,249,353)</u>	<u>(4,146,571)</u>	<u>6,069,093</u>	<u>2,233,989</u>

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

**Schedule 2**

	FISCAL YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Revenues</b>										
<b>Governmental Activities:</b>										
Taxes	\$ 4,111,611	\$ 4,148,111	\$ 4,331,154	\$ 4,329,343	\$ 4,384,479	\$ 4,542,876	\$ 4,951,645	\$ 5,203,388	\$ 5,419,590	\$ 5,959,362
Business Licenses	2,278,734	2,341,419	2,441,825	2,390,513	2,493,340	2,408,425	2,696,789	2,727,729	3,199,514	3,017,129
Unrestricted Grants and Contributions	148,527	123,622	181,036	339,597	337,908	130,437	1,440,113	1,482,203	138,100	144,975
Investment Earnings	4,406	10,476	22,506	59,624	44,458	17,180	7,043	218,897	353,300	262,727
Miscellaneous	20,658	203,948	183,197	112,239	137,355	583,540	114,149	66,374	248,647	136,701
Transfers	167,915	(212,690)	600,000	741,020	687,690	707,425	750,000	561,687	450,000	117,547
<b>Total Government Activities</b>	<u>6,731,851</u>	<u>6,614,886</u>	<u>7,759,718</u>	<u>7,972,336</u>	<u>8,085,230</u>	<u>8,389,883</u>	<u>9,959,739</u>	<u>10,260,278</u>	<u>9,809,151</u>	<u>9,638,441</u>
<b>Business-Type Activities:</b>										
Investment Earnings	1,232	2,570	5,470	17,139	21,237	8,661	8,974	134,264	182,122	126,259
Miscellaneous	-	12,245	2,250	-	49,375	160,968	-	-	-	-
Transfers	(167,915)	212,690	(600,000)	(741,020)	(687,690)	(707,425)	(750,000)	(561,687)	(450,000)	(117,547)
<b>Total Business-Type Activities</b>	<u>(166,683)</u>	<u>227,505</u>	<u>(592,280)</u>	<u>(723,881)</u>	<u>(617,078)</u>	<u>(537,796)</u>	<u>(741,026)</u>	<u>(427,423)</u>	<u>(267,878)</u>	<u>8,712</u>
<b>Total Primary Government</b>	<u>6,565,168</u>	<u>6,842,391</u>	<u>7,167,438</u>	<u>7,248,455</u>	<u>7,468,152</u>	<u>7,852,087</u>	<u>9,218,713</u>	<u>9,832,855</u>	<u>9,541,273</u>	<u>9,647,153</u>
<b>Change In Net Position</b>										
Prior Period Restatement	-	-	-	-	-	-	-	-	-	(201,902)
Governmental Activities	1,640,593	(40,081)	(242,502)	644,631	1,349,427	224,452	3,350,818	4,400,585	891,737	630,259
Business-Type Activities	815,656	1,895,215	1,389,413	(52,372)	199,749	1,376,583	618,542	1,285,699	14,718,629	11,250,883
<b>Total Primary Government</b>	<u>2,456,249</u>	<u>1,855,134</u>	<u>1,146,911</u>	<u>592,259</u>	<u>1,549,176</u>	<u>1,601,035</u>	<u>3,969,360</u>	<u>5,686,284</u>	<u>15,610,366</u>	<u>11,679,240</u>

Source: City Audit Reports

FY2025 Restatement for implementation of GASB Statement No. 101, *Compensated Absences*.

**CITY OF WALTERBORO, SOUTH CAROLINA  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

**Schedule 3**

	FISCAL YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>GENERAL FUND</b>										
Unassigned	\$ 3,970,301	\$ 4,024,340	\$ 3,890,104	\$ 3,800,469	\$ 3,980,478	\$ 4,207,092	\$ 4,760,067	\$ 4,799,083	\$ 4,915,456	\$ 5,083,711
Nonspendable	-	-	-	214	-	650	-	-	750	-
Total General Fund	<u>3,970,301</u>	<u>4,024,340</u>	<u>3,890,104</u>	<u>3,800,683</u>	<u>3,980,478</u>	<u>4,207,742</u>	<u>4,760,067</u>	<u>4,799,083</u>	<u>4,916,206</u>	<u>5,083,711</u>
<b>CAPITAL PROJECTS FUND</b>										
Assigned	151,711	103,369	2,027,828	825,891	44,608	-	2,105,579	3,853,841	2,112,011	1,493,308
Restricted	3,581	3,581	-	-	-	-	-	-	-	-
Total Capital Projects Fund	<u>155,292</u>	<u>106,950</u>	<u>2,027,828</u>	<u>825,891</u>	<u>44,608</u>	<u>-</u>	<u>2,105,579</u>	<u>3,853,841</u>	<u>2,112,011</u>	<u>1,493,308</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Assigned	-	-	-	-	-	40,061	-	-	-	-
Restricted	96,100	125,605	151,659	136,100	126,304	152,081	790,970	346,018	374,643	394,044
Committed	682,229	899,138	1,023,605	1,086,864	952,693	1,036,420	1,174,146	973,923	1,069,330	1,173,961
Total All Other Governmental Funds	<u>778,329</u>	<u>1,024,743</u>	<u>1,175,264</u>	<u>1,222,964</u>	<u>1,078,997</u>	<u>1,228,562</u>	<u>1,965,116</u>	<u>1,319,941</u>	<u>1,443,973</u>	<u>1,568,005</u>
<b>TOTAL GOVERNMENTAL FUND BALANCE</b>	<u>\$ 4,903,922</u>	<u>\$ 5,156,033</u>	<u>\$ 7,093,196</u>	<u>\$ 5,849,538</u>	<u>\$ 5,104,083</u>	<u>\$ 5,436,304</u>	<u>\$ 8,830,762</u>	<u>\$ 9,972,865</u>	<u>\$ 8,472,190</u>	<u>\$ 8,145,024</u>

Source: City Audit Reports

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

**Schedule 4**

	FISCAL YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues</b>										
Taxes	\$ 4,104,954	\$ 6,507,115	\$ 6,768,204	\$ 6,724,356	\$ 6,852,584	\$ 6,971,674	\$ 7,629,827	\$ 7,885,552	\$ 8,590,912	\$ 9,053,987
Fines, Fees, and Licenses	2,952,748	228,855	152,696	145,109	115,037	106,349	131,911	147,121	181,743	265,799
Intergovernmental	118,159	123,622	121,924	123,424	127,984	130,437	125,602	131,552	138,100	144,975
Miscellaneous	2,288,910	1,230,460	552,060	1,699,517	2,270,549	1,198,651	3,516,196	4,615,980	1,258,927	1,196,585
Total Revenues	9,464,771	8,090,052	7,594,884	8,692,406	9,366,154	8,407,111	11,403,536	12,780,205	10,169,682	10,661,346
<b>Expenditures</b>										
<b>Current:</b>										
Mayor/Council/Attorney/Judge	213,872	197,444	244,547	246,993	284,614	208,159	257,240	275,743	290,784	326,022
City Manager/City Clerk	226,345	249,319	352,913	354,893	377,700	348,209	334,316	379,484	401,502	412,505
Finance	403,630	324,552	323,197	346,098	378,238	380,513	415,550	385,666	382,311	360,858
Public Works	832,632	888,600	929,780	1,109,280	1,067,938	1,285,020	1,291,171	1,084,835	1,222,800	1,128,696
Planning and Development	261,735	167,610	152,367	215,456	190,397	167,385	171,845	219,995	198,410	218,771
Judicial	176,790	197,665	230,322	248,204	204,268	198,387	213,066	239,569	251,128	271,597
Police	2,340,922	2,369,771	2,440,538	2,621,227	2,667,209	2,711,982	2,844,655	3,059,360	3,471,740	3,742,340
Fire	1,130,272	1,188,079	1,207,146	1,190,455	1,249,721	1,282,271	1,408,083	1,517,945	1,539,030	1,636,275
Sanitation	400,243	-	-	-	-	-	-	-	-	-
Parks	409,639	436,332	406,793	397,593	449,839	470,290	401,071	487,174	525,392	640,052
Tourism	434,783	431,692	576,018	481,949	424,878	336,197	487,056	494,779	424,725	486,081
Housing Project	62	59	66	68	-	-	-	-	-	-
Wildlife Center	-	-	39,000	-	-	43,401	53,552	80,002	111,765	104,688
Administrative	272,486	268,405	-	-	-	-	-	-	-	-
<b>Debt Service</b>										
Principal	516,797	490,356	575,340	602,247	538,003	505,682	2,411,574	492,786	580,663	597,121
Interest	91,310	75,058	68,679	120,100	108,569	93,427	73,712	62,249	67,708	57,094
Capital Outlay	2,453,607	1,019,351	855,970	2,742,521	2,857,925	751,392	2,396,187	3,832,143	2,679,234	1,142,115
Total Expenditures	10,165,125	8,304,293	8,402,676	10,677,084	10,799,299	8,782,315	12,759,078	12,611,730	12,147,192	11,124,215
Excess (deficiency) of revenues over (under) expenditures	(700,354)	(214,241)	(807,792)	(1,984,678)	(1,433,145)	(375,204)	(1,355,542)	168,475	(1,977,510)	(462,869)
<b>Other Financing Sources (Uses)</b>										
Issuance of Debt	-	372,760	2,144,952	-	-	-	4,000,000	411,941	26,835	18,156
Transfers In	1,049,000	810,079	862,800	997,624	970,690	986,825	1,027,000	879,487	901,500	906,557
Transfers Out	(881,085)	(716,484)	(262,800)	(256,604)	(283,000)	(279,400)	(277,000)	(317,800)	(451,500)	(789,010)
Total Other Financing Sources (Uses)	167,915	466,355	2,744,952	741,020	687,690	707,425	4,750,000	973,628	476,835	135,703
Net Change in Fund Balances	(532,439)	252,114	1,937,160	(1,243,658)	(745,455)	332,221	3,394,458	1,142,103	(1,500,675)	(327,166)
Fund Balances, Beginning	5,436,361	4,903,922	5,156,036	7,093,196	5,849,538	5,104,083	5,436,304	8,830,762	9,972,865	8,472,190
<b>Fund Balances, Ending</b>	<b>\$ 4,903,922</b>	<b>\$ 5,156,036</b>	<b>\$ 7,093,196</b>	<b>\$ 5,849,538</b>	<b>\$ 5,104,083</b>	<b>\$ 5,436,304</b>	<b>\$ 8,830,762</b>	<b>\$ 9,972,865</b>	<b>\$ 8,472,190</b>	<b>\$ 8,145,024</b>
Debt service as a percentage of noncapital expenditures	7.9%	7.8%	8.5%	9.1%	8.1%	7.5%	24.0%	6.3%	6.8%	6.6%

Source: City Audit Reports

**CITY OF WALTERBORO, SOUTH CAROLINA  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

**Schedule 5**

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>ASSESSED VALUE</b>			<b>MARKET VALUE</b>			<b>TOTAL DIRECT TAX RATE</b>
	<b>REAL PROPERTY</b>	<b>PERSONAL PROPERTY</b>	<b>TOTAL</b>	<b>REAL PROPERTY</b>	<b>PERSONAL PROPERTY</b>	<b>TOTAL</b>	
2016	\$ 20,021,620	\$ 5,883,870	\$ 25,905,490	\$ 446,377,474	\$ 69,725,050	\$ 516,102,524	88.00
2017	23,952,370	6,083,520	30,035,890	497,357,662	70,651,672	568,009,334	88.00
2018*	25,104,690	6,310,000	31,414,690	498,656,981	73,909,700	572,566,681	86.40
2019	25,954,110	6,052,300	32,006,410	512,754,225	69,833,380	582,587,605	86.40
2020	23,259,675	6,490,078	29,749,753	403,703,063	74,517,774	478,220,837	86.40
2021	24,141,288	6,210,079	30,351,367	419,625,303	68,863,341	488,488,644	86.40
2022*	25,350,506	7,054,459	32,404,965	435,104,543	81,613,645	516,718,188	86.40
2023	26,682,927	6,506,530	33,189,457	464,291,538	76,395,058	540,686,596	86.40
2024	28,047,890	8,505,550	36,553,440	493,493,766	93,328,541	586,822,307	86.40
2025	28,693,970	8,401,480	37,095,450	500,016,140	100,626,985	600,643,125	99.86

\* Reassessment Year.

Data Source: Colleton County Auditor's Office

**CITY OF WALTERBORO, SOUTH CAROLINA  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

**Schedule 6**

FISCAL YEAR ENDED JUNE 30,	CITY DIRECT RATES	OVERLAPPING RATES			
	CITY OPERATIONS	COUNTY OPERATIONS	COUNTY DEBT SERVICE	SCHOOL OPERATIONS	SCHOOL DEBT SERVICE
2016	88.00	108	7	104	47
2017	88.00	115	10	110	50
2018	86.40	115	10	110	50
2019	86.40	116	10	113	55
2020	86.40	116	10	116	55
2021	86.40	116	10	116	55
2022	86.40	116	10	116	55
2023	86.40	116	10	116	55
2024	86.40	119	10	116	55
2025	99.86	119	10	116	55

**Source:** County Auditor's Office

There are no components to the city's basic rate.

**CITY OF WALTERBORO, SOUTH CAROLINA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO**

**Schedule 7**

TAXPAYER	2025			2016		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE
WALTERBORO COMMUNITY HOSPITAL	\$ 1,570,510	1	4.23%	\$ 702,000	3	3.66%
DOMINION ENERGY SC	1,376,970	2	3.71%	1,264,310	1	6.59%
J H HIERS CONSTRUCTION LLC	947,540	3	2.55%	-		
WAL-MART REAL ESTATE BUSINESS TRUST	735,000	4	1.98%	765,000	2	3.99%
DECORUM WALTERBORO LLC SC	566,090	5	1.53%	-		0.00%
HOSPITAL DEVELOPMENT PROPERTIES INC	421,460	6	1.14%			
NAMAN WALTERBORO, LLC	394,760	7	1.06%			
WALTERBORO SAV/ LLC	391,800	8	1.06%	387,300	4	2.02%
J & L WIRE CLOTH LLC	378,050	9	1.02%	-		
FOREST POINTE APTS LLC	375,180	10	1.01%	300,000	6	1.56%
PLANT VENTURES LLC			0.00%			
PECK SLIP ASSOCIATES GROUP LLC	-		0.00%	339,120	5	1.77%
VERIZON SOUTH INC.	-		0.00%	268,290	7	1.40%
WAL MART STORES EAST	-		0.00%	214,240	8	1.12%
SOUTH CAROLINA RSA #8 DO 691	-		0.00%	234,000	9	1.22%
COMCAST CABLEVISION OF CAROLINA INC.	-		0.00%	228,840	10	1.19%
Total	<u>\$ 7,157,360</u>		<u>19.58%</u>	<u>\$ 4,703,100</u>		<u>24.52%</u>

Source: Colleton County Auditor's Office

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

**Schedule 8**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE		
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY	
2016	\$ 1,657,630	\$ 1,473,323	88.9	\$ 88,220	\$ 1,561,543	94.2	%
2017	1,621,017	1,465,507	90.4	58,126	1,523,633	94.0	
2018	1,703,024	1,515,861	89.0	38,002	1,553,863	91.2	
2019	1,698,811	1,541,415	90.7	65,130	1,606,545	94.6	
2020	1,774,619	1,627,119	91.7	53,545	1,680,664	94.7	
2021	1,791,439	1,662,569	92.8	37,935	1,700,504	94.9	
2022	1,770,486	1,682,174	95.0	43,912	1,726,086	97.5	
2023	1,665,083	1,534,510	92.2	69,443	1,603,953	96.3	
2024	1,856,646	1,752,289	94.4	36,890	1,789,179	96.4	
2025	2,414,771	2,237,857	92.7	37,896	2,275,753	94.2	

Source: City Finance Office, County Auditor, County Treasurer

**CITY OF WALTERBORO, SOUTH CAROLINA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

**Schedule 9**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES					BUSINESS-TYPE ACTIVITIES		TOTAL OUTSTANDING DEBT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	REVENUE BOND	TAX INCREMENT FINANCING	NOTES PAYABLE	GENERAL OBLIGATION	LEASES	REVENUE BOND	NOTES PAYABLE			
2016	\$ 609,025	\$ 681,789	\$ 292,880	\$ 1,299,360	\$ -	\$ 3,412,821	\$ -	\$ 6,295,875	19.70	\$ 1,193
2017	489,571	548,063	446,896	1,135,737	-	4,568,975	104,539	7,293,781	22.02	1,378.01
2018	2,366,392	410,167	445,837	967,483	-	4,206,429	63,227	8,459,535	24.62	1,651.93
2019	2,178,944	268,888	345,338	794,463	-	3,804,091	260,290	7,652,014	22.28	1,233.17
2020	1,990,739	123,834	242,749	692,307	-	3,392,306	194,231	6,636,166	18.59	1,223.03
2021	1,819,408	-	137,951	586,588	-	9,940,785	384,172	12,868,904	37.01	2,371.71
2022	3,594,700	-	-	477,178	-	9,544,945	321,226	13,938,049	41.03	2,514.08
2023	3,215,143	-	411,941	363,950	-	9,111,082	194,744	13,296,860	36.13	2,398.42
2024	2,830,743	-	334,831	246,770	24,862	8,668,163	96,499	12,201,868	26.46	2,200.91
2025	2,441,528	-	254,980	125,500	36,233	8,216,064	355,838	11,430,143	23.63	2,061.71

Source: City Audit Report, US Census Bureau

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

See schedule 14 for personal income and population.

These ratios are calculated using personal income and population for the prior calendar year.

**CITY OF WALTERBORO, SOUTH CAROLINA  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

**Schedule 10**

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>GENERAL OBLIGATION BONDS</b>	<b>PERCENTAGE OF ACTUAL TAXABLE VALUE</b>	<b>PER CAPITA</b>
2016	\$ 1,299,360	5.0%	246
2017	1,135,737	3.8%	215
2018	967,483	3.1%	189
2019	794,463	2.5%	145
2020	692,307	2.3%	128
2021	586,588	1.9%	108
2022	477,178	1.5%	86
2023	363,950	1.1%	66
2024	246,770	0.7%	45
2025	125,500	0.3%	23

Source: City Audit Report

**CITY OF WALTERBORO, SOUTH CAROLINA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2025**

**Schedule 11**

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
<b>Debt repaid with property taxes</b>			
Colleton County	\$ 51,228,144	20.00%	\$ 10,245,629
Fire and Rescue	8,314,229	20.00%	1,662,846
Colleton County School District	52,763,531	20.00%	10,552,706
Subtotal overlapping debt	<u>112,305,904</u>		<u>22,461,181</u>
<b>City direct debt</b>	<u>2,858,241</u>	100.00%	<u>2,858,241</u>
Total direct and overlapping debt	<u><u>\$ 115,164,145</u></u>		<u><u>\$ 25,319,422</u></u>

**Sources:** Colleton County Treasurer, Colleton County School District

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. The calculation is based on the assessed value of the City to the assessed value of the County.

**CITY OF WALTERBORO, SOUTH CAROLINA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

**Schedule 12**

**Legal Debt Margin Calculation for Fiscal Year 2024**

Assessed Value	\$ 37,095,450
Debt limit (8% of assessed value)	2,967,636
Debt applicable to limit:	
General Obligation Bonds	<u>(125,500)</u>
Total net debt applicable to limit	<u>(125,500)</u>
Legal Debt Margin	<u><u>\$ 2,842,136</u></u>

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Debt Limit	\$ 2,072,439	\$ 2,072,439	\$ 2,513,175	\$ 2,560,513	\$ 2,377,846	\$ 2,484,102	\$ 2,583,948	\$ 2,611,802	\$ 2,944,314	\$ 2,967,636
Total net debt applicable to limit	<u>(1,299,360)</u>	<u>(1,299,360)</u>	<u>(967,483)</u>	<u>(794,463)</u>	<u>(692,307)</u>	<u>(586,588)</u>	<u>(477,178)</u>	<u>(363,950)</u>	<u>(246,770)</u>	<u>(125,500)</u>
Legal debt margin	<u><u>\$ 773,079</u></u>	<u><u>\$ 773,079</u></u>	<u><u>\$ 1,545,692</u></u>	<u><u>\$ 1,766,050</u></u>	<u><u>\$ 1,685,539</u></u>	<u><u>\$ 1,897,514</u></u>	<u><u>\$ 2,106,770</u></u>	<u><u>\$ 2,247,852</u></u>	<u><u>\$ 2,697,544</u></u>	<u><u>\$ 2,842,136</u></u>
Total net debt applicable to limit as a percentage of debt limit	<u><u>62.7%</u></u>	<u><u>62.7%</u></u>	<u><u>38.5%</u></u>	<u><u>31.0%</u></u>	<u><u>29.1%</u></u>	<u><u>23.6%</u></u>	<u><u>18.5%</u></u>	<u><u>13.9%</u></u>	<u><u>8.4%</u></u>	<u><u>4.2%</u></u>

Under state finance law, the City's outstanding general obligation debt should not exceed 8 percent of the total assessed property value.

Source: City Audit Report

**CITY OF WALTERBORO, SOUTH CAROLINA  
PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

**Schedule 13**

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>REVENUE BONDS</b>			<b>DEBT SERVICE</b>		<b>COVERAGE</b>
	<b>GROSS REVENUE</b>	<b>OPERATING EXPENSES</b>	<b>NET AVAILABLE REVENUE</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	
2016	\$ 3,680,572	\$ 1,989,553	\$ 1,691,019	\$ 338,948	\$ 79,762	4.0
2017	4,129,065	2,715,206	1,413,859	364,498	74,024	3.2
2018	4,023,893	2,652,214	1,371,679	362,546	77,425	3.1
2019	4,226,725	2,748,587	1,478,138	402,337	81,776	3.1
2020	4,257,005	2,665,400	1,591,605	411,786	72,327	3.3
2021	4,120,664	2,530,013	1,590,651	421,521	62,592	3.3
2022	4,315,244	2,825,072	1,490,172	395,840	233,132	2.4
2023	4,488,429	3,095,055	1,393,374	433,863	226,782	2.1
2024	4,796,155	3,535,899	1,260,256	442,919	217,287	1.9
2025	5,710,407	4,088,287	1,622,120	452,100	207,538	2.5

Source: City Audit Report

**CITY OF WALTERBORO, SOUTH CAROLINA  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**

**Schedule 14**

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>POPULATION</b>	<b>PERSONAL INCOME (thousands of dollars)</b>	<b>PER CAPITA PERSONAL INCOME</b>	<b>MEDIAN AGE</b>	<b>SCHOOL ENROLLMENT*</b>	<b>UNEMPLOYMENT RATE</b>	
2016	5,278	\$ 31,966	\$ 18,436	41.3	2,310	6.50	%
2017	5,293	33,120	19,839	42.5	2,167	6.50	
2018	5,121	34,362	19,179	44.1	2,242	6.10	
2019	5,468	34,345	20,302	42.5	2,246	3.50	
2020	5,426	35,697	19,213	37.3	2,197	8.20	
2021	5,426	34,773	22,113	38.4	1,828	4.70	
2022	5,544	33,969	21,436	34.8	2,034	3.60	
2023	5,544	36,806	23,060	36.5	1,767	3.40	
2024	5,544	46,119	25,507	40.4	1,970	4.70	
2025	5,544	48,366	26,800	40.5	2,212	4.70	

Data Source:

- (1) US Bureau of the Census
- (2) US Department of Commerce, Bureau of Economic Analysis
- (3) Lowcountry Council of Governments
- (4) South Carolina Department of Education - middle school moved out of city limits accounting for drastic enrollment drop.
- (5) South Carolina Employment Security Commission

\*Includes county residents until 2011 when students were re-assigned out of the City limits.

**CITY OF WALTERBORO, SOUTH CAROLINA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO**

**Schedule 15**

EMPLOYER	2025			2016		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Colleton County School Board	808	1	5.1%	900	1	5.9%
Colleton County	305	2	1.9%	462	3	3.0%
Walmart	327	3	2.1%	400	4	2.6%
Colleton Medical Center	297	4	1.9%	480	2	3.1%
Veterans Victory House	248	5	1.6%	-	0	0.0%
City of Walterboro	107	6	0.7%	142	5	0.9%
Cracker Barrel	107	7	0.7%	110	6	0.7%
Pioneer Boats	106	8	0.7%	-	0	0.0%
Food Lion/BiLo	65	9	0.4%	98	7	0.6%
Carolina Visuals	58	10	0.4%	-	0	0.0%
DOT	-	-	0.0%	75	8	0.5%
Reid's	-	-	0.0%	65	9	0.4%
Ruby Tuesday	-	-	0.0%	57	10	0.4%
Total	2,428		15.2%	2,789		18.2%

Source: City Finance Department

**CITY OF WALTERBORO, SOUTH CAROLINA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

**Schedule 16**

<b><u>FUNCTION/PROGRAM</u></b>	<b><u>FISCAL YEAR</u></b>									
	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Mayor/Council/Attorney/Judge	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
City Manager/City Clerk	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Works	11.5	11.5	12.0	12.0	11.5	11.0	10.0	10.0	10.0	10.0
Planning and Development	4.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Police	36.0	36.0	36.0	32.0	32.0	32.0	31.0	32.0	32.0	30.0
Judicial	3.5	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire	14.5	15.0	15.0	15.0	15.0	14.0	14.0	14.0	14.0	14.0
Sanitation	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Parks	7.0	7.0	7.0	7.0	7.0	6.0	5.0	7.0	7.0	7.0
Tourism	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0	2.0	2.0
Water	9.5	9.5	10.0	10.0	10.0	10.0	11.0	10.0	12.0	13.0
Utility Support	2.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Sewer	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Sewer Support	5.0	5.0	5.0	5.0	5.0	4.0	4.0	5.0	5.0	5.0
Total	119.5	121.5	121.5	117.5	116.0	112.5	110.0	113.0	115.0	114.0

***\*Note: Figures are for Full Time Equivalents (FTE's)***

Source: City Human Resources

**CITY OF WALTERBORO, SOUTH CAROLINA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

**Schedule 17**

	FISCAL YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Business Licenses</b>										
NUMBERS ISSUED	1,017	1,016	957	1,052	1,009	1,310	1,278	1,126	1,295	1,336
Sales Reported for Licenses*	\$ 609,080	\$ 621,592	\$ 615,862	\$ 709,087	\$ 925,026	\$ 706,157	\$ 865,338	\$ 802,281	\$ 1,124,517	\$ 849,814
<b>Commercial Building Permits Issued</b>										
NUMBERS ISSUED	56	67	57	52	60	53	23	52	28	44
Sales Reported for Permits Issued*	\$ 4,656	\$ 3,663	\$ 3,910	\$ 16,128	\$ 21,333	\$ 24,187	\$ 21,830	\$ 45,101	\$ 137,250	\$ 10,153,059
<b>Residential Building Permits Issued</b>										
NUMBERS ISSUED	121	102	87	88	44	155	134	119	53	109
Sales Reported for Permits Issued*	\$ 852	\$ 1,234	\$ 1,175	\$ 1,154	\$ 10,511	\$ 20,243	\$ 33,152	\$ 19,663	\$ 17,938	\$ 3,887,963

\* Figures are per \$1,000 USD

Source: Various City Departments

**CITY OF WALTERBORO, SOUTH CAROLINA  
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

**Schedule 18**

<b><u>FUNCTION/PROGRAM</u></b>	<b><u>FISCAL YEAR</u></b>									
	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
<b>EMERGENCY SERVICES:</b>										
NUMBER OF FIRE STATIONS	3	3	3	3	3	3	3	3	3	3
NUMBER OF FIRE TRUCKS	4	5	5	5	5	5	5	5	6	6
NUMBER OF POLICE STATIONS	1	1	1	1	1	1	1	1	1	1
NUMBER OF POLICE VEHICLES	38	36	34	34	35	35	40	35	37	33
<b>PUBLIC WORKS</b>										
NUMBER OF GARBAGE TRUCKS	6	6	6	5	3	3	3	3	4	5
<b>WATER/SEWER</b>										
MILES OF PIPE IN GROUND										
WATER	291	291	291	291	291	291	291	291	292	292
SEWER	78	78	78	78	78	78	78	78	79	79

Source: City capital asset records.

## COMPLIANCE SECTION

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

To the Mayor and City Council  
City of Walterboro, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Walterboro, South Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City of Walterboro, South Carolina's basic financial statements, and have issued our report thereon dated November 15, 2025.

**Report on Internal Control Over Financial Reporting**

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



The Baird Audit Group, LLC  
Certified Public Accountants

Augusta, GA  
November 15, 2025