

**CITY OF WESTMINSTER  
SOUTH CAROLINA**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

CITY OF WESTMINSTER, SOUTH CAROLINA

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YEAR ENDED JUNE 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council  
City of Westminster, South Carolina

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westminster, South Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Westminster, 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, each major fund, and the aggregate remaining fund information of the City of Westminster, South Carolina, as of June 30, 2024, 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 Westminster, 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 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 Westminster, 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.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the 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 Westminster, 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 Westminster, 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.

#### ***Other Matters***

As discussed in Note 1 to the financial statements, the City of Westminster, South Carolina recorded prior period adjustments to properly reflect capital assets and interest payable in the previous year.

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

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Westminster, South Carolina's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the uniform schedule of court fines, assessments, and surcharges (per ACT 96) and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024, on our consideration of the City of Westminster, 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 effectiveness of the City of Westminster, 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 Westminster, South Carolina's internal control over financial reporting and compliance.

*Love Bailey & Associates, LLC*

Love Bailey & Associates, LLC  
Laurens, South Carolina  
November 15, 2024

MANAGEMENT'S DISCUSSION  
AND ANALYSIS

**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2024**

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The management of the City of Westminster ("City") offers 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, 2024 ("FY 2024" or "2024") compared to the fiscal year ended June 30, 2023 ("FY 2023" or "2023"). The intent of this management's discussion and analysis ("MD&A") is to look at the City's financial performance as a whole. Readers are encouraged to not only consider the information presented here, but also the information provided in the financial statements, the notes to the financial statements, the required supplementary information, and the supplementary information to enhance their understanding of the City's overall financial performance.

**Financial Highlights**

- In the Statement of Net Position, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$18,342,283. Unrestricted net position was (\$1,293,088) at June 30, 2024.
- The City's total net position increased by \$4,847,906 compared to the prior year net position, as revenues of \$17,221,535 exceeded expenses of \$12,373,629.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$7,450,721, an increase of \$5,368,084.
- At the end of the current year, unassigned fund balance for the General Fund was \$1,578,099, 56% of total General Fund expenditures for 2024.
- The City's capital assets increased by \$8,651,391. The increase in capital assets was primarily due to large capital project costs exceeding depreciation expense.
- The City's total debt increased \$8,533,564 during 2024, due to regularly scheduled principal payments of \$261,436 and new borrowings of \$8,795,000.
- The City's net pension liability increased by \$315,385 (8%) to \$4,046,644 at June 30, 2024.

**OVERVIEW OF FINANCIAL STATEMENTS**

This annual report consists of two parts – *Financial Section* (which includes the MD&A, the financial statements, the required supplementary information, and the supplementary information) and the *Compliance Section*.

**Financial Statements**

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

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

## OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources ("deferred outflows") and liabilities and deferred inflows of resources ("deferred inflows"), with the differences between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Activities presents information showing how the government's net position changed during the most recent 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.

The government-wide financial statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include administrative and general, judicial services, public safety (police and fire), public works, and recreation and tourism. The business-type activities are the City's sewer, water, electric, and solid waste operations. The government-wide financial statements can be found as listed in the table of contents.

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

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

The City maintains five individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenue, expenditures and changes in fund balances for the General Fund and the American Rescue Plan Fund. The Hospitality Tax Fund, Firemen's 1% Fund, and Recreation Fund are non-major funds and are combined for presentation purposes. The governmental funds financial statements can be found as listed in the table of contents.

**Proprietary Funds** – The City maintains one type of proprietary fund. *Enterprise Funds* are used to account for operations that (a) are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City uses an enterprise fund to account for its sewer, water, and electric activities and a separate fund to account for its solid waste operations. The proprietary fund financial statements can be found as listed in the table of contents.

**Fiduciary Fund** – The City maintains one type of fiduciary fund. *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 accounting used for fiduciary funds is much like that used for proprietary funds.

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



**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2024**

**OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)**

**Required Supplementary Information** – A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with their budgets. Required pension plan schedules have been included which provide relevant information regarding the City’s participation in the State retirement plans. Required supplementary information can be found as listed in the table of contents.

**Supplementary Information** – In addition to the financial statements, notes, and required supplementary information, this report includes certain supplementary information which is presented immediately following the required supplementary information. These schedules can be found as listed in the table of contents.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The following table provides a summary of the City’s net position at June 30, 2024 and 2023:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 7,586,859	\$ 2,509,387	\$ 4,148,458	\$ 3,607,398	\$ 11,735,317	\$ 6,116,785
Capital Assets	2,583,779	2,480,348	19,564,809	11,016,849	22,148,588	13,497,197
Total Assets	<u>10,170,638</u>	<u>4,989,735</u>	<u>23,713,267</u>	<u>14,624,247</u>	<u>33,883,905</u>	<u>19,613,982</u>
Deferred Outflows of Resources	485,028	399,211	583,045	457,992	1,068,073	857,203
Current Liabilities	117,861	401,585	1,498,327	785,209	1,616,188	1,186,794
Long-Term Liabilities	373,781	452,171	10,539,740	1,521,453	10,913,521	1,973,624
Net Pension Liability	1,744,105	1,596,476	2,302,539	2,134,783	4,046,644	3,731,259
Total Liabilities	<u>2,235,747</u>	<u>2,450,232</u>	<u>14,340,606</u>	<u>4,441,445</u>	<u>16,576,353</u>	<u>6,891,677</u>
Deferred Inflows of Resources	21,445	46,071	11,897	39,060	33,342	85,131
Net Investment in Capital Assets	2,380,350	2,191,403	9,890,287	9,980,773	12,270,637	12,172,176
Restricted	5,854,765	425,607	1,509,969	504,387	7,364,734	929,994
Unrestricted	163,359	275,633	(1,456,447)	116,574	(1,293,088)	392,207
Total Net Position	<u>\$ 8,398,474</u>	<u>\$ 2,892,643</u>	<u>\$ 9,943,809</u>	<u>\$ 10,601,734</u>	<u>\$ 18,342,283</u>	<u>\$ 13,494,377</u>

The City’s total assets increased \$14,269,923 from the prior year. Current and other assets increased \$5,618,532 primarily due to an increase in cash and cash equivalents and accounts receivable. Capital assets increased \$8,651,391 from the prior year due to capital asset additions exceeding depreciation. Total liabilities increased \$9,684,676 from the prior year primarily due to an increase in net pension liability and issuance of a bond anticipation note. The changes in deferred outflows and inflows of resources was primarily due to differences between expected and actual liability/investment experience, changes in assumptions, and changes in the percentage of the City’s share of the net pension liability in the State retirement plans.

The City’s net position increased by \$4,847,906 during the current fiscal year primarily due to revenues exceeding expenses in 2024. Please see the discussion following the next table regarding this increase.

**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2024**

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

The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$18,342,283 as of June 30, 2024. 67% (or \$12,270,637) of total net position reflects the City's net investment in capital assets (i.e., land, buildings, water, sewer, and electric utility system, equipment, vehicles, infrastructure, etc.) less any related outstanding debt used to acquire those assets. 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 generally must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

\$7,364,734 of net position represents resources that are subject to external restrictions on how they may be used. This net position is restricted primarily for tourism related expenses (hospitality taxes) and public safety expenses.

The remaining portion of the City's net position is an unrestricted net position of (\$1,293,088).

The following table shows the changes in the City's net position for the years ended June 30, 2024 and 2023:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 698,054	\$ 616,397	\$ 8,694,211	\$ 8,507,198	\$ 9,392,265	\$ 9,123,595
Operating Grants and Contributions	633,246	353,889	-	-	633,246	353,889
Capital Grants and Contributions	5,067,446	1,546,679	461,635	9,750	5,529,081	1,556,429
General Revenues:						
Taxes	956,266	975,189	-	-	956,266	975,189
Other	385,112	232,997	325,565	25,902	710,677	258,899
Total Revenues	<u>7,740,124</u>	<u>3,725,151</u>	<u>9,481,411</u>	<u>8,542,850</u>	<u>17,221,535</u>	<u>12,268,001</u>
Expenses:						
Administrative and General	689,125	565,678	-	-	689,125	565,678
Public Safety	1,883,891	1,445,131	-	-	1,883,891	1,445,131
Public Works	127,954	582,618	-	-	127,954	582,618
Recreation and Tourism	783,228	666,541	-	-	783,228	666,541
Interest on Long-Term Obligations	10,586	-	-	-	10,586	-
Sewer	-	-	1,146,682	1,408,416	1,146,682	1,408,416
Water	-	-	3,188,959	3,630,732	3,188,959	3,630,732
Electric	-	-	4,026,974	3,761,878	4,026,974	3,761,878
Solid Waste	-	-	516,230	388,292	516,230	388,292
Total Expenses	<u>3,494,784</u>	<u>3,259,968</u>	<u>8,878,845</u>	<u>9,189,318</u>	<u>12,373,629</u>	<u>12,449,286</u>
Change in Net Position Before Transfers	4,245,340	465,183	602,566	(646,468)	4,847,906	(181,285)
Transfers	<u>1,260,491</u>	<u>(777,882)</u>	<u>(1,260,491)</u>	<u>777,882</u>	-	-
Change in Net Position	5,505,831	(312,699)	(657,925)	131,414	4,847,906	(181,285)
Net Position - Beginning of Year	<u>2,892,643</u>	<u>3,205,342</u>	<u>10,601,734</u>	<u>10,470,320</u>	<u>13,494,377</u>	<u>13,675,662</u>
Net Position - End of Year	<u>\$ 8,398,474</u>	<u>\$ 2,892,643</u>	<u>\$ 9,943,809</u>	<u>\$ 10,601,734</u>	<u>\$ 18,342,283</u>	<u>\$ 13,494,377</u>

**Governmental Activities:** Governmental activities had an increase in net position of \$5,505,831. Governmental activities revenues increased by \$4,014,973 (107%) from the prior year, primarily due to grant funds.

Expenses related to total governmental activities increased by \$234,816, or 7%, from the prior year. This increase was primarily from expenditure of grant funds.

CITY OF WESTMINSTER, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024

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

**Business-Type Activities:** Net position related to business-type activities (i.e., water, sewer, electric, and solid waste operations) decreased by \$657,925. This decrease was primarily due to transfers of \$1,260,491. Revenues increased by \$938,561 when compared to the prior year, primarily because the City received ARP grant money. Expenses decreased by \$310,473 from the prior year due to ARP grant expenses.

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

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

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

At the end of the current fiscal year, the City's governmental funds reported ending fund balance of \$7,450,721, an increase of \$5,368,084 from the prior year.

\$1,578,099 (21%) of the total fund balance of the governmental funds constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is restricted/committed to indicate that it is not available for new spending: (1) for tourism-related expenditures (\$5,097,208), (2) for public safety (\$94,945) and, (3) for federal and county approved programs (\$662,612). Total unassigned fund balance of the governmental funds (General Fund) represents 44% of total governmental funds expenditures.

Highlights for the General Fund were as follows:

- Total General Fund revenues increased by \$256,032 from the prior year.
- Total General Fund expenditures increased by \$45,776 from the prior year, primarily due to higher public safety and public works costs, as well as ARP grant expenditures.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Net position of the proprietary funds at the end of 2024 was \$9,943,809. Please see "Business-Type Activities" discussion in the previous section for details.

**General Fund Budgetary Highlights:** If budget amendments are made, they generally fall into one of three categories: amendments made to adjust the estimates used to prepare the original budget ordinance once exact information is available; amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and increases in appropriations that become necessary to maintain services.

**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2024**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The City's capital assets as of June 30, 2024 amounted to \$22,148,588. The City's capital assets include land, buildings, improvements, machinery and equipment, vehicles, infrastructure, and the water, sewer, and electric utility system. The City's capital assets (net of depreciation) as of June 30, 2024 and 2023 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 756,058	\$ 756,058	\$ 53,025	\$ 53,025	\$ 809,083	\$ 809,083
Construction in Progress	107,954	65,454	8,162,247	673,166	8,270,201	738,620
Buildings and Improvements	824,479	826,341	1,085,454	1,202,919	1,909,933	2,029,260
Vehicles and Equipment	275,614	177,469	1,198,881	1,015,927	1,474,495	1,193,396
Infrastructure	619,674	655,026	9,065,202	8,071,812	9,684,876	8,726,838
Total	<u>\$ 2,583,779</u>	<u>\$ 2,480,348</u>	<u>\$ 19,564,809</u>	<u>\$ 11,016,849</u>	<u>\$ 22,148,588</u>	<u>\$ 13,497,197</u>

The total increase in the City's capital assets for 2024 was \$8,651,391. Major capital asset events during 2024 included the following:

- Capital asset additions consisted primarily of:
  - USDA Water System project - approximately \$8,100,000.
- Depreciation expense of approximately \$157,000 for governmental activities and \$641,000 for business-type activities.

Additional information on the City's capital assets can be found in Note 4 in the notes to the financial statements.

**Debt**

As of June 30, 2024, the City had total outstanding debt of \$10,206,873. The City's total debt as of June 30, 2024 and 2023 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Capital Lease Payable	\$ 196,970	\$ 288,945	\$ 1,414,522	\$ 1,014,417	\$ 1,611,492	\$ 1,303,362
Bond Anticipation Note	-	-	8,260,000	-	8,260,000	-
Conserfund Loan	-	-	335,381	369,947	335,381	369,947
Total	<u>\$ 196,970</u>	<u>\$ 288,945</u>	<u>\$ 10,009,903</u>	<u>\$ 1,384,364</u>	<u>\$ 10,206,873</u>	<u>\$ 1,673,309</u>

The total increase in the City's debt for 2024 was \$8,533,564. Major events during 2024 included the following:

**Business-Type Activities:**

- Capital lease issuance of \$535,000.
- Bond Anticipation Note issuance of \$8,260,000
- Scheduled principal payments on revenue bonds and capital leases of approximately \$261,000.

Additional information regarding the City's long-term obligations can be found in Note 5 in the notes to the financial statements.

**CITY OF WESTMINSTER, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The City's elected officials and staff considered many factors when setting the fiscal year end June 30, 2024 budget. The state of the economy, anticipated construction activity, future capital needs, and the best interests of the City's residents were all taken into account.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide Westminster's citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances, and to demonstrate the City's accountability for the public assets under its management. Please contact the City of Westminster Administration Department, PO Box 399, Westminster, South Carolina 29693, with any questions or to request additional information.

# GOVERNMENT - WIDE FINANCIAL STATEMENTS

## CITY OF WESTMINSTER, SOUTH CAROLINA

## STATEMENT OF NET POSITION

JUNE 30, 2024

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,626,588	\$ 765,945	\$ 2,392,533
Accounts Receivable	76,548	1,336,484	1,413,032
Taxes Receivable	33,503	-	33,503
Inventory	-	536,060	536,060
<b>RESTRICTED ASSETS:</b>			
Cash and Cash Equivalents	5,850,220	1,509,969	7,360,189
<b>CAPITAL ASSETS:</b>			
Non Depreciable	864,012	8,215,272	9,079,284
Depreciable	4,524,192	25,731,250	30,255,442
Less Accumulated Depreciation	(2,804,425)	(14,381,713)	(17,186,138)
<b>TOTAL ASSETS</b>	<b>10,170,638</b>	<b>23,713,267</b>	<b>33,883,905</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Charges	485,028	583,045	1,068,073
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>485,028</b>	<b>583,045</b>	<b>1,068,073</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 64,436	\$ 1,119,812	\$ 1,184,248
Employee Benefits Withheld and Accrued	53,425	36,436	89,861
Customer Deposits	-	342,079	342,079
<b>NON-CURRENT LIABILITIES:</b>			
<b>DUE WITHIN ONE YEAR:</b>			
Compensated Absences	85,176	56,515	141,691
Interest Payable	6,459	416,808	423,267
Capital Leases Payable	46,493	235,111	281,604
Bonds Payable	-	8,260,000	8,260,000
Conserfund Loan Payable	-	35,084	35,084
<b>DUE IN MORE THAN ONE YEAR:</b>			
Compensated Absences	85,176	56,514	141,690
Capital Leases Payable	150,477	1,179,411	1,329,888
Conserfund Loan Payable after One Year	-	300,297	300,297
Net Pension Liability	1,744,105	2,302,539	4,046,644
<b>TOTAL LIABILITIES</b>	<b>2,235,747</b>	<b>14,340,606</b>	<b>16,576,353</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Credits	21,445	11,897	33,342
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>21,445</b>	<b>11,897</b>	<b>33,342</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,380,350	9,890,287	12,270,637
<b>RESTRICTED FOR:</b>			
Public Safety	94,945	-	94,945
Recreation and Tourism	5,097,208	-	5,097,208
Other	662,612	1,509,969	2,172,581
Unrestricted	163,359	(1,456,447)	(1,293,088)
<b>TOTAL NET POSITION</b>	<b>\$ 8,398,474</b>	<b>\$ 9,943,809</b>	<b>\$ 18,342,283</b>

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

CITY OF WESTMINSTER, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

FUNCTION/PROGRAM ACTIVITIES	PROGRAM REVENUES				NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>PRIMARY GOVERNMENT:</b>							
<b>GOVERNMENTAL ACTIVITIES:</b>							
General Government	\$ 689,125	\$ 461,800	\$ -	\$ 5,019,780	\$ 4,792,455	\$ -	\$ 4,792,455
Public Safety	1,883,891	63,019	583,246	8,166	(1,229,460)	-	(1,229,460)
Public Works	127,954	-	-	-	(127,954)	-	(127,954)
Recreation and Tourism	783,228	173,235	50,000	39,500	(520,493)	-	(520,493)
Interest on Long-Term Debt	10,586	-	-	-	(10,586)	-	(10,586)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>3,494,784</b>	<b>698,054</b>	<b>633,246</b>	<b>5,067,446</b>	<b>2,903,962</b>	<b>-</b>	<b>2,903,962</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Sewer System	1,146,682	1,016,588	-	-	-	(130,094)	(130,094)
Water System	3,188,959	3,049,020	-	461,635	-	321,696	321,696
Electric System	4,026,974	4,173,177	-	-	-	146,203	146,203
Solid Waste	516,230	455,426	-	-	-	(60,804)	(60,804)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>8,878,845</b>	<b>8,694,211</b>	<b>-</b>	<b>461,635</b>	<b>-</b>	<b>277,001</b>	<b>277,001</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 12,373,629</b>	<b>\$ 9,392,265</b>	<b>\$ 633,246</b>	<b>\$ 5,529,081</b>	<b>2,903,962</b>	<b>277,001</b>	<b>3,180,963</b>
<b>GENERAL REVENUES:</b>							
<b>TAXES:</b>							
Property Taxes, Levied for General Purposes					717,863	-	717,863
Hospitality Tax					180,440	-	180,440
Accommodation Taxes					6,877	-	6,877
Payments in Lieu of Taxes and Franchise Fees					51,086	-	51,086
Grants and Contributions not Restricted to Specific Programs					58,610	-	58,610
Interest Income					215,588	265,011	480,599
Miscellaneous					110,914	60,554	171,468
Interfund Transfers					1,260,491	(1,260,491)	-
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<b>2,601,869</b>	<b>(934,926)</b>	<b>1,666,943</b>
<b>CHANGE IN NET POSITION</b>					<b>5,505,831</b>	<b>(657,925)</b>	<b>4,847,906</b>
<b>NET POSITION, BEGINNING OF YEAR - As Previously Reported</b>					<b>2,892,643</b>	<b>10,026,012</b>	<b>12,918,655</b>
<b>Prior Period Adjustment</b>					<b>-</b>	<b>575,722</b>	<b>575,722</b>
<b>NET POSITION, BEGINNING OF YEAR - As Restated</b>					<b>2,892,643</b>	<b>10,601,734</b>	<b>13,494,377</b>
<b>NET POSITION, ENDING</b>					<b>\$ 8,398,474</b>	<b>\$ 9,943,809</b>	<b>\$ 18,342,283</b>

The accompanying notes are an integral part of the financial statements.

See accompanying independent auditor's report.



# FUND FINANCIAL STATEMENTS

CITY OF WESTMINSTER, SOUTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,589,072	\$ -	\$ 37,516	\$ 1,626,588
Restricted Assets - Cash and Cash Equivalents	5,016,572	672,612	161,036	5,850,220
Accounts Receivable	62,003	-	14,545	76,548
Taxes Receivable	33,503	-	-	33,503
Interfund Receivable	10,000	-	-	10,000
<b>TOTAL ASSETS</b>	<u>\$ 6,711,150</u>	<u>\$ 672,612</u>	<u>\$ 213,097</u>	<u>\$ 7,596,859</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts Payable	\$ 48,924	\$ -	\$ 15,512	\$ 64,436
Employee Benefits Withheld and Accrued	49,278	-	4,147	53,425
Interfund Payable	-	10,000	-	10,000
<b>TOTAL LIABILITIES</b>	<u>98,202</u>	<u>10,000</u>	<u>19,659</u>	<u>127,861</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	18,277	-	-	18,277
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>18,277</u>	<u>-</u>	<u>-</u>	<u>18,277</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>116,479</u>	<u>10,000</u>	<u>19,659</u>	<u>146,138</u>
<b>FUND BALANCES:</b>				
<b>RESTRICTED FOR:</b>				
Public Safety	14,451	-	80,494	94,945
Recreation and Tourism	5,002,121	-	95,087	5,097,208
Federal and County Approved Programs	-	662,612	-	662,612
<b>COMMITTED TO:</b>				
Recreation and Tourism	-	-	17,857	17,857
<b>UNASSIGNED:</b>	<u>1,578,099</u>	<u>-</u>	<u>-</u>	<u>1,578,099</u>
<b>TOTAL FUND BALANCES</b>	<u>6,594,671</u>	<u>662,612</u>	<u>193,438</u>	<u>7,450,721</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 6,711,150</u>	<u>\$ 672,612</u>	<u>\$ 213,097</u>	<u>\$ 7,596,859</u>

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

CITY OF WESTMINSTER, SOUTH CAROLINA

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

JUNE 30, 2024

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Fund balances - total governmental funds \$ 7,450,721

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of the assets was \$5,388,204 and the accumulated depreciation was \$2,804,425 2,583,779

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore have been deferred in the governmental funds. 18,277

The City's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position. (1,280,522)

Accrued interest on long-term obligations in governmental accounting is not due and payable in the current period and therefore is not reported as a liability in the governmental funds. (6,459)

Long-term liabilities, debt and capital lease obligations, are not due or payable in the current period and therefore are not reported as liabilities in the governmental funds.

Long-term liabilities consisted of the following:

Capital lease payable (196,970)  
Compensated absences (170,352)

Net position of governmental activities \$ 8,398,474

CITY OF WESTMINSTER, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Property Taxes	\$ 724,751	\$ -	\$ -	\$ 724,751
Intergovernmental Revenues	713,531	5,000,000	68,565	5,782,096
Licenses, Permits and Fees	464,998	-	353,675	818,673
Fines and Forfeitures	63,019	-	-	63,019
Miscellaneous and Other	65,358	-	23,005	88,363
Payments in Lieu of Taxes and Franchise Fees	51,086	-	-	51,086
Interest Income	215,588	-	-	215,588
<b>TOTAL REVENUES</b>	<u>2,298,331</u>	<u>5,000,000</u>	<u>445,245</u>	<u>7,743,576</u>
<b>EXPENDITURES</b>				
<b>CURRENT OPERATING:</b>				
General Government	628,233	-	-	628,233
Public Safety	1,795,709	-	9,477	1,805,186
Public Works	90,646	-	-	90,646
Recreation and Tourism	26,721	-	724,763	751,484
Capital Outlay	226,955	-	33,955	260,910
<b>DEBT SERVICE:</b>				
Principal Retirement	91,975	-	-	91,975
Interest and Fiscal Charges	10,586	-	-	10,586
<b>TOTAL EXPENDITURES</b>	<u>2,870,825</u>	<u>-</u>	<u>768,195</u>	<u>3,639,020</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(572,494)	5,000,000	(322,950)	4,104,556
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Sale of Assets	3,037	-	-	3,037
Interfund Transfers In (Out)	5,677,149	(4,548,913)	132,255	1,260,491
<b>NET CHANGE IN FUND BALANCES</b>	5,107,692	451,087	(190,695)	5,368,084
<b>FUND BALANCES, BEGINNING</b>	<u>1,486,979</u>	<u>211,525</u>	<u>384,133</u>	<u>2,082,637</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 6,594,671</u>	<u>\$ 662,612</u>	<u>\$ 193,438</u>	<u>\$ 7,450,721</u>

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

CITY OF WESTMINSTER, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

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Net change in fund balances - total governmental funds	\$ 5,368,084
Amounts reported for the governmental activities in the Statement of Activities are different because:	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenues in the Statement of Activities.	(6,888)
Repayment of bond principal (including refunding principal payments) is recognized in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. This amount is the total reduction in outstanding principal in the current year.	91,975
Interest on long-term obligations in the Statement of Activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(6,459)
The governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, capital outlay expenses that qualify as capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$157,479 was exceeded by capital asset additions of \$260,910 in the current period.	103,431
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(7,126)
Changes in the City's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	<u>(37,186)</u>
Change in net position of governmental activities	<u>\$ 5,505,831</u>

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

CITY OF WESTMINSTER, SOUTH CAROLINA

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

JUNE 30, 2024

ASSETS	UTILITY FUND	SOLID WASTE FUND	TOTAL ENTERPRISE FUNDS
<b>CURRENT ASSETS:</b>			
Cash	\$ 406,224	\$ 359,721	\$ 765,945
Restricted Assets - Cash and Cash Equivalents	1,509,969	-	1,509,969
Accounts Receivable	1,256,737	79,747	1,336,484
Interfund Receivables	-	-	-
Inventory	536,060	-	536,060
<b>TOTAL CURRENT ASSETS</b>	<b>3,708,990</b>	<b>439,468</b>	<b>4,148,458</b>
<b>CAPITAL ASSETS:</b>			
Land and Land Rights	53,025	-	53,025
Construction in Progress	8,162,247	-	8,162,247
Buildings and Improvements	5,421,882	10,000	5,431,882
Equipment and Vehicles	2,376,789	1,198,783	3,575,572
Infrastructure	16,723,796	-	16,723,796
Less Accumulated Depreciation	(13,684,738)	(696,975)	(14,381,713)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>19,053,001</b>	<b>511,808</b>	<b>19,564,809</b>
<b>TOTAL ASSETS</b>	<b>22,761,991</b>	<b>951,276</b>	<b>23,713,267</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Charges	500,651	82,394	583,045
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>500,651</b>	<b>82,394</b>	<b>583,045</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable	\$ 1,118,807	\$ 1,005	\$ 1,119,812
Employee Benefits Withheld and Accrued	28,661	7,775	36,436
Interest Payable	416,808	-	416,808
Customer Deposits	342,079	-	342,079
Compensated Absences	36,157	20,358	56,515
Capital Leases Payable	200,131	34,980	235,111
Bonds Payable	8,260,000	-	8,260,000
Conserfund Loan Payable	35,084	-	35,084
<b>TOTAL CURRENT LIABILITIES</b>	<b>10,437,727</b>	<b>64,118</b>	<b>10,501,845</b>
<b>NON-CURRENT LIABILITIES:</b>			
Compensated Absences	36,156	20,358	56,514
Capital Leases Payable after One Year	938,023	241,388	1,179,411
Conserfund Loan Payable after One Year	300,297	-	300,297
Net Pension Liability	1,977,152	325,387	2,302,539
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,251,628</b>	<b>587,133</b>	<b>3,838,761</b>
<b>TOTAL LIABILITIES</b>	<b>13,689,355</b>	<b>651,251</b>	<b>14,340,606</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Credits	10,216	1,681	11,897
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>10,216</b>	<b>1,681</b>	<b>11,897</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	9,654,847	235,440	9,890,287
Restricted - Other	1,509,969	-	1,509,969
Unrestricted	(1,601,745)	145,298	(1,456,447)
<b>TOTAL NET POSITION</b>	<b>\$ 9,563,071</b>	<b>\$ 380,738</b>	<b>\$ 9,943,809</b>

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

CITY OF WESTMINSTER, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2024

	UTILITY FUND	SOLID WASTE FUND	TOTAL ENTERPRISE FUNDS
<b>OPERATING REVENUES</b>			
Utility Billings	\$ 7,901,417	\$ 452,688	\$ 8,354,105
Other Customer Fees	324,720	-	324,720
Other	57,703	2,738	60,441
<b>TOTAL OPERATING REVENUES</b>	<b>8,283,840</b>	<b>455,426</b>	<b>8,739,266</b>
<b>OPERATING EXPENSES</b>			
Electric	3,485,674	-	3,485,674
Sewer	982,865	-	982,865
Water	1,968,292	-	1,968,292
Solid Waste	-	431,191	431,191
Administrative	947,027	-	947,027
Depreciation	556,216	85,039	641,255
<b>TOTAL OPERATING EXPENSES</b>	<b>7,940,074</b>	<b>516,230</b>	<b>8,456,304</b>
<b>OPERATING INCOME (LOSS)</b>	<b>343,766</b>	<b>(60,804)</b>	<b>282,962</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	265,011	-	265,011
Interest Expense	(410,111)	(12,431)	(422,542)
Sale of Capital Assets	-	15,500	15,500
Intergovernmental	461,635	-	461,635
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>316,535</b>	<b>3,069</b>	<b>319,604</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>660,301</b>	<b>(57,735)</b>	<b>602,566</b>
<b>TRANSFERS</b>			
Interfund Transfers In (Out)	(1,361,759)	101,268	(1,260,491)
<b>TOTAL TRANSFERS</b>	<b>(1,361,759)</b>	<b>101,268</b>	<b>(1,260,491)</b>
<b>CHANGE IN NET POSITION</b>	<b>(701,458)</b>	<b>43,533</b>	<b>(657,925)</b>
<b>NET POSITION, BEGINNING OF YEAR - As Previously Reported</b>	<b>9,688,807</b>	<b>337,205</b>	<b>10,026,012</b>
<b>Prior Period Adjustment</b>	<b>575,722</b>	<b>-</b>	<b>575,722</b>
<b>NET POSITION, BEGINNING OF YEAR - As Restated</b>	<b>10,264,529</b>	<b>337,205</b>	<b>10,601,734</b>
<b>NET POSITION, ENDING</b>	<b>\$ 9,563,071</b>	<b>\$ 380,738</b>	<b>\$ 9,943,809</b>

The accompanying notes are an integral part of the financial statements.

See accompanying independent auditor's report.

CITY OF WESTMINSTER, SOUTH CAROLINA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2024

	UTILITY FUND	SOLID WASTE FUND	TOTAL ENTERPRISE FUNDS
<b>CASH FLOWS FROM OPERATIONS:</b>			
Receipts from Customers	\$ 8,728,578	\$ 449,600	\$ 9,178,178
Payments to Employees and Related Benefits	(2,066,673)	(290,859)	(2,357,532)
Payments to Suppliers	(5,020,338)	(102,560)	(5,122,898)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>1,641,567</u>	<u>56,181</u>	<u>1,697,748</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Interfund Transfers of Cash In (Out)	(1,361,759)	101,268	(1,260,491)
<b>NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	<u>(1,361,759)</u>	<u>101,268</u>	<u>(1,260,491)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from Issuance of Long-Term Debt	8,795,000	-	8,795,000
Principal Paid on Long-Term Debt	(135,829)	(33,632)	(169,461)
Interest Paid on Long-Term Debt	(410,111)	(12,431)	(422,542)
Grants	461,635	-	461,635
Sale of Capital Assets	-	15,500	15,500
Purchase of Capital Assets	(8,915,133)	(268,844)	(9,183,977)
<b>NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(204,438)</u>	<u>(299,407)</u>	<u>(503,845)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on Investments	265,018	-	265,018
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>265,018</u>	<u>-</u>	<u>265,018</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	340,388	(141,958)	198,430
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>1,575,805</u>	<u>501,679</u>	<u>2,077,484</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 1,916,193</u>	<u>\$ 359,721</u>	<u>\$ 2,275,914</u>
<b>CLASSIFIED AS:</b>			
Current Assets	\$ 406,224	\$ 359,721	\$ 765,945
Restricted Assets	1,509,969	-	1,509,969
<b>TOTALS</b>	<u>\$ 1,916,193</u>	<u>\$ 359,721</u>	<u>\$ 2,275,914</u>

The accompanying notes are an integral part of the financial statements.

See accompanying independent auditor's report.

(continued)



CITY OF WESTMINSTER, SOUTH CAROLINA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2024

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:	UTILITY FUND	SOLID WASTE FUND	TOTAL ENTERPRISE FUNDS
<b>OPERATING INCOME (LOSS)</b>	\$ 343,766	\$ (60,804)	\$ 282,962
<b>ADJUSTMENTS NOT AFFECTING CASH:</b>			
Depreciation	556,216	85,039	641,255
<b>CHANGE IN ASSETS AND LIABILITIES:</b>			
Accounts Receivable	119,099	(5,826)	113,273
Inventory	(455,903)	-	(455,903)
Interfund Receivable	325,639	-	325,639
Accounts Payable	730,408	(2,111)	728,297
Interest Payable	395,149	-	395,149
Interfund Payable	(330,884)	-	(330,884)
Customer Deposits	3,357	-	3,357
Compensated Absences	(36,126)	12,066	(24,060)
Employee Benefits Withheld and Accrued	(740)	3,863	3,123
Net Pension Liability	116,978	50,778	167,756
<b>CHANGE IN DEFERRED OUTFLOWS/INFLOWS OF RESOURCES:</b>			
Deferred Pension Charges	(101,573)	(23,480)	(125,053)
Deferred Pension Credits	(23,819)	(3,344)	(27,163)
<b>TOTAL ADJUSTMENTS</b>	<u>1,297,801</u>	<u>116,985</u>	<u>1,414,786</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 1,641,567</u>	<u>\$ 56,181</u>	<u>\$ 1,697,748</u>

The accompanying notes are an integral part of the financial statements.

See accompanying independent auditor's report.

CITY OF WESTMINSTER, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2024

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	<b>LOCAL DEVELOPMENT AGENCY CUSTODIAL FUND</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 53,789
<b>TOTAL ASSETS</b>	<u>\$ 53,789</u>
<b>NET POSITION</b>	
<b>RESTRICTED FOR:</b>	
Individuals, Organizations, and Other Governments	\$ 53,789
<b>TOTAL NET POSITION</b>	<u>\$ 53,789</u>

CITY OF WESTMINSTER, SOUTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2024

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<b>ADDITIONS</b>	
<b>CONTRIBUTIONS:</b>	
Commissions and Economic Development	\$ 32,041
<b>INVESTMENT EARNINGS:</b>	
Interest Earned	<u>2</u>
<b>TOTAL ADDITIONS</b>	<u>\$ 32,043</u>
<b>DEDUCTIONS</b>	
Beneficiary Payments to Individuals	<u>12,550</u>
<b>TOTAL DEDUCTIONS</b>	<u>12,550</u>
<b>CHANGE IN NET POSITION</b>	19,493
<b>NET POSITION, BEGINNING</b>	<u>34,296</u>
<b>NET POSITION, ENDING</b>	<u>\$ 53,789</u>

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

## NOTES TO FINANCIAL STATEMENTS

**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

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The City of Westminster (“City”), South Carolina was incorporated in 1874. Section 47-26 of the 1962 Code of Laws, as amended (“Home Rule Act”), requires that municipalities adopt a specific form of government. The City operates under a council form of government. The Mayor and Council are vested with the legislative and policymaking powers of the City. The Council appoints a City Administrator who serves as the chief executive officer of the City and is responsible to the Council for proper administration of all affairs of the City.

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

**A. Reporting Entity**

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

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

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the City having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the City; and (c) issue bonded debt without approval by the City. An entity has a financial benefit or burden relationship with the City if, for example, any one of the following conditions exists: (a) the City is legally entitled to or can otherwise access the entity’s resources, (b) the City is legally obligated or has otherwise assumed the obligation to finance the deficits or provide financial support to, the entity, or (c) the City is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the City’s financial statements to be misleading. Blended component units, although legally separate entities, are in substance, part of the government’s operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City. Based on the criteria above, the City has one fiduciary component unit – the Westminster Local Development Corporation.

***Major Operations***

The City’s major governmental operations include: general government, public safety (police and fire), public works, and recreation and tourism. In addition, the City provides water, sewer, electric, and solid waste operations through its enterprise funds.

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

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

CITY OF WESTMINSTER, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

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

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

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary 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. Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, includes property taxes, grants, and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. The government-wide financial statements are prepared using a different measurement focus from the manner in which the governmental fund financial statements are prepared (see further detail below). Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements and the governmental fund financial statements.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, lease purchase expenditures, capital lease expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due and payable. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. Proceeds of long-term debt, lease purchase obligations, and acquisitions under capital leases are reported as other financing sources. Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

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

CITY OF WESTMINSTER, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

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

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

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

The **Capital Projects Fund**, a major fund, is used to account for various capital projects and the funding received to finance the projects.

The **Hospitality Tax Fund**, a nonmajor fund, is used to account for the City's hospitality tax collections and expenses. These funds are legally restricted for tourism related expenditures.

The **Fireman's 1% Fund**, a nonmajor fund, is used to account for the City's 1% premium collections and expenses. These funds are restricted for eligible fire fighter expenditures.

The **Recreation Fund**, a nonmajor fund, is used to account for the City's recreation revenue and expenses. These funds are committed to recreation expenditures.

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

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

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

The **Utility Fund, a major fund**, is used to account for the City's water, sewer, and electric operations.

The **Solid Waste Fund, a major fund**, is used to account for the City's solid waste operations.

CITY OF WESTMINSTER, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

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

The City reports the following other fund type:

**Agency Fund** is used to account for the financial transactions of the Westminster Local Development Corporation.

**C. Cash, Cash Equivalents, and Investments**

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

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

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

**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

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

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

South Carolina Local Government Investment Pool (“LGIP” or “Pool”) investments are invested with the South Carolina State Treasurer’s Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any City treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 “Accounting and Financial Reporting for Certain Investments and for External Investment Pools” and GASB Statement No. 72 “Fair Value Measurement and Application,” investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours’ notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

**D. Receivables and Payables**

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

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

**E. Inventories and Prepaid Items**

Inventories of materials, supplies, and gasoline are stated at average cost, which approximates market. The costs of inventories and prepaid items are accounted for using the consumption method (expensed when consumed).

**F. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset’s life are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>	<u>Capitalization Level</u>
Land and Land Rights	N/A	N/A
Buildings and Improvements	10-60 Years	\$ 25,000
Vehicles and Equipment	5-20 Years	\$ 5,000
Infrastructure	10-50 Years	\$ 25,000



CITY OF WESTMINSTER, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**G. Compensated Absences**

The City accrues accumulated unpaid vacation when earned by the employee, with a maximum of 520 hours available to be accrued. The current portion is the amount estimated to be used in the following year. The City does not provide sick leave.

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16 "*Accounting for Compensated Absences*." The entire compensated absence liability and expense is reported on the government-wide financial statements. The portion applicable to the proprietary funds is also recorded in the enterprise funds. The governmental funds will not recognize a liability for compensated absences unless they have matured, for example, as a result of employee resignation or retirement prior to fiscal year end (if material).

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

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. The portions applicable to the proprietary funds are also recorded in the proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method (as it approximates the effective interest method) if material. Debt is reported net of applicable bond premiums and discounts.

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

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

**I. Interfund Transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation.

**J. 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one type of deferred outflow of resources, *deferred pension charges*. The City reports *deferred pension charges* in its Statements of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. These *deferred pension charges* are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**J. Deferred Outflows/Inflows of Resources (continued)**

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of deferred inflows of resources, (1) *unavailable revenue – property taxes* only in the governmental funds balance sheet; it is deferred and recognized as an inflow of resources (property tax revenues) in the period the amounts become available, and (2) *deferred pension credits* in its proprietary fund and government-wide Statements of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System (“Plans”). These *deferred pension credits* are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

**K. Fund Balance**

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

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

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

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

**Assigned** – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and for which such assignments are made before the report issuance date. City Council formally granted the City Administrator the right to make assignments of fund balance for the City.

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

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

**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**L. Net Position**

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

**M. Encumbrances**

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

**N. Accounting Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, disclosures of contingent balances at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**O. Property Tax**

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

Property taxes are assessed and collected by Oconee County ("County"). The County generally levies its real property taxes in October based upon assessed valuations on January 1st of each year. Assessed values are established by the County Assessor, the County Auditor, and the South Carolina Department of Revenue and Taxation at various rates of 4 to 10.5 percent of the estimated market value. Real property and all personal property taxes other than vehicle property taxes attach as an enforceable lien on property as of January 16th. Taxes are levied and billed in October on all property other than vehicles and are payable without penalty until January 15th of the following year. Penalties are assessed on unpaid taxes on the following dates:

January 15th	3%
February 2nd	an additional 7%
March 17th	an additional 5%

After proper notification, the law requires "exclusive possession" of property necessary to satisfy the delinquent taxes. Properties with unpaid taxes are sold at a public auction during the month of October.

Vehicle property taxes attach a lien and are levied throughout the year depending on when the vehicles' license tags expire. The lien and collection date for motor vehicle taxes is the last day of the month in which the motor vehicle license expires.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**P. Comparative Data**

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

**Q. Pensions**

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

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

**R. Fair Value**

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

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

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

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

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

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

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

CITY OF WESTMINSTER, SOUTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**R. Fair Value (continued)**

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

**S. Prior Period Adjustment**

During fiscal year 2024, the City made a correction by reclassifying amounts recorded in the Utility Fund as expenditures in prior years. The expenditures of \$597,381 should have been recorded as capital assets and associated depreciation expense. In addition, the City corrected the omission of interest payable of \$21,659 that was unreported in the prior year. For the business type activities and government wide financial statements, these changes resulted in an increase to the beginning of year net position of \$575,722.

**NOTE 2 – DEPOSITS AND INVESTMENTS:**

***Deposits***

Custodial credit risk for deposits - Custodial credit risk is the risk that the City's deposits will not be returned to it. The City has no formal policy regarding custodial credit risk. The total cash balances are insured by the FDIC up to \$250,000 per bank. From time to time during the year, the City may have cash on deposit with banks that exceeds the balance insured by the FDIC. However, at June 30, 2024, none of the City's bank balances of approximately \$4,307,391 (with a carrying value of approximately \$4,042,500) were exposed to custodial credit risk.

***Investments***

As of June 30, 2024, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>			
			<u>&lt; 1 yr</u>	<u>1-3 yrs</u>	<u>3-5 yrs</u>	<u>&gt; 5 yrs</u>
State Government Local Investment Pool	Unrated	\$ 5,710,672	\$ 5,710,672	-	-	-

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

**Custodial Credit Risk for Investments:** Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina.

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

**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

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**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED):**

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

Certain deposits and investments of the City are legally restricted for specified purposes. The major types of restrictions at June 30, 2024 were those imposed by the revenue source (i.e. hospitality fees, grants, etc.).

**NOTE 3 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:**

Interfund balances at June 30, 2024, consisted of the following individual fund receivables and payables. The City expects that these amounts will be repaid within one year:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 10,000	\$ -
Capital Projects	-	10,000
<b>Total</b>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

Interfund transfers for the year ended June 30, 2024, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Fund:</b>		
General	\$ 6,176,617	\$ 499,468
Capital Projects Fund	451,087	5,000,000
Utility	-	1,361,759
Solid Waste	268,844	167,576
<b>Other Non-Major Funds:</b>		
Recreation	132,255	-
<b>Total</b>	<u>\$ 7,028,803</u>	<u>\$ 7,028,803</u>

Funds are transferred to the General Fund from the Utility Fund in lieu of property taxes and franchise fees (that would be collected if a private utility company provided water, sewer, and electric services). The General Fund also transferred funds to the Solid Waste Fund and the Recreation Fund to help support its ongoing operations. The Capital Projects fund transfers amounts to the General and Utility Fund when projects are completed. Council approves the amounts transferred annually during the budget process.

CITY OF WESTMINSTER, SOUTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024

**NOTE 4 – CAPITAL ASSETS:**

Capital asset activity for the City’s governmental activities for the year ended June 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<b>Capital Assets not being</b>				
<b>Depreciated:</b>				
Land	\$ 756,058	\$ -	\$ -	\$ 756,058
Construction in Progress	65,454	42,500	-	107,954
<b>Total Capital Assets not being Depreciated</b>	<u>821,512</u>	<u>42,500</u>	<u>-</u>	<u>864,012</u>
<b>Capital Assets being Depreciated:</b>				
Buildings & Improvements	1,606,896	41,726	-	1,648,622
Infrastructure	945,710	-	-	945,710
Vehicles & Equipment	1,778,615	176,684	(25,439)	1,929,860
<b>Total Capital Assets being Depreciated</b>	<u>4,331,221</u>	<u>218,410</u>	<u>(25,439)</u>	<u>4,524,192</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	(780,555)	(43,588)	-	(824,143)
Infrastructure	(290,684)	(35,352)	-	(326,036)
Vehicles & Equipment	(1,601,146)	(78,539)	25,439	(1,654,246)
<b>Total Accumulated Depreciation</b>	<u>(2,672,385)</u>	<u>(157,479)</u>	<u>25,439</u>	<u>(2,804,425)</u>
<b>Total Capital Assets being Depreciated, Net</b>	<u>1,658,836</u>	<u>60,931</u>	<u>-</u>	<u>1,719,767</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 2,480,348</u>	<u>\$ 103,431</u>	<u>\$ -</u>	<u>\$ 2,583,779</u>

Depreciation expense for governmental activities was charged to functions/programs as follows:

General Government	\$ 30,706
Public Safety	65,226
Public Works	40,380
Recreation and Tourism	21,167
<b>Total Depreciation Expense</b>	<u>\$ 157,479</u>

CITY OF WESTMINSTER, SOUTH CAROLINA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024

**NOTE 4 – CAPITAL ASSETS (CONTINUED):**

Capital asset activity for the City’s business-type activities for the year ended June 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
<b>Capital Assets not being Depreciated:</b>				
Land and Land Rights	\$ 53,025	\$ -	\$ -	\$ 53,025
Construction in Progress	673,166	8,530,259	(1,041,178)	8,162,247
<b>Total Capital Assets not being Depreciated</b>	<u>726,191</u>	<u>8,530,259</u>	<u>(1,041,178)</u>	<u>8,215,272</u>
<b>Capital Assets being Depreciated:</b>				
Buildings and Improvements	5,431,882	-	-	5,431,882
Equipment and Vehicles	3,196,201	391,363	(11,992)	3,575,572
Infrastructure	15,415,025	1,308,771	-	16,723,796
<b>Total Capital Assets being Depreciated</b>	<u>24,043,108</u>	<u>1,700,134</u>	<u>(11,992)</u>	<u>25,731,250</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	(4,228,963)	(117,465)	-	(4,346,428)
Equipment and Vehicles	(2,180,274)	(208,409)	11,992	(2,376,691)
Infrastructure	(7,343,213)	(315,381)	-	(7,658,594)
<b>Total Accumulated Depreciation</b>	<u>(13,752,450)</u>	<u>(641,255)</u>	<u>11,992</u>	<u>(14,381,713)</u>
<b>Total Capital Assets being Depreciated, Net</b>	<u>10,290,658</u>	<u>1,058,879</u>	<u>-</u>	<u>11,349,537</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 11,016,849</u>	<u>\$ 9,589,138</u>	<u>\$ (1,041,178)</u>	<u>\$ 19,564,809</u>

Depreciation expense for business-type activities was charged to functions/programs as follows:

Water System	\$ 447,648
Sewer System	46,964
Electric System	61,604
Solid Waste	85,039
<b>Total Depreciation Expense</b>	<u>\$ 641,255</u>

**NOTE 5 – LONG-TERM OBLIGATIONS:**

The City may issue bonds to provide funds for the acquisition and construction of major capital facilities. Revenue bonds and other long-term liabilities directly related to and intended to be paid from proprietary funds of the primary government are included in the accounts of such funds. All other long-term indebtedness of the primary government is accounted for in the governmental column of the government-wide Statement of Net Position.



**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

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**NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED):**

The City’s outstanding debt and capital lease obligations have been issued/obtained through direct borrowings/placements. Obligations through direct borrowings/placements are generally secured/collateralized by the underlying assets and contain provisions that in an event of default, (a) outstanding amounts can become immediately due if the City is unable to make payment and (b) the lender could exercise its option to demand return of the financed asset.

Summarized below are the City’s individual capital leases (direct borrowings) which are outstanding at June 30, 2024:

***Capital Leases***

\$142,500 capital lease agreement entered into August 2022 with annual payments of \$50,659 beginning August 2023 through August 2025, with interest at 3.29 percent. The proceeds of this lease purchase obligation were used to purchase a vehicles.	\$ 72,588
\$174,406 capital lease agreement entered into September 2022 with annual payments of \$27,961 beginning September 2022 through September 2028, with interest at 4.03 percent. The proceeds of this lease purchase obligation were used to purchase fire equipment.	124,382
\$310,000 capital lease agreement entered into January 2023 with annual payments of \$46,063 beginning January 2024 through January 2031, with interest at 4.01 percent. The proceeds of this lease purchase obligation were used to purchase a garbage truck.	276,368
\$272,500 capital lease agreement entered into August 2022 with annual payments of \$39,526 beginning August 2023 through August 2030, with interest at 3.43 percent. The proceeds of this lease purchase obligation were used to purchase a electric line truck.	242,320
\$503,000 capital lease agreement entered into September 2021 with annual payments of \$73,503 to \$79,332 beginning September 2022 through September 2027 and annual payments of \$38,878 to \$39,506 beginning September 2028 through September 2029, with interest at 1.64 percent. The proceeds of this lease purchase obligation were used to purchase vehicles and equipment.	360,834
\$535,000 capital lease agreement entered into September 2023 with annual payments of \$121,801 beginning September 2024 through September 2028, with interest at 4.48 percent. The proceeds of this lease purchase obligation were used to purchase vehicles and equipment.	<u>535,000</u>
<b>Total Capital Leases Payable</b>	<u><u>\$ 1,611,492</u></u>

Summarized below are the City’s other long-term obligations (direct borrowings) which are outstanding at June 30, 2024:

***ConserFund Loan***

\$369,947 loan agreement initiated in June 2022, due in annual installments of approximately \$40,000 beginning in July 2023 through July 2032, with interest at 1.50 percent. The City has used proceeds from this loan for water system improvements.	\$ 335,381
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***Bond Anticipation Note***

\$8,260,000 bond anticipation note entered into in July 2023, due in January 2025, bearing interest at 4.57 percent. The City has used proceeds from this loan for water system improvements.	\$ 8,260,000
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**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED):**

Presented below is a summary of changes in long-term obligations for the City’s governmental activities for the year ended June 30, 2024:

<u>Long-Term Obligations</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Capital Lease - Vehicles and Equipment	\$ 142,500	\$ -	\$ (69,912)	\$ 72,588	\$ 23,541
Capital Lease - Fire Equipment	146,445	-	(22,063)	124,382	22,952
<b>Total Debt</b>	<u>288,945</u>	<u>-</u>	<u>(91,975)</u>	<u>196,970</u>	<u>46,493</u>
Other Liabilities - Compensated Absences	\$ 163,226	\$ 16,150	\$ (9,024)	\$ 170,352	\$ 85,176
<b>Governmental Activities Long-term Liabilities</b>	<u>\$ 452,171</u>	<u>\$ 16,150</u>	<u>\$ (100,999)</u>	<u>\$ 367,322</u>	<u>\$ 131,669</u>

Presented below is a summary of changes in long-term obligations for the City’s business-type activities for the year ended June 30, 2024:

<u>Long-Term Obligations</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Amounts Due Within One Year</u>
<b>Business - Type Activities:</b>					
Capital Lease - Garbage Truck	\$ 310,000	\$ -	\$ (33,632)	\$ 276,368	\$ 34,980
Capital Lease - Electric Line Truck	272,500	-	(30,180)	242,320	31,215
Capital Lease - Vehicles and Equipment	431,917	-	(71,083)	360,834	71,083
Note Payable - ConserFund	369,947	-	(34,566)	335,381	35,084
Capital Lease - Vehicles and Equipment	-	535,000	-	535,000	97,833
Bond Anticipation Note	-	8,260,000	-	8,260,000	8,260,000
<b>Total Debt</b>	<u>1,384,364</u>	<u>8,795,000</u>	<u>(169,461)</u>	<u>10,009,903</u>	<u>8,530,195</u>
Other Liabilities - Compensated Absences	137,089	-	(24,060)	113,029	56,515
<b>Business-Type Activities Long-term Liabilities</b>	<u>\$ 1,521,453</u>	<u>\$ 8,795,000</u>	<u>\$ (193,521)</u>	<u>\$ 10,122,932</u>	<u>\$ 8,586,710</u>

The Bond Anticipation Note (BAN) repayment of \$8,260,000 is due by January 2025. The City has entered into an agreement with the United States Department of Agriculture (USDA) to refinance the BAN with a loan with USDA of up to \$8,705,000.

The City had no general obligation debt outstanding as of June 30, 2024.

**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 5 – LONG-TERM OBLIGATIONS (CONTINUED):**

Presented below is a summary of debt service requirements (all of which are direct borrowings/placements) to maturity by year for the City’s governmental and business-type activities as of June 30, 2024:

Fiscal Year	Governmental Activities			Business-Type Activities			Total
	Principal	Interest	Total	Principal	Interest	Total	Primary Government
2025	\$ 46,494	\$ 8,185	\$ 54,679	\$ 8,530,195	\$ 431,793	\$ 8,961,988	\$ 9,016,667
2026	72,922	5,699	78,621	277,578	45,763	323,341	401,962
2027	24,838	3,123	27,961	285,258	36,917	322,175	350,136
2028	25,838	2,123	27,961	293,247	27,760	321,007	348,968
2029	26,878	1,082	27,960	268,726	18,284	287,010	314,970
2030-2034	-	-	-	354,899	15,616	370,515	370,515
<b>Total</b>	<b>\$ 196,970</b>	<b>\$ 20,212</b>	<b>\$ 217,182</b>	<b>\$ 10,009,903</b>	<b>\$ 576,133</b>	<b>\$ 10,586,036</b>	<b>\$ 10,803,218</b>

**NOTE 6 – PENSION PLANS:**

The City participates in the State of South Carolina’s retirement plans, which are administered by the South Carolina Public Employee Benefit Authority (“PEBA”). 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.

**Plan Description**

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.

**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

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**NOTE 6 – PENSION PLANS (CONTINUED):**

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.

**Plan Benefits**

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

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

**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

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**NOTE 6 – PENSION PLANS (CONTINUED):**

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

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

**Plan Contributions**

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, 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.

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 (1) for the following fiscal years are as follows:

	<b>Fiscal Year 2024</b>	<b>Fiscal Year 2023</b>
<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%

**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

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**NOTE 6 – PENSION PLANS (CONTINUED):**

- Required employer contributions rates (1) for the following fiscal years are as follows:

	<b>Fiscal Year 2024</b>	<b>Fiscal Year 2023</b>
<b>SCRS</b>		
Employer Class Two	18.41%	17.41%
Employer Class Three	18.41%	17.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>PORS</b>		
Employer Class Two	20.84%	19.84%
Employer Class Three	20.84%	19.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

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

**Actuarial Assumptions and Methods**

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

The June 30, 2023, 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, 2022. The total pension liability was rolled-forward from the valuation date to the plans’ fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

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

	<b>SCRS</b>	<b>PORS</b>
Actuarial cost method	Entry Age	Entry Age
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11.0%	3.5% to 10.5%
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

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.

**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 6 – PENSION PLANS (CONTINUED):**

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

<b>Former Job Class</b>	<b>Males</b>	<b>Females</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 of the Plan**

The NPL is calculated separately for each system and represents that particular system’s TPL determined in accordance with GASB No. 67 less that System’s fiduciary net position. NPL totals, as of the June 30, 2023, measurement date, for SCRS and PORS are as follows:

<b>Plan</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Employers' Net Pension Liability (Asset)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
SCRS	\$58,464,402,454	\$34,286,961,942	\$24,177,440,512	58.6%
PORS	\$9,450,021,576	\$6,405,925,370	\$3,044,096,206	67.8%

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 Nos. 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 revised target asset allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 6 – PENSION PLANS (CONTINUED):**

<u>Allocation / Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity <sup>1</sup>	9.0%	10.91%	0.98%
Private Debt <sup>1</sup>	7.0%	6.16%	0.43%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate <sup>1</sup>	9.0%	6.41%	0.58%
Infrastructure <sup>1</sup>	3.0%	6.62%	0.20%
Total Expected Return <sup>2</sup>	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
			<u>7.56%</u>

**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.

**Sensitivity Analysis**

The following table presents the proportionate share of the NPL of the plans calculated using the discount rate of 7.00 percent, as well as what the City’s NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

<b>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</b>			
<b>System</b>	<b>1.00% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1.00% Increase (8.00%)</b>
<b>SCRS</b>	\$3,708,824	\$2,870,395	\$2,173,522
<b>PORS</b>	1,659,277	1,176,249	780,589

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

At June 30, 2024, the City reported a liability of \$1,744,105 for the governmental activities and \$2,302,539 for the business-type activities on the government wide financial statements for its proportionate share of the NPL. The NPL was measured as of June 30, 2023, and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The City’s proportion of the NPL was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the City’s proportion for SCRS was 0.011872% (0.010693% at June 30, 2022). The City’s proportion for PORS at June 30, 2023 was 0.038640% (0.037978% at June 30, 2022).

For the year ended June 30, 2024, the City recognized pension expense of approximately \$560,000.



**CITY OF WESTMINSTER, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**NOTE 6 – PENSION PLANS (CONTINUED):**

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

<b>SCRS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 49,835	\$ 7,960
Changes of assumptions	43,979	-
Net difference between projected and actual investment earnings	316,622	3,929
Change in allocated proportion	-	2,942
Contributions after the measurement date	<u>316,400</u>	<u>-</u>
Total	<u>\$ 726,836</u>	<u>\$ 14,831</u>

  

<b>PORS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 55,355	\$ 14,501
Changes of assumptions	25,600	-
Net difference between projected and actual investment earnings	68,741	2,019
Change in allocated proportion	-	1,991
Contributions after the measurement date	<u>191,541</u>	<u>-</u>
Total	<u>\$ 341,237</u>	<u>\$ 18,511</u>

The amount of \$316,400 and \$191,541 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year</b>	<b>SCRS Amount</b>	<b>PORS Amount</b>	<b>Total</b>
2025	\$ 190,514	\$ 75,429	\$ 265,943
2026	71,776	(3,931)	67,845
2027	134,996	60,919	195,915
2028	(1,685)	(1,232)	(2,917)
Thereafter	-	-	-
<b>Total</b>	<u>\$ 395,601</u>	<u>\$ 131,185</u>	<u>\$ 526,786</u>

CITY OF WESTMINSTER, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

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**NOTE 7 – RISK MANAGEMENT:**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. Commercial insurance is carried for all these risks. Settled claims resulting from these risks have not exceeded the insurance coverage limits in any of the past three fiscal years.

**NOTE 8 – CONTINGENT LIABILITIES AND COMMITMENTS:**

**Grants**

The City receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the City at June 30, 2024.

**Litigation**

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

**NOTE 9 – SUBSEQUENT EVENTS:**

Management has evaluated subsequent events through the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION  
OTHER THAN MANAGEMENT'S  
DISCUSSION AND ANALYSIS

CITY OF WESTMINSTER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Property Taxes	\$ 706,525	\$ 706,525	\$ 724,751	\$ 18,226
Intergovernmental Revenues	387,500	655,746	713,531	57,785
Licenses, Permits and Fees	381,475	381,475	464,998	83,523
Fines and Forfeitures	36,150	36,150	63,019	26,869
Miscellaneous and Other	75,400	75,400	65,358	(10,042)
Payments in Lieu of Taxes and Franchise Fees	56,175	56,175	51,086	(5,089)
Interest Income	2,005	2,005	215,588	213,583
<b>TOTAL REVENUES</b>	<u>1,645,230</u>	<u>1,913,476</u>	<u>2,298,331</u>	<u>384,855</u>
<b>EXPENDITURES</b>				
<b>CURRENT OPERATING:</b>				
<b>GENERAL GOVERNMENT:</b>				
Administration	604,294	604,294	592,550	11,744
Code Enforcement	63,860	63,860	35,683	28,177
<b>PUBLIC SAFETY:</b>				
Police	807,882	807,882	949,634	(141,752)
Fire	500,247	671,886	846,075	(174,189)
<b>PUBLIC WORKS:</b>				
Streets	64,025	64,025	90,646	(26,621)
Recreation	-	-	26,721	(26,721)
Capital Expenditures	246,806	343,413	226,955	116,458
<b>DEBT SERVICE:</b>				
Principal Retirement	50,659	50,659	91,975	(41,316)
Interest and Fiscal Charges	-	-	10,586	(10,586)
<b>TOTAL EXPENDITURES</b>	<u>2,337,773</u>	<u>2,606,019</u>	<u>2,870,825</u>	<u>(264,806)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(692,543)	(692,543)	(572,494)	120,049
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Sale of Assets	-	-	3,037	3,037
Capital Lease Proceeds	134,045	134,045	-	(134,045)
Interfund Transfers In (Out)	558,498	558,498	5,677,149	5,118,651
<b>NET CHANGE IN FUND BALANCES</b>	-	-	5,107,692	5,107,692
<b>FUND BALANCES, BEGINNING</b>	<u>1,486,979</u>	<u>1,486,979</u>	<u>1,486,979</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 1,486,979</u>	<u>\$ 1,486,979</u>	<u>\$ 6,594,671</u>	<u>\$ 5,107,692</u>

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

CITY OF WESTMINSTER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND

YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 7,116,973	\$ 12,116,973	\$ 5,000,000	\$ (7,116,973)
<b>TOTAL REVENUES</b>	<u>7,116,973</u>	<u>12,116,973</u>	<u>5,000,000</u>	<u>(7,116,973)</u>
<b>EXPENDITURES</b>				
<b>CURRENT OPERATING:</b>				
Capital Expenditures	<u>15,827,217</u>	<u>20,821,973</u>	-	<u>20,821,973</u>
<b>TOTAL EXPENDITURES</b>	<u>15,827,217</u>	<u>20,821,973</u>	-	<u>20,821,973</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(8,710,244)	(8,705,000)	5,000,000	13,705,000
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Bond Proceeds	8,705,000	8,705,000	-	(8,705,000)
Interfund Transfers In (Out)	<u>-</u>	<u>-</u>	<u>(4,548,913)</u>	<u>(4,548,913)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(5,244)	-	451,087	451,087
<b>FUND BALANCES, BEGINNING</b>	<u>211,525</u>	<u>211,525</u>	<u>211,525</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 206,281</u>	<u>\$ 211,525</u>	<u>\$ 662,612</u>	<u>\$ 451,087</u>

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

**CITY OF WESTMINSTER**

**REQUIRED SUPPLEMENTAL INFORMATION – PENSION PLAN SCHEDULES**

**SCHEDULES OF THE CITY’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICERS RETIREMENT SYSTEM  
YEAR ENDED JUNE 30, 2024**

The City’s proportionate share of the net pension liability for the SCRS is as follows:

	SCRS									
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
City’s proportion of the net pension liability (asset)	0.011872%	0.010693%	0.009624%	0.009677%	0.010220%	0.009896%	0.009950%	0.011029%	0.011240%	0.011173%
City’s proportionate share of the net pension liability (asset)	\$ 2,870,395	\$ 2,592,310	\$ 2,082,767	\$ 2,472,573	\$ 2,333,623	\$ 2,217,333	\$ 2,239,905	\$ 2,355,778	\$ 2,131,720	\$ 1,923,621
City’s covered payroll	\$ 1,500,080	\$ 1,273,333	\$ 1,087,911	\$ 1,080,077	\$ 1,078,647	\$ 1,025,479	\$ 1,003,884	\$ 1,068,002	\$ 1,053,881	\$ 1,053,885
City’s proportionate share of the net pension liability (asset) as a percentage of its covered payroll	191.35%	203.58%	191.45%	228.93%	216.35%	216.22%	223.12%	220.58%	202.27%	182.53%
Plan fiduciary net position as a percentage of the total pension liability	58.60%	57.10%	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%

The City’s proportionate share of the net pension liability for the PORS is as follows:

	PORS									
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
City’s proportion of the net pension liability (asset)	0.038640%	0.037978%	0.035979%	0.032519%	0.034282%	0.035740%	0.057430%	0.063040%	0.063330%	0.063330%
City’s proportion share of the net pension liability (asset)	\$ 1,176,249	\$ 1,138,949	\$ 925,704	\$ 1,078,403	\$ 982,514	\$ 1,012,676	\$ 1,573,440	\$ 1,598,892	\$ 1,380,362	\$ 1,380,362
City’s covered payroll	\$ 677,969	\$ 601,034	\$ 541,009	\$ 490,570	\$ 497,796	\$ 494,680	\$ 773,455	\$ 803,624	\$ 784,623	\$ 681,704
City’s proportionate share of the net pension liability (asset) as a percentage of its covered payroll	173.50%	189.50%	198.62%	204.71%	203.43%	198.96%	175.93%	159.17%	159.17%	159.17%
Plan fiduciary net position as a percentage of the total pension liability	67.80%	66.40%	70.40%	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.50%

**Notes to Schedule:**

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

The City adopted GASB #68/71 during the year ended June 30, 2015. Information before 2015 is not available.

The discount rate was lowered from 7.50% to 7.25% for the year ended June 30, 2017, and to 7% for the year ended June 30, 2022 measurement date.

**CITY OF WESTMINSTER, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES**

**SCHEDULE OF THE CITY'S CONTRIBUTIONS - SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICERS RETIREMENT SYSTEM**

**YEAR ENDED JUNE 30, 2024**

Contributions to the SCRS cost sharing pension plan was as follows:

	SCRS									
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	\$ 316,400	\$ 263,414	\$ 210,864	\$ 169,279	\$ 168,060	\$ 157,051	\$ 139,055	\$ 116,049	\$ 118,121	\$ 114,873
Contributions in relation to the contractually required contribution:										
Contributions from the City	(305,498)	(252,520)	(199,970)	(158,385)	(157,147)	(146,157)	(128,161)	(116,049)	(118,121)	(114,873)
Contributions from the State	(10,902)	(10,894)	(10,894)	(10,913)	(10,894)	(10,894)	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (19,000)	\$ 19,000	\$ -	\$ 10,894.00	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,704,741	\$ 1,500,080	\$ 1,273,333	\$ 1,087,911	\$ 1,080,077	\$ 1,078,647	\$ 1,025,479	\$ 1,003,884	\$ 1,068,002	\$ 1,053,881
Contributions as a percentage of covered payroll	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%

**Notes to SCRS Schedule:**

The City adopted GASB #68/71 during the year ended June 30, 2015. Information before 2015 is not available.

Contributions to the PORS cost sharing pension plan was as follows:

	PORS									
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	\$ 191,541	\$ 137,221	\$ 115,639	\$ 98,680	\$ 89,480	\$ 85,820	\$ 80,336	\$ 110,140	\$ 110,418	\$ 105,218
Contributions in relation to the contractually required contribution:										
Contributions from the City	(183,279)	(128,959)	(107,377)	(90,418)	(81,218)	(77,558)	(72,074)	(110,140)	(110,418)	(105,218)
Contributions from the State	(8,262)	(8,262)	(8,262)	(8,262)	(8,262)	(8,262)	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,262.00	\$ -	\$ -	\$ -
City's covered payroll	\$ 901,794	\$ 677,969	\$ 601,034	\$ 541,009	\$ 490,570	\$ 497,796	\$ 494,680	\$ 773,455	\$ 803,624	\$ 784,623
Contributions as a percentage of covered payroll	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%

**Notes to PORS Schedule:**

The City adopted GASB #68/71 during the year ended June 30, 2015. Information before 2015 is not available.

## SUPPLEMENTAL INFORMATION



CITY OF WESTMINSTER, SOUTH CAROLINA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2024

	HOSPITALITY TAX FUND	FIREMEN'S 1% FUND	RECREATION FUND	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ 37,516	\$ 37,516
Restricted Assets - Cash and Cash Equivalents	80,542	80,494	-	161,036
Accounts Receivable	14,545	-	-	14,545
<b>TOTAL ASSETS</b>	<u>\$ 95,087</u>	<u>\$ 80,494</u>	<u>\$ 37,516</u>	<u>\$ 213,097</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts Payable	-	-	15,512	15,512
Employee Benefits Withheld and Accrued	-	-	4,147	4,147
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>19,659</u>	<u>19,659</u>
<b>FUND BALANCES:</b>				
<b>RESTRICTED FOR:</b>				
Public Safety	-	80,494	-	80,494
Recreation and Tourism	95,087	-	-	95,087
<b>COMMITTED TO:</b>				
Recreation and Tourism	-	-	17,857	17,857
<b>TOTAL FUND BALANCES</b>	<u>95,087</u>	<u>80,494</u>	<u>17,857</u>	<u>193,438</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 95,087</u>	<u>\$ 80,494</u>	<u>\$ 37,516</u>	<u>\$ 213,097</u>

CITY OF WESTMINSTER, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2024

	HOSPITALITY TAX FUND	FIREMEN'S 1% FUND	RECREATION FUND	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
<b>REVENUES</b>				
Intergovernmental Revenues	\$ -	\$ 18,565	\$ 50,000	\$ 68,565
Licenses, Permits and Fees	180,440	-	173,235	353,675
Miscellaneous and Other	-	-	23,005	23,005
<b>TOTAL REVENUES</b>	<b>180,440</b>	<b>18,565</b>	<b>246,240</b>	<b>445,245</b>
<b>EXPENDITURES</b>				
<b>CURRENT OPERATING:</b>				
Public Safety	-	9,477	-	9,477
Recreation and Tourism	205,012	-	519,751	724,763
Capital Expenditures	-	-	33,955	33,955
<b>TOTAL EXPENDITURES</b>	<b>205,012</b>	<b>9,477</b>	<b>553,706</b>	<b>768,195</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(24,572)</b>	<b>9,088</b>	<b>(307,466)</b>	<b>(322,950)</b>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Interfund Transfer In (Out)	-	-	132,255	132,255
<b>NET CHANGE IN FUND BALANCES</b>	<b>(24,572)</b>	<b>9,088</b>	<b>(175,211)</b>	<b>(190,695)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>119,659</b>	<b>71,406</b>	<b>193,068</b>	<b>384,133</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 95,087</b>	<b>\$ 80,494</b>	<b>\$ 17,857</b>	<b>\$ 193,438</b>

CITY OF WESTMINSTER, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
<b>Court Fines and Assessments:</b>				
Court fines and assessments collected			\$ 59,167	\$ 59,167
Court fines and assessments remitted to State Treasurer			(36,120)	(36,120)
<b>Total Court Fines and Assessments retained</b>			<b>23,047</b>	<b>23,047</b>
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained			939	939
Assessments retained			2,903	2,903
<b>Total Surcharges and Assessments retained for victim services</b>			<b>\$ 3,842</b>	<b>\$ 3,842</b>

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
<b>Carryforward from Previous Year – Beginning Balance</b>	\$ -		\$ -
<b>Victim Service Revenue:</b>			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	2,903		2,903
Victim Service Surcharges Retained by City/County Treasurer	939		939
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>3,842</b>		<b>3,842</b>
<b>Expenditures for Victim Service Program:</b>	<b>Municipal</b>	<b>County</b>	<b>Total</b>
Salaries and Benefits	-		-
Operating Expenditures	-		-
<b>Victim Service Contract(s):</b>			
(1) Oconee County	3,842		3,842
(2) Entity's Name			
<b>Victim Service Donation(s):</b>			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	<b>3,842</b>		<b>3,842</b>
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)			
<b>Less: Prior Year Fund Deficit Repayment</b>			
<b>Carryforward Funds – End of Year</b>	<b>\$ -</b>		<b>\$ -</b>



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

To the Honorable Mayor and Members of City Council  
The City of Westminster, 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, each major fund, and the aggregate remaining fund information of the City of Westminster, South Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Westminster, South Carolina's basic financial statements, and have issued our report thereon dated November 15, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Westminster, 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 purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Westminster, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Westminster, 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 detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Westminster, 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.

*Love Bailey & Associates, LLC*

Love Bailey & Associates, LLC  
Laurens, South Carolina  
November 15, 2024



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

To the Honorable Mayor and Members of City Council  
City of Westminster, South Carolina

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

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

We have audited the City of Westminster, South Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Westminster, South Carolina's major federal programs for the year ended June 30, 2024. The City of Westminster, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Westminster, South Carolina, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

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

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

***Responsibilities of Management for Compliance***

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

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Westminster, South Carolina's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Westminster, South Carolina's compliance with the requirements of each major federal program as a whole.

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

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

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

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

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

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

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

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

*Love Bailey & Associates, LLC*

Love Bailey & Associates, LLC  
Laurens, South Carolina  
November 15, 2024



CITY OF WESTMINSTER, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Federal Expenditures
<u>US Department of Agriculture</u> Water and Waste Program	10.760	\$ 8,162,247
<u>US Department of Treasury</u> Passed through South Carolina Rural Infrastructure Authority Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	\$ 461,635
<u>Appalachian Regional Commission</u> Appalachian Development Highway System	23.003	\$ 32,000
Total Federal Assistance Expended		<u>\$ 8,655,882</u>

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

**NOTE 1 - BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity for the City of Westminster (the "City") under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the statements of financial position, activities, and cash flows of the City.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures to subrecipients are reported on the Schedule when reimbursed by the City.

**NOTE 3 - INDIRECT COST:**

Indirect Cost Rate – The City has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

**CITY OF WESTMINSTER, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

Section I - Summary of Auditor's Results

*Financial statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

**Unmodified**

Internal control over financial reporting:

- Material weakness(es) Identified?	_____	Yes	_____ X _____	No None Reported
- Significant deficiency(ies) Identified?	_____	Yes	_____ X _____	Reported
Noncompliance material to financial statements noted?	_____	Yes	_____ X _____	No

*Federal awards*

Internal control over major programs:

- Material Weakness(es) Identified?	_____	Yes	_____ X _____	No None Reported
- Significant deficiency(ies) Identified?	_____	Yes	_____ X _____	Reported

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

**Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

	_____	Yes	_____ X _____	No
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Identification of major programs:

Water and Waste Program			_____ 10.760 _____	
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Dollar threshold used to distinguish between type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

	_____	Yes	_____ X _____	No
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**CITY OF WESTMINSTER, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

**SECTION I – FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION II – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

**SECTION III – SCHEDULE OF PRIOR YEAR FINDINGS**

**Findings – Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards***

**2023-1 Recreation Fees**

**Finding:** The City did not have adequate internal controls in place to ensure that recreation fees are properly and timely receipted, deposited, and recorded with appropriate supporting documentation.

**Status:** The finding was not repeated in fiscal year 2024.