

**CITY OF GOOSE CREEK,
SOUTH CAROLINA**

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

**CITY OF GOOSE CREEK, SOUTH CAROLINA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and Members
of the City Council
City of Goose Creek, South Carolina**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Goose Creek, South Carolina** (the "City"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Goose Creek, South Carolina, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 15), the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund (on page 74), the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Local Hospitality Tax Fund (on page 75), the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Goose Creek Municipal Finance Corporation, (on page 76), the Schedule of Proportionate Share of the Net Pension Liability – South Carolina Retirement System (page 78), the Schedule of Proportionate Share of the Net Pension Liability – Police Officers Retirement System (page 78), the Schedule of Contributions – South Carolina Retirement System (page 79) and the Schedule of Contributions – Police Officers Retirement System (page 79) 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 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 opinions on the financial statements that collectively comprise the City of Goose Creek, South Carolina's basic financial statements. The combining and individual nonmajor fund financial statements (on pages 81 - 84), the Comparative Schedules of Revenues – General Fund (on page 85), the Comparative Schedules of Expenditures – General Fund (on page 86), and the Comparative Schedules of Expenses – Proprietary Fund Type – Enterprise Funds (on page 87) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) (on pages 88 and 89) is presented for purposes of additional analysis as required by the State of South Carolina, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the Comparative Schedules of Revenues – General Fund, the Comparative Schedules of Expenditures – General Fund, the Comparative Schedules of Expenses – Proprietary Fund Type – Enterprise Funds, and the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) 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 combining and individual nonmajor fund financial statements, the Comparative Schedules of Revenues – General Fund, the Comparative Schedules of Expenditures – General Fund, the Comparative Schedules of Expenses – Proprietary Fund Type – Enterprise Funds, and the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Goose Creek, South Carolina's basic financial statements for the year ended December 31, 2019, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated May 7, 2020. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Goose Creek, South Carolina's basic financial statements as a whole. The partial comparative information included in the Comparative Schedules of Revenues – General Fund, the Comparative Schedules of Expenditures – General Fund, and the Comparative Schedules of Expenses – Proprietary Fund Type – Enterprise Funds for the year ended December 31, 2019, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2019 partial comparative information included in the Comparative Schedules of Revenues – General Fund, the Comparative Schedules of Expenditures – General Fund, and the Comparative Schedules of Expenses – Proprietary Fund Type – Enterprise Funds is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2021, on our consideration of the City of Goose Creek, South Carolina’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Goose Creek, South Carolina’s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
May 5, 2021

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

As management of the City of Goose Creek (the City), we offer the readers of our financial statements this narrative, overview and analysis of the financial activities of the City for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes.

Financial Highlights

- The governmental activities and business-type activities combined assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2020 by \$63,422,394 (*net position*). The unrestricted net position deficit was \$3,825,667 due to the Governmental Accounting Standards Board's requirement to record a net pension liability of \$30,806,088. Total net position increased \$4,431,400. The increase was largely due to increased revenues from business licenses, property taxes, and local option sales tax revenues.
- On December 31, 2020, the City's governmental funds reported a combined ending fund balance of \$16,624,506, an increase of \$2,808,566. The increase was primarily the result of an increase in business license collections, property taxes, and local option sales tax revenue in the general fund. The fund balance for the general fund was \$10,180,246, or 43.3% of the total general fund expenditures.
- The City's governmental activities capital assets decreased by \$339,220 (.85%). This decrease was primarily the result current year disposals of capital assets as well as the completion of construction in progress that was transferred to the business-type activities. The City purchased police vehicles, a new fire truck, and other equipment. Current year capital asset additions were \$2,152,041 being offset by depreciation expense of \$1,932,450. The City's business-type activities capital assets decreased by \$102,623 (.26%), with current year capital asset additions of \$1,294,181 being offset by depreciation expense of \$1,742,500.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three sections: 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* provide a broad overview of the City's operations in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and all 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 City include general government, planning, police, fire, court, sanitation, maintenance, garage, and recreation. The business-type activities include the water, recreation and golf course operations.

The government-wide financial statements can be found on pages 16-18 of this report.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Fund Financial Statements – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Goose Creek, 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 City of Goose Creek can be classified into two categories: governmental and proprietary funds.

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. All of the City's basic services are reported in the governmental funds financial statements, which focus on how money flows into and out of those funds in the near-term and the balances left at year-end that are available for commitment. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be committed in the near future to finance the City of Goose Creek's programs. This information may be useful in evaluating the City's near-term financing requirements.

Because this 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 governmental wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Goose Creek maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the tax increment financing fund and the local option sales tax fund all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Goose Creek adopts an annual appropriated budget for the general fund, the local hospitality tax fund, the Goose Creek Municipal Finance Corporation, and all special revenue funds.

The basic governmental fund financial statements can be found on pages 19-22 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Proprietary Fund – The City of Goose Creek maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Goose Creek uses enterprise funds to account for its water, recreation and golf course operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, recreation and golf operations, all of which are considered to be major funds of the City of Goose Creek.

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

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-73 of this report.

Other Information – The City adopts an annual appropriated budget for its general fund and all of the special revenue funds. A budgetary comparison schedule has been presented as required supplementary information for the general fund and major governmental funds to demonstrate compliance with the budget. Required supplementary information can be found on pages 74-80 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 81-84 of this report.

Government-wide Financial Analysis

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The City of Goose Creek's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$63,422,394 at the close of the most recent fiscal year.

The largest portion of the City's net position is its investment in capital assets (e.g. land, buildings, vehicles and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to the citizens; consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City of Goose Creek Net Position

	Governmental Activities		Business-type Activities		Total		Percent
	2019	2020	2019	2020	2019	2020	Change
Current and Other Assets	\$ 21,007,490	\$ 25,343,976	\$ 9,559,367	\$ 11,790,717	\$ 30,566,857	\$ 37,134,693	21.5%
Capital Assets	39,818,534	39,479,314	40,147,538	40,044,915	79,966,072	79,524,229	(0.6%)
Total Assets	60,826,024	64,823,290	49,706,905	51,835,632	110,532,929	116,658,922	5.5%
Deferred outflows	2,571,143	4,181,957	533,510	867,231	3,104,653	5,049,188	62.6%
Long-term Liabilities Outstanding	34,026,678	36,136,773	11,211,795	11,258,207	45,238,473	47,394,980	4.8%
Other Liabilities	3,148,573	3,398,334	1,519,329	1,485,265	4,667,902	4,883,599	4.6%
Total Liabilities	37,175,251	39,535,107	12,731,124	12,743,472	49,906,375	52,278,579	4.8%
Deferred inflows	4,236,145	5,486,608	504,068	520,529	4,740,213	6,007,137	26.7%
Net Position:							
Investment in Capital Assets, Net							
of Related Debt	26,387,604	26,944,043	33,636,504	33,951,887	60,024,108	60,895,930	1.5%
Restricted	4,214,064	6,352,131	-	-	4,214,064	6,352,131	50.7%
Unrestricted	(8,615,897)	(9,312,642)	3,368,719	5,486,975	(5,247,178)	(3,825,667)	(27.1%)
Total Net Position	\$ 21,985,771	\$ 23,983,532	\$ 37,005,223	\$ 39,438,862	\$ 58,990,994	\$ 63,422,394	7.5%

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Governmental Activities – Governmental activities increased the City of Goose Creek's total net position by \$5,841,850 before transfers. This was primarily due to increased business license and local option sales tax revenues.

The City of Goose Creek Changes in Net Position

	Governmental Activities		Business-type Activities		Total		Total
	2019	2020	2019	2020	2019	2020	Percent 2019 - 2020
Revenues:							
Program Revenues:							
Charges for Services	\$13,971,952	\$ 14,008,868	\$ 7,288,218	\$ 7,979,892	\$21,260,170	\$21,988,760	3.4%
Operating Grants and Contributions	190,833	357,300	-	3,823	190,833	361,123	89.2%
Capital Grants and Contributions	296,266	157,233	1,453,540	759,335	1,749,806	916,568	(47.6%)
General Revenues:							
Property Taxes	3,825,867	4,290,180	558,159	606,085	4,384,026	4,896,265	11.7%
Local Option Sales Taxes	5,221,292	5,324,892	-	-	5,221,292	5,324,892	2.0%
Hospitality	1,865,847	2,018,313	-	-	1,865,847	2,018,313	8.2%
Franchise	2,835,249	2,836,814	-	-	2,835,249	2,836,814	0.1%
Unrestricted Grants and Contributions	868,521	878,318	-	-	868,521	878,318	1.1%
Unrestricted revenue from use of							
monies and property	239,367	276,656	150,338	67,185	389,705	343,841	(11.8%)
Miscellaneous	182,425	196,384	57,393	136,883	239,818	333,267	39.0%
Total Revenues	29,497,619	30,344,958	9,507,648	9,553,203	39,005,267	39,898,161	2.3%
Expenses:							
Legislative	296,687	344,120	-	-	296,687	344,120	16.0%
Administration	2,556,391	2,713,189	-	-	2,556,391	2,713,189	6.1%
Police	8,176,394	9,044,361	-	-	8,176,394	9,044,361	10.6%
Fire	6,858,055	7,344,154	-	-	6,858,055	7,344,154	7.1%
Sanitation	1,778,869	1,559,088	-	-	1,778,869	1,559,088	(12.4%)
Recreation	234,253	209,865	-	-	234,253	209,865	(10.4%)
Maintenance	1,270,311	1,345,658	-	-	1,270,311	1,345,658	5.9%
Garage	455,720	502,669	-	-	455,720	502,669	10.3%
Court	466,814	441,293	-	-	466,814	441,293	(5.5%)
Planning	182,386	332,545	-	-	182,386	332,545	82.3%
Economic Development	168,188	193,195	-	-	168,188	193,195	0.0%
Human Resources	-	225,023	-	-	-	225,023	0.0%
Information Technology	865,062	802,571	-	-	865,062	802,571	(7.2%)
Interest and Fees	346,639	377,039	-	-	346,639	377,039	0.0%
Water	-	-	4,409,922	4,589,443	4,409,922	4,589,443	4.1%
Recreation	-	-	5,550,049	5,442,548	5,550,049	5,442,548	(1.9%)
Total Expenses	23,655,769	25,434,770	9,959,971	10,031,991	33,615,740	35,466,761	5.5%
Increase in Net Position							
Before Transfers	5,841,850	4,910,188	(452,323)	(478,788)	5,389,527	4,431,400	(17.8%)
Transfers	(2,187,329)	(2,912,427)	2,187,329	2,912,427	-	-	
Increase (Decrease) in Net Position	3,654,521	1,997,761	1,735,006	2,433,639	5,389,527	4,431,400	(17.8%)
Net Position January 1	18,331,250	21,985,771	35,270,217	37,005,223	53,601,467	58,990,994	10.1%
Net Position, December 31	\$21,985,771	\$ 23,983,532	\$37,005,223	\$39,438,862	\$58,990,994	\$63,422,394	7.5%

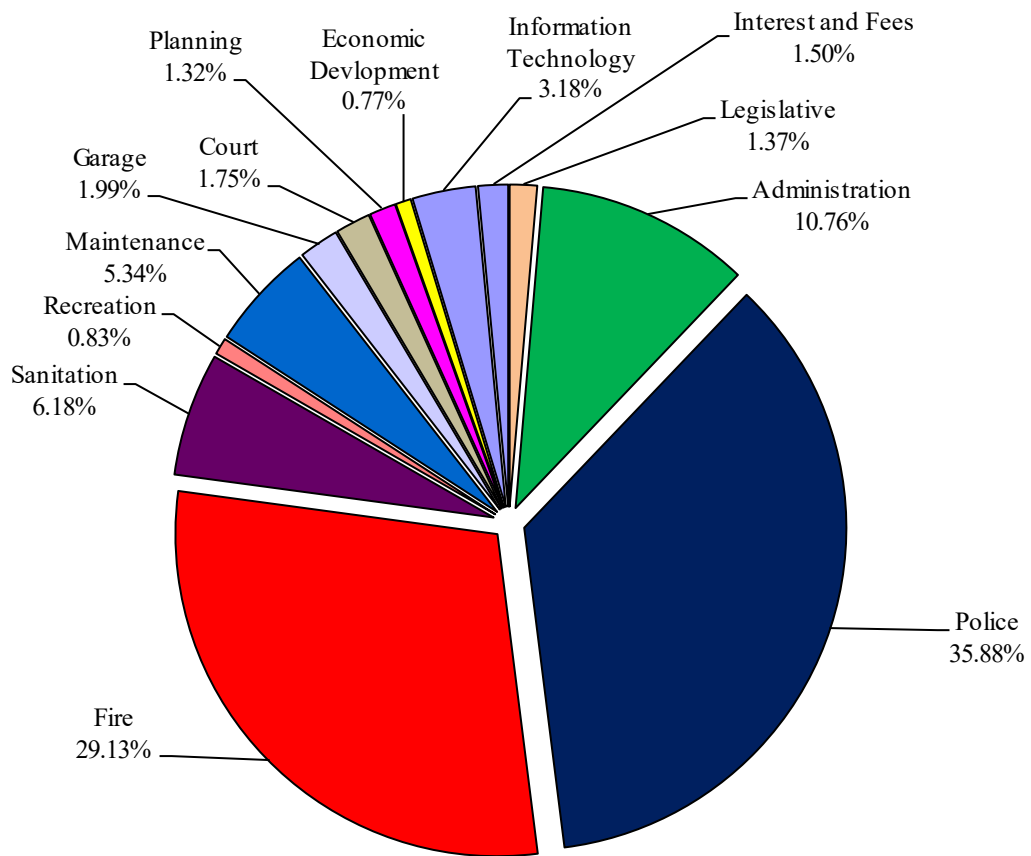
Charges for services were the City's largest program revenue, accounting for \$14,008,868 (46.2%) of total governmental revenues. These charges are for fees related to business licenses, building permits, court fines and E911 fees.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED DECEMBER 31, 2020**

Property tax revenues accounted for \$4,290,180 (14.1%) of governmental revenues. Another component of general revenues that is related to property taxes is the revenue received from local option sales taxes which accounted for \$5,324,892 (17.6%). Franchise fees of \$2,836,814 (9.4%) and the local hospitality tax of two percent of the sales of food and beverages generated \$2,018,313 (6.7%) in revenue. The top five revenue sources combined for a total of at \$28,479,067 (93.9%) of the revenue for the City.

The Police Department program accounted for \$9,044,361 (35.6%) of the \$25,434,770 total expenses for governmental activities. The Fire Department had the next largest program accounting for \$7,344,154 (28.9%) of the total governmental expenditures.

Expenditures by Department



The following table for governmental activities indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services, grants and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Governmental Activities – Cost of Services

	2019		2020		Total Cost of	Total Net Cost
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Services Percentage Change	of Services Percentage Change
Legislative	\$ 296,687	\$ (296,687)	\$ 344,120	\$ (344,120)	15.99%	(15.99%)
Administration	2,556,391	7,988,622	2,713,189	7,637,635	6.13%	(4.39%)
Police	8,176,394	(6,891,286)	9,044,361	(7,887,027)	10.62%	(14.45%)
Fire	6,858,055	(5,928,370)	7,344,154	(6,447,452)	7.09%	(8.76%)
Sanitation	1,778,869	(79,624)	1,559,088	557,321	(12.36%)	799.94%
Recreation	234,253	(234,253)	209,865	(209,865)	(10.41%)	10.41%
Maintenance	1,270,311	(1,270,311)	1,345,658	(1,343,526)	5.93%	(5.76%)
Garage	455,720	(455,720)	502,669	(502,669)	10.30%	(10.30%)
Court	466,814	(466,814)	441,293	(441,293)	(5.47%)	5.47%
Planning	182,386	(182,386)	332,545	(332,545)	82.33%	(82.33%)
Economic Development	168,188	(168,188)	193,195	(193,195)	14.87%	(14.87%)
Human Resources	-	-	225,023	(225,023)	100.00%	(100.00%)
Information Technology	865,062	(865,062)	802,571	(802,571)	(7.22%)	(7.22%)
Interest and Fees	346,639	(346,639)	377,039	(377,039)	8.77%	8.77%
Total Expenses	\$ 23,655,769	\$ (9,196,718)	\$ 25,434,770	\$ (10,911,369)	7.52%	(18.64%)

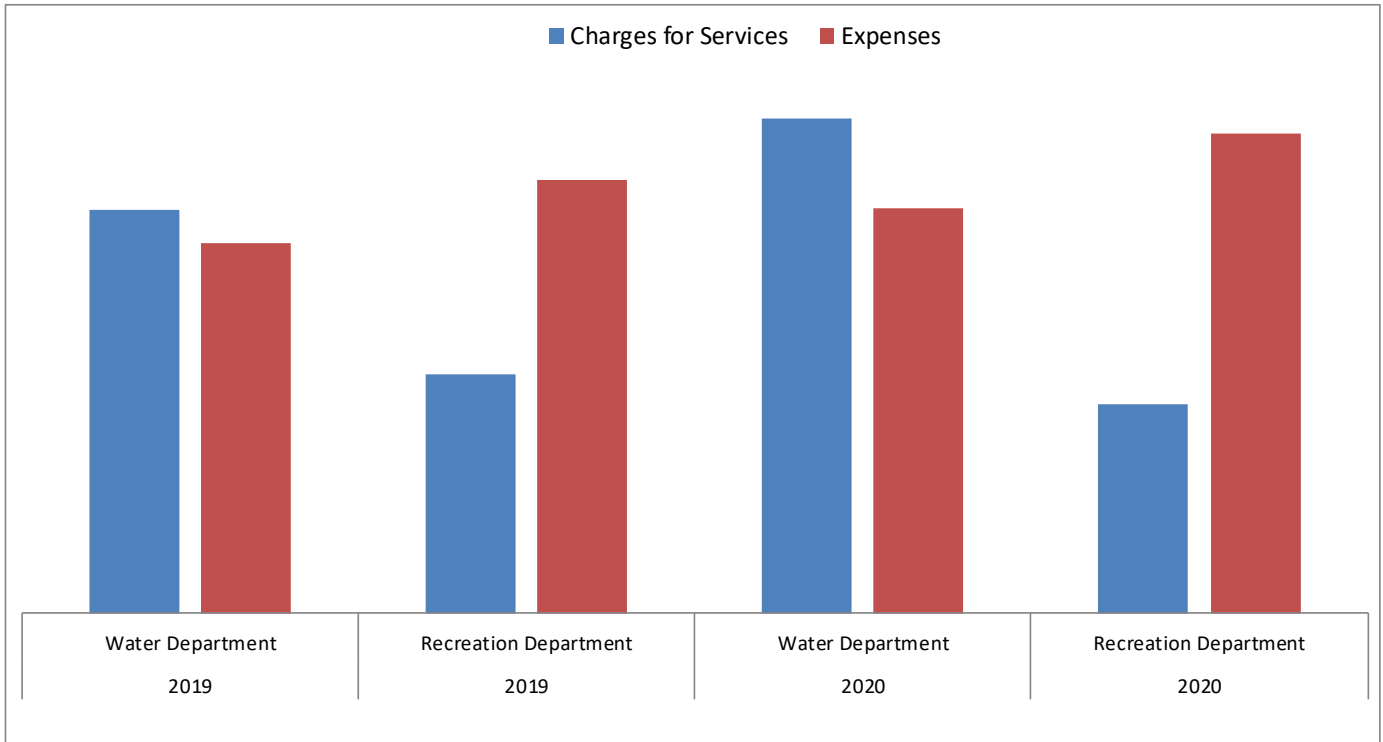
Program revenues from charges for services and operating and capital grants of \$14,523,401 (55.0) of the total costs of services) were received and used to fund the general government expenses of the City. The remaining \$10,911,369 in general government expenses were funded by property taxes, local option sales taxes, hospitality tax, franchise fees, unrestricted grants and other revenue.

Business-type Activities

Charges for services were the City's largest business-type program revenue, accounting for \$7,979,892 (91.3%) of the total business-type activities program revenues. These charges are: water and water services, (i.e. sales of water, tap and impact fees, late charges, administration fees, and fire demand fees) for the water enterprise fund; recreation fund revenue from memberships, recreation fees, class fees and concession stand sales; and memberships, green fees, cart fees, pro shop sales, and food and beverage sales for the golf enterprise fund. The recreation fund received \$2,566,731 during 2020 from the general fund for recreation operations.

The water enterprise fund also had capital contributions of \$755,334 for the water lines which were primarily installed at Carnes Crossing and Cokers Crossing.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**



Financial Analysis of the City of Goose Creek's Funds

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

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

As of December 31, 2020, the City's total governmental funds reported a combined ending fund balance of \$16,621,506. Approximately 45.5% of this total (\$7,562,921) is unassigned fund balance. The remaining fund balances are: nonspendable, \$695,433; restricted, \$6,352,131 committed, \$18,714; and assigned, \$1,992,307. The largest portion of the restricted fund balance is \$2,777,055 for capital projects.

The general fund is the primary operating fund of the City. At the end of the current year the unassigned fund balance of the general fund was \$7,566,099 with a total fund balance of \$10,180,246. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 32.2% of total general fund expenditures, while total fund balance represents 43.3% of that same amount.

The City instituted a two percent hospitality tax on food and beverages in 2014. Revenue generated from the hospitality fee must be used for purposes which include; tourism-related, cultural, recreational or historical facilities. During 2020 \$345,696 was spent for capital projects for the recreation and golf enterprise funds. The hospitality fund revenue for 2020 was \$1,994,596.

The Goose Creek Municipal Finance Corporation is the funding mechanism for the construction of the Headquarters Fire Station and the substation and repayment of the associated debt; all expenditures in 2020 were spent for bond compliance and principal and interest payments.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

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

As stated earlier the business-type activities net position increased by \$2,433,639 primarily due to an increase in gymnastics revenue and some golf course improvements that were funded by hospitality tax fund revenues and the associated transfer in of \$345,696. Another contributing factor for this increase was capital contributions of water lines in the water fund totaled \$755,334. The total change in net position for the funds was an increase of \$1,877,470 in the water department and an increase of \$556,169 in the recreation department. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

Budgetary Highlights

The City's general fund revenues were \$1,272,102 more than budgeted and was primarily due from an increase in licenses and permits as well as charges for services. Expenditures were \$670,062 more than budgeted, which was the result of the purchase of a fire truck with note proceeds from the prior year. The actual increase in the City's general fund balance was \$673,019. The hospitality fund had an increase in fund balance of \$954,892 which was \$673,004 more than what was budgeted. This was primarily due to hospitality tax collections exceeding the budgeted amount by \$226,517 and a decrease in capital outlay expenditures from the prior year due to timing as a result of a COVID-19. The Goose Creek Municipal Finance Corporation had \$5,617,082 in expenditures, which was \$4,964,229 more than budgeted. This was due the debt service expenditures to refinance bonds.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of December 31, 2020, was \$79,524,229 (net of accumulated depreciation). This investment in capital assets includes, land, construction in progress, buildings, improvements, vehicles, computers, software, equipment, mast arms and infrastructure.

Capital Assets and Debt Administration (Continued)

Some of the major capital asset events during the current fiscal year included the following:

- Construction in progress for new parks - \$172,333
- Golf course improvements - \$227,388
- Water system improvements - \$248,921
- Purchase of ten police vehicles - \$320,880
- Purchase of a new fire truck - \$566,696
- Purchase of hardware for IT - \$1117,153
- Purchase of two trucks for the fire department - \$57,331
- Purchase of equipment for the fire department, which included new SCBAs - \$96,324
- Resurfacing the pool in the recreation department - \$57,313
- Resurfacing the tennis courts in the recreation department \$32,200
- Contribution of water lines - \$755,334

Additional information on the City's capital assets can be found in Note 6 – Capital Assets.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

**The City of Goose Creek Capital Assets
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2019	2020	2019	2020	2019	2020	2019 - 2020
Land	\$ 7,961,070	\$ 7,827,736	\$ 1,956,615	\$ 1,956,615	\$ 9,917,685	\$ 9,784,351	(1.3%)
Construction in progress	203,090	178,323	-	172,333	203,090	350,656	72.7%
Buildings	21,919,840	21,266,690	12,385,432	12,060,942	34,305,272	33,327,632	(2.8%)
Improvements	97,023	80,435	376,348	431,931	473,371	512,366	8.2%
Vehicles	2,184,936	3,150,062	124,314	100,279	2,309,250	3,250,341	40.8%
Software	317,026	253,621	-	-	317,026	253,621	0.0%
Mast Arms	453,264	379,381	-	-	453,264	379,381	(16.3%)
Equipment and computers	717,234	829,947	491,772	487,433	1,209,006	1,317,380	9.0%
Streetscape	4,258,481	3,933,003	-	-	4,258,481	3,933,003	(7.6%)
Infrastructure	1,706,570	1,580,116	-	-	1,706,570	1,580,116	(7.4%)
Water System	-	-	23,590,304	23,483,253	23,590,304	23,483,253	(0.5%)
Land Improvements	-	-	1,222,753	1,352,129	1,222,753	1,352,129	10.6%
	\$ 39,818,534	\$ 39,479,314	\$ 40,147,538	\$ 40,044,915	\$ 79,966,072	\$ 79,524,229	(0.6%)

Long-Term Debt - At the end of the current fiscal year, the City had a total long-term debt outstanding of \$18,628,299. The debt does not comprise debt backed by the full faith and credit of the government. The governmental activities debt consists of a revenue bond payable of \$4,889,000 for the construction of two fire stations; a revenue bond of \$6,765,885 for the construction of a recreation facility; a note payable of \$142,836 for the purchase of three sanitation trucks; a note payable for the purchase of a pumper truck \$272,453, a note payable for the purchase of three refuse collection vehicles \$406,808, and a capital lease payable of \$58,289 for the purchase of emergency medical equipment for the fire department. The business-type activities debt includes a note payable of \$5,927,465 for the construction of a water tower and expansion of the water system and capital leases of \$165,563 for the purchase of golf maintenance equipment.

Additional information on the City's long-term debt can be found in Note 8 - Long-Term Debt.

**The City of Goose Creek Outstanding Debt
Revenue Bonds, Notes Payable and Leases Payable**

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2019	2020	2019	2020	2019	2020	2019 - 2020
Revenue bonds	\$ 12,602,058	\$ 11,654,885	\$ -	\$ -	\$ 12,602,058	\$ 11,654,885	(7.5%)
Notes payable	739,555	822,097	6,256,160	5,927,465	6,995,715	6,749,562	(3.5%)
Leases payable	89,317	58,289	254,874	165,563	344,191	223,852	(35.0%)
	\$ 13,430,930	\$ 12,535,271	\$ 6,511,034	\$ 6,093,028	\$ 19,941,964	\$ 18,628,299	(6.6%)

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Economic Factors and Next Year's Budget

The City continues to experience both economic and population growth. According to the City's latest economic development strategic plan, the City population climbed over 45,000 in 2020. This represents a 27.4% increase in population since 2010. Population is expected to reach near 50,000 by 2024.

The City issued 218 fewer business licenses during 2020 than the prior year which is a 5% decrease from the prior year. Business license revenue increased 1% which equated to approximately \$115,301. This was attributable to an increase of \$299,072,615 in reported gross sales by companies doing work within the city limits, which had a positive impact on business license revenue. Building permit revenue decreased \$195,695 from 2019, and 336 more permits were issued, an 11% decrease.

The City issued 378 new housing construction permits, an increase of 13 or 4% over the previous year. The City has development agreements that will provide in excess of over 10,000 new houses and several large commercial development sites over the next twenty years ensuring long term managed growth.

During the current fiscal year, the City's general fund balance increased \$673,019 primarily the result of increased revenues from business licenses, property taxes, and local option sales taxes. The Goose Creek Municipal Finance Corporation Fund's fund balance increased \$138,685, as the result of the refinance of a bond.

The hospitality tax fund balance increased by \$954,892 as the result of the increased hospitality tax collections. The total other governmental fund balances increased by \$1,041,970 which was primarily the result of an increase in impact fees.

The City still maintains the funds necessary to continue to provide quality services to the residents.

Commercial Development continued its rapid pace in the city, with over \$823M in gross taxable sales for the year (Department of Revenue). In addition to existing retail sales growth, new retail and commercial spaces also began operation—including Goose Creek Village, CR Hipp, and new commercial opportunities in Carnes Crossroads.

The city also announced its first brewery, Creek City Grill and Brewery. Creek City will occupy the City's original fire station, which became an obsolete asset with the opening of the new Fire Department Headquarters. The project was an innovative collaboration between the City and private development partners to create a gathering space and fill food and beverage opportunity gaps in the community. Nearly complete, Creek City will open in Summer of 2021.

The City continues its work with CDRA, the County Economic Development Staff, and the SC Department of Commerce to fill the Crowfield Corporate Park with industrial operators. Near the end of 20, several projects with our economic development allies continued in both the Crowfield Corporate Park and other areas throughout town, reflecting our focus not only on traditional economic development, but also on attracting amenity style businesses to the community. This includes several multi-tenant projects along St. James Avenue and within the Carnes Crossroads planned development.

Goose Creek also responded to the Covid-19 crisis as it impacted businesses. City Council began the Kickstart the Creek campaign in response to struggling small businesses within our community. Kickstart the Creek is a working loan program, which is using \$250,000 of unassigned fund balance, set aside to distribute loans of up to \$25,000 to small businesses. The program is a partnership with Charleston LDC, a well-established Community Development Finance Institution, who performs loan examination and administration. So far, the program has assisted two businesses with their working capital needs.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

The City continued a multi-year water system capital improvements project and has been able to replace approximately 950 linear feet of failing asbestos-cement water main with C900 PVC water mains while adding additional fire hydrants to increase fire protection for the residents. Funding for the improvements were provided via the annual water enterprise budget for "Improvements to the System" 800-8015.

The water enterprise fund installed 279 new water taps during 2020 as a result of new housing construction. The radio-read meter upgrade program installation to convert all manual-read water meters to radio-read meters has continued on schedule; 11,426 meters have been installed or converted through 2020, leaving approximately 185 to be converted over the next year for complete the project.

The General Fund 2020 budget is \$1,272,102 (5.0%) higher than the approved 2020 budget for revenues and \$670,062 (2.9%) higher for expenditures. A large portion of the budgeted increase in revenue comes from anticipated increases in property taxes, local option sales taxes, and business licenses. The General Fund 2020 expenditure budget continues to focus on strengthening the police and fire departments as well as funding more municipal services.

Like many municipalities, the City is closely monitoring the effects of the coronavirus and COVID – 19 pandemic. The overall effect on the City has not yet been determined.

Requests for Information

This financial report is designed to provide a general overview of the City of Goose Creek'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 information should be addressed to:

City of Goose Creek
Chief Financial Officer
Post Office Drawer 1768
Goose Creek, South Carolina 29445

CITY OF GOOSE CREEK, SOUTH CAROLINA

**STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 16,505,064	\$ 10,909,009	\$ 27,414,073
Restricted cash	177,302	-	177,302
Receivables, net of allowance:			
Taxes	1,820,430	203,863	2,024,293
Accounts	1,611,397	432,773	2,044,170
Fines	924,917	-	924,917
Due from county treasurer	1,747,890	148,483	1,896,373
Due from other governments	1,837,205	-	1,837,205
Internal balances	24,338	(24,338)	-
Inventories	84,221	119,037	203,258
Prepaid items	611,212	1,890	613,102
Capital assets:			
Non-depreciable	8,006,059	2,128,948	10,135,007
Depreciable, net of accumulated depreciation	31,473,255	37,915,967	69,389,222
Total assets	<u>64,823,290</u>	<u>51,835,632</u>	<u>116,658,922</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions made subsequent to measurement date	1,006,185	215,257	1,221,442
Differences between expected and actual experience related to pension expense	367,476	65,197	432,673
Pension assumption changes	118,086	6,922	125,008
Differences between projected and actual investment earnings	2,079,664	415,627	2,495,291
Changes in proportion and differences between employer contribution and proportionate share of contributions	610,546	164,228	774,774
Total deferred outflows of resources	<u>4,181,957</u>	<u>867,231</u>	<u>5,049,188</u>
LIABILITIES			
Accounts payable	1,150,167	539,033	1,689,200
Accrued salaries and related liabilities	201,541	51,094	252,635
Escrow and retainage payable	76,554	-	76,554
Unearned revenue	-	199,733	199,733
Due to developers	-	91,950	91,950
Accrued interest payable	58,335	26,674	85,009
Noncurrent liabilities:			
Due within one year	1,911,737	576,781	2,488,518
Due in more than one year	10,980,967	5,607,925	16,588,892
Net pension liability - due in more than one year	25,155,806	5,650,282	30,806,088
Total liabilities	<u>39,535,107</u>	<u>12,743,472</u>	<u>52,278,579</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for future years	4,320,839	499,162	4,820,001
Deferred property tax credit	3,266	-	3,266
Business licenses collected in advance	858,613	-	858,613
Differences between expected and actual experience related to pension expense	100,056	21,367	121,423
Changes in proportion and differences between employer contribution and proportionate share of contributions	203,834	-	203,834
Total deferred inflows of resources	<u>5,486,608</u>	<u>520,529</u>	<u>6,007,137</u>
NET POSITION			
Net investment in capital assets	26,944,043	33,951,887	60,895,930
Restricted for:			
Public safety	999,329	-	999,329
Tourism	2,424,020	-	2,424,020
Debt service	151,727	-	151,727
Capital projects	2,777,055	-	2,777,055
Unrestricted	(9,312,642)	5,486,975	(3,825,667)
Total net position	<u>\$ 23,983,532</u>	<u>\$ 39,438,862</u>	<u>\$ 63,422,394</u>

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Legislative	\$ 344,120	\$ -	\$ -	\$ -
Human resources	225,023	-	-	-
Administrative	2,713,189	10,243,417	107,407	-
Police	9,044,361	804,796	203,003	149,535
Fire	7,344,154	844,246	46,890	5,566
Sanitation	1,559,088	2,116,409	-	-
Recreation	209,865	-	-	-
Maintenance	1,345,658	-	-	2,132
Garage	502,669	-	-	-
Court	441,293	-	-	-
Planning	332,545	-	-	-
Economic development	193,195	-	-	-
Information technology	802,571	-	-	-
Interest and fees	377,039	-	-	-
Total governmental activities	<u>25,434,770</u>	<u>14,008,868</u>	<u>357,300</u>	<u>157,233</u>
Business-type activities:				
Water Department	4,589,443	5,608,448	2,461	759,335
Recreation Department	5,442,548	2,371,444	1,362	-
Total business-type activities	<u>\$ 10,031,991</u>	<u>\$ 7,979,892</u>	<u>\$ 3,823</u>	<u>\$ 759,335</u>

General revenues:

Taxes:

Property, including fee in lieu of taxes

Local option sales tax

Hospitality

Franchise

Grants and contributions not restricted to specific programs

Unrestricted revenue from use of money and property

Miscellaneous revenues

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

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

**Net (Expenses) Revenues and
Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (344,120)	\$ -	\$ (344,120)
(225,023)	-	(225,023)
7,637,635	-	7,637,635
(7,887,027)	-	(7,887,027)
(6,447,452)	-	(6,447,452)
557,321	-	557,321
(209,865)	-	(209,865)
(1,343,526)	-	(1,343,526)
(502,669)	-	(502,669)
(441,293)	-	(441,293)
(332,545)	-	(332,545)
(193,195)	-	(193,195)
(802,571)	-	(802,571)
(377,039)	-	(377,039)
<u>(10,911,369)</u>	<u>-</u>	<u>(10,911,369)</u>
-	1,780,801	1,780,801
-	(3,069,742)	(3,069,742)
<u>-</u>	<u>(1,288,941)</u>	<u>(1,288,941)</u>
4,290,180	606,085	4,896,265
5,324,892	-	5,324,892
2,018,313	-	2,018,313
2,836,814	-	2,836,814
878,318	-	878,318
276,656	67,185	343,841
196,384	136,883	333,267
<u>(2,912,427)</u>	<u>2,912,427</u>	<u>-</u>
<u>12,909,130</u>	<u>3,722,580</u>	<u>16,631,710</u>
1,997,761	2,433,639	4,431,400
21,985,771	37,005,223	58,990,994
<u>\$ 23,983,532</u>	<u>\$ 39,438,862</u>	<u>\$ 63,422,394</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General Fund	Local Hospitality Tax Fund	Goose Creek Municipal Finance Corporation	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 13,597,877	\$ 1,940,967	\$ -	\$ 966,220	\$ 16,505,064
Receivables, net of allowance					
Taxes	1,820,430	-	-	-	1,820,430
Accounts	1,421,751	184,794	-	4,852	1,611,397
Fines	786,169	-	-	138,748	924,917
Due from county treasurer	1,747,890	-	-	-	1,747,890
Due from governments	1,769,055	-	-	68,150	1,837,205
Due from other funds	27,848	-	151,727	2,997,272	3,176,847
Inventories	84,221	-	-	-	84,221
Prepaid expenditures	611,212	-	-	-	611,212
Restricted cash	-	177,302	-	-	177,302
Total assets	\$ 21,866,453	\$ 2,303,063	\$ 151,727	\$ 4,175,242	\$ 28,496,485
LIABILITIES					
Accounts payable	\$ 1,143,434	\$ 6,621	\$ -	\$ 112	\$ 1,150,167
Accrued salaries and related liabilities	201,541	-	-	-	201,541
Escrow payable	36,773	-	-	39,781	76,554
Due to other funds	3,148,999	332	-	3,178	3,152,509
Total liabilities	4,530,747	6,953	-	43,071	4,580,771
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	4,320,839	-	-	-	4,320,839
Business licenses collected in advance	3,266	-	-	-	3,266
Deferred property tax credit	858,613	-	-	-	858,613
Unavailable revenue - intergovernmental	1,972,742	-	-	138,748	2,111,490
Total deferred inflows of resources	7,155,460	-	-	138,748	7,294,208
FUND BALANCES					
Nonspendable:					
Inventories and prepaids	695,433	-	-	-	695,433
Restricted for:					
Public safety	-	-	-	999,329	999,329
Tourism	-	2,296,110	-	127,910	2,424,020
Debt service	-	-	151,727	-	151,727
Capital projects	-	-	-	2,777,055	2,777,055
Committed for:					
Tree replacement	18,714	-	-	-	18,714
Assigned for:					
Capital projects	1,900,000	-	-	92,307	1,992,307
Unassigned	7,566,099	-	-	(3,178)	7,562,921
Total fund balances	10,180,246	2,296,110	151,727	3,993,423	16,621,506
Total liabilities, deferred inflows of resources, and fund balances	\$ 21,866,453	\$ 2,303,063	\$ 151,727	\$ 4,175,242	\$ 28,496,485

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020**

Total governmental fund balances:		\$	16,621,506
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds:			
Cost of assets	\$	59,101,540	
Accumulated depreciation		(19,622,226)	
			39,479,314
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported or are deferred in the funds:			
State aid to subdivisions	\$	426,034	
State accommodations tax		21,184	
Fines and forfeitures		924,917	
EMS revenue		739,355	
			2,111,490
Other long-term assets related to pension expense are not available to pay for current expenditures and are; therefore, not reported or are deferred in the funds:			
Contributions made subsequent to measurement date	\$	1,006,185	
Differences between expected and actual experience related to pension expense		367,476	
Pension assumption changes		118,086	
Differences between projected and actual investment earnings		2,079,664	
Changes in proportion and differences between employer contribution and proportionate share of contributions		610,546	
			4,181,957
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds:			
Net pension liabilities	\$	(25,155,806)	
Compensated absences payable		(357,433)	
Accrued interest payable		(58,335)	
Capital leases		(58,289)	
Notes payable		(822,097)	
Revenue bonds		(11,654,885)	
			(38,106,845)
Other long-term liabilities related to pension expense do not consume current financial resources and are, therefore, not reported in the funds:			
Differences between expected and actual experience related to pension expense	\$	(100,056)	
Changes in proportion and differences between employer contribution and proportionate share of contributions		(203,834)	
			(303,890)
Net position of governmental activities		\$	<u>23,983,532</u>

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

CITY OF GOOSE CREEK, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>	<u>Local Hospitality Tax Fund</u>	<u>Goose Creek Municipal Finance Corporation</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Local revenues:					
Property taxes	\$ 4,276,169	\$ -	\$ -	\$ -	\$ 4,276,169
Licenses, permits, and franchise taxes	11,870,045	1,994,596	-	-	13,864,641
Charges for services	3,217,819	-	-	-	3,217,819
Fines and forfeitures	288,949	-	-	71,412	360,361
Miscellaneous	372,899	5,661	132,326	983,077	1,493,963
Total local revenues	<u>20,025,881</u>	<u>2,000,257</u>	<u>132,326</u>	<u>1,054,489</u>	<u>23,212,953</u>
State revenues	6,215,291	-	-	187,252	6,402,543
Federal revenues	350,998	-	-	-	350,998
Total revenues	<u>26,592,170</u>	<u>2,000,257</u>	<u>132,326</u>	<u>1,241,741</u>	<u>29,966,494</u>
Expenditures:					
Current:					
Legislative	321,543	-	-	-	321,543
Human resources	195,109	-	-	-	195,109
Administrative	1,830,638	60,922	113,850	-	2,005,410
Police	8,243,660	-	-	183,111	8,426,771
Fire	5,962,772	-	-	-	5,962,772
Sanitation	1,628,729	-	-	-	1,628,729
Recreation	-	-	-	16,660	16,660
Maintenance	964,705	-	-	-	964,705
Garage	453,171	-	-	-	453,171
Court	388,098	-	-	-	388,098
Planning	301,348	-	-	-	301,348
Economic development	170,858	-	-	-	170,858
Information technology	732,777	-	-	-	732,777
Capital outlay	1,871,191	275,235	-	-	2,146,426
Debt service:					
Principal retirement	423,486	551,334	5,284,839	-	6,259,659
Interest	25,477	157,874	132,878	-	316,229
Issuance costs	-	-	85,515	-	85,515
Total expenditures	<u>23,513,562</u>	<u>1,045,365</u>	<u>5,617,082</u>	<u>199,771</u>	<u>30,375,780</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,078,608</u>	<u>954,892</u>	<u>(5,484,756)</u>	<u>1,041,970</u>	<u>(409,286)</u>
Other financing sources (uses):					
Transfers in	-	-	734,441	-	734,441
Transfers out	(3,301,172)	-	-	-	(3,301,172)
Proceeds from sale of capital assets	394,358	-	-	-	394,358
Insurance proceeds	26,225	-	-	-	26,225
Proceeds from issuance of debt	475,000	-	4,889,000	-	5,364,000
Total other financing sources (uses)	<u>(2,405,589)</u>	<u>-</u>	<u>5,623,441</u>	<u>-</u>	<u>3,217,852</u>
Net change in fund balances	673,019	954,892	138,685	1,041,970	2,808,566
Fund balances, beginning of year	<u>9,507,227</u>	<u>1,341,218</u>	<u>13,042</u>	<u>2,951,453</u>	<u>13,812,940</u>
Fund balances, end of year	<u>\$ 10,180,246</u>	<u>\$ 2,296,110</u>	<u>\$ 151,727</u>	<u>\$ 3,993,423</u>	<u>\$ 16,621,506</u>

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

CITY OF GOOSE CREEK, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

Net change in fund balances - total governmental funds \$ 2,808,566

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 as depreciation expense. This is the amount by which depreciation expense and contribution of capital assets exceeded capital outlay in the current period.

Capital outlay	\$ 2,146,426	
Donated capital assets	5,615	
Depreciation expense	(1,932,450)	
Contribution of capital assets to business-type activities	(345,696)	(126,105)

In the Statement of Activities, the gain or loss on disposal of capital assets is reported. Conversely, governmental funds report only proceeds from disposal of capital assets. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold or disposed.

Cost of capital assets	\$ (953,216)	
Accumulated depreciation	740,101	(213,115)

Because some revenues will not be collected for several months after the City's fiscal year end, they are not considered "available" revenues in the governmental funds.

Amounts not meeting prior year availability criteria, recognized in governmental funds in current year:

State aid to subdivisions	\$ (426,036)	
State accommodations tax	(19,252)	
Fines and forfeitures	(737,808)	
EMS revenue	(549,930)	

Amounts not meeting current year availability criteria, not recognized in governmental funds in current year:

State aid to subdivisions	\$ 426,034	
State accommodations tax	21,184	
Fines and forfeitures	924,917	
EMS revenue	739,355	378,464

The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Issuance of debt	\$ (5,364,000)	
Repayment of debt	6,259,659	895,659

Pension expense that is related to net pension liability as recorded in the Statement of Activities is based on the City's proportionate share of pension expense of the retirement system as a whole, whereas pension expense recorded in the funds are based on the use of financial resource (e.g., required contributions). Thus the change in net position differs from the change in fund balance by the amount by which the City's proportionate share of pension expense exceeds actual contributions.

(1,661,321)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The details are as follows:

Compensated absences:		
Current year	\$ (357,433)	
Prior year	248,341	
Accrued interest expense:		
Current year	(58,335)	
Prior year	83,040	(84,387)

Change in net position of governmental activities \$ 1,997,761

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

**STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

ASSETS	Water Department	Recreation Department	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 7,592,661	\$ 3,316,348	\$ 10,909,009
Accounts receivable, net of allowance	416,716	16,057	432,773
Taxes receivable, net of allowance	-	203,863	203,863
Due from county treasurer	-	148,483	148,483
Inventories	88,998	30,039	119,037
Prepaid items	-	1,890	1,890
Total current assets	<u>8,098,375</u>	<u>3,716,680</u>	<u>11,815,055</u>
NONCURRENT ASSETS			
Capital assets:			
Non-depreciable	-	2,128,948	2,128,948
Depreciable, net of accumulated depreciation	23,639,138	14,276,829	37,915,967
Total noncurrent assets	<u>23,639,138</u>	<u>16,405,777</u>	<u>40,044,915</u>
Total assets	<u>31,737,513</u>	<u>20,122,457</u>	<u>51,859,970</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions made subsequent to measurement date	61,042	154,215	215,257
Differences between expected and actual experience related to pension expense	18,489	46,708	65,197
Pension assumption changes	1,963	4,959	6,922
Differences between projected and actual investment earnings	117,862	297,765	415,627
Changes in proportion and differences between employer contribution and proportionate share of contributions	46,571	117,657	164,228
Total deferred outflows of resources	<u>245,927</u>	<u>621,304</u>	<u>867,231</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	138,414	400,619	539,033
Accrued salaries and related liabilities	17,431	33,663	51,094
Accrued interest	26,674	-	26,674
Compensated absences payable	23,757	67,921	91,678
Due to other funds	24,338	-	24,338
Unearned revenue	63,650	136,083	199,733
Due to developers	91,950	-	91,950
Current portion of notes payable	334,652	-	334,652
Current portion of lease payable	-	150,451	150,451
Total current liabilities	<u>720,866</u>	<u>788,737</u>	<u>1,509,603</u>
LONG-TERM LIABILITIES			
Net pension liability	1,602,285	4,047,997	5,650,282
Long-term portion of notes payable	5,592,813	-	5,592,813
Long-term portion of lease payable	-	15,112	15,112
Total long-term liabilities	<u>7,195,098</u>	<u>4,063,109</u>	<u>11,258,207</u>
Total liabilities	<u>7,915,964</u>	<u>4,851,846</u>	<u>12,767,810</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for future years	-	499,162	499,162
Differences between expected and actual experience related to pension expense	6,059	15,308	21,367
Total deferred inflows of resources	<u>6,059</u>	<u>514,470</u>	<u>520,529</u>
NET POSITION			
Net investment in capital assets	17,711,673	16,240,214	33,951,887
Unrestricted	6,349,744	(862,769)	5,486,975
Total net position	<u>\$ 24,061,417</u>	<u>\$ 15,377,445</u>	<u>\$ 39,438,862</u>

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Water Department</u>	<u>Recreation Department</u>	<u>Total</u>
OPERATING REVENUE			
Property taxes	\$ -	\$ 606,085	\$ 606,085
Charges for services and sales	5,608,448	2,371,444	7,979,892
Miscellaneous	48,756	88,127	136,883
Total operating revenues	<u>5,657,204</u>	<u>3,065,656</u>	<u>8,722,860</u>
OPERATING EXPENSES			
Salaries and related expenses	1,087,536	3,190,357	4,277,893
Cost of goods sold	1,464,206	239,346	1,703,552
Administrative	214,789	279,338	494,127
Contractual services	154,081	389,188	543,269
Materials and supplies	215,103	313,429	528,532
Repairs and maintenance	110,954	136,116	247,070
Depreciation	1,183,798	558,702	1,742,500
Utilities	50,055	322,945	373,000
Total operating expenses	<u>4,480,522</u>	<u>5,429,421</u>	<u>9,909,943</u>
Operating income (loss)	<u>1,176,682</u>	<u>(2,363,765)</u>	<u>(1,187,083)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	47,913	19,272	67,185
Interest expense	(108,921)	(13,127)	(122,048)
Intergovernmental revenue	6,462	1,362	7,824
Total non-operating revenues (expenses)	<u>(54,546)</u>	<u>7,507</u>	<u>(47,039)</u>
Income (loss) before capital contributions and transfers	1,122,136	(2,356,258)	(1,234,122)
Capital contributions	755,334	345,696	1,101,030
Transfers in	-	2,566,731	2,566,731
Total capital contributions and transfers	<u>755,334</u>	<u>2,912,427</u>	<u>3,667,761</u>
Net change in fund balances	1,877,470	556,169	2,433,639
Net position, beginning of year	<u>22,183,947</u>	<u>14,821,276</u>	<u>37,005,223</u>
Net position, end of year	<u>\$ 24,061,417</u>	<u>\$ 15,377,445</u>	<u>\$ 39,438,862</u>

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

	Water Department	Recreation Department	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 5,684,775	\$ 3,104,046	\$ 8,788,821
Cash paid to suppliers	(2,315,018)	(1,641,749)	(3,956,767)
Cash paid to employees	(1,196,140)	(2,959,520)	(4,155,660)
Internal activity-payments from other funds	88,364	(386,287)	(297,923)
Net cash provided by (used in) operating activities	<u>2,261,981</u>	<u>(1,883,510)</u>	<u>378,471</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	<u>-</u>	<u>2,566,731</u>	<u>2,566,731</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>2,566,731</u>	<u>2,566,731</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from issuance of capital leases	-	25,908	25,908
Principal paid on capital leases	-	(115,219)	(115,219)
Principal paid on notes payable	(328,695)	-	(328,695)
Proceeds from intergovernmental grants	6,462	1,362	7,824
Payment of interest expense	(110,400)	(13,127)	(123,527)
Acquisition and construction of capital assets	<u>(282,042)</u>	<u>(256,805)</u>	<u>(538,847)</u>
Net cash used in capital and related financing activities	<u>(714,675)</u>	<u>(357,881)</u>	<u>(1,072,556)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earned on investments	<u>47,913</u>	<u>19,272</u>	<u>67,185</u>
Net cash provided by investing activities	<u>47,913</u>	<u>19,272</u>	<u>67,185</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,595,219	344,612	1,939,831
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,997,442</u>	<u>2,971,736</u>	<u>8,969,178</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 7,592,661</u>	<u>\$ 3,316,348</u>	<u>\$ 10,909,009</u>

(Continued)

CITY OF GOOSE CREEK, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE - ENTERPRISE FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Water Department</u>	<u>Recreation Department</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,176,682	\$ (2,363,765)	\$ (1,187,083)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,183,798	558,702	1,742,500
Provision for allowance for uncollectible	21,611	(2,414)	19,197
(Increase) decrease in:			
Accounts and taxes receivables	(16,690)	(15,828)	(32,518)
Due from county treasurer	-	513	513
Inventory	14,288	(1,886)	12,402
Prepaid items	-	6,810	6,810
Deferred outflows of resources	(74,561)	(259,160)	(333,721)
Increase (decrease) in:			
Accounts payable	(120,118)	33,689	(86,429)
Accrued salaries and compensated absences payable	(13,607)	(28,174)	(41,781)
Due to/from other funds	88,364	(386,287)	(297,923)
Net pension liability	(16,832)	527,667	510,835
Deferred inflows of resources	(3,604)	20,065	16,461
Unearned revenue	22,650	26,558	49,208
Total adjustments	<u>1,085,299</u>	<u>480,255</u>	<u>1,565,554</u>
Net cash provided by (used in) operating activities	<u>\$ 2,261,981</u>	<u>\$ (1,883,510)</u>	<u>\$ 378,471</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributed capital assets	\$ 755,334	\$ -	\$ 755,334
Purchase of capital assets by other funds	-	345,696	345,696
	<u>\$ 755,334</u>	<u>\$ 345,696</u>	<u>\$ 1,101,030</u>

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2020

	<u>Custodial Fund</u>
	<u>Fireman's 1%</u>
ASSETS	
Cash and cash equivalents	\$ 85,084
Total assets	<u>85,084</u>
LIABILITIES	
Due to others	<u>215</u>
Total liabilities	<u>215</u>
NET POSITION	
Restricted:	
Individuals, organizations, and other governments	<u>84,869</u>
Total net position	<u>\$ 84,869</u>

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Custodial Fund</u>
	<u>Fireman's 1%</u>
ADDITIONS	
Insurance premium tax	\$ 78,447
Miscellaneous	150
Total additions	<u>78,597</u>
DEDUCTIONS	
Fees paid to other governments	56,077
Other custodial disbursements	<u>16,071</u>
Total deductions	<u>72,148</u>
Change in net position	6,449
NET POSITION, beginning of year	<u>78,420</u>
NET POSITION, end of year	<u><u>\$ 84,869</u></u>

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

CITY OF GOOSE CREEK, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City operates under a charter originally granted by the State of South Carolina on March 22, 1961. The City was incorporated according to Section 47-22 of the 1962 Code, as amended, on May 6, 1976. The City adopted the Mayor-Council form of government as described in the Code of Laws of South Carolina 1976, Section 5-9-40. The Mayor and six-member Council for the City serve overlapping terms of four years.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 61, which defines a primary government as an entity with a governing body elected in a general election and which is legally separate and fiscally independent. Any entity which does not meet the above criteria is potentially a component unit of a primary government. The City is a legally separate and fiscally independent entity whose governing body is a council whose members are elected in a general election and should therefore be considered a primary government. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

In conformity with generally accepted accounting principles, the financial statements of the component unit have been included in the financial reporting entity as a blended component unit. Blended component units, although legally separate entities, are in substance, part of the government's operations, and so data from these units are appropriately presented as funds of the primary government.

Blended Component Unit

The Goose Creek Municipal Finance Corporation (the "Corporation") is a separately administered organization controlled by and dependent on the City. The Corporation is a South Carolina not-for-profit corporation and is exempt from income taxation under Internal Revenue Code Section 501(c)(3). The Corporation has been organized exclusively for public and charitable purposes, specifically to carry out the acquisition and construction of capital assets, issuance of bonds to finance the construction of the capital projects, and to own and lease the facilities to the City for essential governmental functions in connection with tax exempt lease purchase financing of such facilities.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Board of Directors of the Corporation are:

<u>Name</u>	<u>Officer</u>
Natalie Zeigler – City Administrator	President
Gregory Habib – Mayor	Vice President
Tyler Howanyk – Finance Director	Treasurer/Secretary

The Goose Creek Municipal Finance Corporation is reported as a Capital Projects Fund and does not issue separate financial statements.

B. Government-wide and Fund Financial Statements

Government-wide 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. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable, when applicable.

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.

Fund Financial Statements

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Major Funds

The City reports the following major governmental funds:

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

The *Local Hospitality Tax Fund* is a special revenue fund used to account for taxes collected on the sales of prepared meals and beverages sold in establishments. The expenditures of these taxes must be related to or for the promotion of tourism.

The *Goose Creek Municipal Finance Corporation* is a blended component unit of the City, reported as a capital projects fund. It accounts for the issuance of bonds to finance the construction of a fire station and fire station headquarters and to own and lease the facilities to the City for essential government functions in connection with the tax exempt lease purchase financing of such facilities.

The City reports the following major proprietary funds:

The *Water Department Fund* accounts for the operations and maintenance of the water distribution system owned by the City.

The *Recreation Department Fund* accounts for the operations and maintenance of the recreation facilities managed by the City as well as the Crowfield Golf Club.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Nonmajor Funds

In addition, the City reports the following fund types:

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

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital projects, other than those financed by proprietary funds.

The *Fiduciary Fund* is used to account for assets held by the government in a trustee capacity or as an agent on behalf of others. The Fiduciary fund is custodial in nature and is not reflected in the government-wide financial statements because the resources are not available to support the City's own programs.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds, when applicable) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

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

The government-wide financial statements and proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Revenue from grants, entitlements and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State-levied locally shared taxes are recognized as revenue in the year appropriated by the state.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are considered to be measurable if the amount is known or reasonably estimable at year-end. The following revenue sources are deemed both measurable and available if collected within 60 days of year-end: delinquent property taxes, investment earnings, fines and forfeitures, state-levied locally shared taxes, insurance taxes, certain charges for services such as sanitation fees, and grant revenues for which all eligibility requirements imposed by the provider have been met. Permits, vehicle and some franchise taxes, licenses, and miscellaneous revenues, although they may be available within 60 days of year-end are considered to be measurable only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Proceeds of general long-term debt and proceeds for acquisitions under capital leases are reported as other financing sources.

The fiduciary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Cash and Cash Equivalents

The *deposits* classification is used only in the notes, not on the face of the statement of net position or balance sheet. Deposits include only cash on hand, pooled money market funds and certificates of deposit.

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

E. Investments

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. 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.

The City did not have any investments as of December 31, 2020.

F. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/payables, i.e., the current portion of interfund loans, or advances to/from other funds, i.e., the noncurrent portion of interfund loans. All other outstanding balances between funds are reported as due to/from other funds.

Advances between funds are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Taxes receivable shown are comprised of delinquent real property taxes, net of an allowance for uncollectible accounts, and the January 2020 property tax assessment levied for the 2021 fiscal year, which is deferred in the General Fund and the Recreation Department Enterprise Fund. The current property tax receivable allowance for uncollectible accounts is estimated at one percent of the current property tax levy.

All trade and accounts receivable are reported net of an allowance for the uncollectible amounts. The City computes the allowance for uncollectible amounts based on an estimate of collections within each aging category of receivables.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories and Prepaid Items

Inventories of the General Fund are valued at cost determined by the first-in, first-out method. The consumption method of accounting is used to record inventories under which the cost of inventory is recorded as an expenditure when consumed rather than when purchased. Inventory items consist of various types of fuel and replacement parts for vehicles and equipment.

Inventories of the Enterprise Funds are recorded at cost determined by the first-in, first-out method. Inventory items consist of supplies used to install water systems and merchandise to be sold at the Crowfield Golf Club.

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

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets and infrastructure are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Assets with individual values under \$5,000 are considered capital assets if purchased in bulk and acquired by issuance of capital lease obligations. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their respective acquisition value at the date of donation.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of enterprise fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Interest incurred during construction of governmental-type activities is not capitalized. All reported capital assets except land and construction in progress are depreciated. Useful lives for infrastructure are estimated based on the City's historical records of necessary improvements and replacements. Depreciation is provided using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings	40-50
Improvements	15-30
Land improvements	10-20
Vehicles	5-15
Software	5
Mast arms	20
Equipment and computers	5-15
Water systems	20-40
Streetscapes	5-20
Infrastructure	20-30

I. Impact Fee

According to City Ordinance 88-12, any person seeking to develop land shall pay an impact fee, which is accounted for in the Impact Fee Special Revenue Fund. Expenditures from the fund shall be made in the order in which they are collected. The disbursement of funds shall require the approval of City Council upon recommendation of the City Administrator or its designee. Eligible system improvement costs shall be limited to design construction plan preparation; right-of-way acquisition; construction of new facilities; purchase of equipment greater than \$10,000, construction of new drainage facilities associated with capital improvements; principle and interest payments on bonds or indebtedness issued by or on behalf of the City for financing any or all public facilities. Impact fees not obligated for expenditure within three years of the date they are scheduled to be expended in the City of Goose Creek Capital Improvements Plan shall be returned, with actual interest earned, to the record owner of the property for which the fees were collected, on a first-in, first-out basis.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources and Unearned Revenue

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has five items that qualify for reporting in this category, which are related to pension obligations as follows:

1. Pension contributions made subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the subsequent year.
2. The net difference between the projected and actual earnings on pension plan investments, which is deferred and amortized over a closed five-year period.
3. The differences between expected and actual experience is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
4. Changes in actuarial assumptions adjust the net pension liability and are amortized into pension expense over the expected remaining service lives of plan members.
5. The changes in proportion and differences between employer contribution and proportionate share of contributions, which will be deferred and amortized over the remaining service lives of all plan participants.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

1. Business licenses collected and property taxes billed and/or collected in advance of the year for which levied or imposed.
2. The differences between expected and actual experience is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
3. The changes in proportion and differences between employer contribution and proportionate share of contributions, which will be deferred and amortized over the remaining service lives of all plan participants.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources and Unearned Revenue (Continued)

Deferred Inflows of Resources (Continued)

The government also has inflows which arise under the modified accrual basis of accounting that qualify for reporting in this category. The item, *unavailable revenue*, is reported only in the governmental funds balance sheet. As such, under the modified accrual basis of accounting, the governmental funds report unavailable revenues from state aid to subdivisions, uncollected EMS fees, and court fines and forfeitures. These amounts are deferred and recognized as an inflow of resources in the period that the amount became available.

Unearned Revenue

The City also defers revenue recognition in connection with resources that have been billed or received, but not yet earned, such as memberships and gift certificates, when applicable.

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS) and additions to/deductions from the SCRS's and PORS's fiduciary net position have been determined on the accrual basis of accounting as they are reported by SCRS and PORS, respectively, in accordance with Generally Accepted Accounting Principles (GAAP). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Net Position and Fund Balance

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Net Position and Fund Balance (Continued)

Fund Balance (Continued)

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws and regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution or passage of an ordinance. Only the City Council may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by council or by an official or body to which City Council delegates the authority. The City Council has delegated such authority to the City Administrator.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Fund Balance Policy – The City strives to maintain a minimum unassigned fund balance and unrestricted net position in various funds for the purpose of floating the City's operations in times of temporary cash flow shortages, emergencies, unanticipated economic downturns, and one time opportunities.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Net Position and Fund Balance (Continued)

The minimum fund balances are based on a percentage of the subsequent years budgeted expenditures in the fund. The minimum fund balances are as follows:

General Fund	25%
Water Department Enterprise Fund	20%
Recreation Department Enterprise Fund	10%

M. Accounting Estimates

The preparation of financial statements in accordance with GAAP requires the City's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. Revenues and Expenditures/Expenses

Program Revenues - Amounts reported as program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes and Sanitation Fees - Property taxes attach as an enforceable lien on property as of January 1 of the current year. Taxes are levied and billed the following September on all property other than vehicles and are payable without penalty by January 15th of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16th – 3%; February 2nd – an additional 7%; March 16th – an additional 5%. If not paid by October 1st, the property is subject to sale by the Berkeley County Delinquent Tax Office. Berkeley County bills and collects current and delinquent property taxes under contractual agreements with the City. The City tax revenues are recognized in the period for which they are levied; therefore, revenue recognition is deferred. Taxes on licensed motor vehicles are levied during the month when the taxpayer's license is up for renewal and are, therefore, recognized as revenue when cash is received by the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Revenues and Expenditures/Expenses (Continued)

Taxes recognized as revenue and used for the 2020 calendar year are based on property assessed as of July, 2019, and billed in September 2019. The City tax rate to finance general governmental services for the year ended December 31, 2020, was set at 47.5 mills (\$4.75 per \$100 assessed valuation) for general uses and purposes of the City. The assessed valuation of properties, exclusive of vehicles (valued at \$18,425,140), within the City's district as of December 31, 2020, was \$161,391,820 according to records of the Berkeley County Auditor. The City's levy on property assessed as of July 2020, and billed in September 2020, will generate taxes to be used for the 2021 calendar year. Although a receivable is recorded at December 31, 2020, such revenue is recorded as a deferred inflow of resources.

The City levies the sanitation fees for permanent improvements and for the purpose of paying current expenditures of the City. Revenue is recognized when fees are received during the current calendar year or within 60 days subsequent to year-end. The sanitation fee rate is \$135 on every single-family occupied residential lot within the corporate limits of the City. Berkeley County bills and collects sanitation fees under a contractual agreement with the City.

O. Compensated Absences

Vacation – The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave – Accumulated sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists.

P. Proprietary Funds Operating and Non-operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The City's business-type activities accounted for in proprietary funds are chiefly water sales and services, recreation services and property taxes levied to support recreational activities, and golf memberships and fees. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Appropriations

For the year ended December 31, 2020, expenditures exceeded appropriations for the following functions:

<u>Fund</u>	<u>Function</u>	<u>Excess Expenditures</u>
General	Legislative	\$ 48,621
	Administrative	192,284
	Garage	27,002
	Capital outlay	1,176,770
	Debt service	4,521
Local Hospitality Tax Fund	Administrative	\$ 45,922
Goose Creek Municipal Finance Corporation	Administrative	\$ 113,850
	Debt service	4,850,379

The over expenditures in the General Fund, the Local Hospitality Tax Fund, and the Goose Creek Municipal Finance Corporation Fund were funded by greater than anticipated revenues and transfers in from other funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments as of December 31, 2020, are summarized as follows:

Statement of Net Position:	
Cash	\$ 27,414,073
Restricted cash	177,302
Total cash	<u>27,591,375</u>
Statement of Fiduciary Net Position	
Cash	85,084
	<u>\$ 27,676,459</u>
Cash deposited with financial institutions	\$ 7,585,764
South Carolina Local Governmental Investment Pool	20,090,695
	<u>\$ 27,676,459</u>

At December 31, 2020, the City's pooled cash included local government pools, which is managed by the State of South Carolina. The fair value of its position in the pool is the same as the value of the pool shares.

Under State law, the City is authorized to hold funds in deposit accounts with banking institutions and invest funds in the following items: obligations of the United States and agencies thereof, obligations of the State of South Carolina or any of its political units, banks and savings and loan associations to the extent insured by an agency of the federal government, and/or certificates of deposit where the certificates are federally insured or collaterally secured by collateral of the types in the previously mentioned items.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a policy for custodial credit risk. However, South Carolina state statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina and political subdivisions of South Carolina, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation. As of December 31, 2020, the City's bank balance of \$8,386,998 was fully insured or collateralized by government investments held by the pledging financial institution's trust department or agent in the City's name.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (COTINUED)

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has adopted an investment policy in accordance with state statutes, which authorizes the City to invest in the following:

1. Obligations of the United States and agencies thereof;
2. Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations;
3. General obligations of the State of South Carolina or any of its political units;
4. Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation;
5. Certificates of deposit and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and
6. No-load open and closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

In addition, South Carolina state statutes authorize the City to invest in the South Carolina Local Government Investment Pool (LGIP). The LGIP is an investment trust fund created by state legislation, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The LGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized rating services.

As of December 31, 2020, the City did not have any investments.

Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer.

Custodial Credit Risk – Investments

For investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City does not have a formal investment policy to address custodial credit risk.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables as of December 31, 2020, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds			Enterprise Funds	
	General Fund	Local Hospitality Tax Fund	Nonmajor Governmental Funds	Water Department	Recreation Department
Receivables:					
Current taxes	\$ 1,657,825	\$ -	\$ -	\$ -	\$ 208,905
Delinquent taxes	233,398	-	-	-	39,624
Sanitation fees	206,250	-	-	-	-
Total taxes	2,097,473	-	-	-	248,529
Fines	1,473,265	-	278,247	-	-
Accounts	1,839,151	184,794	4,852	826,407	16,057
			-		
Gross receivables	5,409,889	184,794	283,099	826,407	264,586
Less allowance for uncollectibles					
Taxes	(277,043)	-	-	-	(44,666)
Fines	(687,096)	-	(139,499)	-	-
Accounts	(417,400)	-	-	(409,691)	-
Total allowance	(1,381,539)	-	(139,499)	(409,691)	(44,666)
Net receivables	\$ 4,028,350	\$ 184,794	\$ 143,600	\$ 416,716	\$ 219,920

NOTES TO FINANCIAL STATEMENTS

NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2020, is as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
Governmental Funds		
Major		
General Fund	\$ 27,848	\$ 3,148,999
Local Hospitality Fund	-	332
Goose Creek Municipal Finance Corporation	151,727	-
Nonmajor	2,997,272	3,178
Enterprise Funds		
Water Department	-	24,338
	\$ 3,176,847	\$ 3,176,847

Interfund balances largely result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The composition of interfund transfers for the year ended December 31, 2020, is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
Major		
General Fund	\$ -	\$ 3,301,172
Goose Creek Municipal Finance Corporation	734,441	-
Total Governmental Funds	734,441	3,301,172
Enterprise Funds		
Recreation Department	2,566,731	-
Total Enterprise Funds	2,566,731	-
Total Transfers	\$ 3,301,172	\$ 3,301,172

Transfers are used (1) to move revenues from the fund that a statute or budget requires to collect them to the fund that a statute or budget requires to expend them, and (2) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The City also transferred capital assets of \$345,696 from governmental activities to its business-type activities as noted on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2020, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 7,961,070	\$ -	\$ (133,334)	\$ -	\$ 7,827,736
Construction in progress	203,090	383,099	(55,210)	(352,656)	178,323
Total	<u>8,164,160</u>	<u>383,099</u>	<u>(188,544)</u>	<u>(352,656)</u>	<u>8,006,059</u>
Capital assets, being depreciated:					
Buildings	28,258,565	-	(104,190)	-	28,154,375
Improvements	1,270,755	-	(13,324)	-	1,257,431
Vehicles	6,505,130	1,459,562	(411,583)	(30,341)	7,522,768
Mast arms	1,463,006	-	-	-	1,463,006
Equipment and computers	2,626,345	309,380	(235,575)	6,960	2,707,110
Streetscapes	6,473,908	-	-	-	6,473,908
Software	317,026	-	-	-	317,026
Infrastructure	3,199,857	-	-	-	3,199,857
Total	<u>50,114,592</u>	<u>1,768,942</u>	<u>(764,672)</u>	<u>(23,381)</u>	<u>51,095,481</u>
Less accumulated depreciation for:					
Buildings	(6,338,725)	(637,521)	88,561	-	(6,887,685)
Improvements	(1,173,732)	(16,588)	13,324	-	(1,176,996)
Vehicles	(4,320,194)	(494,436)	411,583	30,341	(4,372,706)
Mast arms	(1,009,742)	(73,883)	-	-	(1,083,625)
Equipment and computers	(1,909,111)	(194,685)	226,633	-	(1,877,163)
Streetscapes	(2,215,427)	(325,478)	-	-	(2,540,905)
Software	-	(63,405)	-	-	(63,405)
Infrastructure	(1,493,287)	(126,454)	-	-	(1,619,741)
Total	<u>(18,460,218)</u>	<u>(1,932,450)</u>	<u>740,101</u>	<u>30,341</u>	<u>(19,622,226)</u>
Total capital assets, being depreciated, net	<u>31,654,374</u>	<u>(163,508)</u>	<u>(24,571)</u>	<u>6,960</u>	<u>31,473,255</u>
Governmental activities capital assets, net	<u>\$ 39,818,534</u>	<u>\$ 219,591</u>	<u>\$ (213,115)</u>	<u>\$ (345,696)</u>	<u>\$ 39,479,314</u>

Included in current year additions are donated capital assets of \$5,615.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the business-type activities for the year ended December 31, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 1,956,615	\$ -	\$ -	\$ -	\$ 1,956,615
Construction in progress	-	54,025	-	118,308	172,333
Total	<u>1,956,615</u>	<u>54,025</u>	<u>-</u>	<u>118,308</u>	<u>2,128,948</u>
Capital assets, being depreciated:					
Buildings	14,698,657	-	(31,660)	-	14,666,997
Improvements	752,655	89,513	(19,577)	-	822,591
Land improvements	2,177,019	-	-	227,388	2,404,407
Vehicles	497,383	20,498	(33,654)	30,341	514,568
Software	39,204	-	-	-	39,204
Equipment	1,241,754	125,890	-	-	1,367,644
Water system	35,722,756	1,004,255	-	-	36,727,011
Total	<u>55,129,428</u>	<u>1,240,156</u>	<u>(84,891)</u>	<u>257,729</u>	<u>56,542,422</u>
Less accumulated depreciation for:					
Buildings	(2,313,225)	(324,490)	31,660	-	(2,606,055)
Improvements	(376,307)	(33,930)	19,577	-	(390,660)
Land improvements	(954,266)	(98,012)	-	-	(1,052,278)
Vehicles	(373,069)	(44,533)	33,654	(30,341)	(414,289)
Software	(39,204)	-	-	-	(39,204)
Equipment	(749,982)	(130,229)	-	-	(880,211)
Water system	(12,132,452)	(1,111,306)	-	-	(13,243,758)
Total	<u>(16,938,505)</u>	<u>(1,742,500)</u>	<u>84,891</u>	<u>(30,341)</u>	<u>(18,626,455)</u>
Total capital assets, being depreciated, net	<u>38,190,923</u>	<u>(502,344)</u>	<u>-</u>	<u>227,388</u>	<u>37,915,967</u>
Business-type activities capital assets, net	<u>\$ 40,147,538</u>	<u>\$ (448,319)</u>	<u>\$ -</u>	<u>\$ 345,696</u>	<u>\$ 40,044,915</u>

Included in current year additions are contributed water systems in the amount of \$755,334.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities	
Administrative	\$ 509,883
Police	331,142
Fire	588,286
Sanitation	125,381
Recreation	193,205
Maintenance	154,187
Garage	5,953
Information technology	24,413
Total depreciation expense - governmental activities	\$ 1,932,450
Business-type activities	
Water Department	\$ 1,183,798
Recreation Department	558,702
Total depreciation expense - business-type activities	\$ 1,742,500

NOTE 7. UNAVAILABLE REVENUE

The components of unavailable intergovernmental revenue in the Balance Sheet-Governmental Funds as of December 31, 2020, are as follows:

	General	Nonmajor Governmental Funds
Unavailable revenue:		
State aid to subdivisions	\$ 426,034	\$ -
State accommodations tax	21,184	-
Fines and forfeitures	786,169	138,748
EMS revenue	739,355	-
Total unavailable	\$ 1,972,742	\$ 138,748

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES

The City has the following forms of long-term indebtedness:

Lease Obligations – The City has entered into lease-purchase agreements for golf maintenance equipment and gym fitness equipment accounted for in the Recreation Department Fund and fire/paramedic equipment accounted for the City’s governmental activities. Debt service expenditures including principal and interest are reported in the General Fund.

Revenue Bonds – The Installment Revenue Repurchase Bonds are funded by the General Fund and were used for the construction of a fire station and fire headquarters, and the Special Obligation Bonds (Hospitality Fee Pledge) are funded by the Hospitality Tax Fund and were used for the construction of a recreation activity center.

Notes Payable – The City has entered into various note payable agreements with a financial institution for the purchase of three new sanitation trucks and a pumper truck. The City has also entered into a note payable agreement with the State of South Carolina State Revolving Loan Fund for the construction of a water system upgrade. The sanitation vehicle note payable and the pumper truck note payable is reported in the City’s governmental activities with the associated debt service expenditures reported in the General Fund. The water system upgrade note payable is accounted for in the Water Department Fund.

Compensated Absences Payable – These obligations represent accumulated annual leave benefits which were not funded by the current or prior years’ revenue resources. These obligations are primarily funded by the General Fund.

Net Pension Liability – The City participates in the South Carolina Retirement System and the Police Officers Retirement System. These plans are discussed in Note 11.

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2020, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Revenue bonds	\$ 12,602,058	\$ 4,889,000	\$ (5,836,173)	\$ 11,654,885	\$ 1,130,675
Notes payable	739,555	475,000	(392,458)	822,097	390,965
Capital leases payable	89,317	-	(31,028)	58,289	32,664
Compensated absences	248,341	440,381	(331,289)	357,433	357,433
Net pension liability	21,974,784	5,743,387	(2,562,365)	25,155,806	-
Total long-term liabilities	<u>\$ 35,654,055</u>	<u>\$ 11,547,768</u>	<u>\$ (9,153,313)</u>	<u>\$ 38,048,510</u>	<u>\$ 1,911,737</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Changes in Long-term Liabilities (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Notes payable	\$ 6,256,160	\$ -	\$ (328,695)	\$ 5,927,465	\$ 334,652
Capital leases payable	254,874	25,908	(115,219)	165,563	150,451
Compensated absences	56,765	150,785	(115,872)	91,678	91,678
Net pension liability	5,139,447	1,005,693	(494,858)	5,650,282	-
Total long-term liabilities	<u>\$ 11,707,246</u>	<u>\$ 1,182,386</u>	<u>\$ (1,054,644)</u>	<u>\$ 11,834,988</u>	<u>\$ 576,781</u>

Interest cost incurred by the business-type activities was \$122,048 during the year ended December 31, 2020, all of which was charged to expense. No interest was capitalized during the year.

Revenue Bonds

Revenue bonds payable at December 31, 2020, is comprised of the following issues:

Installment Purchase Revenue Bonds

In March 2014, the City issued an installment purchase revenue bond in the amount of \$7,500,000 at 2.880%, for the purpose of acquiring and the construction of Fire Stations. Annual payments range from \$163,213 to \$652,853 including interest with a maturity date of March 2029. Revenues from the General Fund and existing resources in the Goose Creek Municipal Finance Corporation will be used to repay these bonds. In 2020 the Installment Purchase Revenue Bonds, Series 2020 (the "Series 2020 Bonds"), were issued in the amount of \$4,889,000 with an interest rate of 1.33%. The proceeds were used to refund the Series 2014 Bonds and pay certain costs relating to the issuance of the Series 2020 Bonds. Annual payments for the Series 2020 Bonds range from \$139,462 to \$629,201 including interest with a maturity date of March 2029. At December 31, 2020, there remains outstanding \$0 of Series 2014 Bonds. The amount outstanding of the Series 2020 Bonds as of December 31, 2020, is \$4,889,000.

In August 2016, the City issued Special Obligation Bonds (Hospitality Fee Pledge), Series 2016 in the amount of \$9,000,000 at 2.220%, for the purpose of the construction of a recreation facility. Annual payments range from \$531,905 to \$709,207 including interest with a maturity of September 2031. Revenues from the Hospitality Tax Fund will be used to repay these bonds. The amount outstanding as of December 31, 2020, is \$6,765,885.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds (Continued)

Debt service requirements for the revenue bonds are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,130,675	\$ 207,733	\$ 1,338,408
2022	1,150,294	187,543	1,337,837
2023	1,171,194	166,959	1,338,153
2024	1,192,384	145,989	1,338,373
2025	1,212,868	124,627	1,337,495
2026 - 2030	5,271,416	299,631	5,571,047
2031	526,054	5,850	531,904
Total	<u>\$ 11,654,885</u>	<u>\$ 1,138,332</u>	<u>\$ 12,793,217</u>

Notes Payable

In May 2016, the City entered into an agreement with the South Carolina Water Quality Revolving Fund Authority to borrow funds, not to exceed \$8,500,000, to be used to finance the costs of the Water System improvements. The City has granted a pledge of and lien on net revenues of the City's Water System for repayment of the loan. The loan bears a fixed interest rate of 1.80%. Payments are made quarterly and are payable in equal installments of \$109,774 over a 20-year period. Draw requests for the loan funds are made once costs for the project have been incurred. In November 2018, the loan was amended after the final draw was made and the project completed. The final loan amount for the project was \$7,361,200.

Debt service requirements for the water system improvement note payable are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 334,652	\$ 104,444	\$ 439,096
2022	340,717	98,379	439,096
2023	346,891	92,205	439,096
2024	353,177	85,919	439,096
2025	359,578	79,518	439,096
2026 - 2030	1,898,025	297,455	2,195,480
2031 - 2035	2,076,351	119,129	2,195,480
2036	218,074	1,473	219,547
Total	<u>\$ 5,927,465</u>	<u>\$ 878,522</u>	<u>\$ 6,805,987</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Notes Payable (Continued)

In March 2017, the City entered into an agreement with a financial institution to borrow funds to be used to finance the purchase of three new sanitation trucks. The total amount financed was \$460,000 and bears a fixed interest rate of 1.98%. Payments are made quarterly and are payable in equal installments of \$24,219 over a five-year period. The first payment was made in July 2017 and the note matures in April 2022. Revenues from the General Fund will be used to repay this note. The amount outstanding as of December 31, 2020, is \$142,836.

In May 2019, the City entered into an agreement with a financial institution to borrow funds to be used to finance the purchase of a new pumper truck. The total amount financed was \$600,000 and bears a fixed interest rate of 2.55%. Payments are made quarterly and are payable in equal installments of \$51,166 over a four-year period. The first payment was made in September 2019 and the note matures in June 2022. Revenues from the General Fund will be used to repay this note. The amount outstanding as of December 31, 2020, is \$272,453.

In March 2020, the City entered into an agreement with a financial institution to borrow funds to be used to finance the purchase of a new refuse collector. The total amount financed was \$475,000 and bears a fixed interest rate of 2.05%. Payments are made quarterly and are payable in installments from \$25,049 to \$100,195 over a six-year period. The first payment was made in June 2020 and the note matures in December 2025. Revenues from the General Fund will be used to repay this note. The amount outstanding as of December 31, 2020, is \$406,808.

Debt service requirements for the sanitation trucks, pumper truck, and refuse collector notes payable are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 390,965	\$ 14,769	\$ 405,734
2022	211,363	6,618	217,981
2023	96,428	3,767	100,195
2024	98,420	1,775	100,195
2025	24,921	128	25,049
Total	<u>\$ 822,097</u>	<u>\$ 27,057</u>	<u>\$ 849,154</u>

Rate Covenants

The City has covenanted to maintain rates and charges for products and services which at all times shall be sufficient to pay operation and maintenance expenses to keep the system in good repair and working order, to provide for the punctual payment of the principal and interest on all outstanding debt, to maintain the required amounts in the debt service and debt service reserve accounts, to build and maintain a reserve for contingencies and improvements, and to discharge all obligations imposed by the bond ordinance.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

Business-type Activities (Recreation Fund)

In February 2016, the City entered into a lease agreement for financing the acquisition of golf maintenance equipment. Lease payments are made in equal installments of \$9,108 over 60 months, with a final balloon payment of \$90,710. This lease agreement qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of their future minimum lease payments as of the inception date. Included in the minimum lease payments is equipment which does not qualify for the capitalization threshold and therefore is not depreciated, the aggregate value of this equipment is \$22,357.

The carrying value of assets acquired through this capital leases is as follows:

Golf Maintenance Equipment	\$ 536,422
Less: Accumulated depreciation	<u>(373,016)</u>
	<u>\$ 163,406</u>

Amortization expense for equipment under capital leases is included in depreciation expense. Total interest paid on capital leases for the year ended December 31, 2020, was \$8,952 for Business-type Activities.

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2021	<u>\$ 136,251</u>
Total minimum lease payments	136,251
Less: Amounts representing interest	<u>(2,663)</u>
Present value of future minimum lease payments	133,588
Less current portion	<u>(133,588)</u>
Long-term portion of capital leases	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable (Continued)

Business-type Activities (Recreation Fund) (Continued)

February 2019, the City entered into a lease agreement for financing the acquisition of gym fitness equipment. Lease payments are made in equal installments of \$907 over 36 months. This lease agreement qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of their future minimum lease payments as of the inception date. Included in the minimum lease payments is equipment which does not qualify for the capitalization threshold and therefore is not depreciated, the aggregate value of this equipment is \$11,907.

The carrying value of assets acquired through this capital lease is as follows:

Gym Fitness Equipment	\$	17,444
Less: Accumulated depreciation		(4,361)
		13,083
		\$ 13,083

Amortization expense for equipment under capital leases is included in depreciation expense. Total interest paid on capital leases for the year ended December 31, 2020, was \$1,243 for Business-type Activities.

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

Year ending December 31,	Amount	
2021	\$	10,888
2022		907
Total minimum lease payments		11,795
Less: Amounts representing interest		(500)
Present value of future minimum lease payments		11,295
Less current portion		(10,393)
Long-term portion of capital leases		\$ 902

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable (Continued)

Business-type Activities (Recreation Fund) (Continued)

In January 2020, the City entered into a lease agreement for financing the acquisition of golf carts for the Crowfield Golf Club, a division of the Recreation Department. Lease payments commenced in March 2020 and are made in equal installments over forty-eight months. The lease agreement qualifies as a capital lease for accounting purposes, and, therefore has been recorded as the present value of future minimum lease payments as of the inception date.

The carrying value of assets acquired through this capital lease is as follows:

Golf cart lease	\$	25,908
Less: Accumulated depreciation		(3,598)
		22,310
	\$	22,310

Amortization expense for equipment under capital leases is included in depreciation expense. Total interest paid on capital leases for the year ended December 31, 2020, was \$472 for Business-type Activities.

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

Year ending December 31,	Amount	
2021	\$	6,840
2022		6,840
2023		6,840
2024		1,140
Total minimum lease payments		21,660
Less: Amounts representing interest		(980)
Present value of future minimum lease payments		20,680
Less current portion		(6,470)
Long-term portion of capital leases	\$	14,210

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM LIABILITES (CONTINUED)

Capital Leases Payable (Continued)

Governmental Activities

In September 2017, the City entered into a lease agreement for financing the acquisition of fire/paramedic equipment. Lease payments are made in equal installments of \$2,909 over 60 months. This lease agreement qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of their future minimum lease payments as of the inception date. Included in the minimum lease payments is equipment which does not qualify for the capitalization threshold and therefore is not depreciated, the aggregate value of this equipment is \$18,500.

The carrying value of assets acquired through this capital lease is as follows:

Fire/Paramedic Equipment	\$	135,065
Less: Accumulated depreciation		(85,541)
		\$ 49,524

Amortization expense for equipment under capital leases is included in depreciation expense. Total interest paid on capital leases for the year ended December 31, 2020, was \$3,874 for Governmental Activities.

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

Year ending December 31,	Amount	
2021	\$	34,902
2022		26,177
Total minimum lease payments		61,079
Less: Amounts representing interest		(2,790)
Present value of future minimum lease payments		58,289
Less current portion		(32,664)
Long-term portion of leases		\$ 25,625

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OPERATING LEASES

In February 2016, the City entered into a lease agreement for grounds maintenance equipment. The lease agreement is for a 60-month period and commences in April 2016 with a minimum monthly payment of \$870 for a total lease commitment of \$52,216. Rental expense for the year ending December 31, 2020, was \$10,440. The payment of this lease is funded through the Recreation Department Fund.

In January 2020, the City entered into a lease agreement for golf carts for the Crowfield Golf Club, a division of the Recreation Department. The lease agreement is for a 48-month period and commences in March 2020 with a minimum monthly payment of \$7,484 for a total lease commitment of \$359,251. Rental expense for the year ending December 31, 2020, was \$72,500. The payment of this lease is funded through the Recreation Department Fund.

In March 2020, the City entered into a lease agreement for treadmills for the recreation Department. The lease agreement is for a 36-month period with a minimum monthly payment of \$757 for a total lease commitment of \$27,256. Rental expense for the year ending December 31, 2020, was \$7,571. The payment of this lease is funded through the Recreation Department Fund.

Future minimum lease payments for the leases are as follow:

<u>Year ending December 31,</u>	<u>Amount</u>
2021	\$ 101,508
2022	98,898
2023	91,327
2024	14,968
Total	<u>\$ 306,701</u>

NOTE 10. OTHER INFORMATION

A. Commitments and Contingent Liabilities

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, could become a liability of the general fund or other applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER INFORMATION (CONTINUED)

A. Commitments and Contingent Liabilities (Continued)

Litigation

The City is involved in several pending lawsuits. The nature of the lawsuits varies considerably. Management and the City's legal counsel have determined an aggregate liability, which is reasonably possible to arise from the proceedings of up to \$300,000. The entire amount is believed by management and legal counsel to be probable and is recorded as accounts payable on the Recreation Department Fund Statement of Net Position as of December 31, 2020. The City will continue to assert its position in a defense against these claims.

Long-Term Contract – Water Purchases

On September 13, 1994, the City entered into a 35 year, automatically renewable contract with the Lake Moultrie Water Agency, a joint municipal water system created under the "Joint Municipal Water Systems Act," Section 6-25-10 et. seq. of the South Carolina Code of Laws, 1976. The Agency water supply system became operational in September of 1994.

Under the contract, the City owns 18% of the capacity of the Lake Moultrie Water Agency water supply system for the term of the contract, and agrees to purchase and pay for 3.6 million gallons per day of water capacity. Cost per gallon is established annually on a cost of service basis, calculated following the guidelines of the American City Association. Any variances in actual operations costs from the projected costs related to the City's proportionate share are calculated annually, and the City is credited or assessed for any differences at year-end. The City has the right to purchase or sell excess capacity to other contract participants according to need or availability. The current year expenditures for the purchase of water were \$1,464,206.

The estimated demand and volumetric charges for the next three years are as follows:

<u>Year ending December 31,</u>	<u>Total</u>
2021	\$ 1,481,622
2022	\$ 1,510,035
2023	\$ 1,528,222

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER INFORMATION (CONTINUED)

A. Commitments and Contingent Liabilities (Continued)

Long-Term Contract – Recreation

In May 2008, the City entered into a contract with the Goose Creek Recreation Commission whereby the City assumed the operations of the Recreation District to provide recreational services to all residents served by the Commission, both within and outside the City. The term of this agreement is 20 years and provides for automatic extensions for additional terms of 20 years each, unless either party, by written notice to the other given at least 24 months prior to the expiration of the then term, elects to withdraw from or terminate this agreement. For these services the City will receive a sum no more than the equivalent of the sum represented by applying the City's millage rate designated and budgeted for recreational services to all taxable real and personal property located within the boundaries of the District. The transition under this agreement was completed January 1, 2009, and the Recreation Department is accounted for by the City as an enterprise fund.

Risk Management

The City is exposed to various risks of losses related to torts, including theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City is a member of the South Carolina Municipal Insurance and Risk Financing Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. The City pays an annual premium to the Municipal Insurance and Risk Financing Fund for its general insurance and workers' compensation. The South Carolina Municipal Insurance and Risk Financing Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims.

The City has not significantly reduced insurance coverages from the previous year, and settled claims in excess of insurance coverage for the last three years were immaterial. For each of the insurance programs and public entity risk pools in which they participate, the City has effectively transferred all risk with no liability for unfunded claims.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement 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 a Comprehensive Annual Financial Report containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The Comprehensive Annual Financial Report is publicly available through the Retirement Benefits' link on PEBA's website at 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 considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

The City contributes to 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, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

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

Membership

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

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the SCRS as a condition of employment. This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. 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.

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; or to serve as 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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. 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 or retired members of employees who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 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 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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. Legislation in 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 by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent. For the year ended December 31, 2020, the City contributed \$1,666,245 to the SCRS plan and \$682,321 to the PORS plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions (Continued)

Required employee contribution rates for the year ended December 31, 2020, are as follows:

South Carolina Retirement System

9.00% of earnable compensation from January 1st through June 30th

9.00% of earnable compensation from July 1st through December 31st

South Carolina Police Officers Retirement System

9.75% of earnable compensation from January 1st through June 30th

9.75% of earnable compensation from July 1st through December 31st

Required employer contribution rates for the year ended December 31, 2020, are as follows:

South Carolina Retirement System

15.41% of earnable compensation from January 1st through June 30th

15.41% of earnable compensation from July 1st through December 31st

Employer incidental death benefit: 0.15% of earnable compensation

South Carolina Police Officers Retirement System

17.84% of earnable compensation from January 1st through June 30th

17.84% of earnable compensation from July 1st through December 31st

Employer incidental death benefit: 0.20% of earnable compensation

Required and actual contributions are as follows:

	Plan's fiscal year ended June 30, 2020	City's fiscal year ended December 31, 2020
SCRS		
Governmental Activities		
Required contributions	\$ 1,168,994	\$ 1,254,349
Actual contributions	\$ 1,168,994	\$ 1,254,349
 Business-type Activities		
Required contributions	\$ 383,867	\$ 411,896
Actual contributions	\$ 383,867	\$ 411,896
 PORS		
Governmental Activities		
Required contributions	\$ 660,474	\$ 682,321
Actual contributions	\$ 660,474	\$ 682,321

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019 for first use in the July 1, 2021 actuarial valuation.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2019, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry Age	Entry Age
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumption, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions and Methods (Continued)

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 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component, which is summarized in the table below.

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
Real Assets	12.0%		
Real Estate (Private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (Private)	2.0%	4.48%	0.10%
Infrastructure (Public)	1.0%	7.05%	0.07%
Opportunistic	8.0%		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
Credit	15.0%		
High Yield Bonds/Bank Loans	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
Rate Sensitive	14.0%		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
	100%		
		Total expected real return	5.80%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	8.05%

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.25 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 State Code of Laws. Based on those assumptions, the City's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The following table presents the sensitivity of the net pension liabilities to changes in the discount rate.

The following table presents the sensitivity of the net pension liability to changes in the discount rate.

Sensitivity of the Net Position Liability to Changes in the Discount Rate			
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
<i>Governmental activities</i>			
SCRS	\$ 21,325,730	\$ 17,206,844	\$ 13,767,461
PORS	\$ 10,523,085	\$ 7,948,962	\$ 5,882,103
<i>Business-type activities</i>			
SCRS	\$ 51,228,874	\$ 5,650,282	\$ 4,520,877

Net Pension Liability

The June 30, 2020, (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS), and are based on the July 1, 2019 actuarial valuation. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2020, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

As of December 31, 2020 (measurement date of June 30, 2020), the City's proportional share of the NPL amounts for SCRS and PORS are presented below:

System	Measurement Period Ended June 30,	
	2020	2019
SCRS		
Governmental activities	\$ 17,206,844	\$ 14,847,171
Business-type activities	\$ 5,650,282	\$ 5,139,447
City's proportion of the net pension liability	0.089454%	0.087530%
PORS		
Governmental activities	\$ 7,948,962	\$ 7,127,613
City's proportion of the net pension liability	0.239700%	0.248701%

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2020, the City recognized its proportionate share of collective pension expense of \$3,070,297 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$346,969 for a total of \$3,417,265 for governmental activities. Additionally, for the year ended December 31, 2020, the City recognized its proportionate share of collective pension expense of \$632,209 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$124,427 for a total of \$756,637 for business-type activities.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows and Inflows of Resources

At December 31, 2020, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Governmental activities</i>		
Differences between expected and actual experience	\$ 367,476	\$ 100,056
Net difference between projected and actual earnings on pension plan investments	2,079,664	-
Assumption changes	118,086	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	610,546	203,834
Employer contributions subsequent to the measurement date	1,006,185	-
Total	\$ 4,181,957	\$ 303,890
	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Business-type activities</i>		
Differences between expected and actual experience	\$ 65,197	\$ 21,367
Net difference between projected and actual earnings on pension plan investments	415,627	-
Assumption changes	6,922	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	164,228	-
Employer contributions subsequent to the measurement date	215,257	-
Total	\$ 867,231	\$ 21,367

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

The City reported the following outflows of resources: \$1,006,185 and \$215,257 related to contributions subsequent to the measurement date in governmental and business-type activities, respectively, which will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in future years. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2020, was 3.984 and 4.176 years for SCRS and PORS, respectively.

The following schedule reflects the amortization of the City's proportional share of the net balance of remaining deferred outflows and inflows of resources:

Governmental Activities			
Measurement Period	Fiscal Year	SCRS	PORS
Ending June 30,	Ending December 31,		
2021	2021	\$ 536,569	\$ 287,003
2022	2022	539,356	249,145
2023	2023	521,482	215,277
2024	2024	322,982	200,068
Total		\$ 1,920,389	\$ 951,493

Business-type Activities			
Measurement Period	Fiscal Year	SCRS	PORS
Ending June 30,	Ending December 31,		
2021	2021	\$ 176,196	\$ -
2022	2022	177,110	-
2023	2023	171,241	-
2024	2024	106,060	-
Total		\$ 630,607	\$ -

Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued Comprehensive Annual Financial Report containing financial statements and required supplementary information for SCRS and PORS. The Comprehensive Annual Financial Report of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Payables to the Pension Plans

At December 31, 2020, the City reported payables of \$308,110 and \$120,055 for the outstanding amount of contributions due to SCRS and PORS, respectively. The liabilities will be paid in the normal course of paying year-end obligations.

Money Purchase Pension Plans

The City maintains a money purchase pension plan for grandfathered employees that are not in the South Carolina Retirement Systems (SCRS) and sworn police officers who have been employed for one year. The plan is administered through ICMA-IRC. The City contributes 1% of the annual compensation of the sworn police officers after one year of employment and an amount equal to the voluntary contributions up to a maximum of 2%. The City also contributes an amount up to 1% less than the City's contribution rate for SCRS and group life insurance, currently 14.41%, for grandfathered employees that are not in SCRS. All employees can also make voluntary, tax deferred contributions at an amount equal to the maximum amount allowed under Internal Revenue Service regulations. All money purchase pension plans are 100% vested immediately. Total contributions to the plan by the City in 2020 were \$108,199.

The City also maintains a money purchase pension plan for the City Administrator and others deemed eligible by a majority vote of City Council. The City contributes 8% of the employee's base salary per year, which is 100% vested immediately. Total contributions to the plan by the City were \$9,106 in 2020.

South Carolina State Firemen's Association Retirement Plan and Trust

In 2002, the City established a supplemental retirement plan for paid firemen under the provisions of the South Carolina Firemen's Association Retirement Plan and Trust, a defined contribution plan established under Section 401(a) of the Internal Revenue Code. The Plan is administered by a three to five member managing committee elected by the Fire Department employees. The Plan is available to all paid fire department employees with one year of service. Plan members may make voluntary contributions at an amount up to 10% of the employee's annual compensation. The assets of the Plan are held for the exclusive benefit of the Plan participants and their beneficiaries, and are not available to creditors of the City. Employer contributions to the Plan are determined by the Managing Committee of the Fire Department from funds provided pursuant to Sections 23-9-450 and 23-9-460 of the Code of Laws of the State of South Carolina (firemen's insurance and inspection funds). Total contributions to the Plan by the City in 2020 were \$56,077, which is equivalent to the required contributions. The annual contribution is recorded as a disbursement in the Fireman's 1% Agency Fund.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GOOSE CREEK, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u> <u>Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenues:			
Local revenues:			
Property taxes	\$ 4,467,483	\$ 4,276,169	\$ (191,314)
Licenses, permits, and franchise taxes	11,081,570	11,870,045	788,475
Charges for services	2,890,819	3,217,819	327,000
Fines and forfeitures	381,830	288,949	(92,881)
Miscellaneous	377,360	372,899	(4,461)
Total local revenues	<u>19,199,062</u>	<u>20,025,881</u>	<u>826,819</u>
State revenues	5,925,606	6,215,291	289,685
Federal revenues	195,400	350,998	155,598
Total revenues	<u>25,320,068</u>	<u>26,592,170</u>	<u>1,272,102</u>
Expenditures:			
Current:			
Legislative	272,922	321,543	(48,621)
Human resources	197,094	195,109	1,985
Administrative	1,638,354	1,830,638	(192,284)
Police	8,463,216	8,243,660	219,556
Fire	6,138,848	5,962,772	176,076
Sanitation	1,735,618	1,628,729	106,889
Maintenance	1,043,671	964,705	78,966
Garage	426,169	453,171	(27,002)
Court	421,559	388,098	33,461
Planning	370,985	301,348	69,637
Economic development	192,542	170,858	21,684
Information technology	803,659	732,777	70,882
Capital outlay	694,421	1,871,191	(1,176,770)
Debt service:			
Principal retirement	421,620	423,486	(1,866)
Interest	22,822	25,477	(2,655)
Total expenditures	<u>22,843,500</u>	<u>23,513,562</u>	<u>(670,062)</u>
Excess of revenues over expenditures	<u>2,476,568</u>	<u>3,078,608</u>	<u>602,040</u>
Other financing sources (uses):			
Transfers out	(2,381,499)	(3,301,172)	(919,673)
Proceeds from sale of capital assets	17,900	394,358	376,458
Insurance proceeds	-	26,225	26,225
Capital lease proceeds	-	475,000	475,000
Total other financing uses, net	<u>(2,363,599)</u>	<u>(2,405,589)</u>	<u>(41,990)</u>
Net change in fund balances	<u>112,969</u>	<u>673,019</u>	<u>560,050</u>
Fund balances, beginning of year	<u>9,507,227</u>	<u>9,507,227</u>	<u>-</u>
Fund balances, end of year	<u>\$ 9,620,196</u>	<u>\$ 10,180,246</u>	<u>\$ 560,050</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA
LOCAL HOSPITALITY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u> <u>Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenues:			
Local revenues:			
Licenses, permits, and franchise taxes	\$ 1,768,079	\$ 1,994,596	\$ 226,517
Miscellaneous	125	5,661	5,536
Total revenues	<u>1,768,204</u>	<u>2,000,257</u>	<u>232,053</u>
Expenditures:			
Current:			
Administrative	15,000	60,922	(45,922)
Capital outlay	762,108	275,235	486,873
Debt service:			
Principal retirement	551,334	551,334	-
Interest	157,874	157,874	-
Total expenditures	<u>1,486,316</u>	<u>1,045,365</u>	<u>440,951</u>
Net change in fund balances	<u>281,888</u>	<u>954,892</u>	<u>673,004</u>
Fund balances, beginning of year	<u>1,341,218</u>	<u>1,341,218</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,623,106</u>	<u>\$ 2,296,110</u>	<u>\$ 673,004</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA
GOOSE CREEK MUNICIPAL FINANCE CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u> <u>Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenues:			
Local revenues:			
Miscellaneous	\$ -	\$ 132,326	\$ 132,326
Total revenues	<u>-</u>	<u>132,326</u>	<u>132,326</u>
Expenditures:			
Current:			
Administrative	-	113,850	(113,850)
Debt service:			
Principal retirement	506,083	5,284,839	(4,778,756)
Interest	146,770	132,878	13,892
Issuance costs	-	85,515	(85,515)
Total expenditures	<u>652,853</u>	<u>5,617,082</u>	<u>(4,964,229)</u>
Deficiency of revenues under expenditures	<u>(652,853)</u>	<u>(5,484,756)</u>	<u>(4,831,903)</u>
Other financing sources:			
Transfers in	652,853	734,441	81,588
Proceeds from issuance of debt	-	4,889,000	4,889,000
Total other financing sources	<u>652,853</u>	<u>5,623,441</u>	<u>4,970,588</u>
Net change in fund balances	<u>-</u>	<u>138,685</u>	<u>138,685</u>
Fund balances, beginning of year	<u>13,042</u>	<u>13,042</u>	<u>-</u>
Fund balances, end of year	<u>\$ 13,042</u>	<u>\$ 151,727</u>	<u>\$ 138,685</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) NOTES TO BUDGETARY COMPARISON SCHEDULE- GENERAL FUND, LOCAL HOSPITALITY TAX FUND AND GOOSE CREEK MUNICIPAL FINANCE CORPORATION FOR THE YEAR ENDED DECEMBER 31, 2020

Summary of Significant Accounting Policies

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Capital Projects Fund, and all special revenue funds except the Tourism Fund. Budgets for the General Fund and the special revenue funds that are major funds are presented as required supplementary information.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to October 1, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to December 31, the budget is legally enacted through passage of an ordinance.
- d. The appropriated budget is prepared by fund, function, department, and object. The City Administrator is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The legal level of control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.
- e. Formal budgetary integration is employed as management control device during the year for the general, capital projects and certain special revenue funds.

All annual appropriations lapse at year-end and the City does not employ encumbrance accounting.

No supplemental budgetary appropriations were made during the year.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED DECEMBER 31, 2020

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM**

Plan Year Ended June 30	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.089454%	\$ 22,857,126	\$ 9,979,828	229.0%	50.70%
2019	0.087530%	\$ 19,986,618	\$ 9,239,060	216.3%	54.40%
2018	0.086349%	\$ 19,348,162	\$ 8,948,204	216.2%	54.10%
2017	0.082518%	\$ 18,576,129	\$ 8,325,812	223.1%	53.30%
2016	0.079690%	\$ 17,021,666	\$ 7,712,178	220.7%	52.90%
2015	0.078252%	\$ 14,840,869	\$ 7,329,345	202.5%	57.00%
2014	0.078421%	\$ 13,501,496	\$ 7,268,870	185.7%	59.90%

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE OFFICERS RETIREMENT SYSTEM**

Plan Year Ended June 30	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.239700%	\$ 7,948,962	\$ 3,661,167	217.1%	58.80%
2019	0.248701%	\$ 7,127,613	\$ 3,633,446	196.2%	62.70%
2018	0.240285%	\$ 6,808,577	\$ 3,367,376	202.2%	61.70%
2017	0.241080%	\$ 6,604,451	\$ 3,288,380	200.8%	60.90%
2016	0.240285%	\$ 6,251,193	\$ 3,168,242	197.3%	60.40%
2015	0.244260%	\$ 5,323,638	\$ 3,068,544	173.5%	64.60%
2014	0.243021%	\$ 4,652,461	\$ 3,031,398	153.5%	67.50%

Note: Each year the City will add an additional year of data until a total of ten years is presented.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED DECEMBER 31, 2020

**SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM**

Year Ended December 31	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2020	\$ 1,666,245	\$ 1,666,245	\$ -	\$ 10,708,518	15.56%
2019	\$ 1,434,565	\$ 1,434,565	\$ -	\$ 9,518,470	15.07%
2018	\$ 1,285,666	\$ 1,285,666	\$ -	\$ 9,143,274	14.06%
2017	\$ 1,087,319	\$ 1,087,319	\$ -	\$ 8,645,818	12.58%
2016	\$ 912,261	\$ 912,261	\$ -	\$ 8,064,153	11.31%
2015	\$ 816,113	\$ 816,113	\$ -	\$ 7,432,654	10.98%
2014	\$ 787,330	\$ 787,330	\$ -	\$ 7,268,870	10.83%

**SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS RETIREMENT SYSTEM**

Year Ended December 31	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2020	\$ 682,321	\$ 682,321	\$ -	\$ 3,782,269	18.04%
2019	\$ 643,783	\$ 643,783	\$ -	\$ 3,671,101	17.54%
2018	\$ 582,571	\$ 582,571	\$ -	\$ 3,520,702	16.55%
2017	\$ 495,730	\$ 495,730	\$ -	\$ 3,298,403	15.03%
2016	\$ 445,263	\$ 445,263	\$ -	\$ 3,228,618	13.79%
2015	\$ 418,572	\$ 418,572	\$ -	\$ 3,152,596	13.28%
2014	\$ 393,416	\$ 393,416	\$ -	\$ 3,031,398	12.98%

Note: Each year the City will add an additional year of data until a total of ten years is presented.

**CITY OF GOOSE CREEK, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED DECEMBER 31, 2020

Note: The actuarial assumptions used to determine the required contributions to the plans as noted on the previous page are as follows:

System	SCRS	PORS
Calculation date	July 1, 2018	July 1, 2018
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	29 years maximum, closed period	29 years maximum, closed period
Investment return	7.25%	7.25%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service	3.50% plus step-rate increases for members with less than 15 years of service
Mortality	2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates are multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators.	2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates are multiplied by 125% and females rates are multiplied by 111%.

OTHER SUPPLEMENTARY INFORMATION

CITY OF GOOSE CREEK, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	Special Revenue Funds				
	Impact Fee Fund	Confiscated Drug Monies Fund	E911 Fund	Tourism Fund	Victims' Assistance Fund
ASSETS					
Cash	\$ -	\$ 117,067	\$ 849,153	\$ -	\$ -
Receivables, net of allowance					
Accounts	-	-	4,852	-	-
Fines	-	-	-	-	138,748
Due from other funds	2,777,055	-	-	127,910	-
Due from other governments	-	3,072	65,078	-	-
	<u>-</u>	<u>3,072</u>	<u>65,078</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,777,055</u>	<u>\$ 120,139</u>	<u>\$ 919,083</u>	<u>\$ 127,910</u>	<u>\$ 138,748</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 112	\$ -	\$ -
Escrow payable	-	39,781	-	-	-
Due to other funds	-	-	-	-	3,178
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,178</u>
Total liabilities	<u>-</u>	<u>39,781</u>	<u>112</u>	<u>-</u>	<u>3,178</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	138,748
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,748</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,748</u>
FUND BALANCES					
Restricted:					
Public safety	-	80,358	918,971	-	-
Tourism	-	-	-	127,910	-
Capital projects	2,777,055	-	-	-	-
Assigned:					
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	(3,178)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,178)</u>
Total fund balances (deficits)	<u>2,777,055</u>	<u>80,358</u>	<u>918,971</u>	<u>127,910</u>	<u>(3,178)</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 2,777,055</u>	<u>\$ 120,139</u>	<u>\$ 919,083</u>	<u>\$ 127,910</u>	<u>\$ 138,748</u>

Capital Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ 966,220
-	4,852
-	138,748
92,307	2,997,272
-	68,150
<u>\$ 92,307</u>	<u>\$ 4,175,242</u>
\$ -	\$ 112
-	39,781
-	3,178
<u>-</u>	<u>43,071</u>
<u>-</u>	<u>138,748</u>
<u>-</u>	<u>138,748</u>
-	999,329
-	127,910
-	2,777,055
92,307	92,307
-	(3,178)
<u>92,307</u>	<u>3,993,423</u>
<u>\$ 92,307</u>	<u>\$ 4,175,242</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds				
	Impact Fee Fund	Confiscated Drug Monies Fund	E911 Fund	Tourism Fund	Victims' Assistance Fund
Revenues:					
Local Revenue					
Fines and forfeitures	\$ -	\$ 25,067	\$ -	\$ -	\$ 46,345
Miscellaneous	926,307	-	54,951	713	448
Total local revenues	<u>926,307</u>	<u>25,067</u>	<u>54,951</u>	<u>713</u>	<u>46,793</u>
State revenues	-	14,000	149,535	23,717	-
Total revenues	<u>926,307</u>	<u>39,067</u>	<u>204,486</u>	<u>24,430</u>	<u>46,793</u>
Expenditures:					
Current:					
Police	-	9,730	99,281	-	74,100
Recreation	-	-	-	16,660	-
Total expenditures	<u>-</u>	<u>9,730</u>	<u>99,281</u>	<u>16,660</u>	<u>74,100</u>
Net change in fund balances	926,307	29,337	105,205	7,770	(27,307)
Fund balances, beginning of year	<u>1,850,748</u>	<u>51,021</u>	<u>813,766</u>	<u>120,140</u>	<u>24,129</u>
Fund balances (deficits), end of year	<u>\$ 2,777,055</u>	<u>\$ 80,358</u>	<u>\$ 918,971</u>	<u>\$ 127,910</u>	<u>\$ (3,178)</u>

Capital Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ 71,412
<u>658</u>	<u>983,077</u>
658	1,054,489
-	<u>187,252</u>
<u>658</u>	<u>1,241,741</u>
-	183,111
-	<u>16,660</u>
-	<u>199,771</u>
658	1,041,970
<u>91,649</u>	<u>2,951,453</u>
<u>\$ 92,307</u>	<u>\$ 3,993,423</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA

**COMPARATIVE SCHEDULES OF REVENUES - GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
LOCAL REVENUES		
Property taxes		
Real and personal	\$ 3,483,957	\$ 3,073,043
Vehicle	586,205	549,432
Homestead tax	206,007	184,345
Total property taxes	<u>4,276,169</u>	<u>3,806,820</u>
Licenses and permits		
Business licenses	8,063,329	7,948,028
Building permits	969,901	1,165,596
Franchise fees	2,836,815	2,835,250
Total licenses and permits	<u>11,870,045</u>	<u>11,948,874</u>
Charges for services		
Police and fire	1,046,620	1,050,844
Sanitation fees	2,116,410	1,699,245
Administrative fees	54,789	69,006
Total charges for services	<u>3,217,819</u>	<u>2,819,095</u>
Fines and forfeitures		
Court fines	288,949	373,981
Miscellaneous		
Interest	69,330	164,912
Rent	66,788	64,679
Other	236,781	205,898
Total miscellaneous revenues	<u>372,899</u>	<u>435,489</u>
TOTAL LOCAL REVENUES	<u>\$ 20,025,881</u>	<u>\$ 19,384,259</u>
STATE REVENUES		
Inventory tax and manufacturers' exemption	\$ 14,011	\$ 19,047
Accommodations tax	26,248	26,641
Local government fund - quarterly	852,070	841,881
Local option sales tax - municipal revenue	1,750,875	1,604,395
Local option sales tax - rebatable	3,572,087	3,619,735
Grants	-	25,200
TOTAL STATE REVENUES	<u>\$ 6,215,291</u>	<u>\$ 6,136,899</u>
FEDERAL REVENUES		
Grants	\$ 350,998	\$ 255,756
TOTAL FEDERAL REVENUES	<u>\$ 350,998</u>	<u>\$ 255,756</u>

CITY OF GOOSE CREEK, SOUTH CAROLINA

**COMPARATIVE SCHEDULES OF EXPENDITURES - GENERAL FUND
YEARS ENDED DECEMBER 31, 2020 AND 2019**

Expenditures:	Year Ended December 31, 2020			Year Ended December 31, 2019		
	Personnel	Other	Total	Personnel	Other	Total
Current:						
Legislative	\$ 196,289	\$ 125,254	\$ 321,543	\$ 180,871	\$ 94,700	\$ 275,571
Human Resources	173,121	21,988	195,109	-	-	-
Administrative	1,233,603	597,035	1,830,638	1,398,988	381,433	1,780,421
Police	6,662,988	1,580,672	8,243,660	6,513,211	996,207	7,509,418
Fire	5,096,953	865,819	5,962,772	4,814,879	829,614	5,644,493
Sanitation	1,327,578	301,151	1,628,729	1,222,200	335,371	1,557,571
Maintenance	306,292	658,413	964,705	276,880	812,039	1,088,919
Garage	268,794	184,377	453,171	257,791	161,067	418,858
Court	334,773	53,325	388,098	347,070	65,939	413,009
Planning	194,896	106,452	301,348	143,707	15,713	159,420
Economic development	117,026	53,832	170,858	108,486	36,046	144,532
Information technology	282,628	450,149	732,777	269,628	537,008	806,636
Capital outlay	-	1,871,191	1,871,191	-	984,957	984,957
Debt service						
Principal	-	423,486	423,486	-	216,730	216,730
Interest	-	25,477	25,477	-	19,380	19,380
Total expenditures	\$ 16,194,941	\$ 7,318,621	\$ 23,513,562	\$ 15,533,711	\$ 5,486,204	\$ 21,019,915

CITY OF GOOSE CREEK, SOUTH CAROLINA

**COMPARATIVE SCHEDULES OF EXPENSES
 PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
 YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020			2019		
	Personnel	Other	Total	Personnel	Other	Total
Water Department	\$ 1,087,536	\$ 3,392,986	\$ 4,480,522	\$ 1,059,607	\$ 3,263,909	\$ 4,323,516
Recreation Department						
Administration	645,285	318,948	964,233	544,417	628,687	1,173,104
Course and grounds	399,094	368,185	767,279	351,316	356,950	708,266
Cart rental	69,033	115,202	184,235	49,142	90,180	139,322
Pro shop	202,404	98,434	300,838	199,961	99,129	299,090
Food and beverage	187,855	235,534	423,389	140,380	234,822	375,202
Maintenance	775,112	287,815	1,062,927	709,182	312,179	1,021,361
Sports programs	210,231	136,959	347,190	181,413	239,610	421,023
Concessions	-	1,690	1,690	-	2,745	2,745
Community education	486,962	548,054	1,035,016	432,322	554,423	986,745
Special events	-	36,590	36,590	-	54,574	54,574
Community center	182,965	58,452	241,417	176,181	103,136	279,317
Pool	31,416	29,251	60,667	41,637	39,487	81,124
Tennis	-	3,950	3,950	-	5,881	5,881
Total recreation department expenses	3,190,357	2,239,064	5,429,421	2,825,951	2,721,803	5,547,754
Total operating expenses	\$ 4,277,893	\$ 5,632,050	\$ 9,909,943	\$ 3,885,558	\$ 5,985,712	\$ 9,871,270

CITY OF GOOSE CREEK, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended December 31, 2020

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	N/A	N/A	\$ 770,841	\$ 770,841
Court fines and assessments remitted to State Treasurer	N/A	N/A	436,547	436,547
Total Court Fines and Assessments retained	N/A	N/A	\$ 334,294	\$ 334,294
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	N/A	N/A	\$ 10,459	\$ 10,459
Assessments retained	N/A	N/A	35,886	35,886
Total Surcharges and Assessments retained for victim services	N/A	N/A	\$ 46,345	\$ 46,345

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	\$ 24,129	N/A	\$ 24,129
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	-	N/A	-
Victim Service Assessments Retained by City/County Treasurer	35,886	N/A	35,886
Victim Service Surcharges Retained by City/County Treasurer	10,459	N/A	10,459
Interest Earned	448	N/A	448
Grant Funds Received			
Grant from:	-	N/A	-
General Funds Transferred to Victim Service Fund	-	N/A	-
Contribution Received from Victim Service Contracts:			
(1) Town of	-	N/A	-
(2) Town of	-	N/A	-
(3) City of	-	N/A	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 70,922	N/A	\$ 70,922

CITY OF GOOSE CREEK, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended December 31, 2020

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ 71,971	N/A	\$ 71,971
Operating Expenditures	2,129	N/A	2,129
Victim Service Contract(s):			
(1) Entity's Name	-	N/A	-
(2) Entity's Name	-	N/A	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	-	N/A	-
(2) Rape Crisis Center:	-	N/A	-
(3) Other local direct crime victims service agency:	-	N/A	-
Transferred to General Fund	-	N/A	-
Total Expenditures from Victim Service Fund/Program (B)	74,100	N/A	74,100
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	(3,178)	N/A	(3,178)
Less: Prior Year Fund Deficit Repayment	-	N/A	-
Carryforward Funds – End of Year	\$ (3,178)	N/A	\$ (3,178)

COMPLIANCE SECTION



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

**The Honorable Mayor and Members
of the City Council
Goose Creek, South Carolina**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Goose Creek, South Carolina** (the "City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 5, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Columbia, South Carolina

May 5, 2021

CITY OF GOOSE CREEK, SOUTH CAROLINA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? ___ Yes X No

Significant deficiencies identified not considered to be material weaknesses? ___ Yes X No

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

There was not an audit of major federal award programs as of December 31, 2020, due to the total amount expended being less than \$750,000.

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Not applicable.

**SECTION IV
PRIOR YEAR FINDINGS AND RESPONSES**

None reported.