

**TOWN OF PENDLETON, SOUTH CAROLINA**

**AUDITED FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2025**

TOWN OF PENDLETON, SOUTH CAROLINA

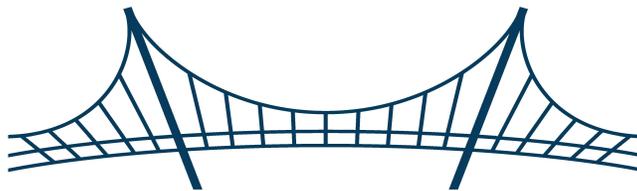
AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

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	<u>PAGE</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-8
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position	9-10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Reconciliation of the Balance Sheet of Governmental Funds to the Government-wide Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Government-wide Statement of Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General and Special Revenue Fund – Hospitality Taxes	16
Statement of Net Position – Proprietary Fund	17-18
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	19
Statement of Cash Flows – Proprietary Fund	20
Notes to the Financial Statements	21-42
<b>Required Supplementary Information</b>	
Schedule of Pension Plan Contributions	43
Schedule of Proportionate Share of Net Pension Liability	44
Notes to Required Supplementary Information	45
<b>Supplemental Schedules</b>	
Schedule of Expenditures – Budget and Actual – General Fund	46-48
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Water and Sewer Enterprise Fund	49-50
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund – Hospitality Taxes	51



# Phillips CPAs and Advisors

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of Town Council  
Town of Pendleton, South Carolina

### Opinion

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

In our opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pendleton as of June 30, 2025, and the respective changes in its 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Pendleton 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 opinion.

### Responsibilities of Management for the Financial Statements

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

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

To the Honorable Mayor and Members of Town Council  
Town of Pendleton, South Carolina  
January 19, 2026

### **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 opinion. 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 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 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 Town of Pendleton, 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 Town of Pendleton, South Carolina's ability to continue as going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the Schedule of Pension Plan Contributions and Schedule of Proportionate Share of Net Pension Liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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

To the Honorable Mayor and Members of Town Council  
Town of Pendleton, South Carolina  
January 19, 2026

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.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town's basic financial statements, The supplemental schedules, as listed in the table of contents, are presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Phillips CPAs and Advisors*

Greenville, South Carolina  
January 19, 2026

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

This section of the Town of Pendleton, South Carolina's (the "Town"), annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended June 30, 2025. Please read it in conjunction with the Town's financial statements, which follow this section.

**Financial Highlights**

Per the government-wide statement of net position, the Town's total assets and deferred outflows at June 30, 2025, were \$72.9 million and exceeded total liabilities and deferred inflows by \$49.6 million (net position). Of the total net position at June 30, 2025, \$12.4 million was unrestricted and available to support short-term operations of the Town.

Per the government-wide statement of activities, the Town's total net position increased by \$21.4 million for the year ended June 30, 2025, of which the governmental activities were decreased by \$1.0 million, and the business-type activities contributed a change in net position of \$22.4 million.

**Overview of the Financial Statements**

Management's discussion and analysis (MD&A) serves as an introduction to the Town's basic financial statements. Those financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *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 on the accrual basis (as soon as the underlying event giving rise to the change occurs), *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include administration, planning, police, buildings and grounds, hospitality, public safety, and public works (which includes sanitation and streets). The business-type activities of the enterprise fund include water, sewer and wastewater treatment facility services.

The government-wide financial statements can be found immediately following management's discussion and analysis.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and the proprietary fund.

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

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

The Town maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund and the other governmental funds – the hospitality tax special revenue fund and the capital projects fund. All of the governmental funds are considered to be major funds.

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

The governmental fund financial statements can be found immediately following the "government-wide" financial statements.

**Proprietary fund.** *Enterprise funds*, a type of proprietary fund, are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town maintains one enterprise fund, which includes the activities of the wastewater treatment facility, previously reported as a blended component unit as the Pendleton/Clemson Waste Treatment Facility. The Town uses the enterprise fund to account for its utility services provided to the Town's residents. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found immediately following the "governmental fund" financial statements.

**Notes to the financial statements.** Following the basic financial statements are the notes to the financial statements which provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, total assets and deferred outflows exceeded liabilities and deferred inflows by \$49.6 million at the close of the most recent fiscal year.

The unrestricted portion of the Town's net position is \$12.4 million (25%).

Below is a “condensed” statement of net position at June 30, 2025 and 2024, which depicts the major components of the Town’s assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position.

	June 30, 2025	June 30, 2024
Assets		
Cash and cash equivalents		
Unrestricted	\$ 13,925,151	\$ 18,312,265
Restricted	17,743,558	768,827
Receivables and prepaid expenses	1,287,113	978,331
Capital assets, net of accumulated depreciation	39,251,096	18,195,085
Total assets	72,206,918	38,254,508
Deferred outflows of resources	660,767	611,892
Liabilities		
Current liabilities	1,766,487	1,751,183
Non-current liabilities	21,349,889	8,815,995
Total liabilities	23,116,376	10,567,178
Deferred inflows of resources	108,710	22,506
Net Position		
Net investment in capital assets	19,534,798	11,033,649
Restricted for		
Debt service	778,227	160,698
Capital construction	16,181,603	-
Hospitality taxes	751,084	614,969
Unrestricted	12,396,887	16,467,400
Total net position	\$ 49,642,599	\$ 28,276,716

The Town's components of changes in net position for FY 2025 (with comparative information for FY 2024) are illustrated in the following table.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenue:</b>						
Program Revenues:						
Charges for services	\$ 495,847	\$ 456,800	\$ 4,290,610	\$ 3,528,240	\$ 4,786,457	\$ 3,985,040
Grants and contributions	\$ 285,644	\$ 697,545	\$ 18,209,282	\$ 33,597	\$ 18,494,926	\$ 731,142
General Revenues:						
Local property taxes	\$ 3,371,743	\$ 2,960,018	\$ -	\$ -	\$ 3,371,743	\$ 2,960,018
Hospitality taxes	\$ 454,297	\$ 414,348	\$ -	\$ -	\$ 454,297	\$ 414,348
Business licenses and permits	\$ 670,284	\$ 657,048	\$ -	\$ -	\$ 670,284	\$ 657,048
Intergovernmental revenues	\$ 264,059	\$ 234,449	\$ -	\$ -	\$ 264,059	\$ 234,449
Revenue in lieu of property taxes	\$ 405,923	\$ 378,872	\$ -	\$ -	\$ 405,923	\$ 378,872
Interest income	\$ 707,801	\$ 587,643	\$ 409,673	\$ 7,400	\$ 1,117,474	\$ 595,043
Other	\$ 116,655	\$ 137,214	\$ -	\$ -	\$ 116,655	\$ 137,214
<b>Total revenues</b>	<b>\$ 6,772,253</b>	<b>\$ 6,523,937</b>	<b>\$ 22,909,565</b>	<b>\$ 3,569,237</b>	<b>\$ 29,681,818</b>	<b>\$ 10,093,174</b>
<b>Expenses:</b>						
Administration	\$ 1,055,464	\$ 1,072,367	\$ -	\$ -	\$ 1,055,464	\$ 1,072,367
Planning	\$ 216,382	\$ 309,709	\$ -	\$ -	\$ 216,382	\$ 309,709
Buildings and grounds	\$ 510,502	\$ 271,259	\$ -	\$ -	\$ 510,502	\$ 271,259
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public works	\$ 1,244,189	\$ 1,375,785	\$ -	\$ -	\$ 1,244,189	\$ 1,375,785
Capital projects	\$ 5,002	\$ 359,081	\$ -	\$ -	\$ 5,002	\$ 359,081
Hospitality	\$ 253,182	\$ 181,022	\$ -	\$ -	\$ 253,182	\$ 181,022
Police	\$ 806,628	\$ 707,161	\$ -	\$ -	\$ 806,628	\$ 707,161
Public utilities	\$ -	\$ -	\$ 3,438,535	\$ 2,625,134	\$ 3,438,535	\$ 2,625,134
Interest expense	\$ 265,160	\$ 41,803	\$ 520,891	\$ 59,129	\$ 786,051	
<b>Total expenses</b>	<b>\$ 4,356,509</b>	<b>\$ 4,318,187</b>	<b>\$ 3,959,426</b>	<b>\$ 2,684,263</b>	<b>\$ 8,315,935</b>	<b>\$ 6,901,518</b>
<b>Transfers in (out)</b>	<b>\$ (3,443,185)</b>	<b>\$ 771,912</b>	<b>\$ 3,443,185</b>	<b>\$ (771,912)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Change in net position</b>	<b>\$ (1,027,441)</b>	<b>\$ 2,977,662</b>	<b>\$ 22,393,324</b>	<b>\$ 113,062</b>	<b>\$ 21,365,883</b>	<b>\$ 3,090,724</b>
<b>Net position, beginning of year</b>	<b>\$ 13,110,570</b>	<b>\$ 10,132,908</b>	<b>\$ 15,166,146</b>	<b>\$ 15,053,084</b>	<b>\$ 28,276,716</b>	<b>\$ 25,185,992</b>
<b>Net position, end of year</b>	<b>\$ 12,083,129</b>	<b>\$ 13,110,570</b>	<b>\$ 37,559,470</b>	<b>\$ 15,166,146</b>	<b>\$ 49,642,599</b>	<b>\$ 28,276,716</b>

**Expenses and Program Revenues – Governmental Activities.** Governmental expenses are funded by charges for services, grants and contributions and general revenues. The statement of activities details this activity for the Town for FY 2025 as summarized below:

	(Expenses)	Program Revenues	Net Revenue (Expense)	% Funded by Program Revenues	% Required to be Funded by General Revenues
Administration	\$ (1,055,464)	\$ 23,179	\$ (1,032,285)	2.20%	97.80%
Planning	(216,382)	-	(216,382)	0.00%	100.00%
Building and grounds	(510,502)	-	(510,502)	0.00%	100.00%
Public works	(1,244,189)	722,312	(521,877)	58.05%	41.95%
Capital projects	(5,002)	36,000	30,998	719.71%	-619.71%
Hospitality	(253,182)	-	(253,182)	0.00%	100.00%
Police	(806,628)	-	(806,628)	0.00%	100.00%
Interest expense	(265,160)	-	(265,160)	0.00%	100.00%
<b>Total</b>	<b>\$ (4,356,509)</b>	<b>\$ 781,491</b>	<b>\$ (3,575,018)</b>	<b>17.94%</b>	<b>82.06%</b>

Depreciation expense of \$342,267 was allocated to the Town's governmental activities functions as follows: \$136,907 to administration, \$136,907 to public works, and \$68,453 to police.

**General Fund Budgetary Highlights.** The general fund final budgeted revenues were \$4,600,928 with achieved revenues of \$6,059,633, or \$1,458,705 favorable difference. Expenditures were budgeted for \$4,263,928 with actual incurred expenditures of \$4,114,532, for a favorable difference of \$149,396.

**Expenses and Program Revenues – Business-type Activities.** The Town operates the utility system as its business-type activity. For FY 2025, operating revenues totaling \$4,290,610 were generated from water and sewer and waste treatment services. The utility system's operating expenses totaled \$3,053,721. Non-operating revenues (expenses), including interest income net of interest expense, SRF program capital contributions and grant income totaled \$17,666,962 for the year ended June 30, 2025.

### **Capital Asset and Debt Administration**

**Capital assets.** The Town's net investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$35,488 (net of accumulated depreciation and related debt). This investment in capital assets includes land, construction in progress, buildings, machinery, equipment and vehicles, and improvements. The total increase of \$1,066,149 in net investment in capital assets consists of asset additions of \$1,207,067, depreciation expense of \$342,267, issuance of a note payable in the amount of \$138,152 payments on related debt of \$339,501.

Capital asset additions during the current fiscal year include the purchases of land, construction in progress, improvements, vehicles, and equipment.

The Town's net investment in capital assets for its business-type activities as of June 30, 2025, amounts to \$19,499,310 (net of accumulated depreciation and related debt). The total increase in net investment in capital assets of \$7,435,000 consists of asset additions of \$20,657,379, depreciation expense of \$466,168, and related debt proceeds of \$13,150,556 and debt payments of \$394,345.

The major capital asset additions in the business-type activities during the year were equipment purchases by the water and sewer departments and sewer system improvements.

**Long-term debt.** The long-term debt of the Town consists of revenue bonds payable and a revolving fund loan, backed by water and sewer revenue. The details of long-term debt can be found in Note 5.

### **Economic Factors and Next Year's Budgets and Rates**

Inflationary trends in the region compare favorably to national indices. This was considered in preparing the Town's budget for the 2026 fiscal year. The Town was able to successfully increase its overall fund net position for the year through efficient and effective cost cutting measures, adhering to proven methods of resource management, and without any increases in taxes or utility service rates.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Steven Miller, Administrator, Town of Pendleton, 310 Greenville Street, Pendleton, South Carolina 29670.

TOWN OF PENDLETON, SOUTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 13,924,701	\$ 450	\$ 13,925,151
Receivables, net of allowance for uncollectibles			
Utility services	-	323,813	323,813
SRF program	-	47,338	47,338
State shared revenues, taxes, and franchise fees	147,509	-	147,509
Other	376,089	105,010	481,099
Internal balances	(1,515,577)	1,515,577	-
Prepaid insurance	38,495	8,909	47,404
Restricted cash and cash equivalents	783,728	16,959,830	17,743,558
<b>Total current assets</b>	<b>13,754,945</b>	<b>18,960,927</b>	<b>32,715,872</b>
<b>NONCURRENT ASSETS</b>			
SRF program	-	239,950	239,950
Capital assets, net of accumulated depreciation			
Land	791,286	149,379	940,665
Construction in progress	614,707	22,035,176	22,649,883
Buildings	359,555	38,463	398,018
Improvements	2,541,600	-	2,541,600
Infrastructure	-	11,025,434	11,025,434
Machinery, equipment and vehicles	975,925	719,571	1,695,496
<b>Total noncurrent assets</b>	<b>5,283,073</b>	<b>34,207,973</b>	<b>39,491,046</b>
<b>Total assets</b>	<b>19,038,018</b>	<b>53,168,900</b>	<b>72,206,918</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	474,678	186,089	660,767
<b>Total deferred outflows of resources</b>	<b>474,678</b>	<b>186,089</b>	<b>660,767</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other current liabilities	273,714	220,466	494,180
Accrued payroll, withholdings and benefits, and compensated absences	158,161	25,238	183,399
Accrued interest on debt obligations	40,592	148,623	189,215
Due to Clemson	-	19,303	19,303
Customer utility service deposits	-	110,739	110,739
Notes payable, current portion	204,581	-	204,581
Revenue bonds payable, current portion	163,000	316,000	479,000
Revolving loan funds, current portion	-	86,070	86,070
<b>Total current liabilities</b>	<b>840,048</b>	<b>926,439</b>	<b>1,766,487</b>
<b>NONCURRENT LIABILITIES</b>			
Notes payable, net of current portion	199,004	-	199,004
Revenue bonds payable, net of current portion	4,681,000	13,630,371	18,311,371
Revolving loan funds, net of current portion	-	436,272	436,272
Compensated absences, net of current portion	31,801	5,423	37,224
Net pension liability	1,599,490	766,528	2,366,018
<b>Total noncurrent liabilities</b>	<b>6,511,295</b>	<b>14,838,594</b>	<b>21,349,889</b>
<b>Total liabilities</b>	<b>7,351,343</b>	<b>15,765,033</b>	<b>23,116,376</b>

(continued)

TOWN OF PENDLETON, SOUTH CAROLINA

STATEMENT OF NET POSITION (CONTINUED)  
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	\$ 78,224	\$ 30,486	\$ 108,710
<b>Total deferred inflows of resources</b>	<u>78,224</u>	<u>30,486</u>	<u>108,710</u>
<b>NET POSITION</b>			
Net investment in capital assets	35,488	19,499,310	19,534,798
Restricted for:			
Debt service	-	778,227	778,227
Capital construction	-	16,181,603	16,181,603
Hospitality taxes	751,084	-	751,084
Unrestricted	11,296,557	1,100,330	12,396,887
<b>Total net position</b>	<u>\$ 12,083,129</u>	<u>\$ 37,559,470</u>	<u>\$ 49,642,599</u>

TOWN OF PENDLETON, SOUTH CAROLINA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
Administration	\$ 1,055,464	\$ 23,179	\$ -	\$ -	\$ (1,032,285)	\$ -	\$ (1,032,285)
Planning	216,382	-	-	-	(216,382)	-	(216,382)
Police	806,628	-	-	-	(806,628)	-	(806,628)
Buildings and grounds	510,502	-	-	-	(510,502)	-	(510,502)
Public works	1,244,189	472,668	-	249,644	(521,877)	-	(521,877)
Capital projects	5,002	-	-	36,000	30,998	-	30,998
Hospitality	253,182	-	-	-	(253,182)	-	(253,182)
Interest expense	265,160	-	-	-	(265,160)	-	(265,160)
<b>Total governmental activities</b>	<b>4,356,509</b>	<b>495,847</b>	<b>-</b>	<b>285,644</b>	<b>(3,575,018)</b>	<b>-</b>	<b>(3,575,018)</b>
Business-type activities							
Public utilities	3,438,535	4,290,610	-	18,209,282	-	19,061,357	19,061,357
Interest expense	520,891	-	-	-	-	(520,891)	(520,891)
<b>Total business-type activities</b>	<b>3,959,426</b>	<b>4,290,610</b>	<b>-</b>	<b>18,209,282</b>	<b>-</b>	<b>18,540,466</b>	<b>18,540,466</b>
<b>Total</b>	<b>\$ 8,315,935</b>	<b>\$ 4,786,457</b>	<b>\$ -</b>	<b>\$ 18,494,926</b>	<b>(3,575,018)</b>	<b>18,540,466</b>	<b>14,965,448</b>
<b>General and other revenues</b>							
Local property taxes					3,371,743	-	3,371,743
Hospitality taxes					454,297	-	454,297
Business licenses and permits					670,284	-	670,284
Intergovernmental revenues					264,059	-	264,059
Revenue in lieu of property taxes					405,923	-	405,923
Interest income					707,801	409,673	1,117,474
Other general revenues					116,655	-	116,655
Transfers in (out)					(3,443,185)	3,443,185	-
<b>Total general revenues and transfers</b>					<b>2,547,577</b>	<b>3,852,858</b>	<b>6,400,435</b>
<b>Change in net position</b>					<b>(1,027,441)</b>	<b>22,393,324</b>	<b>21,365,883</b>
<b>Net position, beginning of year</b>					<b>13,110,570</b>	<b>15,166,146</b>	<b>28,276,716</b>
<b>Net position, end of year</b>					<b>\$ 12,083,129</b>	<b>\$ 37,559,470</b>	<b>\$ 49,642,599</b>

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

TOWN OF PENDLETON, SOUTH CAROLINA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025

	General Fund	Capital Projects	Special Revenue Fund - Hospitality Taxes	Municipal Facilities Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 8,050,754	\$ 297	\$ -	\$ 5,873,650	\$ 13,924,701
Receivables, net of allowance for uncollectibles	487,372	-	36,226	-	523,598
Prepaid expenses	38,495	-	-	-	38,495
Restricted cash and cash equivalents	-	-	783,728	-	783,728
Due from other funds	30,816	-	-	-	30,816
<b>Total assets</b>	<u>\$ 8,607,437</u>	<u>\$ 297</u>	<u>\$ 819,954</u>	<u>\$ 5,873,650</u>	<u>\$ 15,301,338</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts payable and accrued liabilities	\$ 130,566	\$ 105,094	\$ 38,054	\$ -	\$ 273,714
Accrued payroll, withholdings and benefits	83,958	-	-	-	83,958
Due to other funds	1,515,577	-	30,816	-	1,546,393
<b>Total liabilities</b>	<u>1,730,101</u>	<u>105,094</u>	<u>68,870</u>	<u>-</u>	<u>1,904,065</u>
DEFERRED INFLOWS OF RESOURCES					
Delinquent property taxes	100,298	-	-	-	100,298
<b>Total deferred inflows of resources</b>	<u>100,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,298</u>
Fund Balances					
Restricted	1,368,984	-	751,084	5,873,650	7,993,718
Assigned	3,750,054	-	-	-	3,750,054
Unassigned	1,658,000	(104,797)	-	-	1,553,203
<b>Total fund balances</b>	<u>6,777,038</u>	<u>(104,797)</u>	<u>751,084</u>	<u>5,873,650</u>	<u>13,296,975</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 8,607,437</u>	<u>\$ 297</u>	<u>\$ 819,954</u>	<u>\$ 5,873,650</u>	<u>\$ 15,301,338</u>

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

TOWN OF PENDLETON, SOUTH CAROLINA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds		\$	13,296,975
Revenue recognized for delinquent property taxes in the statement of activities are not revenues in the governmental funds because revenues reported in the governmental funds have to be measurable and available. To be available, property taxes have to be collected within 60 days following the yearend.			100,298
Some liabilities, including net pension obligations, are not due and payable in the current pay period, and, therefore, are not reported in the funds.			(1,599,490)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			
Total cost of capital assets	8,347,099		
Less: accumulated depreciation	<u>(3,064,026)</u>		5,283,073
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.			
Deferred outflows of resources related to pensions	474,678		
Deferred inflows of resources related to pensions	<u>(78,224)</u>		396,454
Accrued interest on debt in governmental accounting was not due and payable in the current period and, therefore, has not been reported as a liability in the funds.			(40,592)
Long-term liabilities are not due or payable in the current period and, therefore, are not reported as liabilities in the governmental fund. Long-term liabilities at yearend are reported in the statement of net position and consisted of the following:			
Revenue bond	(4,844,000)		
Notes payable	(403,585)		
Compensated absences	<u>(106,004)</u>		<u>(5,353,589)</u>
Net position of governmental activities		\$	<u>12,083,129</u>

TOWN OF PENDLETON, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025

	General Fund	Capital Projects	Special Revenue Fund - Hospitality Taxes	Municipal Facilities Fund	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 3,400,062	\$ -	\$ -	\$ -	\$ 3,400,062
Hospitality taxes	-	-	454,297	-	454,297
Business licenses and permits	670,284	-	-	-	670,284
Fines, fees and assessments	23,179	-	-	-	23,179
Intergovernmental revenues	264,059	-	-	-	264,059
Revenue in lieu of property taxes	405,923	-	-	-	405,923
Bulk container revenues	55,697	-	-	-	55,697
Sanitation fees	416,971	-	-	-	416,971
Interest income	457,159	-	-	250,642	707,801
Grants	249,644	36,000	-	-	285,644
Rental and other revenues	116,655	-	-	-	116,655
<b>Total revenues</b>	<b>6,059,633</b>	<b>36,000</b>	<b>454,297</b>	<b>250,642</b>	<b>6,800,572</b>
<b>EXPENDITURES</b>					
Administration	897,426	5,002	-	2,000	904,428
Planning	216,382	-	-	-	216,382
Buildings and grounds	510,502	-	-	-	510,502
Public works	1,101,613	-	-	-	1,101,613
Hospitality	-	-	253,182	-	253,182
Police	793,527	-	-	-	793,527
Capital outlay	385,821	656,606	65,000	-	1,107,427
Debt service - principal	183,501	-	-	156,000	339,501
Debt service - interest	25,760	-	-	236,000	261,760
<b>Total expenditures</b>	<b>4,114,532</b>	<b>661,608</b>	<b>318,182</b>	<b>394,000</b>	<b>5,488,322</b>
<b>Excess of revenues over expenditures</b>	<b>1,945,101</b>	<b>(625,608)</b>	<b>136,115</b>	<b>(143,358)</b>	<b>1,312,250</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	20,880,815	-	1,079,124	21,959,939
Transfers out	(5,196,945)	(20,206,179)	-	-	(25,403,124)
Proceeds from debt issuance	138,152	-	-	-	138,152
<b>Total other financing sources (uses)</b>	<b>(5,058,793)</b>	<b>674,636</b>	<b>-</b>	<b>1,079,124</b>	<b>(3,305,033)</b>
<b>Excess of Revenues Over Expenditures and Other Financing Sources (Uses)</b>	<b>(3,113,692)</b>	<b>49,028</b>	<b>136,115</b>	<b>935,766</b>	<b>(1,992,783)</b>
<b>Fund Balance, beginning of year</b>	<b>9,890,730</b>	<b>(153,825)</b>	<b>614,969</b>	<b>4,937,884</b>	<b>15,289,758</b>
<b>Fund Balance, end of year</b>	<b>\$ 6,777,038</b>	<b>\$ (104,797)</b>	<b>\$ 751,084</b>	<b>\$ 5,873,650</b>	<b>\$ 13,296,975</b>

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

**TOWN OF PENDLETON, SOUTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2025**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$ (1,992,783)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay of \$1,207,067 was exceeded by depreciation expense of \$342,267.	864,800
Governmental funds report delinquent property taxes as revenues if received within 60 days after yearend. The portion of unpaid delinquent property taxes not received within 60 days after yearend are reported as deferred inflows of resources on the governmental funds balance sheet. Unpaid delinquent property taxes are reported as revenues in the period when the revenues are earned in the statement of activities.	(28,319)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	339,501
Interest on debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(3,400)
Issuance of long-term debt is reported as other financing sources in the governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities.	(138,152)
Issuance of note payable	(20,923)
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for this item are measured by the amount of financial resources used. This is the amount of increase in long-term compensated absences in the current period.	(48,165)
Changes in the Town's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year for its participation in the State Retirement Plan are not reported in the governmental funds but are reported in the statement of activities.	<u>(48,165)</u>
Change in net position of governmental activities	<u>\$ (1,027,441)</u>

TOWN OF PENDLETON, SOUTH CAROLINA

GENERAL AND SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2025

	General Fund				Special Revenue Fund - Hospitality Taxes			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final			Original	Final		
<b>REVENUES</b>								
Property taxes	\$ 2,827,640	\$ 2,827,640	\$ 3,400,062	\$ 572,422	\$ -	\$ -	\$ -	\$ -
Hospitality Taxes	-	-	-	-	391,116	391,116	454,297	63,181
Business licenses and permits	436,995	436,995	670,284	233,289	-	-	-	-
Fines, fees and assessments	12,600	12,600	23,179	10,579	-	-	-	-
Intergovernmental revenues	225,737	225,737	264,059	38,322	-	-	-	-
Revenue in lieu of property taxes	394,332	394,332	405,923	11,591	-	-	-	-
Sanitation fees	363,785	363,785	416,971	53,186	-	-	-	-
Bulk container revenues	45,341	45,341	55,697	10,356	-	-	-	-
Interest income	269,498	269,498	457,159	187,661	-	-	-	-
Grants	-	-	249,644	249,644	-	-	-	-
Rental and other revenues	25,000	25,000	116,655	91,655	-	-	-	-
<b>Total revenues</b>	<b>4,600,928</b>	<b>4,600,928</b>	<b>6,059,633</b>	<b>1,458,705</b>	<b>391,116</b>	<b>391,116</b>	<b>454,297</b>	<b>63,181</b>
<b>EXPENDITURES</b>								
Administration	977,971	977,971	897,426	80,545	-	-	-	-
Planning	395,082	395,082	216,382	178,700	-	-	-	-
Buildings and grounds	535,410	535,410	510,502	24,908	-	-	-	-
Public works	989,206	989,206	1,101,613	(112,407)	-	-	-	-
Police	858,332	858,332	793,527	64,805	-	-	-	-
Hospitality	-	-	-	-	271,116	271,116	253,182	17,934
Capital outlay	306,240	306,240	385,821	(79,581)	65,000	65,000	65,000	-
Debt service	-	-	-	-	-	-	-	-
Principal retirement	335,512	179,512	183,501	(3,989)	-	-	-	-
Interest and fiscal charges	258,175	22,175	25,760	(3,585)	-	-	-	-
<b>Total expenditures</b>	<b>4,655,928</b>	<b>4,263,928</b>	<b>4,114,532</b>	<b>149,396</b>	<b>336,116</b>	<b>336,116</b>	<b>318,182</b>	<b>17,934</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(55,000)</b>	<b>337,000</b>	<b>1,945,101</b>	<b>1,608,101</b>	<b>55,000</b>	<b>55,000</b>	<b>136,115</b>	<b>81,115</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from debt issuance	-	-	138,152	138,152	-	-	-	-
Transfers in/(out)	55,000	(337,000)	(5,196,945)	(4,859,945)	(55,000)	(55,000)	-	55,000
<b>Total other financing sources (uses)</b>	<b>55,000</b>	<b>(337,000)</b>	<b>(5,058,793)</b>	<b>(4,721,793)</b>	<b>(55,000)</b>	<b>(55,000)</b>	<b>-</b>	<b>55,000</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>(3,113,692)</b>	<b>(3,113,692)</b>	<b>-</b>	<b>-</b>	<b>136,115</b>	<b>136,115</b>
<b>Fund Balance, beginning of year</b>	<b>9,890,730</b>	<b>9,890,730</b>	<b>9,890,730</b>	<b>-</b>	<b>614,969</b>	<b>614,969</b>	<b>614,969</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ 9,890,730</b>	<b>\$ 9,890,730</b>	<b>\$ 6,777,038</b>	<b>\$ (3,113,692)</b>	<b>\$ 614,969</b>	<b>\$ 614,969</b>	<b>\$ 751,084</b>	<b>\$ 136,115</b>

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

**TOWN OF PENDLETON, SOUTH CAROLINA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2025**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	450
Receivables, net of allowance for uncollectibles		
Water and sewer services		323,813
SRF loan program		
City of Clemson		43,035
Anderson County		4,303
Other receivable		105,010
Prepaid insurance		8,909
Due from other funds		1,515,577
Restricted cash and cash equivalents		16,959,830
		18,960,927
<b>Total current assets</b>		18,960,927

**NONCURRENT ASSETS**

SRF loan program		
City of Clemson		218,136
Anderson County		21,814
Capital assets, net of accumulated depreciation		
Land		149,379
Construction in progress		22,035,176
Buildings		38,463
Improvements, other than buildings		11,025,434
Machinery and equipment		719,571
		34,207,973
<b>Total noncurrent assets</b>		34,207,973
<b>Total assets</b>		53,168,900

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows related to pensions		186,089
		186,089
<b>Total deferred outflows of resources</b>		186,089

**LIABILITIES**

**CURRENT LIABILITIES**

Accounts payable and other current liabilities		220,466
Accrued payroll, withholdings and benefits, and compensated absences		25,238
Accrued interest on debt obligations		148,623
Customer utility service deposits		110,739
Due to Clemson		19,303
Revenue bonds payable, current portion		316,000
Revolving loan funds, current portion		86,070
		926,439
<b>Total current liabilities</b>		926,439

(continued)

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

**TOWN OF PENDLETON, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUND**  
**JUNE 30, 2025**

**NONCURRENT LIABILITIES**

Accrued compensated absences, net of current portion	\$ 5,423
Revenue bonds payable, net of current portion	13,630,371
Revolving loan funds, net of current portion	436,272
Net pension liability	766,528
	14,838,594
<b>Total noncurrent liabilities</b>	<b>14,838,594</b>
<b>Total liabilities</b>	<b>15,765,033</b>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows related to pensions	30,486
	30,486
<b>Total deferred inflows of resources</b>	<b>30,486</b>

**NET POSITION**

Net investment in capital assets	19,499,310
Restricted	16,959,830
Unrestricted	1,100,330
	37,559,470
<b>Total net position</b>	<b>\$ 37,559,470</b>

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

**TOWN OF PENDLETON, SOUTH CAROLINA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUND  
 YEAR ENDED JUNE 30, 2025**

<b>OPERATING REVENUES</b>	
Water revenues	\$ 2,038,694
Sewer revenues	2,251,916
<b>Total operating revenues</b>	4,290,610
<b>OPERATING EXPENSES</b>	
Water and sewer system	1,756,841
Waste treatment	830,712
Depreciation expense	466,168
<b>Total operating expenses</b>	3,053,721
Operating income	1,236,889
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Bond issue expenses	(384,814)
Grants and other contributions	18,162,994
Interest revenue	409,673
Interest expense	(520,891)
<b>Total nonoperating revenues (expenses)</b>	17,666,962
<b>NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	18,903,851
<b>CAPITAL CONTRIBUTIONS</b>	
SRF program capital contribution revenues	46,288
<b>OPERATING TRANSFERS</b>	
Transfers in	20,206,179
Transfers out	(16,762,994)
<b>Total operating transfers</b>	3,443,185
<b>CHANGE IN NET POSITION</b>	22,393,324
<b>NET POSITION, beginning of year</b>	15,166,146
<b>NET POSITION, end of year</b>	\$ 37,559,470

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

TOWN OF PENDLETON, SOUTH CAROLINA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 YEAR ENDED JUNE 30, 2025

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 4,300,086
Payments for goods and services	(354,452)
Payments for personnel services	(436,230)
	<hr/>
<b>Net cash provided by (used in) operating activities</b>	<b>3,509,404</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Net transfers in/(out)	3,443,185
	<hr/>
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>3,443,185</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(20,657,379)
Principal payments on revenue bonds and loans	(394,345)
Proceeds from issue of bonds payable	13,150,556
Bond issue costs	(384,814)
Interest expense on debt financing	(381,420)
Proceeds from capital grants and contributions	18,134,272
	<hr/>
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>9,466,870</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest earned on funds in demand deposit accounts	409,673
	<hr/>
<b>Net cash provided by (used in) investing activities</b>	<b>409,673</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>16,829,132</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>161,148</b>
	<hr/>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 16,990,280</b>
	<hr/> <hr/>
<b>CLASSIFICATION OF CASH AND CASH EQUIVALENTS ON THE STATEMENT OF NET POSITION</b>	
Unrestricted	\$ 450
Restricted	16,959,830
	<hr/>
<b>Total</b>	<b>\$ 16,960,280</b>
	<hr/> <hr/>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 1,236,889
Adjustments to reconcile operating loss to net cash provided by operating activities (noncash items)	
Depreciation expense	466,168
Changes in assets, liabilities, and deferred inflows/outflows	
Change in receivables	6,097
Change in prepaid items	(1,043)
Change in interfund receivables	2,020,415
Change in accounts payable and other current liabilities	(256,160)
Change in accrued payroll, withholdings and benefits, and compensated absences	12,376
Change in deferred inflows/outflows related to pensions	22,126
Change in customer utility service deposits	3,379
Change in net pension liability	(843)
	<hr/>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 3,509,404</b>
	<hr/> <hr/>

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

**TOWN OF PENDLETON, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2025**

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

**Reporting Entity**

The Town of Pendleton is a municipal corporation governed by an elected mayor and council. The Town operates under a mayor – council form of government. The Town of Pendleton provides the following services to its residents: public safety, public works (streets and sanitation), and water and sewer utility and wastewater treatment services.

The basic financial statements of the Town of Pendleton, South Carolina (the primary government) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to state and local governments. The Governmental Accounting Standards Board is the standard-setting body for governmental accounting and financial reporting.

The Town of Pendleton, Anderson County and the City of Clemson share in providing funding for operating the Pendleton/Clemson Waste Treatment Facility which was constructed during the late 1970s. Based upon agreements that each municipality has signed, actual ownership of the facility and a significant degree of control rests with the Town of Pendleton. The facility is considered an enterprise fund activity for accounting and reporting purposes and is reported as a separate department in the Town’s financial statements as of and for the year ended June 30, 2025.

**Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

*Governmental activities* which are normally supported by taxes and intergovernmental revenues or from specific revenue sources such as grants, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reflects, on full accrual basis, all long-term assets and receivables, as well as long-term liabilities. The statement of activities presents the direct cost for each functional activity and applies program revenues to arrive at a net cost for the identified functions. There are no indirect costs for allocation. Program revenues must be directly associated with the government function or business-type activity. Operating grants and contributions include operating-specific and discretionary grants and contributions, while the capital grants and contributions column reflect capital-specific grants and contributions. General revenues of the Town further support the overall combined net costs of governmental functions. Additional sources of revenue include state revenue sharing, investment and other miscellaneous sources of income.

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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

## **Fund Financial Statements**

Separate fund financial statements are provided for governmental and proprietary funds.

Major individual governmental funds and major proprietary funds are presented as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The *general fund* is the government's primary reporting vehicle for current government operations. It accounts for all financial resources not required by law or administrative action to be accounted for in another fund.

The *special revenue fund* is used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Town has established a Special Revenue Fund for the Hospitality Tax revenues which are collected from the sales of prepared meals and beverages in establishments and on establishments licensed for on premise consumption of alcoholic beverages, beer or wine. Revenues are restricted and are used solely to fund expenditures provided by state law.

The *capital projects fund* is a governmental fund used to account and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to construction projects and other capital assets.

The *municipal facilities fund* is a governmental fund used to account and report for resources related to the issuance of debt for capital expenditures related to project facilities improvements.

The Town reports the following major proprietary fund:

The *enterprise fund* accounts for the activities of all water and sewer utility services, including the operations and activities of the wastewater treatment facility.

## **Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

### Accrual Basis of Accounting

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Operating revenues and expenses of the proprietary fund are defined as revenues and expenses related to the provision of the applicable service. Nonoperating revenues and expenses include items unrelated to the provision of services.

### Modified Accrual Basis of Accounting

Under the modified accrual basis, governmental fund revenues are recognized in the accounting period when they become both measurable and available (susceptible to accrual). Measurable means the amount of the transaction can be determined. Available generally means when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after yearend to pay liabilities of the current period. For this purpose, the Town considers governmental fund revenues to be available if they are collected within sixty days of the end of the current fiscal year. Revenues that are susceptible to accrual include franchise fees, fines and forfeitures, and intergovernmental revenues. Principal and interest on general long-term debt are recorded as fund liabilities when due. Property taxes are recognized as revenues in the period received and are subject to recognition if received within sixty days after yearend. Grants and similar items are recognized as revenue as soon as all eligibility requirements

imposed by the provider have been met. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments that are not classified as current liabilities, are recorded only when payment is due.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the enterprise fund are comprised of water and sewer service fees and wastewater treatment services. Operating expenses include the cost of water treatment and waste disposal, administrative expenses, including cost of personnel and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

### **Measurement Focus**

The governmental fund measurement focus (in the fund financial statements) is on the determination of financial position and changes in financial position rather than on net income. The proprietary fund measurement focus is on the determination of operating income, changes in net position, financial position and cash flows similar to businesses in the private sector. The business-type activities of the Town include water and sewer and wastewater treatment services provided to residents of the Town. Activities of the fund include administration, operations and maintenance of the water and sewer system, and billing and collection activities. The proprietary fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers.

### **Fund Accounting**

In order to ensure observance of limitations and restrictions on the use of the resources available, financial records and accounts are maintained in accordance with the principles of fund accounting. The financial transactions of the Town are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures or expenses.

The fund financial statements are presented to emphasize the major funds of the Town. GASB Statement No. 34, *Basic Financial Statement – and Managements' Discussion and Analysis – for State and Local Governments* (GASB 34), sets forth criteria for the determination of major funds. The general fund is always a major governmental activity. The Town considers the special revenue fund for hospitality taxes and the capital projects fund as major governmental funds. Fund financial statements are prepared on the modified accrual basis for governmental fund activities and the accrual basis for business-type activities.

### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Cash and Cash Equivalents**

The Town considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include cash on hand, amounts in demand deposit accounts, including funds

temporarily invested in a sweep account as well as short-term investments with a maturity date within three months of the date acquired by the government.

### **Interfund Receivables and Payables**

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund, which are properly applicable to another fund, are recorded as expenditures or expenses (transfers out) in the reimbursing fund and as reductions of the expenditures or expenses (transfers in) in the fund that is reimbursed. Balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. These interfund balances are the result of routine activities of the Town. Interfund receivables and payables are netted and eliminated in the statement of net position.

### **Receivables**

Receivables represent amounts owed to the Town for sanitation fees, franchise fees, property and hospitality taxes, utility service fees, grant awards, and other revenues collected by intermediary governments and are reflected net of their allowance for uncollectibles.

### **Property Taxes**

Real property taxes are assessed, billed and collected by Anderson County government. Collections are remitted to the Town twice monthly. The Town considers property taxes available if they are collected within sixty days after yearend. Total property taxes unpaid are determined by the County. Delinquent taxes receivable not collected within sixty days of yearend are recorded as deferred inflows of resources on the governmental funds balance sheet and are recognized as general fund revenues when collected in future reporting periods. An allowance for uncollectibles has been provided to reduce the delinquent property taxes receivable balance at June 30, 2025, to net realizable value based on past history of delinquent property taxes collected by Anderson County and remitted to the Town. Delinquent property taxes when recorded are recognized as local property tax revenues in the government-wide statement of activities in accordance with the accrual basis of accounting.

The following is a description of Anderson County’s collection procedures and tax calendar:

Taxes, other than vehicle taxes, are levied on October 1 of each year and are payable by January 15 of the following year. After January 15, the tax is delinquent and is subject to the following penalties depending upon the collection date:

<u>Collection Date</u>	<u>Penalty</u>
After January 15th	3% of Tax
After February 1st	10% of Tax
After March 16th	15% of Tax

### **Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the governmental and business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as falling within the thresholds listed in the table below and having an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Asset Type	Capitalization Threshold
Land	No Threshold
Buildings	\$100,000
Infrastructure	\$100,000
Improvements	\$5,000
Machinery, equipment and vehicles	\$5,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40 - 50
Infrastructure	20 - 40
Improvements	20 - 50
Machinery, equipment and vehicles	3 - 10

### Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. Bond discounts and bond premiums are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Amortization of bond discounts or premiums are included in interest expense. The long-term debt consists primarily of bonds payable, notes payable, and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements

### Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and salary-related payments, including pension costs and employer's share of medicare and social security taxes are accrued when incurred and reported as a fund liability. Vacation and salary-related payments that are expected to be liquidated with expendable available financial resources are reported as a current liability. Amounts not expected to be liquidated with expendable available financial resources are reported as a noncurrent liability on the statement of net position.

### Net Position and Fund Balances

In the government-wide financial statements, the difference between the Town's total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources, represents net position. Net position displays three components – net investment in capital assets, restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net position available for future operations.

The Town has implemented the provisions of GASB Statement No. 54, Fund Balance Reporting and Government Fund Type Definition as follows:

In the fund financial statements, fund balances consist of nonspendable fund balances which include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balances are amounts restricted to specific purposes. Committed fund balances are amounts that can only be used for specific purposes as pursuant to official action by Town Council prior to yearend of the reporting period.

Assigned fund balances are amounts the Town intends to use for a specific purpose but are neither restricted nor committed. The Town Administrator has authority to assign fund balance. Unassigned fund balance represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

### **State Shared and Unallocated Intergovernmental Revenues**

The Town receives funding from various State revenue sources generated from general appropriations and various taxes as follows:

Aid to Subdivisions and Merchant's Inventory Tax: Unrestricted revenue allocated to municipalities in accordance with State law.

Tax Accommodations: Restricted revenue derived from a 2% State tax on the gross proceeds of the rental of transient accommodations allocated to municipalities in accordance with State law.

### **Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at fiscal yearend. The original budget was amended during the year. Formal budgetary integration is employed as a management control device during the year for the special revenue and proprietary enterprise funds. Any amendments of the legally adopted general fund budget must be approved by Town Council.

The Town follows these procedures in establishing the general fund and special revenue budgetary data:

1. During the month of June, the Town Council is furnished a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Town Hall to obtain taxpayers' comments.
3. Prior to July 1, the budget is legally enacted through passage of an ordinance.
4. After the budget is adopted, Town Council may, by a majority vote, transfer appropriations from one account to another within a particular department or from one department to another within a particular fund.

### **NOTE 2 – DEPOSITS AND INVESTMENTS**

The Town's cash is maintained in demand deposits and investments in the following types of financial instruments:

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”, investments are carried at fair value determined annually based upon quoted market prices for identical or similar investments or 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, South Carolina 29211-1960.

There were no deposit or investment transactions during the year that were in violation of either the State Statutes or the policy of the Town.

As of June 30, 2025, the Town had deposits and investments as follows:

Deposits with financial institutions	\$ 5,891,068
Investments with S.C. Local Government	
Investment Pool	11,588,544
Investments in Government Funds	17,196,940
	<u>\$ 34,676,552</u>

*Interest rate risk.* In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting its investments to the State’s investment pools which do not normally have maturity dates and can be withdrawn on demand.

*Credit risk.* As of June 30, 2025, the Town’s investment with the S.C. Local Government Investment Pool is overseen by the State, which invests in instruments allowed under state laws. The Investment Pool is not rated. It’s a money market type pool, which is fully collateralized, and the underlying securities are held by a third-party bank for the pool.

*Concentration of credit risk.* The Town’s investment policy currently does not involve investment in any individual issuers.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town’s policy is that all deposits in excess of federal insurance amounts be collateralized with securities held by the pledging financial institution’s trust department or agent in the Town’s name. As of June 30, 2025, all deposits are either insured or fully collateralized.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with its investment policy, the Town invests in the state investment pool which is not subject to custodial risk.

**NOTE 3 –RECEIVABLES**

**Governmental Activities**

Governmental fund revenues are recognized under the modified accrual basis of accounting when they are considered to be both measurable (estimable as to the net amount to be collected) and available as current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter (not to exceed sixty days after yearend) to pay liabilities of the current period. Receivables recorded for governmental funds at June 30, 2025 consist of the following:

Current real property and personal property taxes	\$ 10,985
Delinquent property taxes, net of allowance for uncollectibles of \$27,821	100,298
Hospitality taxes	36,226
FEMA grant	329,957
Other	<u>46,132</u>
Governmental Activities - Receivables, net	<u>\$ 523,598</u>

### Business-type Activities

Enterprise fund activities are used to account for services that are financed and operated in a manner similar to private business enterprises. Revenues recognized for enterprise funds use the full accrual basis of accounting, whereby revenues are recognized at the time services have been provided or performed in accordance with the terms of a contract, grant or other agreement. The Town's water and sewer revenues reported for the year ended June 30, 2025 include \$169,716 for services earned but not billed to customers until July 2025, based on an estimate of water and sewer services provided from mid-June 2025 to June 30, 2025.

Receivables recorded for the enterprise fund at June 30, 2025 consist of the following:

Water and sewer services earned and billed	\$ 159,735
Water and sewer services earned and unbilled	<u>169,716</u>
Subtotal	329,451
Less: allowance for uncollectibles	<u>(5,638)</u>
Net - water and sewer customer receivables	323,813
Other receivables	105,010
SRF program contribution receivable - City of Clemson	261,171
SRF program contribution receivable - Anderson County	<u>26,117</u>
Subtotal - SRF program contribution receivables	<u>287,288</u>
<b>Net - Business-type Activities</b>	<u><u>\$ 716,111</u></u>

Amounts due from the City of Clemson and Anderson County represent the respective obligations due to the Town in accordance with signed agreements between the Town and each governmental entity. The City of Clemson is responsible for repayment of 50% of the total funds disbursed to the Town under the SRF Loan Program. Anderson County is responsible for 5% of the total funds disbursed to the Town under the SRF Loan Program. Proceeds received by the Town under the SRF Loan Program were used for improvements to the wastewater treatment facility. The repayment of debt obligations from Anderson County and the City of Clemson to the Town includes interest. The balances owed from Anderson County and the City of Clemson at June 30, 2025 do not include a provision for accrued interest. Interest collected from Anderson County and the City of Clemson and remitted to the State reduces net interest expense recorded in the Town's financial statements.

**NOTE 4 – CHANGES IN CAPITAL ASSETS**

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

Governmental Activities

	July 1, 2024	Increases	Decreases	June 30, 2025
Capital assets, not being depreciated:				
Land	\$ 701,286	\$ 90,000	\$ -	\$ 791,286
Construction in progress	985,149	656,607	(1,027,049)	614,707
Total capital assets, not being depreciated	<u>1,686,435</u>	<u>746,607</u>	<u>(1,027,049)</u>	<u>1,405,993</u>
Capital assets, being depreciated:				
Buildings	879,083	-	-	879,083
Machinery, equipment and vehicles	2,329,951	398,234	-	2,728,185
Improvements	2,244,563	1,089,275	-	3,333,838
Total capital assets being depreciated	<u>5,453,597</u>	<u>1,487,509</u>	<u>-</u>	<u>6,941,106</u>
Less accumulated depreciation for:				
Buildings	(497,905)	(21,623)	-	(519,528)
Machinery, equipment and vehicles	(1,567,039)	(185,221)	-	(1,752,260)
Improvements	(656,815)	(135,423)	-	(792,238)
Total accumulated depreciation	<u>(2,721,759)</u>	<u>(342,267)</u>	<u>-</u>	<u>(3,064,026)</u>
Total capital assets, being depreciated, net	<u>2,731,838</u>	<u>1,145,242</u>	<u>-</u>	<u>3,877,080</u>
Governmental activities, capital assets, net	<u>\$ 4,418,273</u>	<u>\$ 1,891,849</u>	<u>\$ (1,027,049)</u>	<u>\$ 5,283,073</u>

Depreciation expense for the year ended June 30, 2025 was charged to functions/programs of the Town as follows:

Governmental Activities	
Administration	\$ 136,907
Public works	136,907
Police	68,453
Total Depreciation Expense - Governmental Activities	<u>\$ 342,267</u>

Business-type Activities

	July 1, 2024	Increases	Decreases	June 30, 2025
Capital assets, not being depreciated:				
Land	\$ 149,379	\$ -	\$ -	\$ 149,379
Construction in progress	1,828,997	20,206,179	-	22,035,176
Total capital assets, not being depreciated	<u>1,978,376</u>	<u>20,206,179</u>	<u>-</u>	<u>22,184,555</u>
Capital assets, being depreciated:				
Buildings	2,818,095	-	-	2,818,095
Infrastructure	16,647,641	438,200	-	17,085,841
Machinery, equipment and vehicles	1,347,646	13,000	-	1,360,646
Total capital assets being depreciated	<u>20,813,382</u>	<u>451,200</u>	<u>-</u>	<u>21,264,582</u>
Less accumulated depreciation for:				
Buildings	(2,777,175)	(2,457)	-	(2,779,632)
Infrastructure	(5,657,867)	(402,540)	-	(6,060,407)
Machinery, equipment and vehicles	(579,904)	(61,171)	-	(641,075)
Total accumulated depreciation	<u>(9,014,946)</u>	<u>(466,168)</u>	<u>-</u>	<u>(9,481,114)</u>
Total capital assets, being depreciated, net	<u>11,798,436</u>	<u>(14,968)</u>	<u>-</u>	<u>11,783,468</u>
Business-type activities, capital assets, net	<u>\$ 13,776,812</u>	<u>\$ 20,191,211</u>	<u>\$ -</u>	<u>\$ 33,968,023</u>

**NOTE 5 – LONG-TERM DEBT**

The following is a summary of long-term debt and liability transactions of the Town for the year ended June 30, 2025:

	<u>July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2025</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Installment Purchase Revenue Bond, Series 2024	\$ 5,000,000	\$ -	\$ (156,000)	\$ 4,844,000	\$ 163,000
Notes payable	448,934	138,152	(183,501)	403,585	204,581
Compensated absences	85,081	20,923	-	106,004	74,203
Governmental activity totals	<u>\$ 5,534,015</u>	<u>\$ 159,075</u>	<u>\$ (339,501)</u>	<u>\$ 5,353,589</u>	<u>\$ 441,784</u>

**Installment Purchase Revenue Bond, Series 2024**

In March 2024, the Town issued a \$5,000,000 Installment Purchase Revenue Bond. The terms of the bonds are as follows:

<u>Loan/Purpose</u>	<u>Interest Rate</u>	<u>Principal Balance at June 30, 2025</u>
Projects Facilities and Improvements	4.72%	\$ 4,844,000

The Bond document requires the payment of interest (semi-annually) and annual principal each year through the year ended June 30, 2044. The primary purpose of the bond issue is for the renovation, construction, installation, furnishing and equipping of improvements to Town Hall and Veteran’s Park.

Debt service requirements on the Installment Purchase Revenue Bond, Series 2024 to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 163,000	\$ 228,637
2027	171,000	220,943
2028	179,000	212,872
2029	187,000	204,423
2030	196,000	195,597
Thereafter	3,948,000	1,536,360
Totals	<u>\$ 4,844,000</u>	<u>\$ 2,598,832</u>

**Notes Payable**

In September 2022, the Town received a loan in the amount of \$153,095. The terms of the loan are as follows:

<u>Loan/Purpose</u>	<u>Interest Rate</u>	<u>Principal Balance at June 30, 2025</u>
Police Cars	7.5%	\$ 39,560

The loan requires payment of principal and interest each year through the year ended June 30, 2026. The primary purpose of the loan was to purchase three police cars.

In April 2024, the Town received a loan in the amount of \$392,910. The terms of the loan are as follows:

<u>Loan/Purpose</u>	<u>Interest Rate</u>	<u>Principal Balance at June 30, 2025</u>
Public Works Trucks	4.90%	\$ 247,018

The loan requires payment of principal and interest each year through the year ended June 30,2027.

In October 2024, the Town received a loan in the amount of \$138,152. The terms of the loan are as follows:

<u>Loan/Purpose</u>	<u>Interest Rate</u>	<u>Principal Balance at June 30, 2025</u>
Police Cars	4.95%	\$ 117,007

The loan requires payment of principal and interest each year through the year ended June 30,2029. The primary purpose of the loan was to purchase two police cars.

Debt service requirements on the notes payable to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 204,581	\$ 17,412
2027	149,844	6,065
2028	36,560	1,640
2029	12,600	133
<b>Totals</b>	<b>\$ 403,585</b>	<b>\$ 25,250</b>

**Business-type Activities**

	<u>July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2025</u>	<u>Due Within One Year</u>
<b>Revenue Bond Debt</b>					
Revenue Bond, Series 2018	\$ 602,000	\$ -	\$ (143,000)	\$ 459,000	\$ 148,000
Revenue Bond, Series 2022	504,000	-	(163,000)	341,000	168,000
Revenue Bond, Series 2024	-	13,025,000	-	13,025,000	-
Bond Premium	-	125,556	(4,185)	121,371	-
Total Bonds Payable	<u>1,106,000</u>	<u>13,150,556</u>	<u>(310,185)</u>	<u>13,946,371</u>	<u>316,000</u>
<b>Other Revenue Debt</b>					
Revolving Fund Loan, Series 2009	606,502	-	(84,160)	522,342	86,070
Compensated absences	12,171	5,907	-	18,078	12,655
Total Other Revenue Debt	<u>618,673</u>	<u>5,907</u>	<u>(84,160)</u>	<u>540,420</u>	<u>98,725</u>
Business-type activities totals	<u>\$ 1,724,673</u>	<u>\$ 13,156,463</u>	<u>\$ (394,345)</u>	<u>\$ 14,486,791</u>	<u>\$ 414,725</u>

Revenue Bonds, Series 2018

In August 2018, the Town issued a \$1,600,000 Revenue Bond for the Water Works and Sewer System. The terms of the bond are as follows:

<u>Loan/Purpose</u>	<u>Interest Rate</u>	<u>Principal Balance at June 30, 2025</u>
Pump Station Improvement	3.36%	\$ 459,000

The bond document requires the payment of interest (semi-annually) and annual principal each year through the year ended June 30, 2028. The primary purpose for the issue was to upgrade pump stations.

Revenue Bonds, Series 2022

In November 2022, the Town issued a \$787,000 Revenue Bond for the Water Works and Sewer System. The terms of the bond are as follows:

<u>Loan/Purpose</u>	<u>Interest Rate</u>	<u>Principal Balance at June 30, 2025</u>
Automatic Meter Reading System	3.25%	\$ 341,000

The bond document requires the payment of interest (semi-annually) and annual principal each year through the year ended June 30, 2027. The primary purpose for the issue was to purchase and install an automatic meter reading system and related water meters.

Revenue Bonds, Series 2024

In August 2024, the Town issued a \$13,025,000 Revenue Bond for the Water Works and Sewer System. The Town recorded a bond premium of \$125,556 upon issue. The terms of the bond are as follows:

<u>Loan/Purpose</u>	<u>Interest Rate</u>	<u>Principal Balance at June 30, 2025</u>
System Expansion	4.18%	\$ 13,025,000

The bond document requires payment of interest (annually) only until 2028, followed by annual principal payments ranging from \$50,000 per year to \$805,000, plus interest paid annually each year through the year ended June 30, 2054.

The 2024 Bond Ordinance requires the Town to establish and maintain the following accounts for as long as any portion of bond principal remains outstanding: Debt Service Fund, Debt Service Reserve Fund, Depreciation and Contingent Fund, and Capitalized Interest Fund. The purposes of the funds are to set aside reserves for the timely payment of principal and interest, and provide a reserve for restoring depreciated items of the System, and to defray the costs of unforeseen contingencies.

Debt service requirements on Revenue Bonds, Series 2018 and Series 2022 and Series 2024, to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 316,000	\$ 594,492
2027	326,000	584,060
2028	208,000	573,297
2029	200,000	565,488
2030	280,000	555,488
2031-2035	1,630,000	2,552,440
2036-2040	2,075,000	2,102,440
2041-2045	2,600,000	1,581,190
2046-2050	3,165,000	1,017,790
2051-2054	3,025,000	318,450
	<u>\$ 13,825,000</u>	<u>\$ 10,445,135</u>

Revolving Fund Loan, Series 2009

In November 2009, the Town entered into an agreement with the South Carolina Water Quality Revolving Fund Loan Authority to provide funding for upgrades to the Pendleton/Clemson Waste Treatment Facility in the amount of \$1,620,850. The Waterworks and Sewer System Revenue Bond, Series 2009, dated November 12, 2009 is held with a bank. Actual proceeds under the loan agreement totaled \$1,554,458. Parties involved in the upgrade of the Waste Treatment Facility are the City of Clemson, the Town of Pendleton, and Anderson County. All parties involved agree that debt service on the loan will be allocated and paid to the Town’s Waste Treatment Facility based on capacity usage such that the City of Clemson, Pendleton’s Water & Sewer Fund and Anderson County pay 50%, 45%, and 5%, respectively, of the debt obligation, including interest. On December 20, 2011, the annual interest rate was reduced to 2.25% from 3.50%, which reduced the quarterly payments (principal plus accrued interest) to \$24,275, beginning January 1, 2013 and which will be required for consecutive quarters through January 2031.

At June 30, 2025, the balance on the outstanding debt obligation was \$522,342.

Annual debt service requirements to maturity for the current outstanding debt obligation under the revolving fund loan are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 86,070	\$ 11,030
2027	88,023	9,077
2028	90,020	7,080
2029	92,063	5,037
2030	94,152	2,948
2031	72,014	812
	<u>\$ 522,342</u>	<u>\$ 35,984</u>

**NOTE 6 – INTERFUND ACTIVITY**

Interfund activity not expected to be repaid within a reasonable period is reclassified as transfers. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the special revenue fund to finance qualifying expenses incurred in the general fund or water & sewer enterprise fund that enhance tourism in accordance with state laws and regulations. Amounts not transferred and reported as due from or due to other funds at yearend represent expenses/expenditures paid by one fund benefiting another fund or money collected/deposited in one fund benefiting another fund. No interest is charged on amounts due between funds.

Interfund transfers for the year ended June 30, 2025 were as follows:

	<u>Transfer In:</u>				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Municipal Facilities</u>	<u>Water and Sewer Enterprise Fund</u>	
Transfer Out:					
General Fund	\$ -	\$ 4,117,821	\$ 1,079,124	\$ -	\$ 5,196,945
Water and Sewer Enterprise Fund	-	16,762,994	-	-	16,762,994
Special Revenue Fund - Capital Projects	-	-	-	20,206,179	20,206,179
	<u>\$ -</u>	<u>\$ 20,880,815</u>	<u>\$ 1,079,124</u>	<u>\$ 20,206,179</u>	<u>\$ 42,166,118</u>

At June 30, 2025, the following amounts were due between funds:

<u>General Fund</u>	
Due from Special Revenue Fund	\$ 30,816
Due to Water & Sewer Enterprise Fund	(1,515,577)
	<u>\$ (1,484,761)</u>
<u>Special Revenue Fund - Hospitality Taxes</u>	
Due to General Fund	<u>\$ (30,816)</u>
<u>Water &amp; Sewer Enterprise Fund</u>	
Due from General Fund	<u>\$ 1,515,577</u>

**NOTE 7 – EMPLOYEE BENEFITS - RETIREMENT**

**Description of the Entity**

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S. C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems’ five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds.

The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds’ assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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

**Plan Descriptions**

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state

and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly.

- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.
- 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.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

## **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 first-term individuals elected to the South Carolina General Assembly. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP – As an alternative to membership in SCRS, newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- 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. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

## Benefits

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

- SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.
- PORS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

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

## Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates.

Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 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 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 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 valuation of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

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

	Fiscal Year 2025 <sup>1</sup>	Fiscal Year 2024 <sup>1</sup>
<b>SCRS</b>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<b>State ORP</b>		
Employee	9.00%	9.00%
<b>PORS</b>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

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

	Fiscal Year 2025 <sup>1</sup>	Fiscal Year 2024 <sup>1</sup>
<b>SCRS</b>		
Employer Class Two	18.56%	18.41%
Employer Class Three	18.56%	18.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>State ORP</b>		
Employer Contribution <sup>2</sup>	18.56%	18.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>PORS</b>		
Employer Class Two	21.24%	20.84%
Employer Class Three	21.24%	20.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

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

<sup>2</sup> Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP service provider to be allocated to the member’s account with the remainder of the employer contribution remitted to SCRS.

### Actuarial Assumptions and Methods

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

The June 30, 2024, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

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

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment rate of return <sup>1</sup>	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service) <sup>1</sup>	3.5% to 10.5% (varies by service) <sup>1</sup>
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
<sup>1</sup> Includes inflation at 2.25%		

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience.

These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members and 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%

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

At June 30, 2025, the Town reported a liability of \$2,366,018, consisting of \$1,869,583 SCRS and \$496,435 PORS, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Town's portion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

For the year ended June 30, 2025, the Town recognized pension expense totaling \$380,678, which consisted of contributions to the systems of \$311,230, plus \$69,448 as a result of the increase in the net pension liability related

to GASB 68 requirements. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SCRS		PORS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 61,441	\$ 2,320	\$ 46,622	\$ 2,864
Assumption changes	32,960	-	10,808	27,833
Net difference between projected and actual investment earnings	-	-	-	-
Changes in proportionate share and differences between Town contributions and proportionate share of total plan employer contributions	132,222	72,035	65,484	3,658
Town contributions subsequent to the measurement date	227,252	-	83,978	-
<b>Total</b>	<b>\$ 453,875</b>	<b>\$ 74,355</b>	<b>\$ 206,892</b>	<b>\$ 34,355</b>

\$227,252 SCRS and \$83,978 PORS reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at the measurement date. The average remaining service lives of all employees provided with pensions through the pension plan at the measurement date was 3.678 years and 3.779 years for SCRS and PORS respectively.

Measurement Period Ending June 30,	SCRS	PORS
2025	\$ 51,756	\$ 25,818
2026	112,314	58,379
2027	7,115	11,722
2028	(18,917)	(7,360)
<b>Deferred Outflows/Inflows of Resources, net</b>	<b>\$ 152,268</b>	<b>\$ 88,559</b>

### Net Pension Liability

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

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

The TPL is calculated by the Systems’ actuary, and each plan’s fiduciary net position is reported in the Systems’ financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems’ notes to the financial statements and required supplementary information. Liability calculations performed by the Systems’ actuary for the purpose of satisfying the requirements of GASB 67 and 68 are not applicable for other purposes, such as determining the plans’ funding requirements.

**Long-term Expected Rate of Return**

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

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

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

<sup>2</sup> Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 15% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

**Discount Rate**

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

**Sensitivity Analysis**

The following table presents the collective NPL of the participating employers calculated using the discount rate of

7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) and 1 percent higher (8 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

System	1.00% Decrease (6%)	Current Discount Rate (7%)	1.00% Increase (8%)
SCRS	\$ 2,422,768	\$ 1,869,583	\$ 1,360,143
PORS	\$ 719,241	\$ 496,435	\$ 313,948

*Additional Financial Actuarial Information*

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

**NOTE 8 – FUND BALANCE REPORTING**

The Town adopted GASB Statement No. 54 as part of its fiscal year 2010-11 reporting. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. GASB Statement No. 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. In addition to the nonspendable fund balance, GASB Statement No. 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Restricted: Amounts that can only be spent for the specific purposes stipulated by: (a) external resource providers such as creditors (by debt covenants), grantors, contributors or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation (e.g., hospitality tax revenues reported in the special revenue fund).

Committed: Amounts that can be spent only for the specific purposes determined by a formal action of Town Council, the Town's highest level of decision-making authority. Commitments of fund balance may be made from time to time by resolution of Town Council. Commitments can be changed or lifted by Town Council taking the same formal action that imposed the constraint originally (resolution). The use (appropriation) of committed fund balances is considered in conjunction with the annual budget adoption process or by budget amendment approved by resolution of the Town Council during the fiscal year.

Assigned: Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general purposes of the government itself; and/or (b) used to reflect the appropriation of a portion of existing assigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues. Assigned fund balance shall reflect management's intended use of resources as set forth in the annual budget (and any amendment thereto). Assigned fund balance may or may not be appropriated for expenditures in the subsequent year depending on timing of the project/reserve for which it was assigned.

Unassigned: Unassigned fund balance is the residual classification for the general fund and represents fund balance that has not been restricted, committed or assigned to specific purposes within the general fund.

The Town has classified its spendable fund balances within the following hierarchy. The Town has no components of fund balance that meet the definition of "nonspendable" at June 30, 2025.

Spendable: The Town has classified the spendable fund balances as restricted, committed, assigned and unassigned within the general and special revenue funds, and considered each to have been spent when expenditures are incurred.

Restricted: The restricted fund balances totaled \$7,993,718 and corresponds to amounts set aside to comply with the expenditure restrictions from inflows of grants and hospitality tax revenues.

Assigned: The assigned fund balance within the general fund of \$3,750,054 contains amounts set aside by the Town’s Administrator, as authorized by Town Council, for specific purposes as follows:

Capital improvements and projects	\$ 2,840,258
Equipment replacement	909,796
	<u>\$ 3,750,054</u>

Unassigned: The unassigned portion of the general fund balance of \$1,658,000 is neither restricted, committed nor assigned.

The Town’s policy is to apply expenditures against restricted, committed, assigned and unassigned fund balance, in that order, under circumstances where a particular expenditure can be made from more than one fund classification.

**NOTE 9 – RISK MANAGEMENT**

The Town is exposed to various risks of loss in the normal course of operations related to torts; workers’ compensation claims; theft of damage to and destruction of assets; errors and omissions; and natural disasters. The Town has purchased commercial insurance policies to protect against loss and claims. The Town does not self-insure against any risks. To the extent the Town has purchased commercial insurance, all risk of loss has been transferred to the insurance underwriter. There have been no significant reductions in insurance coverage from coverage in the prior year. The Town is responsible for all insurance policy deductibles.

**NOTE 10 – TAX ABATEMENTS**

*Other Tax Abatements*

The Town’s property tax revenues were reduced by approximately \$6,250 under agreements entered into by Anderson County.

**NOTE 11 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the date of the auditor’s report, which is the date the financial statements were available to be issued. Events after the date of the auditor's report have not been evaluated to determine whether a change in the financial statements would be required.

TOWN OF PENDLETON, SOUTH CAROLINA  
**SCHEDULE OF PENSION PLAN CONTRIBUTIONS**  
**SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM**  
**LAST 10 FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>SCRS</b>										
Contractually required Contribution	\$ 227,252	\$ 201,693	\$ 170,400	\$ 137,398	\$ 116,021	\$ 108,974	\$ 110,052	\$ 108,444	\$ 83,069	\$ 77,384
Contributions in relation to the contractually required contribution	(227,252)	(201,693)	(170,400)	(137,398)	(116,021)	(108,974)	(110,052)	(108,444)	(83,069)	(77,384)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 1,234,392	\$ 1,095,564	\$ 978,750	\$ 837,293	\$ 752,895	\$ 707,166	\$ 763,716	\$ 808,678	\$ 728,039	\$ 709,297
Contributions as a percentage of covered-employee payroll	18.4%	18.4%	17.4%	16.4%	15.4%	15.4%	14.4%	13.4%	11.4%	10.9%
<b>PORS</b>										
Contractually required Contribution	\$ 83,978	\$ 68,674	\$ 53,314	\$ 37,943	\$ 35,724	\$ 30,548	\$ 28,231	\$ 25,493	\$ 18,691	\$ 6,404
Contributions in relation to the contractually required contribution	(83,978)	(68,674)	(53,314)	(37,943)	(35,724)	(30,548)	(28,231)	(25,493)	(18,691)	(6,404)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 402,967	\$ 329,529	\$ 268,719	\$ 201,400	\$ 200,247	\$ 171,231	\$ 167,643	\$ 160,938	\$ 135,052	\$ 48,007
Contributions as a percentage of covered-employee payroll	20.8%	20.8%	19.8%	18.8%	17.8%	17.8%	16.8%	15.8%	13.8%	13.3%

This schedule is presented to illustrate the requirement to show information for 10 years.

TOWN OF PENDLETON, SOUTH CAROLINA

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>SCRS</u>										
Town's proportion of the net pension liability	0.007%	0.007%	0.007%	0.006%	0.006%	0.007%	0.008%	0.007%	0.007%	0.007%
Town's proportionate share of the net pension liability	\$ 1,869,583	\$ 1,871,638	\$ 1,704,581	\$ 1,441,391	\$ 1,619,645	\$ 1,651,443	\$ 1,748,556	\$ 1,624,438	\$ 1,564,609	\$ 1,393,963
Town's covered-employee payroll	\$ 1,095,564	\$ 978,750	\$ 837,293	\$ 752,895	\$ 707,166	\$ 763,716	\$ 808,678	\$ 728,039	\$ 709,297	\$ 689,123
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	171%	191.2%	203.6%	191.4%	229.0%	216.2%	216.2%	223.1%	220.6%	202.3%
Plan fiduciary net position as a percentage of the total pension liability	61.8%	58.6%	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%
<u>PORS</u>										
Town's proportion of the net pension liability	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.004%	-
Town's proportionate share of the net pension liability	\$ 496,435	\$ 462,261	\$ 377,680	\$ 338,879	\$ 371,769	\$ 327,400	\$ 325,405	\$ 270,888	\$ 94,129	\$ -
Town's covered-employee payroll	\$ 329,529	\$ 268,719	\$ 201,400	\$ 200,247	\$ 171,231	\$ 167,643	\$ 160,938	\$ 135,052	\$ 48,007	\$ -
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	150.6%	172.0%	187.5%	169.2%	217.1%	195.3%	202.2%	200.6%	196.1%	-
Plan fiduciary net position as a percentage of the total pension liability	70.5%	67.8%	66.4%	70.4%	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%

This schedule is presented to illustrate the requirement to show information for 10 years.

**TOWN OF PENDLETON**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2025**

**Method and Assumptions Used in Calculations of Actuarially Determined Contributions:** The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, 2024, one year prior to the end of the fiscal year in which contributions are reported. The actuarial methods and assumptions used to determine the contractually required contributions for the year ended June 30, 2025 reported in that schedule can be found in Note 7 of the basic financial statements.

**TOWN OF PENDLETON, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
<b>Administration</b>			
Salaries	\$ 399,682	\$ 362,008	\$ 37,674
Social Security taxes	25,283	26,885	(1,602)
Retirement contribution	61,807	63,898	(2,091)
Group insurance	35,756	35,587	169
Professional services	94,500	73,435	21,065
Telephone	30,302	21,254	9,048
Postage, printing and freight	3,600	3,860	(260)
Travel and training	36,208	19,805	16,403
Advertising	7,754	4,128	3,626
Gasoline	2,987	6,530	(3,543)
Departmental supplies	59,998	48,467	11,531
Equipment	10,000	10,181	(181)
Uniforms	3,060	1,938	1,122
Employee appreciation	9,087	10,249	(1,162)
Contract service - equipment maintenance	69,784	72,467	(2,683)
Contracts - CATS	91,800	93,599	(1,799)
Dues and subscriptions	11,424	17,515	(6,091)
Bank service charges	846	955	(109)
Miscellaneous	95	-	95
Unemployment compensation	2,500	5,787	(3,287)
Liability insurance	21,498	18,878	2,620
Total administration	977,971	897,426	80,545
<b>Planning</b>			
Salaries	124,974	99,888	25,086
Social Security taxes	9,072	7,168	1,904
Retirement contribution	23,196	18,492	4,704
Group insurance	23,971	20,440	3,531
Professional services	138,361	43,470	94,891
Telephone	1,300	1,535	(235)
Postage, printing and freight	614	292	322
Travel and training	5,100	1,816	3,284
Advertising	2,250	763	1,487
Gasoline	2,800	601	2,199
Departmental supplies	10,176	8,587	1,589
Equipment	1,973	2,343	(370)
Uniforms	350	335	15
Contract service - equipment maintenance	27,000	315	26,685
Dues and subscriptions	750	542	208
Liability insurance	8,195	7,784	411
Code enforcement	15,000	2,011	12,989
Total planning	395,082	216,382	178,700
<b>Buildings and Grounds</b>			
Salaries	197,933	157,726	40,207
Social Security taxes	14,907	9,117	5,790
Retirement contribution	37,042	22,236	14,806
Group insurance	47,942	18,097	29,845
Professional services	-	38,858	(38,858)
Alarm system	2,040	2,271	(231)
Utilities	19,120	22,683	(3,563)
Repairs and maintenance	178,446	144,433	34,013

(continued)

**TOWN OF PENDLETON, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
<b>Buildings and Grounds (continued)</b>			
Gasoline	\$ 1,224	\$ 1,870	\$ (646)
Departmental supplies	5,437	19,452	(14,015)
Equipment	2,100	41,408	(39,308)
Contract service - parks and recreation	2,500	920	1,580
Contract service - termites	2,420	2,424	(4)
Miscellaneous	2,763	8,125	(5,362)
Liability insurance	21,536	20,882	654
Capital outlay - equipment	98,000	97,951	49
Total buildings and grounds	633,410	608,453	24,957
<b>Police</b>			
Salaries	504,978	414,645	90,333
Social Security taxes	37,037	30,624	6,413
Retirement contribution	106,704	85,658	21,046
Group insurance	74,903	44,571	30,332
Professional services	520	2,799	(2,279)
Telephone	6,242	7,217	(975)
Postage, printing and freight	238	53	185
Travel and training	6,430	3,856	2,574
Equipment repairs and maintenance	3,060	18,873	(15,813)
Vehicle repairs and maintenance	7,986	29,028	(21,042)
Advertising	2,687	4,475	(1,788)
Gasoline	15,132	17,733	(2,601)
Departmental supplies	12,266	19,339	(7,073)
Equipment	6,501	16,944	(10,443)
Uniforms	7,650	15,599	(7,949)
Contract service - equipment maintenance	28,560	37,210	(8,650)
Dues and subscriptions	2,583	1,251	1,332
Miscellaneous	250	498	(248)
Liability insurance	34,605	43,154	(8,549)
Capital outlay - lease purchasing	48,240	196,462	(148,222)
Total police	906,572	989,989	(83,417)
<b>Public Works</b>			
<b>Sanitation</b>			
Salaries	194,343	198,290	(3,947)
Social Security taxes	13,129	14,823	(1,694)
Retirement contribution	33,570	25,527	8,043
Group insurance	30,236	29,664	572
Professional services	520	2,265	(1,745)
Telephone	1,152	1,425	(273)
Travel and training	-	1,125	(1,125)
Equipment repairs and maintenance	29,291	29,346	(55)
Vehicle repairs and maintenance	33,956	54,135	(20,179)
Gasoline	36,452	27,388	9,064
Departmental supplies	34,862	26,970	7,892
Uniforms	3,926	4,575	(649)
Contract service - equipment maintenance	11,094	8,052	3,042
Liability insurance	23,084	28,316	(5,232)
Total sanitation	445,615	451,901	(6,286)

(continued)

**TOWN OF PENDLETON, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Streets</b>			
Salaries	229,161	239,613	(10,452)
Social Security taxes	16,524	16,787	(263)
Retirement contribution	42,250	43,127	(877)
Group insurance	41,814	40,507	1,307
Professional services	1,000	7,308	(6,308)
Telephone	951	1,658	(707)
Street lights and utilities	62,783	76,172	(13,389)
Travel and training	269	-	269
Equipment repairs and maintenance	8,491	7,566	925
Vehicle repairs and maintenance	22,452	29,232	(6,780)
General repairs and maintenance	54,247	100,774	(46,527)
Gasoline	17,908	15,111	2,797
Departmental supplies	7,937	17,761	(9,824)
Street signs and poles	2,454	7,082	(4,628)
General supplies	3,921	2,072	1,849
Uniforms	3,370	3,499	(129)
Miscellaneous	10,209	7,439	2,770
Liability insurance	17,850	34,004	(16,154)
Capital outlay - sidewalk & paving	160,000	91,408	68,592
Total streets	<u>703,591</u>	<u>741,120</u>	<u>(37,529)</u>
Total public works	<u>1,149,206</u>	<u>1,193,021</u>	<u>(43,815)</u>
<b>TOTAL DEPARTMENTAL EXPENDITURES</b>	<u>4,062,241</u>	<u>3,905,271</u>	<u>156,970</u>
<b>NON-DEPARTMENTAL EXPENDITURES</b>			
Debt service - principal	179,512	183,501	(3,989)
Debt service - interest	<u>22,175</u>	<u>25,760</u>	<u>(3,585)</u>
Total non-departmental expenditures	<u>201,687</u>	<u>209,261</u>	<u>(7,574)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 4,263,928</u>	<u>\$ 4,114,532</u>	<u>\$ 149,396</u>

TOWN OF PENDLETON, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
 IN NET POSITION - BUDGET AND ACTUAL  
 WATER AND SEWER ENTERPRISE FUND  
 YEAR ENDED JUNE 30, 2025

	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
<b>Operating Revenues</b>			
Waterworks System			
User charges	\$ 1,024,151	\$ 1,088,345	\$ 64,194
Tap fees	10,101	28,990	18,889
Penalties	25,753	38,831	13,078
Credit card processing fees	33,334	-	(33,334)
Connection fees	22,848	14,070	(8,778)
Reconnect fees	4,582	12,015	7,433
Capacity fees	201,824	463,850	262,026
Miscellaneous	14,096	392,593	378,497
Total waterworks system	<u>1,336,689</u>	<u>2,038,694</u>	<u>702,005</u>
Sewer System			
User charges	1,374,847	1,588,130	213,283
Waste treatment services - City of Clemson	468,809	425,263	(43,546)
Tap fees	24,363	90,400	66,037
DHEC fees	21,662	23,681	2,019
Debt set off collection	308	400	92
Sludge fees	15,262	29,590	14,328
Anderson County capacity lease	93,761	85,044	(8,717)
Miscellaneous	-	9,408	9,408
Total sewer system	<u>1,999,012</u>	<u>2,251,916</u>	<u>252,904</u>
<b>Total Operating Revenues</b>	<u>3,335,701</u>	<u>4,290,610</u>	<u>954,909</u>
<b>Waterworks System Operating Expenses</b>			
Salaries	422,938	369,589	53,349
Social Security taxes	30,267	24,510	5,757
Retirement contribution	73,298	75,790	(2,492)
Group insurance	96,796	61,402	35,394
Professional services	69,560	228,739	(159,179)
Telephone	15,930	5,598	10,332
Postage, printing & freight	20,000	19,534	466
Utilities	27,200	28,074	(874)
Travel and training	9,610	3,783	5,827
Repairs and maintenance	162,690	261,460	(98,770)
Gasoline	19,074	9,632	9,442
Departmental supplies	38,853	182,721	(143,868)
Meters and pipes	59,990	45,486	14,504
Chemicals and supplies	11,530	3,155	8,375
Small equipment and tools	850	-	850
Uniforms	3,200	3,195	5
Employee appreciation	2,120	1,572	548
Contract service - maintenance and water testing	47,444	42,084	5,360
Water resale	344,310	316,839	27,471
Dues and subscriptions	77,700	26,951	50,749
Supplemental charges	17,921	495	17,426
Miscellaneous	140	12,136	(11,996)
Liability insurance	42,472	34,096	8,376
Capital outlay	280,163	-	280,163
Debt Service - principal	390,160	-	390,160
Depreciation	-	318,863	(318,863)
Total waterworks system operating expenses	<u>2,264,216</u>	<u>2,075,704</u>	<u>188,512</u>

(continued)

TOWN OF PENDLETON, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
 IN NET POSITION - BUDGET AND ACTUAL  
 WATER AND SEWER ENTERPRISE FUND (CONTINUED)  
 YEAR ENDED JUNE 30, 2025

	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
<b>Waste Treatment Facility Operating Expenses</b>			
Professional services	\$ 825,611	\$ 820,507	\$ 5,104
Liability insurance	10,660	10,205	455
Debt Service - principal	190,844	-	190,844
Depreciation	-	147,305	(147,305)
Total waste treatment facility operating expenses	<u>1,027,115</u>	<u>978,017</u>	<u>49,098</u>
<b>Total Operating Expenses</b>	<u>3,291,331</u>	<u>3,053,721</u>	<u>237,610</u>
<b>Operating Income (Loss)</b>	<u>44,370</u>	<u>1,236,889</u>	<u>1,192,519</u>
<b>Nonoperating Income (Expenses)</b>			
Miscellaneous income	14,096	-	(14,096)
Grant income	1,400,000	18,162,994	16,762,994
Interest income	185,000	409,673	224,673
Interest expense	(49,547)	(520,891)	(471,344)
Bond issue expenses	(384,814)	(384,814)	-
<b>Total Nonoperating Income (Expenses)</b>	<u>1,164,735</u>	<u>17,666,962</u>	<u>16,502,227</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>1,209,105</u>	<u>18,903,851</u>	<u>17,694,746</u>
<b>Capital Contributions</b>			
SRF Program capital contribution revenues	-	46,288	46,288
<b>Operating Transfers In (Out)</b>			
Transfer from Capital Projects Fund	384,814	20,206,179	19,821,365
Transfer to (from) General Fund	-	(16,762,994)	(16,762,994)
<b>Total Operating Transfers</b>	<u>384,814</u>	<u>3,443,185</u>	<u>3,058,371</u>
<b>Change in Net Position</b>	<u>1,593,919</u>	<u>22,393,324</u>	<u>20,799,405</u>
<b>Net Position, beginning of year</b>	<u>15,166,146</u>	<u>15,166,146</u>	<u>-</u>
<b>Net Position, end of year</b>	<u>\$ 16,760,065</u>	<u>\$ 37,559,470</u>	<u>\$ 20,799,405</u>

TOWN OF PENDLETON, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 SPECIAL REVENUE FUND - HOSPITALITY TAXES  
 YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance Favorable (Nonfavorable)
<b>REVENUES</b>			
Hospitality taxes	\$ 391,116	\$ 454,297	\$ 63,181
<b>Total revenues</b>	<b>391,116</b>	<b>454,297</b>	<b>63,181</b>
<b>EXPENDITURES</b>			
Professional services	67,514	37,122	30,392
Contributions	72,292	47,771	24,521
Telephone	1,028	809	219
Town utilities	7,094	8,154	(1,060)
Supplies	4,561	5,404	(843)
Repairs and maintenance	99,766	124,273	(24,507)
Christmas lights and decorations	3,054	3,695	(641)
Festivals	15,807	25,954	(10,147)
Capital Outlay	65,000	65,000	-
<b>Total expenditures</b>	<b>336,116</b>	<b>318,182</b>	<b>17,934</b>
<b>Excess of revenues over expenditures</b>	<b>55,000</b>	<b>136,115</b>	<b>81,115</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to General Fund	(55,000)	-	55,000
<b>Total other financing sources (uses)</b>	<b>(55,000)</b>	<b>-</b>	<b>55,000</b>
<b>Change in Net Position</b>	<b>-</b>	<b>136,115</b>	<b>136,115</b>
<b>Fund Balance, beginning of year</b>	<b>614,969</b>	<b>614,969</b>	<b>-</b>
<b>Fund Balance, end of year</b>	<b>\$ 614,969</b>	<b>\$ 751,084</b>	<b>\$ 136,115</b>