



Town of
BLUFFTON
South Carolina



ANNUAL COMPREHENSIVE
FINANCIAL REPORT

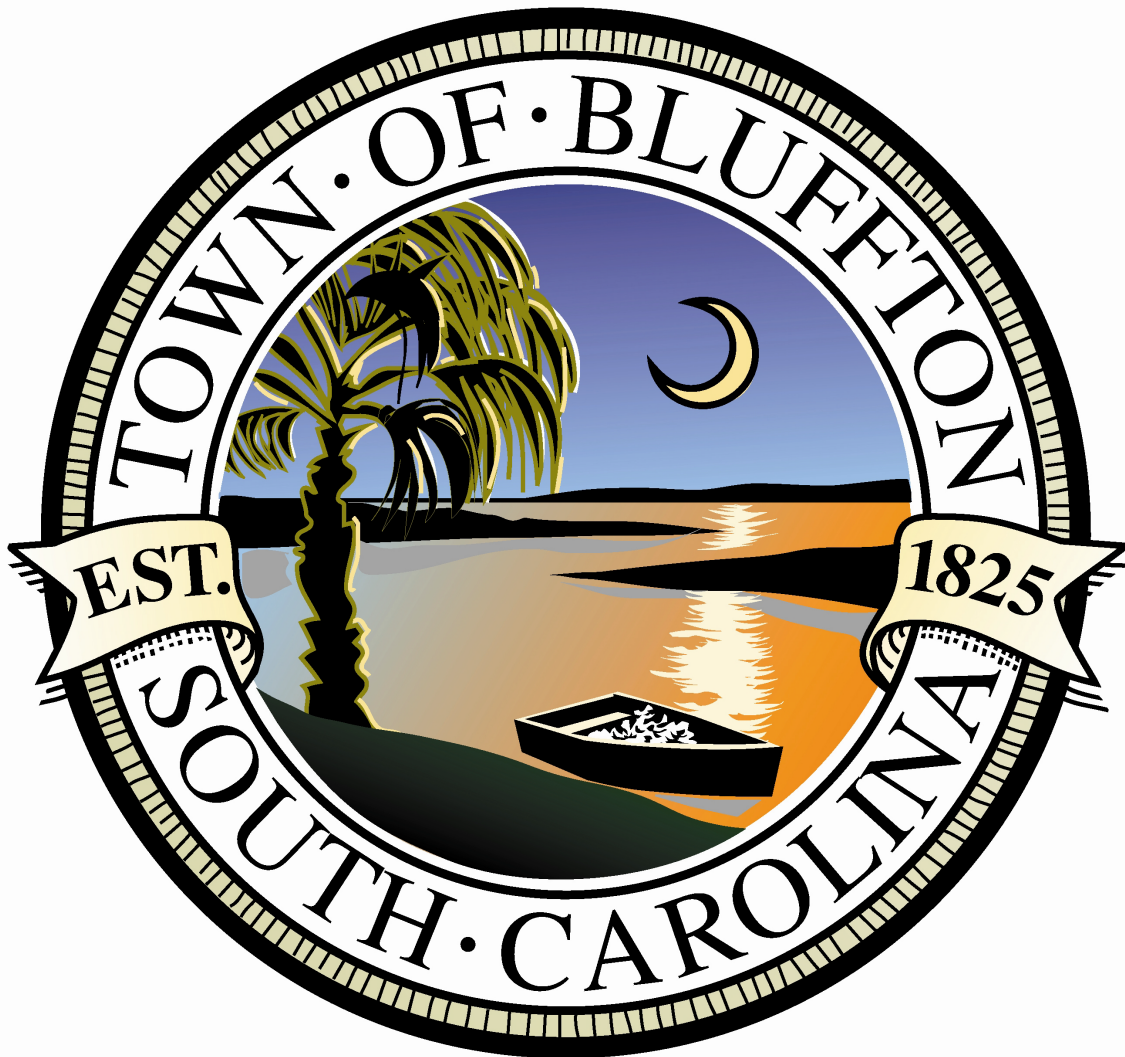
For the Fiscal Year Ended June 30, 2024



www.TownofBluffton.sc.gov

Annual Comprehensive Financial Report for the
Town of Bluffton, South Carolina

For the Year Ended June 30, 2024



Prepared by:
Finance Department

Chris Forster, MPA, CPFO, CGFM
Assistant Town Manager

**TOWN OF BLUFFTON,
SOUTH CAROLINA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Transmittal Letter	i – iv
Principal Officials	v
Organizational Chart	vi
GFOA Certificate Of Achievement.....	vii

FINANCIAL SECTION

Independent Auditor's Report	1 – 4
Management's Discussion and Analysis	5 – 15

FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position.....	16
Statement of Activities.....	17

Fund Financial Statements

Balance Sheet – Governmental Funds.....	18 and 19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	21 and 22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – GAAP Basis – General Fund	24
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – GAAP Basis – Stormwater Fund.....	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – GAAP Basis – Local Accommodations Tax Fund.....	26
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – GAAP Basis – Hospitality Tax Fund	27
Notes to Financial Statements	28 – 59

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of the Net Pension Liability – South Carolina Retirement System.....	60
Schedule of Proportionate Share of the Net Pension Liability – Police Officers' Retirement System	60
Schedule of Contributions – South Carolina Retirement System.....	61
Schedule of Contributions – Police Officers' Retirement System.....	61

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

OTHER SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	63
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – GAAP Basis – General Fund.....	64
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – GAAP Basis – Capital Improvement Programs Fund.....	65
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – GAAP Basis – Debt Service Fund	66
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – GAAP Basis – Stormwater Fund	67

SUPPLEMENTAL SECTION

Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96)	68 and 69
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STATISTICAL SECTION

Statistical Information:

Schedule 1: Net Position by Component.....	70
Schedule 2: Changes in Net Position	71
Schedule 3: Program Revenues by Function/Program.....	72
Schedule 4: Fund Balances – Governmental Funds.....	73
Schedule 5: Changes in Fund Balances – Governmental Funds	74
Schedule 6: Tax Revenues by Source – Governmental Funds	75
Schedule 7: Assessed Value and Estimated Actual Value of Taxable Property	76
Schedule 8: Direct and Overlapping Property Tax Rates	77
Schedule 9: Principal Property Taxpayers	78
Schedule 10: Property Tax Levies and Collections	79
Schedule 11: Direct and Overlapping Sales Tax Rates.....	80
Schedule 12: Ratios of Outstanding Debt by Type	81
Schedule 13: Ratios of Net General Bonded Debt Outstanding	82
Schedule 14: Direct and Overlapping Governmental Activities Debt.....	83
Schedule 15: Legal Debt Margin Information	84
Schedule 16: Pledged Revenue Coverage	85
Schedule 17: Demographic and Economic Statistics	86
Schedule 18: Principal Employers.....	87

TOWN OF BLUFFTON, SOUTH CAROLINA

Attachment 1

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS (CONTINUED)

Page

STATISTICAL SECTION (CONTINUED)

Schedule 19: Full-Time Equivalent Town Government Employees by Function/Program.....	88
Schedule 20: Operating Indicators by Function/Program	89
Schedule 21: Capital Asset Statistics by Function/Program.....	90

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 <i>Government Auditing Standards</i>	91 and 92
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance.....	93 – 95
Schedule of Expenditures of Federal Awards.....	96
Notes to the Schedule of Expenditures of Federal Awards.....	97
Schedule of Findings and Questioned Costs	98 and 99

INTRODUCTORY SECTION

Larry Toomer
Mayor
Dan Wood
Mayor Pro Tempore
Stephen Steese
Town Manager



Council Members
Fred Hamilton
Bridgette Frazier

Marcia Hunter
Town Clerk

December 18, 2024

To the Mayor and Members of Town Council, and the Citizens of the Town of Bluffton, South Carolina:

We are pleased to submit the Annual Comprehensive Financial Report ("ACFR") of the Town of Bluffton, South Carolina (the "Town") for fiscal year ended June 30, 2024.

State law requires that all general-purpose municipal governments publish a complete set of financial statements in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. In addition to meeting this requirement, this report is more comprehensive than the minimum basic financial statement requirements. It consists of management's representations concerning the finances of the Town and supports management's commitment to full disclosure as reflected in the informative financial analyses provided herein.

Town management assumes full responsibility for the completeness and accuracy of the data provided in this report utilizing the Town's established comprehensive framework of internal controls. These internal controls protect the Town's assets from loss, theft, and misuse as well as provide reliable information for the preparation of this report. As the cost of internal controls should not outweigh their benefits, the Town's controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, to the best of our knowledge and belief, this financial report is complete, accurate, and reliable in all material aspects. These Financial Statements have been prepared by the Finance Department in accordance with GAAP for local governments.

The Town's financial statements have been audited by Mauldin & Jenkins, LLC. Based upon their independent audit, an unmodified opinion was rendered for the Town's Financial Statements for the fiscal year ended June 30, 2024. The Independent Auditors' Report is presented as the first component of the financial section of this report.

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

Town of Bluffton Profile

The Town of Bluffton, settled in 1825 and incorporated in 1852, is located in Beaufort County, a southern coastal county in South Carolina. The Town is located just 12 miles west of Hilton Head Island, SC and approximately 20 miles northeast of Savannah, Georgia. It is situated on a high bluff overlooking the May River, a pristine waterway that has strongly contributed to the Town's history and continued success.

The Town operates under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing council (Council) consisting of a Mayor and four (4) other members. Members of Council are elected for a term of four (4) years. Council is primarily responsible for setting policies, passing ordinances, adopting the budget, appointing committees, and hiring both the Town's manager and attorney. The Town Manager carries out the policies and ordinances of the Council, oversees the day-to-day operations of the Town, and appoints the heads of the various departments.

The Town is empowered to levy a property tax on both real and personal property located within its boundaries. The Town also has the power by statute to extend its corporate limits by voluntary annexation as deemed appropriate by Council.

The original Town boundary was approximately one square mile in area (640 acres). When the Town's neighboring resort area of Hilton Head Island began to reach the "build out" stage of their development, Town of Bluffton officials began to recognize the enormous amount of growth that would soon face the Town. All of the land outside the Town's original "one square mile" was in the jurisdiction of Beaufort County. Instead of ignoring the growth in the area, the Town began to voluntarily annex land in order to provide local control over future development.

The first large tract annexation took place on November 23, 1998 and included Palmetto Bluff (20,660 acres) and the Shults Tract (620 acres). Since then, the Town has approved 48 annexations increasing the Town's boundary to approximately 54 square miles in area. In just a few years, the Town grew from a one square-mile-town to controlling the future development of more than 34,667 acres, a majority of which is located three or more miles from the heart of the Town.

According to the 2020 U.S. Census, the Town is one of the State's fastest growing municipalities and the State's 4th largest municipality in area. The 2020 Census shows the Town had approximately 27,716 citizens compared to 12,893 in the 2010 Census, a 215% increase.

Local Economy

According to the U.S. Census Bureau, the 2020 median family income for the Town was \$74,489 compared to \$67,344 in the 2010 Census. The 2020 Census shows the per capita income for Beaufort County as \$59,318, as compared to \$47,502 for South Carolina.

For the year ended June 30, 2024, the building industry remains strong with new single-family/multi-family housing permits being issued consistently and a stable revenue stream for Building Permits and Development Fees of approximately \$3.3 million. The Town issued approximately 3,850 business licenses, with almost 2,300 of these businesses located within Town limits. Business License revenue increased over last year 19% to approximately \$4.5 million. Contractors represent approximately 12% of in-town businesses and Professional Services represent approximately 16%. Other predominate in-town businesses include Retail, Medical, Personal Services (beauty and spa services, pet services, event planners and suppliers, photographers, etc.), and Restaurants.

The Don Ryan Center for Innovation (DRCI) was a public-private partnership initiated by Clemson University, eviCore Healthcare, and the Town of Bluffton to establish the state's first incubator in a non-metropolitan area of the state. The Council authorized the merger of the DRCI Incubator and the Bluffton Public Development Corporation (PDC) in late FY 2018 into a single entity known as the Don Ryan Center for Innovation. This merger was approved by the State of South Carolina on July 31, 2017. The DRCI fosters and promotes economic development in these general areas: Business Incubation, Economic Development, Membership, and Member Flex Space (the HUB). The goal is to create a vibrant entrepreneurial business climate within the region. The DRCI has graduated over 30 companies that have created more than 100 new jobs for the region.

Major Initiatives and Revitalization Efforts

Sewer, lighting and sidewalk projects cost approximately \$3.36 million, with the Buck Island Sewer Phase 5 project accounting for over \$2.02 million.

Parks improvement project spending of nearly \$7.14 million includes the 37-acre New Riverside Park and Barn project using TIF Bonds as well as significant renovations and improvements at Oyster Factory Park.

Facilities improvement projects cost approximately \$1.80 million with almost \$1.4 million spent in fiscal year 2024 on the Squire Pope Carriage House as restoration is nearly complete.

Budget Process

The Town's budget serves as the foundation for financial planning and control. Annual strategic planning sessions provide the areas of focus for each department as they prepare their budgets. This year's process encompassed a five-year plan for capital projects.

The budget planning process begins in December of each year. Each department prepares a comprehensive list of goals and objectives highlighting the programs, projects and initiatives to be considered for the upcoming fiscal year. The departments submit their requests for general fund appropriation to the Town Manager in the spring of each year.

The Capital Improvements Program ("CIP") is developed through input from the citizens and the Town's Planning Commission. Their input is used as the starting point for developing a proposed budget.

The Finance staff prepares and forwards revenue estimates for both the current and upcoming fiscal year. The expenditure proposals are compared to the revenue projections to serve as a mechanism for the Town Manager to make necessary adjustments in programs and priorities, if needed, to ensure a balanced budget and sufficient fund balance for the financial integrity of the Town.

The Town Manager presents this proposed budget to Council for review in May of each year. Council is required under state law to hold a public hearing and to adopt a final budget no later than June 30, the close of the Town's fiscal year.

The appropriated budget is prepared by major fund and department. Once adopted by Council, the budgetary control is maintained by the Town Manager at the fund level. Council must approve by ordinance any amendment to the budget which causes a change in the total appropriation of any fund.

Long-term Financial Planning

As a part of the budget process, the Town began developing long-range financial plans in 2006. Additionally, the Town has held strategic planning sessions the last eight (8) years to develop and update strategic goals and objectives for Council and staff. Town staff prepares the budget forecasts based largely on the experience the Town has had in the prior years and growth based on developer projections that could reasonably be anticipated in the future. All revenues and expenditures in the General Fund and Capital Projects Fund are analyzed and forecasts developed for the upcoming budget year and three (3) future years. This enables management to make proactive decisions for changes in service or tax and fee increases or decreases while providing a snapshot of revenue surpluses or shortfalls the Town could experience if no immediate actions were taken.

Long-term financial planning is a major tool in maintaining a sound financial position. It is critical that the Town maintain its bond ratings, Moody's upgraded the Town's bond rating in June 2023 from Aa1 to Aaa and Standard and Poor's upgraded the Town's bond rating in June 2019 from AA- to AA+.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Bluffton for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the sixteenth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire Finance Department staff. Their contributions are truly appreciated.

Respectfully,

A handwritten signature in blue ink, appearing to read "Chris Forster". The signature is fluid and cursive, with the first name "Chris" being more prominent than the last name "Forster".

Chris Forster, MPA, CPFO, CGFM,
Assistant Town Manager

**PRINCIPAL OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Elected Officials

Mayor

The Honorable Larry Toomer

Council Members:

Dan Wood - Mayor Pro Tempore

Emily Burden

Bridgette Frazier

Fred Hamilton

Appointed Officials

Stephen Steese – Town Manager

Terry A. Finger – Town Attorney

Honorable Clifford Bush III, Chief Municipal Court Judge

Honorable James Andrew Smith, Associate Municipal Court Judge

Senior Management

Chris Forster

Heather Colin

Marcia Hunter

Joseph Babkiewicz

Anni Evans

Larry Beckler

Lisa Cunningham

Kim Jones

Kevin Icard

Natalie Majorkiewicz

David Nelems

Tracy Stormer

Assistant Town Manager

Assistant Town Manager

Town Clerk

Chief of Police

Director of Human Resources

Director of Public Services

Clerk of Court

Director of Projects & Watershed Resilience

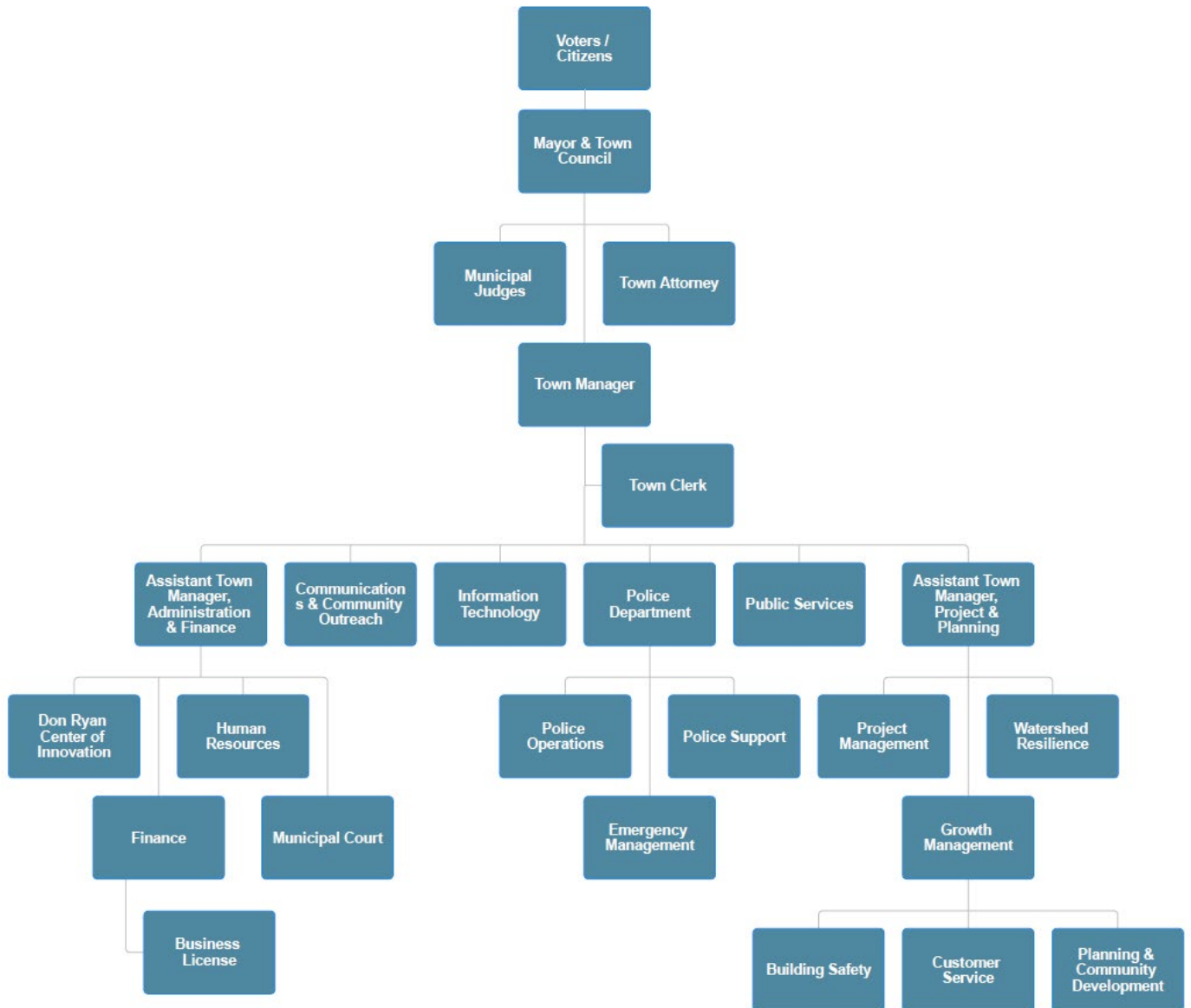
Director of Growth Management

Director of Finance

CEO, Don Ryan Center for Innovation

Chief Technology Officer

ORGANIZATIONAL CHART FOR THE FISCAL YEAR ENDED JUNE 30, 2024



GFOA CERTIFICATE OF ACHIEVEMENT



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Bluffton
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and Members
of the Town Council
Town of Bluffton, South Carolina
Bluffton, South Carolina**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Town of Bluffton, South Carolina** (the "Town"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Stormwater Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability – South Carolina Retirement System, the Schedule of Proportionate Share of the Net Pension Liability – Police Officers' Retirement System, the Schedule of Contributions – South Carolina Retirement System, and the Schedule of Contributions – Police Officers' Retirement System as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules, as listed in the table of contents, the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) as required by the South Carolina Code of Laws, and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules, the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of the Town'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 Town'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 Town of Bluffton, South Carolina's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
December 18, 2024

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

As management of the Town of Bluffton, South Carolina (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which can be found on pages i through iv of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$96,228,232 (*net position*). Of this amount, \$21,106,515 (unrestricted net position) may be used to meet the Town's ongoing obligations to its citizens and vendors. The net of deferred outflows to deferred inflows related to pensions was \$2,030,880, of which the majority was due to employer contributions and changes in actuarial assumptions.
- The Town's total net position increased by \$17,598,549, or 22%, for fiscal year 2024.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$79,162,892, an increase of \$3,376,703. Approximately 23.7% of this total amount, or \$18,768,317, is available for spending at the Town's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$18,768,317, or 71.1%, of total General Fund expenditures for the fiscal year.
- The Town's total long-term debt decreased by \$234,644 (0.5%) during the current fiscal year. The Town had principal payments on outstanding debt of \$2,380,462, which includes bond principal payments of \$1,731,649. The compensated absences liability increased by \$77,876.
- The Town of Bluffton's bond rating at June 30, 2024, was Aaa from Moody's and an AA+ from Standard & Poor's. Both agencies stated the high ratings reflect the growth in the tax base and a healthy financial position supported by financial policies, professional management and modest debt.

Overview of the Financial Statements

This Management's Discussion and Analysis ("MD&A") is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town.

Government-wide Financial Statements – The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to the financial statements of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how they have changed. The net position is the difference between the Town's total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

MANGEMENT'S DISCUSSION AND ANALYSIS

The government-wide statements consist of governmental activities of the Town and its component units. The governmental activities include most of the Town's basic services such as administrative, judicial, planning, public safety, public works, stormwater management, and community development. Property taxes and charges for services finance most of these activities. Financial information for one nonmajor component unit, the Don Ryan Center for Innovation, is reported separately from the primary government.

The Government-wide Financial Statements can be found on pages 16 and 17 of this report.

Fund Financial Statements – The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance.

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

Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Capital Improvements Program Fund, Debt Service Fund, Stormwater Fund, Local Accommodations Tax Fund, Hospitality Tax Fund and Projects Fund; all of which are considered to be major funds. Data from the other 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 Town previously has adopted an annual budget for its General Fund, Capital Improvements Program Fund, Debt Service Fund, Stormwater Fund, Hospitality Tax Fund, and Local Accommodations Tax Fund. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statements provided for the General Fund and Stormwater Fund and the schedules provided for the General Fund, Capital Improvements Program Fund, Debt Service Fund, Stormwater Fund, Hospitality Tax Fund, and Local Accommodations Tax Fund demonstrate how well the Town complied with the budget ordinance and whether the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statements and schedules use the budgetary basis of accounting and are presented using the same format, language and classifications as the Statement of Revenues, Expenditures and Changes in Fund Balances. The statements and schedules show four columns: 1) the original budget as adopted by the Council; 2) the final budget as amended by the Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund, Capital Improvements

MANGEMENT'S DISCUSSION AND ANALYSIS

Program Fund, Debt Service Fund, Stormwater Fund, Hospitality Tax Fund, and Local Accommodations Tax Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

These basic fund financial statements and schedules can be found on pages 18 through 27 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 28 through 59 of this report.

Other Supplemental information – In addition to the basic financial statements and accompanying notes, the report also presents certain supplementary information. The required supplementary information can be found on pages 60 and 61 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information related to pensions as other supplemental information. Community development grants for tourism are funded by State and Local Accommodations Taxes and are reviewed by the Town's Accommodations Tax Advisory Committee. The committee's recommendations are proposed to Council for final approval. Combining and Individual Fund Statements and Schedules can be found on pages 62 through 67 of this report.

MANGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis

The government-wide financial statements for the fiscal year ended June 30, 2024 are prepared using the financial statement-reporting model as mandated by the Governmental Accounting Standards Board ("GASB").

Statement of Net Position
Figure 1

	Governmental Activities		% Change
	2024	2023	
Current and other assets	\$ 89,284,221	\$ 84,181,550	6%
Capital assets, net	55,778,177	42,148,673	32%
Total assets	145,062,398	126,330,223	15%
Deferred outflows of resources related to pensions	2,438,580	2,254,677	8%
Total assets and deferred outflows of resources	\$ 147,500,978	\$ 128,584,900	15%
Current and other liabilities	\$ 13,032,176	\$ 11,042,902	18%
Long-term liability outstanding	19,282,072	20,367,662	-5%
Net pension liability	18,550,798	17,955,688	3%
Total liabilities	50,865,046	49,366,252	3%
Deferred inflows of resources related to pensions	407,700	588,965	-31%
Total liabilities and deferred inflows of resources	51,272,746	49,955,217	3%
Net position:			
Net investment in capital assets	39,722,238	30,557,167	30%
Restricted	35,399,479	33,080,296	7%
Unrestricted	21,106,515	14,992,220	41%
Total net position	96,228,232	78,629,683	22%
Total liabilities, deferred inflows of resources and net position	\$ 147,500,978	\$ 128,584,900	15%

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town exceeded liabilities by \$96,228,232 as of June 30, 2024. The Town's overall financial position improved, and net position increased by \$17,598,549, or 22%, during fiscal year 2024.

The Town increased its current and other assets by \$5,102,671. The increase is largely attributable to investments and cash position increases in the Stormwater Fund and Hospitality Tax Fund. The 22% increase in the Town's total net position is the result of continued conservative budgeting and Town growth.

The \$1,989,274 net increase in current and other liabilities is primarily related to the increases in amounts due to other governments and accounts payable. The \$1,085,590 net decrease in the Town's long-term liabilities is mainly due to the early payoff of financed purchases and increase in bond payments.

MANGEMENT'S DISCUSSION AND ANALYSIS

The increase in deferred outflows is due primarily to the assumption changes of \$327,236 and an increase in employer contributions subsequent to the measurement date of \$1,040,395. GASB 68 requires the collective deferred outflows and inflows arising from differences between projected and actual plan investment earnings in different measurement periods to be aggregated and included as a net collective deferred outflow or inflow. The Net Pension Liability increase is primarily due to the overall increase in the total pension liability of the plan. This resulted in an overall increase in the combined SCRS and PORS net pension liability of \$595 thousand.

The Town's restricted net position represents resources subject to external restrictions on how they may be used. The decrease of \$2.7 million from the prior year reflects a decrease of \$2.9 million in debt service, \$440 thousand decrease in tourism projects and related support, and \$714 thousand increase in capital projects.

The following table presents the Town's changes in net position for the fiscal years ended June 30, 2024 and 2023.

Statement of Activities
Figure 2

	Governmental Activities		
	2024	2023	% Change
Revenues			
Program revenues:			
Charges for services	\$ 19,149,747	\$ 17,125,540	12%
Operating grants and contributions	1,274,653	1,628,791	-22%
Capital grants and contributions	3,607,743	694,542	419%
General revenues:			
Property taxes	15,028,989	13,285,424	13%
Accommodations taxes	2,929,496	2,819,808	4%
Hospitality taxes	4,017,041	3,614,758	11%
Interest	1,329,198	482,307	176%
Unrestricted intergovernmental revenue	1,495,465	1,040,694	44%
Miscellaneous	225,747	300,526	-25%
Total revenue	<u>49,058,079</u>	<u>40,992,390</u>	<u>20%</u>
Expenses			
Current:			
Administrative	9,740,094	8,356,307	17%
Judicial	559,284	488,612	14%
Planning	2,222,881	2,060,638	8%
Building safety	1,231,910	1,089,713	13%
Police department	10,985,607	8,150,819	35%
Public works	2,205,145	2,162,371	2%
Stormwater management	1,309,369	1,209,120	8%
Project management	820,177	890,555	-8%
Community development	1,830,251	2,274,641	-20%
Interest on long-term debt	554,812	538,926	3%
Total expenses	<u>31,459,530</u>	<u>27,221,702</u>	<u>16%</u>
Change in net position	17,598,549	13,770,688	28%
Net position, beginning	78,629,683	64,858,995	21%
Net position, ending	<u>\$ 96,228,232</u>	<u>\$ 78,629,683</u>	<u>22%</u>

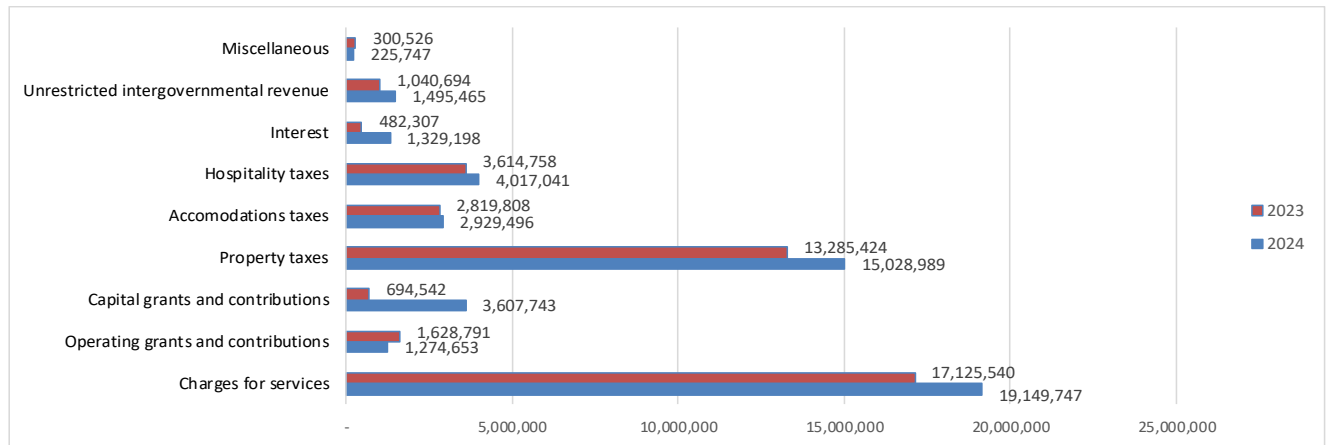
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities – Governmental activities increased the Town's net position by \$17,598,549. This increase is attributable to better than expected revenue increases, with the continued growth of the Town evident in the increase in property tax revenue, which is 30.6% of total revenue. Hospitality taxes increased as well over the prior year, accounting for 8.2% of total revenue. These factors, combined with the Town's efforts to control General Fund spending, resulted in an increase in net position of almost \$17.6 million. Charges for services account for 39.0% of total revenue and include business licenses, franchise fees, permit fees, and development fees. All other revenue sources comprise 22.2% of all funds received by the Town.

The following charts compare fiscal years 2024 and 2023 revenues by source and expenses by program:

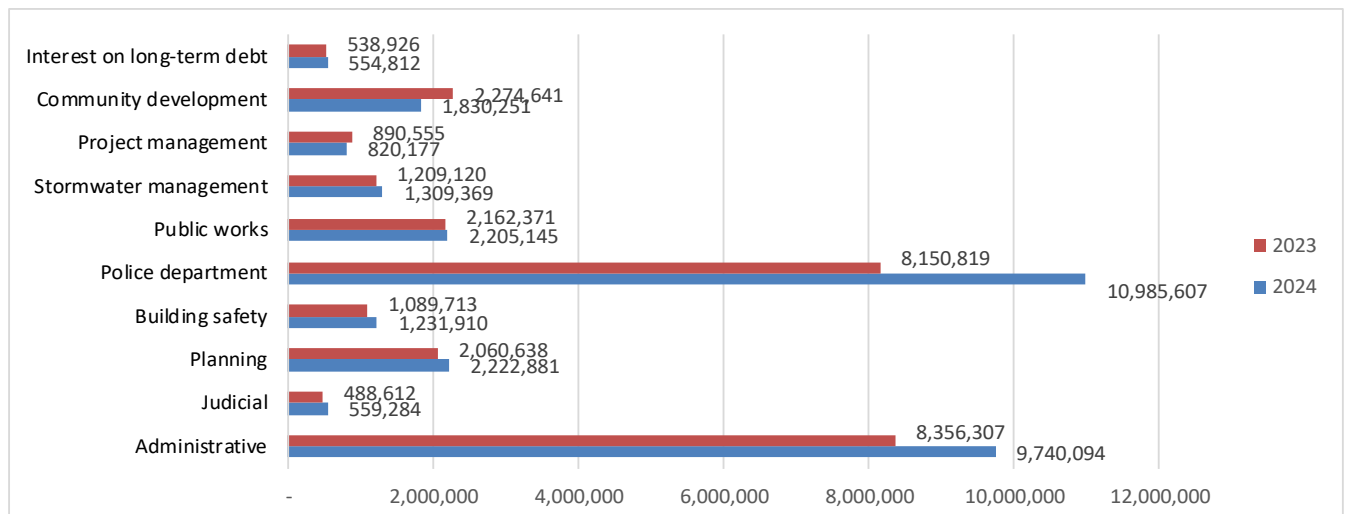
Revenues by Source – Governmental Activities

Figure 3



Expenses by Program – Governmental Activities

Figure 4



MANAGEMENT'S DISCUSSION AND ANALYSIS

Major expenses for fiscal year 2024 were associated with the Police Department (35%), Administration (31%), Community Development (6%), Public Works (7%), Project Management (3%), Planning (7%) Watershed Management (4%) functions, Building Safety (4%), and Judicial (2%). Administration expenses included costs for contracts to provide the Town services such as waste management, personnel costs and routine computer hardware and software costs. The Town infrastructure, and the Town park and open space improvements were the majority of expenditures in Project Management and Community Development.

Transfers between the funds in fiscal year 2024 increased by \$8.9 million primarily due to the increase of transfers into the Capital Improvements Fund of approximately \$7.4 million to support capital projects within the Town. The major transfer to the General Fund for fiscal year 2024 is \$2.1 million from the Hospitality Tax Fund to support tourism projects and related support personnel. Transfers In for the Capital Improvements Program Fund from the General Fund were \$2.6 million and were used to fund portions of the Fund's budgeted projects in fiscal year 2024.

Financial Analysis of the Town's Funds

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

Governmental Funds – The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of usable resources. Such information is useful in assessing the Town's financing requirements. Specifically, unassigned fund balances can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$79,162,892, an increase of \$3,376,703 from the prior fiscal year. Increases in property tax revenues of \$1.7 million along with increases in grants for capital related projects are the major drivers of this increase. Approximately 23.7% of total fund balance, or \$18,768,317, constitutes unassigned fund balance which is available for spending at the Town's discretion. The remainder of fund balances (\$60,394,575) are designated to indicate that they are not available for new spending. They have been designated as non-spendable (\$638,937), restricted (\$41,068,548), committed (\$13,515,007) or assigned (\$5,172,083). Significant amounts of restricted balances are due to external designations for debt service, tourism and related support programs, TIF Projects, and Stormwater Improvements Projects. Significant amounts of committed balances are due to the Council's designations for the Emergency Recovery Fund, the Equipment and Vehicle Replacement Reserves, and contract encumbrances for various capital improvements within the Town. Finally, amounts of assigned balances are due to the Town Manager and Directors designations for capital improvement purposes and various environmental preservations.

The General Fund is the chief operating fund of the Town. The total fund balance of the Town's General Fund increased \$4,399,081 during fiscal year 2024. This is driven from an increase in property tax revenues resulting from an overall increase in local market values and reassessment from the County for tax year 2023. In addition, the Town implemented a new online business license renewal software program in the spring of 2024 which led to more timely receipt of business license renewal revenues.

MANGEMENT'S DISCUSSION AND ANALYSIS

General Fund revenues (excluding transfers in and other financing sources) for the fiscal year 2024 were \$29,229,197, an increase of over \$3 million, or 11.6%, from the previous year. Licenses and Permits totaled \$14,577,413, an increase of \$1.6 million over the prior year. MASC insurance tax collections represent the largest increase for revenues within the Licenses and Permits category with an increase of \$696 thousand, and business licenses increased \$663 thousand within this same category. Property tax revenues for the General Fund totaled \$10,319,430, an increase of \$1 million, or 10.8%, when compared to the prior year. This increase is the result of continued growth in the residential and commercial building markets adding additional taxpayers to the tax rolls coupled with the overall increase in market values.

General Fund expenditures totaled \$26,378,893, a spending increase of \$4,183,572 from the prior year or 18.8%. The increase was primarily due to increases in salaries and benefits from a 2% cost of living increase, 2% mid-year merit increase, and updates to the Police Department Step Plan, early debt retirement of financed purchases, and new software in the Finance and Information Technology departments.

At the end of the fiscal year, the unassigned fund balance of the General Fund was \$18,768,317 while the total General Fund balance was \$34,023,045. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balances and total fund balances to total fund expenditures. Unassigned fund balances represent 71.1% of the total General Fund expenditures, while total fund balances represent 129% of that same amount.

The Capital Improvements Program ("CIP") Fund's fund balance increased \$1.7 million during fiscal year 2024. The increase is due to more capital project outlays being covered by transfers to the fund from the General Fund, stormwater fees and hospitality taxes.

At the end of the fiscal year, the fund balance in the Debt Service Fund was \$11,798,258, an increase of \$2.5 million from the prior year. This increase is attributable to the continued residential and commercial growth in the tax increment financing ("TIF") District.

The Stormwater Utility Fund's fund balance increased \$406 thousand during fiscal year 2024. The 11% increase is reflective of the increase in revenues from the County reassessment and stormwater transfers to support capital improvement projects.

The Local Accommodations Tax Fund's fund balance increased \$430 thousand, or 16%, during fiscal year 2024. The increase is primarily due to increased revenues from increased tourism and Council's decision to not pay the quarterly 8% designated marketing services expense as was done in prior fiscal years.

The Hospitality Tax Fund's fund balance decreased \$91 thousand, or 1%, during fiscal year 2024. The decrease is due to a significant increase in transfers out to support tourism-related capital projects.

The Projects Fund had a decrease in fund balance of \$5.4 million, or 39%, over the prior year, and is due to over \$5.7 million in transfers to the CIP fund to support capital projects.

General Fund Budgetary Highlights

During the fiscal year, the Town revised the budget on a few occasions. Generally, budget amendments fall into one of four categories: 1) amendments made to adjust the estimates used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such

MANAGEMENT'S DISCUSSION AND ANALYSIS

as federal and state grants; 3) amendments to provide budget appropriations for legal encumbrances; and (4) other increases or decreases in appropriations that become necessary throughout the year.

The General Fund Budget expenditure changes were \$1,072,224, starting at \$27,093,323, and ending at \$28,165,547.

Actual revenues for the General Fund were \$5.3 million more than the original adopted budget and \$4.7 million more than the revised budget. The Town saw a better than expected increase in property taxes, business licenses and MASC insurance tax collection. As Town growth continues, it will continue to affect these revenue classes.

Actual expenditures for the General Fund were \$1.8 million below revised budget. The favorable variance was due to delays in hiring open positions and grant expenditure delays until fiscal year 2025.

Capital Assets and Debt Administration

Capital Assets – The Town's investment in capital assets for its governmental activities as of June 30, 2024 totals \$55,778,177 (net of accumulated depreciation). These assets include land, building and improvements, drainage, roads, sidewalks and trails, land improvements, machinery and equipment, and vehicles. The total increase in the Town's investment in capital assets for fiscal year 2024 was 32.3%, mainly attributable to the purchase of land on Buck Island Road and increase in Construction in Progress at year-end related to the New Riverside Barn Park project.

Capital asset transactions during the year included land acquisition at Buck Island Road, streetscape improvements in Old Town Bluffton, event space and park improvements to Oyster Factory Park, New River Trail improvements, purchase of eight vehicles, and machinery and equipment for Town-wide maintenance of assets and parks.

Town of Bluffton's Capital Assets

Figure 5

	2024	2023
Land	\$ 20,573,165	\$ 18,066,150
Building and improvements	8,784,479	8,983,918
Drainage	1,843,131	406,488
Roads	1,819,233	2,081,674
Sidewalks and trails	2,830,192	2,617,953
Land improvements	6,215,903	3,538,838
Machinery and equipment	1,039,807	733,263
Vehicles	649,947	472,565
Lease assets	1,814,617	612,539
SBITAs	34,992	69,986
Construction in progress	10,172,711	4,565,299
Total	<u>\$ 55,778,177</u>	<u>\$ 42,148,673</u>

Additional information on the Town's capital assets can be found in Note 6 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt – At the end of the current fiscal year, the Town has total bond debt outstanding of \$19,843,490. Of this amount, \$7.1 million of General Obligation Debt is secured by the full faith and credit of the Town. Tax Increment Financing District bonded debt funded from incremental tax revenue represents \$10,873,418.

Town of Bluffton's Outstanding Debt
Figure 6

	2024	2023
General obligation bonds	\$ 7,125,000	\$ 7,525,000
Refunded TIF bonds	10,873,418	12,063,571
Leases	1,806,621	626,269
SBITAs	38,451	75,691
Financed purchases	-	319,093
Total	<u>\$ 19,843,490</u>	<u>\$ 20,609,624</u>

The Town's debt decreased \$766,134 during the current fiscal year excluding compensated absences and the net pension liability. This was related to the early payoff of financed purchases in fiscal year 2024. State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8% of its total assessed valuation of all taxable real estate and personal property within the Town limits. The current debt limitation for the Town is \$34,178,016, of which \$27,053,016 is remaining for additional general obligation issues. At June 30, 2024, only \$7.125 million of the Town's debt applies to this limitation.

The Town maintained a bond rating of Aaa from Moody's Investor Service and a rating of AA+ from Standard and Poor's Corporation at June 30, 2024. Moody's upgraded the Town to an Aaa in June 2024 and Standard and Poor's upgraded the town to AA+ in 2019. Both agencies have stated the high ratings reflect the growth in the tax base in recent years and a healthy financial position supported by fiscal policies, professional management and modest debt.

Additional information on the Town's long-term debt can be found in Note 8 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Town:

- Located in the heart of the Lowcountry, the Town tourism numbers are rising in Bluffton as in the neighboring communities of Hilton Head Island and Savannah, Georgia. Located on the banks of the pristine May River, the Town is home to the 20,660 acre Palmetto Bluff, an upscale award winning resort and residential development.
- The number of residential building permits and development permits decreased slightly in fiscal year 2024. This trend was anticipated for fiscal year 2024 as supply chain issues of raw materials and labor shortages were prevalent. New single-family housing starts continue to fuel the elevated growth in the Town. The number of Business Licenses issued of approximately 3,850 is a decrease over the prior year, with approximately 2,300 of these businesses being located within the Town limits.

MANGEMENT'S DISCUSSION AND ANALYSIS

- The Town is entering the 13th year of a non-profit public/private economic development venture to operate a technology business incubator in the Town of Bluffton. The Don Ryan Center for Innovation ("DRCI") was created as a storefront technology incubator within the Town's Technology Park located at Buckwalter Place. Bluffton was the first of five such projects established in the State with Clemson University to commercialize technology and create new businesses. In 2020, the DRCI moved from its temporary location to a permanent home at Buckwalter Place within the new Southeastern Development Associates Commercial Project.
- The unemployment rate for Beaufort County was 4.6% and is slightly above the State's rate of 3.6% at June 30, 2024. Currently, no data is available specifically for the Town of Bluffton.
- The fiscal year 2025 General Fund budget is balanced at \$32,468,440, an increase of 2.4% from fiscal year 2024's revised budget. The budgeted transfer out to the CIP Fund is \$1.5 million less than in fiscal year 2024.
- The fiscal year 2025 Consolidated Municipal Budget was developed by our elected officials and the Town staff working together for the betterment of the community in delivering a balanced budget. The fiscal year 2025 budget sets a tax rate of 36.0 mills, with a projected increase in assessed values. The General Fund will receive 34.3 mills and the Debt Service Fund will receive 1.7 mills.
- The CIP Fund budget for fiscal year 2025 is \$33,268,114. The majority of these expenditures are for sewer improvements which support the improved water quality initiatives in the Buck Island/Simmons ville area and Historic District of approximately \$7.5 million, additional improvements to sidewalk and road improvements of approximately \$3.4 million, Park Development of \$11.6 million and Land Acquisition of approximately \$3 million, \$615 thousand for the restoration of the historic Squire Pope Carriage House, \$1.5 million for the Affordable Housing Project, and \$3.2 million for the Buckwalter Place Multi-County Commerce Park.
- The Debt Service Fund provides for the payment of bond principal and interest payments totaling \$2,245,714 for fiscal year 2025. This includes principal and interest payments for the Refunded TIF Bonds issued in 2014, as well as for the refunded General Obligation Bonds, Series 2020, General Obligations Bonds, Series 2020A, and the TIF Revenue Bonds issued last fiscal year.
- The Stormwater Fund appropriation for fiscal year 2025 is \$4,017,671. Operational expenditures total \$1,980,912 and transfers of \$2,036,759 to other funds balance the budget of this fund.
- The Hospitality Tax Fund was included in the budget process for the first time. The fund's budget for fiscal year 2025 is \$8,248,866 and includes \$4.1 million in hospitality tax revenues and \$4.9 million in transfers out to the CIP fund.
- Similar to the Hospitality Tax Fund, the Local Accommodations Tax Fund has been included in the budget process since FY 2024. The fund's budget is balanced at \$2,165,606 and includes tax revenues of \$1.3 million and transfers out to the CIP fund of \$1.6 million.

Requests for Information

This report is designed to provide an overview of the Town's finances. Questions concerning any of the information found in this report or requests for additional information should be directed to:

Director of Finance and Administration
Town of Bluffton
20 Bridge Street
P.O. Box 386
Bluffton, South Carolina 29910

TOWN OF BLUFFTON, SOUTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government	Component Unit
	Governmental Activities	The Don Ryan Center for Innovation
ASSETS		
Cash and cash equivalents	\$ 40,370,024	\$ 466,173
Restricted cash	25,478,739	-
Investments	17,598,193	-
Receivables, net of allowance:		
Taxes	85,259	-
Accounts	5,113,069	19,629
Due from primary government	-	46,849
Prepaid items	638,937	544
Capital assets:		
Non-depreciable	30,745,876	-
Depreciable, net of accumulated depreciation/amortization	25,032,301	-
Total assets	<u>145,062,398</u>	<u>533,195</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	2,438,580	-
Total deferred outflows of resources	<u>2,438,580</u>	<u>-</u>
LIABILITIES		
Accounts payable	5,921,875	123,739
Accrued interest payable	128,103	-
Salaries and benefits payable	975,172	16,015
Deposits and bonds payable	278,388	-
Unearned revenue	685,502	500
Due to component unit	46,849	-
Due to other governments	2,213,543	-
Non-current liabilities		
Due within one year	2,782,744	-
Due in more than one year	19,282,072	-
Net pension liability - due in more than one year	18,550,798	-
Total liabilities	<u>50,865,046</u>	<u>140,254</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred refunding charge	105,581	-
Pensions	302,119	-
Total deferred inflows of resources	<u>407,700</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	39,722,238	-
Restricted for:		
Capital projects	7,797,116	-
Tourism projects and related support	13,121,854	-
Debt service	14,459,707	-
Other purposes	20,802	-
Unrestricted	21,106,515	392,941
Total net position	<u>\$ 96,228,232</u>	<u>\$ 392,941</u>

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

TOWN OF BLUFFTON, SOUTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Don Ryan Center for Innovation
Governmental activities:						
Administrative	\$ 9,740,094	\$ 12,535,891	\$ -	\$ -	\$ 2,795,797	\$ -
Judicial	559,284	769,864	-	-	210,580	-
Planning	2,222,881	742,879	-	-	(1,480,002)	-
Building safety	1,231,910	1,953,582	-	-	721,672	-
Police department	10,985,607	233,522	1,274,653	-	(9,477,432)	-
Public works	2,205,145	-	-	-	(2,205,145)	-
Stormwater management	1,309,369	2,607,109	-	-	1,297,740	-
Project management	820,177	-	-	3,607,743	2,787,566	-
Community development	1,830,251	306,900	-	-	(1,523,351)	-
Interest on long-term debt	554,812	-	-	-	(554,812)	-
Total governmental activities	31,459,530	19,149,747	1,274,653	3,607,743	(7,427,387)	-
Total Primary Government	\$ 31,459,530	\$ 19,149,747	\$ 1,274,653	\$ 3,607,743	(7,427,387)	-
Component Unit						
Don Ryan Center for Innovation	\$ 476,768	\$ 13,875	\$ 908,715	\$ -	-	445,822
General revenues:						
Property, including fee in lieu of taxes					15,028,989	-
Accommodations taxes					2,929,496	-
Hospitality taxes					4,017,041	-
Interest income					1,329,198	5,520
Unrestricted revenue from use of money and property					1,495,465	-
Miscellaneous revenues					225,747	-
Total general revenues					25,025,936	5,520
Change in net position					17,598,549	451,342
Net position, beginning of year					78,629,683	(58,401)
Net position, end of year					\$ 96,228,232	\$ 392,941

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

TOWN OF BLUFFTON, SOUTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Capital Improvement Programs Fund	Debt Service Fund	Stormwater Fund
ASSETS				
Cash and cash equivalents	\$ 22,275,941	\$ 1,861,771	\$ -	\$ -
Restricted cash and cash equivalents	593,660	466,033	11,400,963	6,708,986
Investments	10,365,606	-	-	-
Property taxes receivable, net	84,859	-	400	-
Other receivables	2,578,797	1,280,016	-	40,338
Prepaid assets	638,937	-	-	-
Due from other funds	17,555,988	13,402,356	3,580,655	1,031,895
Total assets	<u>\$ 54,093,788</u>	<u>\$ 17,010,176</u>	<u>\$ 14,982,018</u>	<u>\$ 7,781,219</u>
TOTAL LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,266,623	\$ 3,639,231	\$ -	\$ 109,102
Salaries and benefits payable	941,172	-	-	34,000
Deposits and bonds payable	278,388	-	-	-
Due to other funds	14,647,208	4,248,453	3,183,760	3,619,155
Due to component unit	46,849	-	-	-
Due to other governments	2,205,001	8,542	-	-
Unearned revenue	685,502	-	-	-
Total liabilities	<u>20,070,743</u>	<u>7,896,226</u>	<u>3,183,760</u>	<u>3,762,257</u>
FUND BALANCES				
Non-spendable	638,937	-	-	-
Restricted	76,263	5,091,867	11,798,258	4,018,962
Committed	13,389,528	-	-	-
Assigned	1,150,000	4,022,083	-	-
Unassigned	18,768,317	-	-	-
Total fund balances	<u>34,023,045</u>	<u>9,113,950</u>	<u>11,798,258</u>	<u>4,018,962</u>
Total liabilities and fund balances	<u>\$ 54,093,788</u>	<u>\$ 17,010,176</u>	<u>\$ 14,982,018</u>	<u>\$ 7,781,219</u>

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

Local Accommodations Tax Fund	Hospitality Tax Fund	Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,799,445	\$ 11,578,980	\$ -	\$ 1,853,887	\$ 40,370,024
-	-	6,280,294	28,803	25,478,739
-	-	7,232,587	-	17,598,193
-	-	-	-	85,259
319,264	436,366	-	458,288	5,113,069
-	-	-	-	638,937
1,765,618	1,129,834	635,616	75,737	39,177,699
<u>\$ 4,884,327</u>	<u>\$ 13,145,180</u>	<u>\$ 14,148,497</u>	<u>\$ 2,416,715</u>	<u>\$ 128,461,920</u>
\$ -	\$ -	\$ -	\$ 906,919	\$ 5,921,875
-	-	-	-	975,172
-	-	-	-	278,388
1,690,224	5,636,478	5,817,979	334,442	39,177,699
-	-	-	-	46,849
-	-	-	-	2,213,543
-	-	-	-	685,502
<u>1,690,224</u>	<u>5,636,478</u>	<u>5,817,979</u>	<u>1,241,361</u>	<u>49,299,028</u>
-	-	-	-	638,937
3,068,624	7,508,702	8,330,518	1,175,354	41,068,548
125,479	-	-	-	13,515,007
-	-	-	-	5,172,083
-	-	-	-	18,768,317
<u>3,194,103</u>	<u>7,508,702</u>	<u>8,330,518</u>	<u>1,175,354</u>	<u>79,162,892</u>
<u>\$ 4,884,327</u>	<u>\$ 13,145,180</u>	<u>\$ 14,148,497</u>	<u>\$ 2,416,715</u>	<u>\$ 128,461,920</u>

TOWN OF BLUFFTON, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

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

Total governmental fund balances	\$	79,162,892
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds:

Cost of assets	\$	71,204,168	
Accumulated depreciation		(15,425,991)	
			55,778,177

Deferred outflows of resources related to the Town's pension plan do not consume current financial resources and, therefore, are not reported in the funds.		2,438,580
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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	\$	(18,550,798)	
Compensated absences payable		(1,323,146)	
Accrued interest payable		(128,103)	
Leases		(1,806,621)	
Subscription-based IT arrangements		(38,451)	
Revenue bonds		(10,873,418)	
Deferred refunding charges		(105,581)	
General obligation bonds and bond premiums		(8,023,180)	
			(40,849,298)

Deferred inflows of resources related to the Town's pension plan are acquisitions of net position applicable to future periods and, therefore, are not reported in the funds.		(302,119)
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Net position of governmental activities	\$	96,228,232
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The accompanying notes are an integral part of these financial statements.

TOWN OF BLUFFTON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	General Fund	Capital Improvement Programs Fund	Debt Service Fund	Stormwater Fund	Local Accommodations Tax Fund
Revenues					
Property taxes	\$ 10,319,430	\$ -	\$ 4,709,559	\$ -	\$ -
Hospitality and accommodations taxes	-	-	-	-	1,830,195
Licenses and permits	14,577,413	306,900	370,800	-	-
Stormwater utility fees	-	-	-	2,607,109	-
Grants and entitlements	591,810	3,607,743	-	-	-
Intergovernmental	1,180,446	626,100	-	-	-
Service revenues	876,283	-	-	-	-
Fees and fines	769,864	-	-	-	-
Interest income	705,948	3,530	118,324	-	36,262
Miscellaneous	208,003	16,771	-	973	-
Total revenues	29,229,197	4,561,044	5,198,683	2,608,082	1,866,457
Expenditures					
Current:					
Legislative	393,667	-	-	-	-
Economic development	1,149,423	-	-	-	-
Executive	1,450,220	-	-	-	-
Human resources	546,001	-	-	-	-
Non-departmental	3,003,637	-	-	-	-
Finance	1,003,117	-	-	-	-
Municipal court	92,714	-	-	-	-
Municipal judges	464,779	-	-	-	-
Information technology	1,838,044	-	-	-	-
Facilities and asset management	2,069,556	-	-	-	-
Stormwater management	-	-	-	1,244,875	-
Project management	786,836	-	-	-	-
Growth management	250,564	-	-	-	-
Planning and environmental sustainability	1,470,971	-	-	-	-
Building safety	915,619	-	-	-	-
Police	10,315,738	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	15,609,580	-	27,050	-
Debt service:					
Principal retirement	589,044	-	1,590,153	59,769	-
Interest	38,963	-	655,561	6,002	-
Total expenditures	26,378,893	15,609,580	2,245,714	1,337,696	-
Excess (deficiency) of revenues over (under) expenditures	2,850,304	(11,048,536)	2,952,969	1,270,386	1,866,457
Other financing sources (uses)					
Transfers in	2,714,352	12,747,910	293,800	-	-
Transfers out	(2,638,407)	-	(781,387)	(864,724)	(1,436,131)
Leases	1,472,832	-	-	-	-
Total other financing sources (uses)	1,548,777	12,747,910	(487,587)	(864,724)	(1,436,131)
Net change in fund balances	4,399,081	1,699,374	2,465,382	405,662	430,326
Fund balances, beginning of year	29,623,964	7,414,576	9,332,876	3,613,300	2,763,777
Fund balances, end of year	\$ 34,023,045	\$ 9,113,950	\$ 11,798,258	\$ 4,018,962	\$ 3,194,103

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

Hospitality Tax Fund	Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 15,028,989
4,017,041	-	1,099,301	6,946,537
-	-	-	15,255,113
-	-	-	2,607,109
-	-	962	4,200,515
-	-	-	1,806,546
-	-	10,650	886,933
-	-	1,528	771,392
116,449	325,864	22,821	1,329,198
-	-	-	225,747
<u>4,133,490</u>	<u>325,864</u>	<u>1,135,262</u>	<u>49,058,079</u>
-	-	-	393,667
-	-	-	1,149,423
-	-	-	1,450,220
-	-	-	546,001
-	-	-	3,003,637
-	-	-	1,003,117
-	-	-	92,714
-	-	-	464,779
-	-	-	1,838,044
-	-	-	2,069,556
-	-	-	1,244,875
-	-	-	786,836
-	-	-	250,564
-	-	-	1,470,971
-	-	-	915,619
-	-	-	10,315,738
-	-	1,582,325	1,582,325
-	-	-	15,636,630
-	-	-	2,238,966
-	-	-	700,526
<u>-</u>	<u>-</u>	<u>1,582,325</u>	<u>47,154,208</u>
<u>4,133,490</u>	<u>325,864</u>	<u>(447,063)</u>	<u>1,903,871</u>
-	-	-	15,756,062
(4,224,174)	(5,732,524)	(78,715)	(15,756,062)
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,472,832</u>
<u>(4,224,174)</u>	<u>(5,732,524)</u>	<u>(78,715)</u>	<u>1,472,832</u>
(90,684)	(5,406,660)	(525,778)	3,376,703
7,599,386	13,737,178	1,701,132	75,786,189
<u>\$ 7,508,702</u>	<u>\$ 8,330,518</u>	<u>\$ 1,175,354</u>	<u>\$ 79,162,892</u>

TOWN OF BLUFFTON, SOUTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Net change in fund balances - total governmental funds	\$	3,376,703
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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 capital outlay exceeded depreciation in the current period.

Capital outlay	\$	15,388,704	
Depreciation expense		(1,685,453)	
			13,703,251

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 net book value of the capital assets sold or disposed.

(73,747)

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.

Debt issuance	\$	(1,472,832)	
Repayment of debt		2,238,966	
			766,134

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

(241,630)

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	\$	(1,323,146)	
Prior year		1,245,270	
Amortization of premiums and deferred refunding charges		153,184	
Accrued interest expense:			
Current year		(128,103)	
Prior year		120,633	
			67,838

Change in net position of governmental activities	\$	17,598,549
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The accompanying notes are an integral part of these financial statements.

TOWN OF BLUFFTON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 8,729,543	\$ 9,292,646	\$ 10,319,430	\$ 1,026,784
Licenses and permits	12,166,009	12,166,009	14,577,413	2,411,404
Intergovernmental	2,208,767	2,208,767	1,772,256	(436,511)
Service revenues	586,304	586,304	876,283	289,979
Fees and fines	115,000	115,000	769,864	654,864
Miscellaneous	145,000	145,000	913,951	768,951
Total revenues	23,950,623	24,513,726	29,229,197	4,715,471
Expenditures				
Current:				
Legislative	421,005	446,290	393,667	52,623
Economic development	884,919	884,919	1,149,423	(264,504)
Executive	1,385,979	1,494,879	1,450,220	44,659
Human resources	545,122	647,972	546,001	101,971
Non-departmental	3,297,784	3,545,207	3,003,637	541,570
Finance	1,171,083	1,171,083	1,003,117	167,966
Municipal court	105,848	105,848	92,714	13,134
Municipal judges	485,421	485,421	464,779	20,642
Information technology	2,062,769	2,352,769	1,838,044	514,725
Facilities and asset management	2,152,645	2,152,645	2,069,556	83,089
Project management	1,055,296	971,296	786,836	184,460
Growth management	286,962	286,962	250,564	36,398
Planning and environmental sustainability	1,510,569	1,576,938	1,470,971	105,967
Building safety	1,004,155	1,027,786	915,619	112,167
Police	10,195,439	10,486,274	10,315,738	170,536
Debt service:				
Principal retirement	521,509	522,440	589,044	(66,604)
Interest	6,818	6,818	38,963	(32,145)
Total expenditures	27,093,323	28,165,547	26,378,893	1,786,654
Excess (deficiency) of revenues over (under) expenditures	(3,142,700)	(3,651,821)	2,850,304	6,502,125
Other financing sources (uses)				
Transfers in	5,725,436	7,194,557	2,714,352	(4,480,205)
Transfers out	(2,582,736)	(3,542,736)	(2,638,407)	904,329
Leases	-	-	1,472,832	1,472,832
Total other financing sources, net	3,142,700	3,651,821	1,548,777	(2,103,044)
Net change in fund balances	-	-	4,399,081	4,399,081
Fund balances, beginning of year	29,623,964	29,623,964	29,623,964	-
Fund balances, end of year	\$ 29,623,964	\$ 29,623,964	\$ 34,023,045	\$ 4,399,081

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

TOWN OF BLUFFTON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
STORMWATER FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Stormwater utility fees	\$ 2,581,205	\$ 2,581,205	\$ 2,607,109	\$ 25,904
Miscellaneous	-	-	973	973
Total revenues	<u>2,581,205</u>	<u>2,581,205</u>	<u>2,608,082</u>	<u>26,877</u>
Expenditures				
Stormwater management	1,500,346	1,524,072	1,244,875	279,197
Capital outlay	-	26,640	27,050	(410)
Debt service:				
Principal retirement	-	-	59,769	(59,769)
Interest	-	-	6,002	(6,002)
Total expenditures	<u>1,500,346</u>	<u>1,550,712</u>	<u>1,337,696</u>	<u>213,016</u>
Excess of revenues over expenditures	<u>1,080,859</u>	<u>1,030,493</u>	<u>1,270,386</u>	<u>239,893</u>
Other financing sources (uses)				
Transfers in	619,907	804,814	-	(804,814)
Transfers out	(1,700,766)	(1,835,307)	(864,724)	970,583
Total other financing uses, net	<u>(1,080,859)</u>	<u>(1,030,493)</u>	<u>(864,724)</u>	<u>165,769</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>405,662</u>	<u>405,662</u>
Fund balances, beginning of year	<u>3,613,300</u>	<u>3,613,300</u>	<u>3,613,300</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,613,300</u>	<u>\$ 3,613,300</u>	<u>\$ 4,018,962</u>	<u>\$ 405,662</u>

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

TOWN OF BLUFFTON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
LOCAL ACCOMMODATIONS TAX FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Accommodations taxes	\$ 1,594,000	\$ 1,594,000	\$ 1,830,195	\$ 236,195
Interest income	3,500	3,500	36,262	32,762
Total revenues	<u>1,597,500</u>	<u>1,597,500</u>	<u>1,866,457</u>	<u>268,957</u>
Other financing sources (uses)				
Transfers in	294,490	1,700,798	-	(1,700,798)
Transfers out	(1,891,990)	(3,298,298)	(1,436,131)	1,862,167
Total other financing uses, net	<u>(1,597,500)</u>	<u>(1,597,500)</u>	<u>(1,436,131)</u>	<u>161,369</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>430,326</u>	<u>430,326</u>
Fund balances, beginning of year	<u>2,763,777</u>	<u>2,763,777</u>	<u>2,763,777</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,763,777</u>	<u>\$ 2,763,777</u>	<u>\$ 3,194,103</u>	<u>\$ 430,326</u>

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

TOWN OF BLUFFTON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
HOSPITALITY TAX FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Hospitality taxes	\$ 3,778,036	\$ 3,778,036	\$ 4,017,041	\$ 239,005
Interest income	10,000	10,000	116,449	106,449
Total revenues	<u>3,788,036</u>	<u>3,788,036</u>	<u>4,133,490</u>	<u>345,454</u>
Other financing sources (uses)				
Transfers in	3,679,020	4,704,916	-	(4,704,916)
Transfers out	(7,467,056)	(8,492,952)	(4,224,174)	4,268,778
Total other financing uses, net	<u>(3,788,036)</u>	<u>(3,788,036)</u>	<u>(4,224,174)</u>	<u>(436,138)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(90,684)</u>	<u>(90,684)</u>
Fund balances, beginning of year	<u>7,599,386</u>	<u>7,599,386</u>	<u>7,599,386</u>	<u>-</u>
Fund balances, end of year	<u>\$ 7,599,386</u>	<u>\$ 7,599,386</u>	<u>\$ 7,508,702</u>	<u>\$ (90,684)</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Bluffton, South Carolina (the "Town") 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 reporting principles. The more significant of the Town's accounting policies are described in the paragraphs below.

A. Reporting Entity

The Town, a political subdivision of the State of South Carolina, was incorporated in 1852. The Town is a municipal corporation governed by an elected five-member Council. The Town operates under a Council-Manager form of government. The Town provides a range of services to its citizens including police protection, sanitation, public improvements, parks, recreation, cultural, economic development, planning, municipal court, permitting and general administration.

As required by GAAP, the basic financial statements present the Town's financial information with its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability which is presumed to exist if the Town both appoints a voting majority of the entity's governing body, and either: 1) the Town is able to impose its will on the entity, or 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the Town. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the Town. In order to be fiscally independent, an entity must have the authority to do all of the following: a) determine its budget without the Town having the authority to approve or modify the budget; b) levy taxes or set rates or charges without approval by the Town; and c) issue bonded debt without approval by the Town.

Finally, an entity could be a component unit even if it met all the conditions for fiscal independence described above if excluding it would cause the Town's basic financial statements to be misleading or incomplete. Blended component units, although legally separate entities are, in substance, part of the government's operations and data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in separate columns in the basic financial statements to emphasize they are legally separate from the Town. Based on the criteria above, the Town has one discretely presented component unit as detailed below; the Town does not have any blended component units. The discretely presented component unit was deemed such because the Town appoints a voting majority of the component unit governing board and the Town can impose its will on the component unit, however, it is legally separate.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Don Ryan Center for Innovation ("DRCI") was established in November of 2011, and was formed for charitable purposes including, but not limited to, the specific and primary purpose of providing small technology start up and development resulting in expanded employment, economic prosperity and business opportunities for businesses and residents of the Town. The Town shall have the right to vote on: the election and removal of directors of the eleven member Board of Directors, the disposition of the corporation's assets, and any election to dissolve the corporation. The DRCI shall submit an annual budget to the Town. The Town has hired and employs the Chief Executive Officer of the DRCI. Separate statements are not prepared but additional financial information can be obtained from:

Don Ryan Center for Innovation
P.O. Box 2277
Bluffton, South Carolina 29910

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 non-fiduciary 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 normally are supported by taxes and intergovernmental revenues. 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.

Program revenues include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The Town does not have any proprietary funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Major Funds

The Town reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the Town. It is used to account for all financial resources except those to be accounted for in another fund.

Capital Improvement Programs Fund – Capital Projects Fund – This fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

Debt Service Fund – This fund is used for accumulating resources for the repayment of interest and principal on tax increment bonds and general obligation bonds.

Stormwater Fund – This fund is used to account for the stormwater utility fees collected by and distributed to the municipalities by the County for use in the Town's Stormwater Management Program and related Capital improvement Projects.

Hospitality Tax Fund – This fund is used to account for the local hospitality tax fees collected by the Town for use in tourism-related expenditures and related Capital Improvement Projects.

Local Accommodations Tax Fund – This fund is used to account for the local accommodations taxes collected by the Town for use in tourism-related expenditures and related Capital Improvement Projects.

Projects Fund – Capital Projects Fund – This fund is used to account for and report the proceeds from incremental taxes charged to individuals that are restricted for expenditures related to improvements to real property within the redevelopment property area.

Nonmajor Funds

In addition, the Town 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, accommodations taxes and other special purpose fees.

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 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 Town 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 Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use leased assets, are reported as expenditures in governmental funds.

Issuance of long-term debt and financing through leases and subscription-based information technology agreements ("SBITAs") are reported as other financing sources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting

Town Council at the department level determines the legal level of control. The Town Manager is authorized by the budget ordinance to make transfers of any amounts within the General Fund; however, Town Council must approve any revisions that increase total expenditures of any fund.

Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. A formalized budget for the Hospitality Tax Fund was not passed. These funds are transferred to Capital Projects Funds for tourism-related capital improvement projects approved by the Council. All annual budget appropriations lapse at fiscal year-end. The Town follows a budget calendar in establishing the budgets for the next year ensuring the following criteria is met:

1. Prior to the second week in June, the Town Manager submits to the Town Council, a proposed operating budget for the General Fund, Capital Improvement Programs Fund, Debt Service Fund, and Stormwater Fund for the next fiscal year commencing the following July 1. The budgets for the aforementioned funds are prepared in accordance with GAAP. The budgets include estimated expenditures and estimated sources of revenue.
2. A public hearing is scheduled and conducted to obtain taxpayer comments.
3. Prior to June 30, Town Council adopts the budget ordinance.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration for the General Fund, Special Revenue Funds, Debt Service and Capital Projects Funds. Encumbrances are recorded when purchase orders are issued, but are not considered expenditures until liabilities for payments are incurred. Encumbrances for outstanding purchase orders do not lapse at year-end.

F. Deposits and Investments

For purposes of this report, the Town considers both restricted and unrestricted demand deposits, money market accounts and certificates of deposit with original maturities of three months or less from the date of purchase to be cash equivalents. The Town maintains cash and cash equivalents in two banks, which are members of the Federal Deposit Insurance Corporation ("FDIC"). Investments for the government are reported at fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items. The cost of prepaid items is accounted for using the consumption method.

H. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are \$5,000 for all categories except roads, buildings and computer software which is \$50,000. Donated capital assets are recorded at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets and right-to-use leased assets of the Town are depreciated/amortized on the straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and improvements	10 – 35
Drainage	25
Roads	20
Land improvements	10 – 20
Sidewalks and trails	20 – 30
Machinery and equipment	5 – 15
Vehicles	5
Right-to-use leased vehicles	3 – 5

I. Leases

Lessee

The Town is a lessee for noncancellable leases of vehicles. The Town recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Leases (Continued)

Lessee (Continued)

Key estimates and judgments related to leases include how the Town determines: 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments:

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets on the Statement of Net Position and lease liabilities are reported with non-current liabilities on the Statement of Net Position.

J. Subscription-Based Information Technology Arrangements (“SBITA”)

The Town has noncancellable SBITAs of various IT software. The Town recognizes an SBITA liability and an intangible right-to-use SBITA asset on the Statement of Net Position. The Town recognizes SBITAs with an initial, individual value of \$5,000 or more.

At the commencement of an SBITA, the Town initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain implementation and conversion costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the Town determines: 1) the discount rate it uses to discount the expected SBITA payments to present value, 2) the SBITA term, and 3) SBITA payments:

- The Town uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the Town uses the 10-year treasury rate at the SBITA inception date as the discount rate.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Subscription-Based Information Technology Arrangements (“SBITA”) (Continued)

- The Town term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option prices that the SBITA is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

The Town reports SBITA assets with capital assets and SBITA liabilities are reported with non-current liabilities on the Statement of Net Position.

K. Deferred Outflows/Inflows of Resources

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has deferred outflows related to the pension plan that qualify for reporting in this category, and are further disclosed in Note 13.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has deferred inflows related to the pension plan that qualify for reporting in this category, and are further disclosed in Note 13. The other item, deferred refunding charges, resulted from the refunding of bonds and is amortized over the shorter of the life of the new debt or refunded debt.

Unearned Revenue

The Town 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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 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.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Fund Equity

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 Balances – Generally, fund balances represent the difference between the assets and liabilities 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 Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Non-spendable** – Fund balances are reported as non-spendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), 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 Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to a Council imposed ordinance and can only be modified or removed by the same formal Council action. These can include amounts set aside based on self-imposed limitations established and set in place prior to fiscal year-end but can be calculated after fiscal year-end.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Town has authorized the Town Manager and Finance Director to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The Town 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 Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Position – Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the Town has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The Town applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**O. Accounting Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that 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.

P. Compensated Absences

Full-time employees accrue paid time-off ("PTO") in varying percentages to specified maximums depending on tenure with the Town. For the Town's government-wide funds, an expense and a liability for compensated absences and the salary-related payments are recorded within those funds as the PTO is earned. The General Fund is used to liquidate the liability for compensated absences and the amount of the liability generally reported as a current liability is based on amounts paid out during the current fiscal year.

Q. Allowance for Uncollectible Accounts

All receivables are expected to be collected, so an allowance for uncollectible accounts was not considered necessary.

R. Property Taxes

Beaufort County assesses and collects property taxes and distributes an allocable portion to the Town of Bluffton. Real estate taxes for the current calendar year are levied during October and become delinquent the following January 15th. Taxes on licensed motor vehicles are levied during the month when the license registration is up for renewal. The lien date is March 15th.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS

Total deposits and investments as of June 30, 2024 are summarized as follows:

Statement of Net Position:	
Cash	\$ 40,370,024
Restricted cash	25,478,739
Total cash	<u>\$ 65,848,763</u>
Cash deposited with financial institutions	\$ 65,848,763
	<u>\$ 65,848,763</u>

The Town had restricted cash in the amount of \$25,478,739 as of June 30, 2024. These amounts are legally restricted according to developer agreements and Town ordinances for capital projects.

All of the Town's deposits are properly collateralized as of June 30, 2024.

NOTE 3. INVESTMENTS

The Town's primary objectives, in priority order, of investment activities shall be safety, liquidity and yield. In accordance with South Carolina Statute SC Code Ann. Section 6-5-10, authorized investments by political subdivisions include:

- 1) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- 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 or revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- 4) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. INVESTMENTS (CONTINUED)

- 5) Certificates of deposit where the certificates are collaterally secured by securities of the type described in items 1) and 2) above held by a third-party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- 6) Repurchase agreements when collateralized by securities as set forth in this section.
- 7) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or Town treasurer if the particular portfolio of the investment company or investment trust in which the investment is made: i) is limited to obligations described in items 1), 2), 3), and 6) of this subsection, and ii) has among its objectives the attempt to maintain a constant net asset value of \$1 a share and to that end, value its assets by the amortized cost method. The provisions of this chapter shall not impair the power of a municipality or Town treasurer to hold funds in deposit accounts with banking institutions as otherwise authorized by law.

At June 30, 2024, the Town reported \$17,598,193 in investments all of which are in U.S. Treasury Notes. Maturity for the Town's investments range from less than one year up to five years and are categorized as level 1 in the fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets. As these investments are backed by the U.S. Treasury, collateral is not required.

NOTE 4. RECEIVABLES

Receivables as of June 30, 2024 are as follows:

	General Fund	Capital Improvement Programs Fund	Debt Service Fund	Stormwater Fund	Local Accommodations Tax Fund	Hospitality Tax Fund	Nonmajor Governmental Funds	Total
Receivables:								
Due from other governments	\$ 375,309	\$ 1,280,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,655,325
DRCI	109,114	-	-	-	-	-	-	109,114
Franchise fees	314,807	-	-	-	-	-	-	314,807
Hospitality taxes	-	-	-	-	-	436,366	-	436,366
Insurance	1,139,245	-	-	-	-	-	-	1,139,245
Licenses and permits	418,553	-	-	-	-	-	-	418,553
Local accommodations taxes	-	-	-	-	319,264	-	-	319,264
Other/miscellaneous	31,147	-	-	-	-	-	-	31,147
Property taxes	84,859	-	400	-	-	-	-	85,259
School resources	190,622	-	-	-	-	-	-	190,622
State accommodations taxes	-	-	-	-	-	-	457,086	457,086
Vehicle tag fees	-	-	-	-	-	-	1,202	1,202
Stormwater utility fees	-	-	-	40,338	-	-	-	40,338
Total receivables	<u>\$ 2,663,656</u>	<u>\$ 1,280,016</u>	<u>\$ 400</u>	<u>\$ 40,338</u>	<u>\$ 319,264</u>	<u>\$ 436,366</u>	<u>\$ 458,288</u>	<u>\$ 5,198,328</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2024 is as follows:

Due To	Due From								Total
	General	Capital	Debt Service	Stormwater	Hospitality	Local	TIF Project	Nonmajor	
	Fund	Improvement Programs Fund	Fund	Fund	Tax Fund	Accommodations Tax Fund	Fund	Governmental Funds	
General Fund	\$ -	\$ 1,351,310	\$ 2,548,334	\$ 2,812,405	\$ 3,923,740	\$ 857,075	\$ 5,805,456	\$ 257,668	\$ 17,555,988
Capital Improvement Projects Fund	13,092,791	-	-	-	255,042	-	12,523	42,000	13,402,356
Debt Service Fund	230,118	2,543,787	-	806,750	-	-	-	-	3,580,655
Stormwater Fund	951,687	80,208	-	-	-	-	-	-	1,031,895
Local Accommodations Tax Fund	-	273,148	-	-	1,457,696	-	-	34,774	1,765,618
Hospitality Tax Fund	296,685	-	-	-	-	833,149	-	-	1,129,834
TIF Project Fund	190	-	635,426	-	-	-	-	-	635,616
Nonmajor Governmental Funds	75,737	-	-	-	-	-	-	-	75,737
	<u>\$ 14,647,208</u>	<u>\$ 4,248,453</u>	<u>\$ 3,183,760</u>	<u>\$ 3,619,155</u>	<u>\$ 5,636,478</u>	<u>\$ 1,690,224</u>	<u>\$ 5,817,979</u>	<u>\$ 334,442</u>	<u>\$ 39,177,699</u>

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. All interfund balances noted above are the result of the time lag between the dates that interfund goods and services are provided or the reimbursable expenditures occur.

The composition of interfund transfers for the year ended June 30, 2024 is as follows:

Transfers In	Transfers Out							Total
	General	TIF Project	Debt Service	Stormwater	Hospitality	Local	Nonmajor	
	Fund	Fund	Fund	Fund	Tax Fund	Accommodations Tax Fund	Governmental Funds	
General Fund	\$ -	\$ -	\$ -	\$ 335,866	\$ 2,123,436	\$ 176,335	\$ 78,715	\$ 2,714,352
Capital Improvement Projects Fund	2,638,407	5,732,524	781,387	235,058	2,100,738	1,259,796	-	12,747,910
Debt Service Fund	-	-	-	293,800	-	-	-	293,800
	<u>\$ 2,638,407</u>	<u>\$ 5,732,524</u>	<u>\$ 781,387</u>	<u>\$ 864,724</u>	<u>\$ 4,224,174</u>	<u>\$ 1,436,131</u>	<u>\$ 78,715</u>	<u>\$ 15,756,062</u>

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. Transfers to the Capital Improvement Programs Fund are to fund capital projects from various revenue sources. Transfers to the Debt Service Fund are outlined in item 1) above.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 18,066,150	\$ -	\$ -	\$ 2,507,015	\$ 20,573,165
Construction in progress	4,565,299	13,278,119	-	(7,670,707)	10,172,711
Total	<u>22,631,449</u>	<u>13,278,119</u>	<u>-</u>	<u>(5,163,692)</u>	<u>30,745,876</u>
Capital assets, being depreciated:					
Buildings and improvements	12,787,497	-	-	169,115	12,956,612
Drainage	926,977	-	-	1,483,975	2,410,952
Roads	5,196,627	-	-	-	5,196,627
Right-to-use lease vehicles	845,020	1,472,832	(116,353)	-	2,201,499
Right-to-use SBITAs	104,979	-	-	-	104,979
Sidewalks and trails	3,681,455	-	-	382,894	4,064,349
Land improvements	4,249,584	-	-	2,870,731	7,120,315
Machinery and equipment	3,238,510	232,686	-	256,977	3,728,173
Vehicles	2,656,419	405,067	(386,700)	-	2,674,786
Total	<u>33,687,068</u>	<u>2,110,585</u>	<u>(503,053)</u>	<u>5,163,692</u>	<u>40,458,292</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,803,579)	(368,554)	-	-	(4,172,133)
Drainage	(520,489)	(47,332)	-	-	(567,821)
Roads	(3,114,953)	(262,441)	-	-	(3,377,394)
Right-to-use lease vehicles	(232,481)	(197,007)	42,606	-	(386,882)
Right-to-use SBITAs	(34,993)	(34,994)	-	-	(69,987)
Sidewalks and trails	(1,063,502)	(170,655)	-	-	(1,234,157)
Land improvements	(710,746)	(193,666)	-	-	(904,412)
Machinery and equipment	(2,505,247)	(183,119)	-	-	(2,688,366)
Vehicles	(2,183,854)	(227,685)	386,700	-	(2,024,839)
Total	<u>(14,169,844)</u>	<u>(1,685,453)</u>	<u>429,306</u>	<u>-</u>	<u>(15,425,991)</u>
Total capital assets, being depreciated, net	<u>19,517,224</u>	<u>425,132</u>	<u>(73,747)</u>	<u>5,163,692</u>	<u>25,032,301</u>
Governmental activities capital assets, net	<u>\$ 42,148,673</u>	<u>\$ 13,703,251</u>	<u>\$ (73,747)</u>	<u>\$ -</u>	<u>\$ 55,778,177</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

<u>Governmental Activities</u>	
Administrative	\$ 50,200
Public works	97,586
Stormwater	36,826
Engineering	721,326
Information technology	52,327
Planning	1,636
Police department	589,790
Community development	135,762
Total depreciation/amortization	
expense - governmental activities	<u>\$ 1,685,453</u>

NOTE 7. NET INVESTMENT IN CAPITAL ASSETS

A significant portion of the net position reported in the government-wide Statement of Net Position is attributable to the Town's investment in capital assets. The amount is calculated as follows:

Capital assets	\$ 71,204,168
Less: accumulated depreciation	<u>(15,425,991)</u>
	<u>55,778,177</u>
Less: General obligation bonds	(8,023,180)
Less: Revenue bonds	(10,873,418)
Less: Leases	(1,806,621)
Less: Subscription-based IT arrangements	(38,451)
Less: Retainage and construction accounts payable	(877,757)
Plus: Unspent bond proceeds	5,669,069
Less: Deferred refunding charges	<u>(105,581)</u>
	<u>(16,055,939)</u>
Net investment in capital assets	<u>\$ 39,722,238</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT

The following is a summary of changes in the Town's long-term obligations as of June 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
GO bonds	\$ 7,525,000	\$ -	\$ (400,000)	\$ 7,125,000	\$ 420,000
GO bond premium	1,039,676	-	(141,496)	898,180	-
Total GO bonds	8,564,676	-	(541,496)	8,023,180	420,000
Revenue bonds	12,063,571	-	(1,190,153)	10,873,418	1,223,939
Financed purchases	319,093	-	(319,093)	-	-
Leases	626,269	1,472,832	(292,480)	1,806,621	425,376
SBITAs	75,691	-	(37,240)	38,451	38,451
Compensated absences	1,245,270	752,854	(674,978)	1,323,146	674,978
Net pension liability	17,955,688	4,863,300	(4,268,190)	18,550,798	-
Total long-term liabilities	\$ 40,850,258	\$ 7,088,986	\$ (7,323,630)	\$ 40,615,614	\$ 2,782,744

Generally, the General Fund is used to liquidate the net pension liability, leases, and compensated absences.

A. General Obligation ("GO") Bonds

In fiscal year 2021, the Town issued General Obligation ("GO") Bonds, Series 2020A in the amount of \$5,250,000 for the purpose of funding the Stormwater Utility Fund Capital Improvement Programs projects, which include projects to improve the water quality and economic viability of the May River and surrounding rivers and watersheds. This bond issue did not require a new tax levy or increase in the current millage rate. The bonds carry a 5% interest rate and principal and interest are payable through 2040.

Additionally, in fiscal year 2021, the Town issued GO Bonds, Series 2020 in the amount of \$4,405,000 for the purpose of refunding the Series 2010 Bonds and paying the cost of issuance of the Series 2020 bonds. The refunding resulted in a \$59,000 net annual savings and reduced the debt millage rate to 1.7 mills. The 2020 bonds carry a 5% interest rate and principal and interest are payable through 2035.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. General Obligation (“GO”) Bonds (Continued)

A schedule of the amounts due are as follows:

<u>Fiscal Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 420,000	\$ 253,100	\$ 673,100
2026	440,000	232,100	672,100
2027	460,000	210,100	670,100
2028	485,000	187,100	672,100
2029	510,000	162,850	672,850
2030 – 2034	2,850,000	498,250	3,348,250
2035 – 2039	1,675,000	170,500	1,845,500
2040	285,000	8,550	293,550
Total	<u>\$ 7,125,000</u>	<u>\$ 1,722,550</u>	<u>\$ 8,847,550</u>

B. Revenue Bonds

On December 1, 2014, the Town issued \$8,923,000 of TIF bonds bearing interest at 2.58% for a current refunding of the \$9,920,000 of outstanding principal of tax increment financing bonds issued by the Town in 2010. The principal and interest on these bonds are paid via the pledged revenue of up to 50% of the incremental increase in property taxes due to the economic development in the Town’s TIF district and a pledge of the Municipal Improvement District (“MID”) fees. The full faith, credit and taxing powers of the Town are not pledged for the payment of the TIF bonds nor the interest on these bonds. The principal and interest on the bonds is payable from tax revenues received by the Town with respect to the Redevelopment Project Area. The refunding was undertaken to reduce total future debt service payments. The transaction resulted in an economic gain of \$254,853 and a reduction of \$736,548 in future debt service payments.

On October 13, 2022, the Town issued \$9,800,000 of TIF bonds bearing interest at 3.46% for Capital Improvement Programs projects, which include project improvements to Barn Park, Sarah Riley Hooks Cottage, and Squire Pope Carriage House.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

B. Revenue Bonds (Continued)

A schedule of the amounts due are as follows:

<u>Fiscal Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,223,939	\$ 348,675	\$ 1,572,614
2026	1,258,702	313,912	1,572,614
2027	1,282,293	290,321	1,572,614
2028	1,326,660	245,954	1,572,614
2029	1,372,563	200,051	1,572,614
2030 – 2032	4,409,261	308,580	4,717,841
Total	<u>\$ 10,873,418</u>	<u>\$ 1,707,493</u>	<u>\$ 12,580,911</u>

C. Leases

During the fiscal year ended June 30, 2023, the Town entered into a lease agreement with Enterprise Fleet Management for the lease of a number of vehicles for the police department. The purchase price of each vehicle ranges from \$33,002 to \$186,518. The leases bear interest at a rate of 3.2% - 3.6% and are payable in annual installments of principal and interest over their lease terms that extend through 2029. The leases are being paid annually through the General Fund. A schedule of the amount due for these leases is as follows:

<u>Fiscal Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 425,376	\$ 52,932	\$ 478,308
2026	439,672	38,636	478,308
2027	379,669	24,574	404,243
2028	324,801	13,372	338,173
2029	237,103	3,509	240,612
Total	<u>\$ 1,806,621</u>	<u>\$ 133,023</u>	<u>\$ 1,939,644</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

D. SBITAs

During the fiscal year ended June 30, 2023, the Town entered into SBITAs for periods between one and five years as for the use of certain information technology items. Interest is calculated at a rate of 3.75% on all SBITAs. The SBITAs are being paid annually through the General Fund. A schedule of the amount due for these SBITAs is as follows:

<u>Fiscal Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 38,451	\$ 1,250	\$ 39,701
Total	<u>\$ 38,451</u>	<u>\$ 1,250</u>	<u>\$ 39,701</u>

NOTE 9. COMPUTATION OF LEGAL DEBT LIMITATION

The Town's general obligation debt is limited by law to 8% of the total assessed value of all taxable real and personal property within the Town limits. The largest projected assessed value as of June 30, 2024 was \$427,225,202. The computation of legal debt limits is as follows:

General obligation debt limit ($\$427,225,202 \times 8\%$)	\$ 34,178,016
General obligation debt at June 30, 2024	<u>(7,125,000)</u>
Excess of debt limit over general obligation debt	<u>\$ 27,053,016</u>

NOTE 10. STATE ACCOMMODATIONS TAX FUND

State Accommodations Tax Fund is a Special Revenue Fund to record State Accommodations Tax receipts and grants approved by Town Council payable out of appropriations. In accordance with State law, the first \$25,000 and 5% thereafter is transferred to the General Fund and 30% is distributed to the Hilton Head Island-Bluffton Chamber of Commerce's Visitor and Convention Bureau. Transfers to the General Fund for the year ended June 30, 2024 totaled \$535,741, and the distributions to the Visitor and Convention Bureau totaled \$322,290. The remaining amounts (65%) are restricted to tourism-related projects approved by Town Council.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. STATE ACCOMMODATIONS TAX FUND (CONTINUED)

Grant appropriations and expenditures for the year ended June 30, 2024 were as follows:

Grant Recipient	Appropriations	Expenditures	Lapsed	Encumbrances
State Accommodations Tax:				
BlacQuity	\$ 46,836	\$ 14,007	\$ 7,829	\$ 25,000
Bluffton Gullah Heritage Center	235,000	220,667	14,333	-
Bluffton MLK Observance Committee	31,321	16,908	11,322	3,091
Boys and Girls Club of the Lowcountry	21,650	19,855	1,795	-
Campbell Chapel Community Development	127,000	-	-	127,000
Coastal Conservation Association	10,000	8,972	1,028	-
Congregation Beth Yam	6,000	1,995	4,005	-
Farmers Market of Bluffton	88,849	33,119	16,140	39,590
Gullah Traveling Theater, Inc.	9,750	-	-	9,750
Hilton Head Island-Bluffton Chamber of Commerce	45,000	45,000	-	-
Hilton Head Symphony Orchestra	97,135	40,497	13,006	43,632
Historic Bluffton Arts and Seafood Festival	106,472	106,472	-	-
Historic Bluffton Foundation	275,568	218,866	16,702	40,000
May River Theatre, Inc.	74,621	34,606	22,902	17,113
The New Bluffton Worship	15,280	9,070	6,210	-
Old Town Merchants Society	42,592	8,930	5,162	28,500
The Rotary Club of Bluffton	40,000	6,734	8,266	25,000
SC Lowcountry Tourism	25,755	-	25,755	-
Society of Bluffton Artists	36,217	17,286	4,402	14,529
Town of Bluffton	457,026	457,026	-	-
Total State Accommodations Tax	<u>\$ 1,792,072</u>	<u>\$ 1,260,010</u>	<u>\$ 158,857</u>	<u>\$ 373,205</u>

The unpaid balances for approved grants are reflected as an encumbrance of fund balance in the State Accommodations Tax Fund. Fund balance at June 30, 2024 was \$1,002,332.

NOTE 11. LOCAL ACCOMMODATIONS TAX FUND

Local Accommodations Tax Fund is a Special Revenue Fund to record Local Accommodations Tax receipts and grants approved by Town Council payable out of appropriations. For the fiscal year ended June 30, 2024, the Town did not have any appropriations. The remaining amounts are allocated to tourism-related projects approved by Town Council.

The fund balance of the Special Revenue Fund is restricted for tourism-related projects under South Carolina Code except for the allowable 1% committed to Emergency Recovery by Town Council. Fund balance at June 30, 2024 was \$3,194,103.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the Town is bound to constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2024, fund balances were distributed as follows:

	General Fund	Capital Improvement Programs Fund	Debt Service Fund	Stormwater Fund	Local Accommodations Tax Fund	Hospitality Tax Fund	Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:									
Non-spendable: Prepaid Assets	\$ 638,937	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 638,937
Restricted for:									
Drug Enforcement (SC Code of Laws 44-53-530 (g))	-	-	-	-	-	-	-	14,539	14,539
Public Safety (Budget Ordinance)	-	-	-	-	-	-	-	33,853	33,853
Stormwater Improvement (SW Fee Ordinance)	-	-	-	4,018,962	-	-	-	-	4,018,962
TIF Debt Service (Bond & Budget Ordinance)	-	-	11,120,244	-	-	-	4,519,519	-	15,639,763
GO Bond Debt Service (Bond & Budget Ordinance)	-	-	678,014	-	-	-	3,810,999	-	4,489,013
Municipal Improvement:									
District Funds (Development Agreement)	-	2,984,623	-	-	-	-	-	-	2,984,623
Boat Ramp Repair (Development Agreement)	-	-	-	-	-	-	-	124,630	124,630
Buckwalter Park (Development Agreement)	-	354,185	-	-	-	-	-	-	354,185
Linear Park (Development Agreement)	-	140,863	-	-	-	-	-	-	140,863
Kent Estates Leisure Trail (Development Agreement)	28,000	42,000	-	-	-	-	-	-	70,000
Village of Verdier Leisure Trail (Development Agreement)	42,000	28,000	-	-	-	-	-	-	70,000
Tree Fund (unified code)	6,263	-	-	-	-	-	-	-	6,263
Tourism Projects and Related Support (SC Code 6-1-530 & 730)	-	1,542,196	-	-	3,068,624	7,508,702	-	1,002,332	13,121,854
Committed to:									
Emergency Recovery Fund (Budget Ordinance)	10,293,131	-	-	-	125,479	-	-	-	10,418,610
Capital Asset Reserve (Budget Ordinance)	3,096,397	-	-	-	-	-	-	-	3,096,397
Assigned to:									
Preservation Grant	250,000	-	-	-	-	-	-	-	250,000
Proactive Preservation	300,000	-	-	-	-	-	-	-	300,000
Public Art	100,000	-	-	-	-	-	-	-	100,000
Neighborhood Assistance Program	400,000	-	-	-	-	-	-	-	400,000
Tree Remediation	100,000	-	-	-	-	-	-	-	100,000
Other Capital Improvement Purposes	-	4,022,083	-	-	-	-	-	-	4,022,083
Unassigned:	18,768,317	-	-	-	-	-	-	-	18,768,317
Total Fund Balances	<u>\$ 34,023,045</u>	<u>\$ 9,113,950</u>	<u>\$ 11,798,258</u>	<u>\$ 4,018,962</u>	<u>\$ 3,194,103</u>	<u>\$ 7,508,702</u>	<u>\$ 8,330,518</u>	<u>\$ 1,175,354</u>	<u>\$ 79,162,892</u>

Ordinance No. 2023-03 *Fiscal Year 2024 Budget* establishes the following designated reserve funds:

Emergency Recovery Fund – This fund shall be funded at an amount equal to or greater than 15% of the current fiscal year governmental funds expenditure budget amount. For the fiscal year 2024, this amount was established as \$10,293,131. The fund amount is established by Council Ordinance every year with the adoption of each year's General Fund budget. The fund was created to provide emergency funds for a natural disaster (i.e., hurricane) or other state of emergency.

Capital Asset Reserve Fund – This reserve shall be capped at the value of the most recent five years of depreciation expense. This reserve shall be funded at an amount equal to 50% of depreciation expense from the most recently audited financial statements. This funding will occur in years in which there is a positive net change in the prior year's General Fund fund balance. In addition, any insurance proceeds from totaled vehicles and proceeds from the sale of vehicles and equipment will be designated as reserved for future vehicle or equipment purchases. Debt Service requirements (lease principal and interest payments) are charged to Departmental Cost Centers and reduce the Capital Asset Reserve each year. For the fiscal year 2024, this amount was established at \$3,096,397.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. FUND BALANCES (CONTINUED)

Fiscal year 2024 also includes assigned fund balances for a Preservation Grant, Proactive Preservation, Public Art, a Neighborhood Assistance Program, and Tree Remediation.

NOTE 13. DEFINED BENEFIT PENSION PLAN

Description of the Entity

The South Carolina Public Employee Benefit Authority ("PEBA"), created July 1, 2012, is the State agency responsible for the administration and management of the various retirement systems (the "Systems") and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the South Carolina 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 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.

Plan Description

The Town 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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly at or after the general election in November 2012.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

In addition to the SCRS pension plan, the Town 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.

South Carolina Retirement System – 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 at or after the general election in November 2012. 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.

South Carolina Police Officers' Retirement System – To be eligible for PORS membership, an employee must be required by the terms of his or her employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits (Continued)

South Carolina Retirement System – 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.

South Carolina Police Officers' Retirement – 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 13. 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. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS and 9.75% for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS until reaching 18.56% for SCRS and 21.24% for PORS. The legislation included further provision that if the scheduled contributions are not sufficient to meet the funding periods set in the statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of 1% in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85% funded.

Required employee contribution rates for the year ended June 30, 2024 are as follows:

South Carolina Retirement System

Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation

South Carolina Police Officers' Retirement System

Employee Class Two	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation

NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions (Continued)

Required employer contribution rates for the year ended June 30, 2024 are as follows:

South Carolina Retirement System

Employee Class Two	18.41% of earnable compensation
Employee Class Three	18.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers' Retirement System

Employee Class Two	20.84% of earnable compensation
Employee Class Three	20.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

Actuarial Assumptions and Methods

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

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2023 valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry Age	Entry Age
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	Lesser of 1% or \$500	Lesser of 1% or \$500

NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions and Methods (Continued)

Assumptions used in the July 1, 2023 valuations for SCRS and PORS are as follows:

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

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 2023 fiscal year of the Systems. The long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation, which is summarized in the table below. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity	9.0%	10.91%	0.98%
Private Debt	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
	100.0%		
Total expected real return			5.31%
Inflation for actuarial purposes			2.25%
Total expected nominal return			7.56%

NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability

The June 30, 2023 (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the Systems consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on the July 1, 2022 actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2024, 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. As of June 30, 2024 (measurement date of June 30, 2023), the net pension liability amounts for the Town's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employer's Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>	<u>Town's Proportionate Share of the Collective Net Pension Liability</u>
SCRS	\$ 28,715,297	\$ 16,840,384	\$ 11,874,913	58.6%	0.049116%
PORS	\$ 20,724,464	\$ 14,048,579	\$ 6,675,885	67.8%	0.219306%

Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued Annual Comprehensive Financial Report ("ACFR") containing financial statements and required supplementary information for SCRS and PORS. The ACFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to:

PEBA
P.O. Box 11960
Columbia, South Carolina 29211-1960

NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 Town'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:

Sensitivity of the Net Position Liability to Changes in the Discount Rate			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	\$ 15,343,622	\$ 11,874,913	\$ 8,991,986
PORS	9,417,346	6,675,885	4,430,288
Total	<u>\$ 24,760,968</u>	<u>\$ 18,550,798</u>	<u>\$ 13,422,274</u>

Pension Expense

For the fiscal year ended June 30, 2024, the Town recognized its proportionate share of collective pension expense of \$1,172,565 and recognition of deferred amounts from changes in the proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$248,160 for a total of \$1,420,725 for the SCRS plan. Additionally, for the fiscal year ended June 30, 2024, the Town recognized its proportionate share of collective pension expense of \$785,664, and recognition of deferred amounts from changes in the proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$10,274, for a total of \$795,938 for the PORS plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

	SCRS		PORS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental activities						
Differences between expected and actual experience	\$ 206,169	\$ 32,931	\$ 314,173	\$ 82,299	\$ 520,342	\$ 115,230
Net difference between projected and actual earnings on pension plan investments	-	16,255	-	11,457	-	27,712
Assumption changes	181,941	-	145,295	-	327,236	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	497,901	-	52,706	159,177	550,607	159,177
Employer contributions subsequent to the measurement date	619,289	-	421,106	-	1,040,395	-
Total	<u>\$ 1,505,300</u>	<u>\$ 49,186</u>	<u>\$ 933,280</u>	<u>\$ 252,933</u>	<u>\$ 2,438,580</u>	<u>\$ 302,119</u>

Town contributions subsequent to the measurement date of \$619,289 and \$421,106, for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period	Fiscal Year	SCRS	PORS
Ending June 30,	Ending June 30,		
2024	2025	\$ 342,804	\$ 162,837
2025	2026	(96,977)	(166,987)
2026	2027	473,491	296,992
2027	2028	117,507	(33,601)
Total		<u>\$ 836,825</u>	<u>\$ 259,241</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 14. OTHER INFORMATION

A. Commitments and Contingent Liabilities

Litigation

The Town is subject to various claims and contingencies related to compliance with regulations associated with various grants and other matters arising out of the normal course of business. Management of the Town believes that the ultimate liability, if any, from such claims or contingencies are covered by the Town's insurance policies and are not likely to have a material adverse effect on the Town's operating results, financial condition or liquidity.

Construction Commitments

In addition to the liabilities enumerated in the balance sheet at June 30 2024, the Town has contractual commitments on uncompleted contracts of \$8,661,386.

Encumbrances

As discussed in Note 1, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amounts of encumbrances expected to be honored upon performance by the vendor in the next year were reported only in the General Fund. These encumbrances totaled \$333,400 for the year ended June 30, 2024.

B. Risk Management

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries insurance coverage through the State of South Carolina for general liability and auto liability coverage of \$1,000,000 per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage with no lifetime limit. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability and property in excess of \$60,000 and \$300,000 up to statutory limits for workers' compensation. The pools are reinsured for annual employee health claims in excess of \$150,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BLUFFTON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE, 2024

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

<u>Plan Year Ended June 30,</u>	<u>Town's proportion of the net pension liability</u>	<u>Town's proportionate share of the net pension liability</u>	<u>Town's covered payroll</u>	<u>Town's share of the net pension liability as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2023	0.049116%	\$ 11,874,913	\$ 6,209,834	191.2%	58.6%
2022	0.047134%	11,426,400	5,633,505	202.8%	57.1%
2021	0.046503%	10,063,814	4,454,142	225.9%	60.7%
2020	0.044783%	11,442,849	4,996,106	229.0%	54.1%
2019	0.043852%	9,825,842	4,768,301	206.1%	54.1%
2018	0.043852%	9,825,842	4,544,792	216.2%	54.1%
2017	0.043464%	9,784,445	4,385,398	223.1%	53.3%
2016	0.041865%	8,942,302	4,054,074	220.6%	52.9%
2015	0.040187%	7,621,658	3,768,002	202.3%	57.0%

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

<u>Plan Year Ended June 30,</u>	<u>Town's proportion of the net pension liability</u>	<u>Town's proportionate share of the net pension liability</u>	<u>Town's covered payroll</u>	<u>Town's share of the net pension liability as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2023	0.219306%	\$ 6,675,885	\$ 3,842,445	173.7%	67.8%
2022	0.217717%	6,529,288	3,456,867	188.9%	66.4%
2021	0.227654%	5,857,346	2,902,305	201.8%	70.4%
2020	0.230275%	7,636,298	3,478,642	219.5%	58.8%
2019	0.228060%	6,462,170	3,088,033	209.3%	61.7%
2018	0.228060%	6,462,170	3,156,690	204.7%	61.7%
2017	0.249090%	6,823,999	3,354,450	203.4%	60.9%
2016	0.225660%	5,723,809	2,407,795	237.7%	60.4%
2015	0.170920%	3,272,235	2,055,787	159.2%	64.6%
2014	0.170920%	3,272,235	2,055,787	159.2%	67.6%

TOWN OF BLUFFTON, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2024

SCHEDULE OF CONTRIBUTIONS SOUTH CAROLINA RETIREMENT SYSTEM

<u>Year Ended June 30,</u>	<u>Statutorily required contribution</u>	<u>Contributions relative to statutorily required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Town's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2024	\$ 619,289	\$ 619,289	\$ -	\$ 6,880,989	9.00%
2023	558,886	558,886	-	6,209,834	9.00%
2022	507,015	507,015	-	5,633,505	9.00%
2021	686,383	686,383	-	4,454,142	15.41%
2020	769,900	769,900	-	4,996,106	15.41%
2019	687,112	687,112	-	4,768,301	14.41%
2018	616,274	616,274	-	4,544,792	13.56%
2017	506,952	506,952	-	4,385,398	11.56%
2016	448,381	448,381	-	4,054,074	11.06%
2015	410,713	410,713	-	3,768,002	10.90%

SCHEDULE OF CONTRIBUTIONS POLICE OFFICERS' RETIREMENT SYSTEM

<u>Year Ended June 30,</u>	<u>Statutorily required contribution</u>	<u>Contributions relative to statutorily required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Town's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2024	\$ 421,106	\$ 421,106	\$ -	\$ 4,319,035	9.75%
2023	374,638	374,638	-	3,842,445	9.75%
2022	337,045	337,045	-	3,456,867	9.75%
2021	517,771	517,771	-	2,902,305	17.84%
2020	620,590	620,590	-	3,478,642	17.84%
2019	520,025	520,025	-	3,088,033	16.84%
2018	506,333	506,333	-	3,156,690	16.04%
2017	477,674	477,674	-	3,354,450	14.24%
2016	395,280	395,280	-	2,407,795	16.42%
2015	322,885	322,885	-	2,055,787	15.71%

OTHER SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

TOWN OF BLUFFTON, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Boat Ramp Fund	State Accommodations Tax Fund	Vehicle Tag Fee Fund	Seized and Forfeited Assets Fund	
ASSETS					
Cash	\$ 155,804	\$ 1,671,893	\$ 26,190	\$ -	\$ 1,853,887
Restricted cash and cash equivalents	-	-	-	28,803	28,803
Other receivables	-	457,086	1,202	-	458,288
Due from other funds	10,826	57,650	6,461	800	75,737
Total assets	<u>\$ 166,630</u>	<u>\$ 2,186,629</u>	<u>\$ 33,853</u>	<u>\$ 29,603</u>	<u>\$ 2,416,715</u>
TOTAL LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ 893,992	\$ -	\$ 12,927	\$ 906,919
Due to other funds	42,000	290,305	-	2,137	334,442
Total liabilities	<u>42,000</u>	<u>1,184,297</u>	<u>-</u>	<u>15,064</u>	<u>1,241,361</u>
FUND BALANCES					
Restricted:					
Public safety	-	-	33,853	14,539	48,392
Tourism	-	1,002,332	-	-	1,002,332
Capital projects	124,630	-	-	-	124,630
Total fund balances	<u>124,630</u>	<u>1,002,332</u>	<u>33,853</u>	<u>14,539</u>	<u>1,175,354</u>
Total liabilities and fund balances	<u>\$ 166,630</u>	<u>\$ 2,186,629</u>	<u>\$ 33,853</u>	<u>\$ 29,603</u>	<u>\$ 2,416,715</u>

TOWN OF BLUFFTON, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Boat Ramp Fund	State Accommodations Tax Fund	Vehicle Tag Fee Fund	Seized and Forfeited Assets Fund	
Revenues					
Accommodations taxes	\$ -	\$ 1,099,301	\$ -	\$ -	\$ 1,099,301
Development fees	10,650	-	-	-	10,650
Tag fees	-	-	1,528	-	1,528
Interest income	309	22,107	278	127	22,821
Confiscated revenues	-	-	-	962	962
Total revenues	10,959	1,121,408	1,806	1,089	1,135,262
Expenditures					
Current:					
Community development	25	1,582,300	-	-	1,582,325
Total expenditures	25	1,582,300	-	-	1,582,325
Excess (deficiency) of revenues over (under) expenditures	10,934	(460,892)	1,806	1,089	(447,063)
Other financing uses					
Transfers out	-	(78,715)	-	-	(78,715)
Total other financing uses	-	(78,715)	-	-	(78,715)
Net change in fund balances	10,934	(539,607)	1,806	1,089	(525,778)
Fund balances, beginning of year	113,696	1,541,939	32,047	13,450	1,701,132
Fund balances, end of year	\$ 124,630	\$ 1,002,332	\$ 33,853	\$ 14,539	\$ 1,175,354

TOWN OF BLUFFTON, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GAAP BASIS GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenue				
Property tax	\$ 8,729,54	\$ 9,292,64	\$ 10,319,43	\$ 1,026,78
Licenses and permits:				
Franchise fee	3,125,45	3,125,45	3,362,30	236,851
Business license	3,559,45	3,559,45	4,500,58	941,122
MASC telecommunication	50,000	50,000	56,434	6,434
MASC insurance tax collectio	2,906,37	2,906,37	4,616,571	1,710,19
Building permit	2,474,72	2,474,72	1,953,582	(521,138)
pplication fee	50,000	50,000	87,941	37,941
Total licenses and permit	12,166,00	12,166,00	14,577,41	2,411,40
Intergovernmenta				
State shared revenues				
Local government fun	300,00	300,00	681,881	381,881
Federal grants	190,00	190,00	591,81	401,81
Total state shared revenue	490,00	490,00	1,273,691	783,691
Other local governments:				
School resource officer	1,648,55	1,423,17	418,32	(1,004,856)
School crossing guard	70,212	70,212	80,242	10,030
Total other local government	1,718,76	1,493,391	498,56	(994,826)
Total intergovernmenta	2,208,76	1,983,391	1,772,25	(211,135)
Service revenues:				
Contract police service	-	225,37	231,99	6,618
Development fee	586,30	586,30	644,28	57,985
Total service revenues	586,30	811,68	876,28	64,603
Fees and fines:				
Municipal cour	100,00	100,00	117,21	17,213
Victims assistance	15,000	15,000	17,971	2,971
Check fee	-	-	634,680	634,680
Total fees and fine	115,00	115,00	769,86	654,86
Miscellaneous				
Insurance proceed	-	-	100,95	100,95
Miscellaneous	100,00	100,00	46,775	(53,225)
Rental income	20,000	20,000	60,270	40,270
Interest incom	25,000	25,000	705,94	680,94
Total miscellaneous	145,00	145,00	913,951	768,951
Total revenue	23,950,62	24,513,72	29,229,19	4,715,471
Expenditure				
Current:				
Legislativ	421,00	446,29	393,66	52,623
Economic developmen	884,91	884,91	1,149,42	(264,504)
Executiv	1,385,97	1,494,87	1,450,22	44,659
Human resource	545,122	647,972	546,001	101,971
Non-departmenta	3,297,78	3,545,20	3,003,63	541,57
Financ	1,171,08	1,171,08	1,003,11	167,96
Municipal cour	105,84	105,84	92,714	13,134
Municipal judge	485,421	485,421	464,77	20,642
Information technolog	2,062,76	2,352,76	1,838,04	514,72
Facilities and asset managemen	2,152,64	2,152,64	2,069,55	83,089
Project managemen	1,055,29	971,29	786,83	184,46
Growth managemen	286,962	286,962	250,56	36,398
Planning and environmental sustainabilit	1,510,56	1,576,93	1,470,971	105,96
Building safet	1,004,15	1,027,78	915,61	112,16
Polic	10,195,43	10,486,27	10,315,73	170,53
Debt service:				
Principal retiremen	521,50	522,44	589,04	(66,604)
Interes	6,818	6,818	38,963	(32,145)
Total expenditure	27,093,32	28,165,54	26,378,89	1,786,65
Excess (deficiency) of revenues over (under) expenditures	(3,142,700)	(3,651,821)	2,850,30	6,502,12
Other financing sources (uses)				
Transfers in	5,725,436	7,194,557	2,714,352	(4,480,205)
Transfers out	(2,582,736)	(3,542,736)	(2,638,407)	904,329
Leases	-	-	1,472,832	1,472,832
Total other financing sources, net	3,142,700	3,651,821	1,548,77	(2,103,044)
Net change in fund balances	-	-	4,399,081	4,399,081
Fund balances, beginning of year	29,623,96	29,623,96	29,623,96	-
Fund balances, end of year	\$ 29,623,964	\$ 29,623,964	\$ 34,023,045	\$ 4,399,081

TOWN OF BLUFFTON, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GAAP BASIS CAPITAL IMPROVEMENT PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Other revenues:				
Intergovernmental	\$ 77,420	\$ 77,420	\$ 626,100	\$ 548,680
Interest income	-	-	3,530	3,530
Donations	-	-	16,771	16,771
Development fees	300,440	300,440	306,900	6,460
Total other revenues	377,860	377,860	953,301	575,441
State revenues	500,000	500,000	200,000	(300,000)
Federal revenues	200,000	2,200,000	3,407,743	1,207,743
Total revenues	1,077,860	3,077,860	4,561,044	1,483,184
Expenditures				
Current:				
Affordable Housing Project	1,708,672	1,676,044	76,829	1,599,215
BIS Neighborhood Sidewalks and Lighting	-	186,263	62,110	124,153
Boundary Street Lighting	-	44,403	21,179	23,224
Boundary Street Streetscape	893,050	936,781	5,003	931,778
Bridge Street Streetscape	110,490	676,417	91,934	584,483
Buck Island - Simmonsville Sewer Phase 5	2,400,000	2,551,436	2,015,474	535,962
Buckwalter Place Multi-County Commerce Park Ph. 2	3,327,940	3,504,420	277,334	3,227,086
Calhoun Street Streetscape	447,837	677,517	51,383	626,134
Community Safety Cameras	68,500	68,500	21,236	47,264
Comprehensive Drainage Plan Improvements	228,100	287,517	84,674	202,843
Document Management - Phase 2	290,000	-	-	-
Ghost Roads	376,000	388,177	8,757	379,420
Goethe - Shults Neighborhood Improvements Ph. 2	-	297,500	8,094	289,406
Historic District Sewer Extension Phase 2	-	323,446	232,980	90,466
Historic District Sewer Extension Phase 3	-	199,124	162,940	36,184
Historic District Sewer Extension Phase 4	520,140	558,963	1,302	557,661
Historic District Sewer Extension Phase 5	468,480	503,514	1,064	502,450
Historic District Sewer Extension Phase 6	579,600	621,637	1,866	619,771
Land Acquisition	3,998,175	4,993,220	2,536,118	2,457,102
Law Enforcement Center Facility Improvements	156,500	194,985	79,444	115,541
May River Action Plan Imprvs Restrtn/Water Qlty Proj	459,000	459,000	84,741	374,259
Network Improvements	130,000	139,971	119,407	20,564
New River Trail	28,195	2,103,750	409,707	1,694,043
New Riverside Park/Barn Site	4,880,693	5,976,016	4,385,096	1,590,920
New Riverside Village Park	288,000	288,000	235,543	52,457
Oscar Frazier Park	1,030,000	1,115,419	591,452	523,967
Oyster Factory Park	1,041,110	1,447,242	1,184,998	262,244
Park Improvements	354,700	500,138	328,697	171,441
Pathway Pedestrian Safety Improvements	378,121	660,371	126,130	534,241
Pritchard Street Drainage Improvements	1,442,706	1,452,696	41,854	1,410,842
Public Art Program	-	100,000	269	99,731
Sarah Riley Hooks Cottage	345,217	364,432	96,885	267,547
Sewer Connections Policy	384,000	1,137,776	639,045	498,731
Squire Pope Carriage House	1,035,586	1,621,444	1,390,922	230,522
Stoney Crest Campground/Old Palmetto Bluff Rd	419,099	419,099	-	419,099
Town Hall Improvements	250,000	300,000	235,113	64,887
Townwide Wayfinding Signage System	40,000	40,000	-	40,000
Wharf Street Lighting	185,750	244,560	-	244,560
Total expenditures	28,265,661	37,059,778	15,609,580	21,450,198
Deficiency of revenues under expenditures	(27,187,801)	(33,981,918)	(11,048,536)	22,933,382
Other financing sources				
Transfers in	27,765,661	34,559,778	12,747,910	(21,811,868)
Total other financing sources	27,765,661	34,559,778	12,747,910	(21,811,868)
Net change in fund balances	577,860	577,860	1,699,374	1,121,514
Fund balances, beginning of year	7,414,576	7,414,576	7,414,576	-
Fund balances, end of year	\$ 7,992,436	\$ 7,992,436	\$ 9,113,950	\$ 1,121,514

TOWN OF BLUFFTON, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
DEBT SERVICE FUND
FOR THE YEAR FISCAL ENDED JUNE 30, 2024**

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	\$ 3,580,840	\$ 3,580,840	\$ 4,709,559	\$ 1,128,719
MID Fees	365,860	365,860	370,800	4,940
Interest income	4,400	4,400	118,324	113,924
Total revenues	3,951,100	3,951,100	5,198,683	1,247,583
Expenditures				
Other miscellaneous	50	50	-	50
Debt service:				
Principal retirement	1,590,153	1,590,153	1,590,153	-
Interest	655,561	655,561	655,561	-
Total expenditures	2,245,764	2,245,764	2,245,714	50
Excess of revenues over expenditures	1,705,336	1,705,336	2,952,969	1,247,633
Other financing sources (uses)				
Transfers in	3,541,805	3,952,124	293,800	(3,658,324)
Transfers out	(5,247,141)	(5,657,460)	(781,387)	4,876,073
Total other financing uses, net	(1,705,336)	(1,705,336)	(487,587)	1,217,749
Net change in fund balances	-	-	2,465,382	2,465,382
Fund balances, beginning of year	9,332,876	9,332,876	9,332,876	-
Fund balances, end of year	\$ 9,332,876	\$ 9,332,876	\$ 11,798,258	\$ 2,465,382

TOWN OF BLUFFTON, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
STORMWATER FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Licenses and permits:				
Stormwater fees	\$ 2,581,205	\$ 2,581,205	\$ 2,607,109	\$ 25,904
Miscellaneous	-	-	973	973
Total revenues	<u>2,581,205</u>	<u>2,581,205</u>	<u>2,608,082</u>	<u>26,877</u>
Expenditures				
Personnel:				
Stormwater	788,797	788,797	819,255	(30,458)
Operating costs:				
Stormwater	711,549	735,275	425,620	309,655
Capital outlay	-	26,640	27,050	(410)
Debt service:				
Principal retirement	-	-	59,769	(59,769)
Interest	-	-	6,002	(6,002)
Total expenditures	<u>1,500,346</u>	<u>1,550,712</u>	<u>1,337,696</u>	<u>213,016</u>
Excess of revenues over expenditures	<u>1,080,859</u>	<u>1,030,493</u>	<u>1,270,386</u>	<u>239,893</u>
Other financing sources (uses)				
Transfers in	619,907	804,814	-	(804,814)
Transfers out	(1,700,766)	(1,835,307)	(864,724)	970,583
Total other financing uses, net	<u>(1,080,859)</u>	<u>(1,030,493)</u>	<u>(864,724)</u>	<u>165,769</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>405,662</u>	<u>405,662</u>
Fund balances, beginning of year	<u>3,613,300</u>	<u>3,613,300</u>	<u>3,613,300</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,613,300</u>	<u>\$ 3,613,300</u>	<u>\$ 4,018,962</u>	<u>\$ 405,662</u>

SUPPLEMENTAL SECTION

UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2024

FOR THE STATE TREASURER'S OFFICE:

MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>Municipal</u> <u>Court</u>	<u>Total</u>
Court Fines and Assessments:		
Court fines and assessments collected	\$ 306,686	\$ 306,686
Court fines and assessments remitted to State Treasurer	165,339	165,339
Total Court Fines and Assessments retained	\$ 141,347	\$ 141,347
Surcharges and Assessments retained for victim services:		
Surcharges collected and retained	\$ 3,503	\$ 3,503
Assessments retained	14,468	14,468
Total Surcharges and Assessments retained for victim services	\$ 17,971	\$ 17,971

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	\$ -	\$ -
<u>Victim Service Revenue:</u>		
Victim Service Fines Retained by Town	-	-
Victim Service Assessments Retained by Town	14,468	14,468
Victim Service Surcharges Retained by Town	3,503	3,503
Interest Earned	-	-
Grant Funds Received	-	-
Grant from:		-
General Funds Transferred to Victim Service Fund	72,433	72,433
Contribution Received from Victim Service Contracts:		
(1) Town of	-	-
(2) Town of	-	-
(3) City of	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 90,404	\$ 90,404

UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2024

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>Total</u>
Salaries and Benefits	\$ 89,863	\$ 89,863
Operating Expenditures	541	541
Victim Service Contract(s):		
(1) Entity's Name		-
(2) Entity's Name		-
Victim Service Donation(s):		
(1) Domestic Violence Shelter:	-	-
(2) Rape Crisis Center:	-	-
(3) Other local direct crime victims service agency:	-	-
Transferred to General Fund	-	-
Total Expenditures from Victim Service Fund/Program (B)	\$ 90,404	\$ 90,404
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	\$ -	\$ -
Less: Prior Year Fund Deficit Repayment	-	-
Carryforward Funds – End of Year	\$ -	-

STATISTICAL SECTION

**STATISTICAL SECTION
(UNAUDITED)**

This part of the Town of Bluffton's Annual Comprehensive Financial Report represents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Town's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	70 – 74
Revenue Capacity <i>These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property and sales taxes.</i>	75 – 80
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's abilities to issue additional debt in the future.</i>	81 – 85
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	86 and 87
Operating Information <i>These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and activities it performs.</i>	88 – 90

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Financial Statements audit reports for the relevant year.

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 11,556,509	\$ 11,494,116	\$ 13,698,001	\$ 18,219,570	\$ 22,392,823	\$ 24,422,794	\$ 26,497,134	\$ 27,384,926	\$ 30,557,167	\$ 39,722,238
Restricted	8,501,810	10,006,700	8,494,579	8,845,823	10,490,769	12,814,471	17,008,185	25,716,856	33,080,296	35,399,479
Unrestricted	1,316,954	4,208,504	6,039,836	3,054,693	2,902,157	3,132,113	6,783,599	11,757,213	14,992,220	21,106,515
Total governmental activities net position	<u>\$ 21,375,273</u>	<u>\$ 25,709,320</u>	<u>\$ 28,232,416</u>	<u>\$ 30,120,086</u>	<u>\$ 35,785,749</u>	<u>\$ 40,369,378</u>	<u>\$ 50,288,918</u>	<u>\$ 64,858,995</u>	<u>\$ 78,629,683</u>	<u>\$ 96,228,232</u>

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
General government:										
Administration	\$ 3,675,493	\$ 4,210,681	\$ 4,858,208	\$ 4,966,547	\$ 6,273,450	\$ 6,202,766	\$ 6,656,915	\$ 7,164,020	\$ 8,356,307	\$ 9,740,094
Judicial	278,425	302,390	325,019	349,155	408,166	446,349	438,107	951,917	488,612	559,284
Planning	744,605	873,476	801,474	950,748	1,269,985	1,142,227	1,247,888	2,291,696	2,060,638	2,222,881
Public safety:										
Building safety	962,685	981,279	1,036,905	1,057,626	924,154	918,640	917,401	962,165	1,089,713	1,231,910
Police	4,801,530	5,691,428	6,720,715	6,720,974	6,471,843	7,383,736	7,344,682	7,235,621	8,150,819	10,985,607
Public works	1,034,327	938,380	1,417,406	1,111,464	1,606,484	1,631,797	2,009,698	1,928,569	2,162,371	2,205,145
Environmental protection/stormwater management	652,579	963,939	800,781	826,253	923,714	1,190,662	1,045,730	1,014,708	1,209,120	1,309,369
Engineering/project management	876,330	921,486	1,170,935	6,164,446	1,376,125	1,387,003	1,524,434	886,363	890,555	820,177
Community development	1,027,545	2,694,505	4,364,665	732,980	3,074,469	3,655,085	2,931,008	2,680,256	2,274,641	1,830,251
Interest on long-term debt	684,047	568,805	539,244	495,484	460,301	505,359	600,358	235,891	538,926	554,812
Total governmental activities expenses	<u>\$ 14,737,566</u>	<u>\$ 18,146,369</u>	<u>\$ 22,035,352</u>	<u>\$ 23,375,677</u>	<u>\$ 22,788,691</u>	<u>\$ 24,463,624</u>	<u>\$ 24,716,221</u>	<u>\$ 25,351,206</u>	<u>\$ 27,221,702</u>	<u>\$ 31,459,530</u>
Program revenues (see Schedule 3)										
Governmental activities										
Charges for services:										
General government:										
Administration	\$ 5,465,905	\$ 5,764,361	\$ 6,127,510	\$ 6,729,624	\$ 7,436,407	\$ 7,586,183	\$ 8,045,415	\$ 9,640,699	\$ 10,879,823	\$ 12,535,891
Judicial	277,388	278,360	320,564	256,426	854,685	777,341	1,110,475	1,099,867	804,015	769,864
Planning	898,669	1,055,317	1,324,816	1,023,161	1,229,496	900,352	1,250,293	1,097,291	595,319	742,879
Public safety:										
Building safety	1,608,131	2,118,220	2,063,472	2,059,110	2,158,592	1,909,129	2,650,798	3,178,935	2,008,113	1,953,582
Police	65,820	59,585	70,910	80,014	107,752	70,901	594,003	97,774	101,827	233,522
Stormwater management	-	-	-	-	-	-	-	2,593,483	2,494,343	2,607,109
Community development	343,800	642,600	521,100	607,500	402,300	354,600	590,400	509,400	242,100	306,900
Operating grants and contributions	317,366	480,525	691,119	639,252	508,799	338,115	655,425	1,343,587	1,628,791	1,274,653
Capital grants and contributions	1,322,203	2,614,001	2,579,042	1,808,630	2,010,096	2,627,022	3,580,765	710,702	694,542	3,607,743
Total governmental activities program revenues	<u>\$ 10,299,282</u>	<u>\$ 13,012,969</u>	<u>\$ 13,698,533</u>	<u>\$ 13,203,717</u>	<u>\$ 14,708,127</u>	<u>\$ 14,563,643</u>	<u>\$ 18,477,574</u>	<u>\$ 20,271,738</u>	<u>\$ 19,448,873</u>	<u>\$ 24,032,143</u>
Net (expense) revenue										
Total governmental activities net expense	<u>\$ (4,438,284)</u>	<u>\$ (5,133,400)</u>	<u>\$ (8,336,819)</u>	<u>\$ (10,171,960)</u>	<u>\$ (8,080,564)</u>	<u>\$ (9,899,981)</u>	<u>\$ (6,238,647)</u>	<u>\$ (5,079,468)</u>	<u>\$ (7,772,829)</u>	<u>\$ (7,427,387)</u>
General revenues and other changes in net position										
Governmental activities										
Taxes:										
Property taxes	\$ 6,089,064	\$ 6,716,062	\$ 7,158,104	\$ 7,666,528	\$ 8,734,446	\$ 9,580,551	\$ 10,362,658	\$ 11,714,237	\$ 13,285,424	\$ 15,028,989
Other taxes	2,015,182	2,224,751	2,860,650	3,186,291	3,478,490	3,203,461	4,697,165	6,673,707	6,434,566	6,946,537
Intergovernmental revenue	634,044	615,847	686,837	904,018	1,012,759	1,461,571	861,609	946,083	1,040,694	1,495,465
Investment earnings	12,963	12,200	31,460	40,103	50,675	77,060	50,743	70,492	482,307	1,329,198
Gain/(loss) on sale of capital assets	-	(171,500)	-	(14,328)	-	-	-	-	-	-
Miscellaneous	176,981	70,087	122,864	277,018	469,858	160,967	186,012	245,026	300,526	225,747
Total governmental activities	<u>\$ 8,928,234</u>	<u>\$ 9,467,447</u>	<u>\$ 10,859,915</u>	<u>\$ 12,059,630</u>	<u>\$ 13,746,228</u>	<u>\$ 14,483,610</u>	<u>\$ 16,158,187</u>	<u>\$ 19,649,545</u>	<u>\$ 21,543,517</u>	<u>\$ 25,025,936</u>
Change in net position										
Governmental activities	<u>\$ 4,489,950</u>	<u>\$ 4,334,047</u>	<u>\$ 2,523,096</u>	<u>\$ 1,887,670</u>	<u>\$ 5,665,664</u>	<u>\$ 4,583,629</u>	<u>\$ 9,919,540</u>	<u>\$ 14,570,077</u>	<u>\$ 13,770,688</u>	<u>\$ 17,598,549</u>

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 3
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

(accrual basis of accounting)

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
General government:										
Administration	\$ 5,465,905	\$ 5,764,361	\$ 6,127,510	\$ 6,729,624	\$ 7,436,407	\$ 7,586,183	\$ 8,045,415	\$ 9,640,699	\$ 10,879,823	\$ 12,535,891
Municipal court	277,388	278,360	320,564	256,426	854,685	777,341	1,110,475	1,099,867	804,015	769,864
Planning	898,669	1,055,317	1,324,816	1,023,161	1,229,496	900,352	1,250,293	1,097,291	595,319	742,879
Public safety:										
Building safety	1,608,131	2,118,220	2,063,472	2,059,110	2,158,592	1,909,129	2,650,798	3,178,935	2,008,113	1,953,582
Police	65,820	59,585	70,910	80,014	107,752	70,901	594,003	97,774	101,827	233,522
Stormwater management	-	-	-	-	-	-	-	2,593,483	2,494,343	2,607,109
Environmental Protection/Stormwater Management	-	-	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,322,203	2,614,001	2,579,042	1,808,630	2,010,096	2,627,022	3,580,765	710,702	694,542	3,607,743
Total governmental activities	<u>\$ 10,299,282</u>	<u>\$ 13,012,969</u>	<u>\$ 13,698,533</u>	<u>\$ 13,203,717</u>	<u>\$ 14,708,127</u>	<u>\$ 14,563,643</u>	<u>\$ 18,477,574</u>	<u>\$ 20,271,738</u>	<u>\$ 19,448,873</u>	<u>\$ 24,032,143</u>

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 4
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Non-spendable	\$ 177,876	\$ 245,442	\$ 253,037	\$ 215,178	\$ 262,573	\$ 339,693	\$ 418,091	\$ 388,110	\$ 633,484	\$ 638,937
Restricted	824,985	860,630	624,615	165,318	150,982	150,983	113,114	91,444	76,263	76,263
Committed	2,333,802	2,673,900	4,229,733	5,698,030	3,566,936	3,682,235	3,638,085	9,130,886	11,018,398	13,389,528
Assigned	-	-	-	-	-	-	-	650,000	1,150,000	1,150,000
Unassigned	8,019,133	10,049,350	10,017,064	8,182,666	10,894,662	12,098,213	17,234,780	14,116,090	16,745,819	18,768,317
Total General Fund	<u>\$ 11,355,796</u>	<u>\$ 13,829,322</u>	<u>\$ 15,124,449</u>	<u>\$ 14,261,192</u>	<u>\$ 14,875,153</u>	<u>\$ 16,271,124</u>	<u>\$ 21,404,070</u>	<u>\$ 24,376,530</u>	<u>\$ 29,623,964</u>	<u>\$ 34,023,045</u>
All Other Governmental Funds:										
Restricted	\$ 7,676,824	\$ 9,146,070	\$ 7,869,964	\$ 8,680,505	\$ 10,339,787	\$ 12,663,488	\$ 21,884,718	\$ 30,572,323	\$ 43,659,443	\$ 40,992,285
Committed	22,200	261,202	1,772,001	162,561	581,791	55,757	68,717	90,108	107,177	125,479
Assigned	1,494,675	1,933,087	1,600,458	1,908,993	1,837,046	2,493,532	2,391,490	4,847,776	2,395,605	4,022,083
Total all other governmental funds	<u>\$ 9,193,699</u>	<u>\$ 11,340,359</u>	<u>\$ 11,242,423</u>	<u>\$ 10,752,059</u>	<u>\$ 12,758,624</u>	<u>\$ 15,212,777</u>	<u>\$ 24,344,925</u>	<u>\$ 35,510,207</u>	<u>\$ 46,162,225</u>	<u>\$ 45,139,847</u>

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 5

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes (see Schedule 6)	\$ 1,638,139	\$ 1,896,962	\$ 1,972,006	\$ 10,852,818	\$ 12,212,936	\$ 12,784,012	\$ 15,059,823	\$ 18,387,944	\$ 19,719,990	\$ 21,975,526
Licenses and permits	8,796,439	9,982,960	10,374,179	11,087,574	11,853,795	11,702,407	13,959,116	16,387,277	16,044,724	17,862,222
Fees and fines	279,641	297,783	320,564	256,426	854,685	777,341	1,656,887	1,128,630	806,748	771,392
Charges for services	857,264	1,042,973	1,199,479	983,420	1,208,538	863,211	1,183,918	1,056,742	637,218	886,933
Intergovernmental	711,079	904,097	970,671	967,217	1,063,879	1,486,006	845,478	1,218,806	1,171,825	1,806,546
Grants and entitlements	283,803	1,397,633	1,497,857	813,098	739,989	1,196,249	1,693,784	1,426,366	1,829,052	4,200,515
Investment earnings	13,466	12,702	31,460	40,103	50,675	77,060	50,743	70,492	482,307	1,329,198
Other revenues	181,578	72,955	186,460	277,018	469,858	160,967	186,012	245,026	300,526	225,747
Total revenues	\$ 12,761,409	\$ 15,608,065	\$ 16,552,676	\$ 25,277,674	\$ 28,454,355	\$ 29,047,253	\$ 34,635,761	\$ 39,921,283	\$ 40,992,390	\$ 49,058,079
Expenditures										
Legislative	\$ 126,291	\$ 154,466	\$ 147,754	\$ 152,222	\$ 159,084	\$ 145,606	\$ 105,319	\$ 127,210	\$ 346,363	\$ 393,667
Executive	729,375	911,914	805,686	816,845	925,500	904,947	916,192	493,279	1,301,882	1,450,220
Economic development	248,943	178,005	207,858	350,721	287,800	380,474	371,447	641,074	622,771	1,149,423
Human resources	234,489	286,519	285,411	258,841	320,445	385,606	343,827	316,415	458,625	546,001
Non-departmental	971,594	1,086,435	1,442,473	1,460,311	1,723,552	1,901,339	2,204,399	3,209,113	2,879,995	3,003,637
Finance	614,757	711,162	714,980	736,361	908,668	885,793	939,114	1,233,874	827,284	1,003,117
Municipal court	228,639	238,894	253,192	269,722	330,896	359,046	47,274	229,872	74,587	92,714
Municipal judges	45,809	52,811	52,188	55,783	53,323	51,847	358,875	719,808	412,337	464,779
Information technology	602,567	729,118	1,001,627	931,311	1,461,190	1,166,553	1,294,112	890,397	1,710,365	1,838,044
Public works	938,131	839,274	1,302,326	1,026,545	1,482,283	1,481,690	1,829,154	1,807,194	2,020,167	2,069,556
Environmental protection/stormwater management	619,579	634,437	724,005	740,587	841,506	1,082,133	935,940	950,051	1,151,531	1,244,875
Engineering/project management	510,368	540,200	762,967	929,344	900,996	829,930	844,992	831,551	863,506	786,836
Growth management	336,652	360,106	305,618	227,417	223,186	185,769	222,040	223,579	228,933	250,564
Planning and community development	396,287	839,624	726,953	876,908	1,155,812	1,029,394	1,147,383	1,596,179	1,401,146	1,470,971
Building safety	943,115	578,904	662,922	656,963	633,186	651,005	591,485	672,270	816,790	915,619
Police	4,532,209	5,271,030	6,031,612	5,796,672	5,732,617	6,677,882	6,407,558	7,358,934	7,847,614	10,315,738
Community development	385,019	333,752	346,394	507,345	567,360	509,820	589,410	807,588	1,026,766	1,582,325
Capital outlay	1,278,887	3,154,082	6,681,188	8,996,269	6,627,721	5,178,787	4,299,499	2,530,849	8,591,071	15,636,630
Debt service:										
Interest	662,643	564,365	539,974	505,006	474,327	447,143	675,292	437,855	621,226	700,526
Principal	1,112,874	1,361,064	1,320,759	1,332,590	1,284,376	1,367,893	2,334,602	1,431,783	2,006,444	2,238,966
Cost of issuance	-	-	-	-	-	-	127,328	-	73,200	-
Total expenditures	\$ 15,518,228	\$ 18,826,162	\$ 24,315,887	\$ 26,627,763	\$ 26,093,828	\$ 25,622,657	\$ 26,585,242	\$ 26,508,875	\$ 35,282,603	\$ 47,154,208
Excess (deficiency) of revenues over (under) expenditures	\$ (2,756,819)	\$ (3,218,097)	\$ (7,763,211)	\$ (1,350,089)	\$ 2,360,527	\$ 3,424,596	\$ 8,050,519	\$ 13,412,408	\$ 5,709,787	\$ 1,903,871
Other financing sources (uses)										
Issuance of bonds	8,923,000	-	-	-	-	-	9,485,000	-	9,800,000	-
Underwriter's premium (discount)	(23,075)	-	-	-	-	-	1,485,063	-	-	-
Current refund of existing debt	(9,230,000)	-	-	-	-	-	(4,755,488)	-	165,000	-
Sale of capital assets	-	273,432	588,654	-	-	-	-	-	-	-
Leases	555,900	521,000	325,000	-	260,000	425,528	-	725,334	224,665	1,472,832
Transfers in	1,195,262	1,898,320	4,097,065	9,267,163	5,189,010	4,281,229	4,679,039	6,389,326	6,818,561	15,756,062
Transfers out	(1,195,262)	(1,898,320)	(4,097,065)	(9,267,163)	(5,189,010)	(4,281,229)	(4,679,039)	(6,389,326)	(6,818,561)	(15,756,062)
Total other financing sources (uses)	\$ 225,825	\$ 794,432	\$ 913,654	\$ -	\$ 260,000	\$ 425,528	\$ 6,214,575	\$ 725,334	\$ 10,189,665	\$ 1,472,832
Net change in fund balances	\$ (2,530,994)	\$ (2,423,665)	\$ (6,849,557)	\$ (1,350,089)	\$ 2,620,527	\$ 3,850,124	\$ 14,265,094	\$ 14,137,742	\$ 15,899,452	\$ 3,376,703
Debt service as a percentage of non-capital expenditures	12.8%	10.6%	7.9%	7.7%	7.6%	8.0%	12.4%	12.3%	9.4%	9.3%

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 6

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS

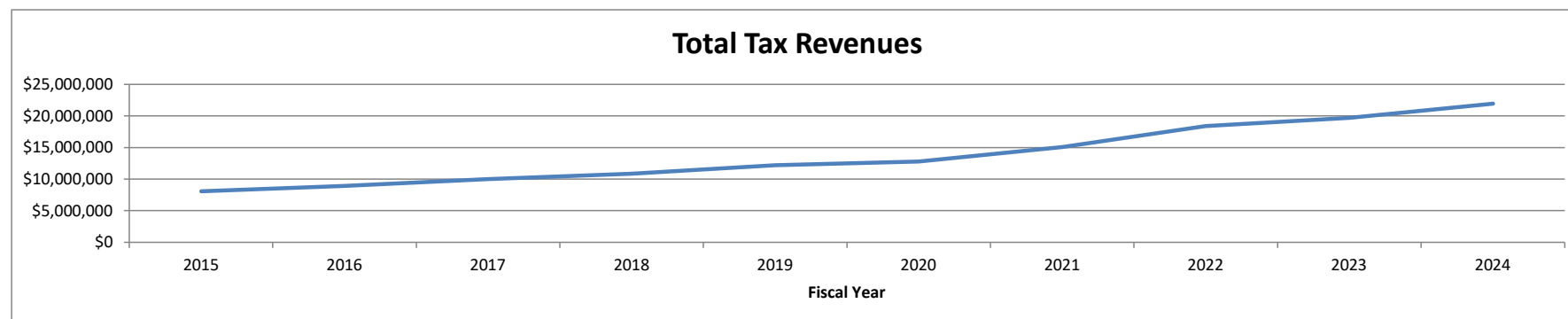
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

Fiscal Year	Property Tax	State Accommodations Tax	Local Accommodations Tax	Local Hospitality Tax	Total
2015	\$ 6,089,064	\$ 197,398	\$ 328,263	\$ 1,489,521	\$ 8,104,246
2016	6,716,062	219,142	367,470	1,638,139	8,940,813
2017	7,158,104	360,408	603,280	1,896,962	10,018,754
2018	7,666,528	470,744	740,008	1,972,006	10,849,286
2019	8,734,446	474,608	757,694	2,246,188	12,212,936
2020	9,580,551	429,256	701,853	2,072,352	12,784,012
2021	10,362,658	836,319	1,295,141	2,565,705	15,059,823
2022	11,714,237	1,252,541	2,141,481	3,279,685	18,387,944
2023	13,285,424	1,112,833	1,706,975	3,614,758	19,719,990
2024	15,028,989	1,099,301	1,830,195	4,017,041	21,975,526
Change 2015-2024	146.8%	456.9%	457.5%	169.7%	171.2%

Source: Town Finance Department

Notes: The State of South Carolina imposes a local 2% Accommodations Tax of which a portion is distributed to the Town on a quarterly basis.



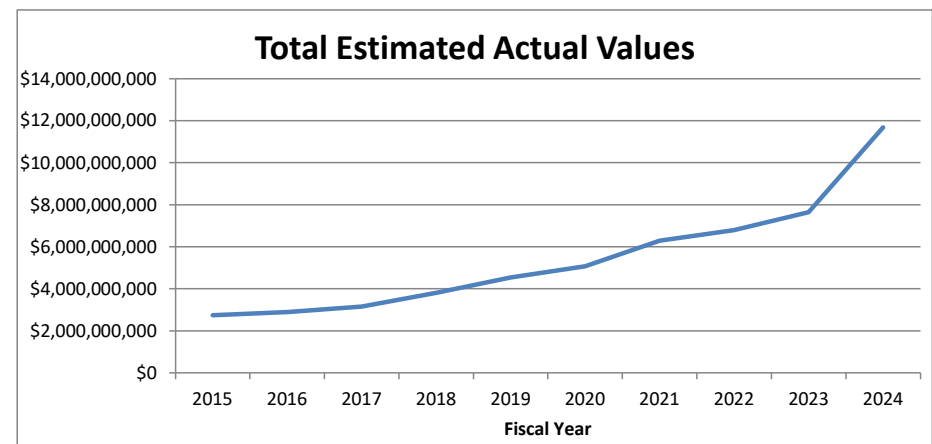
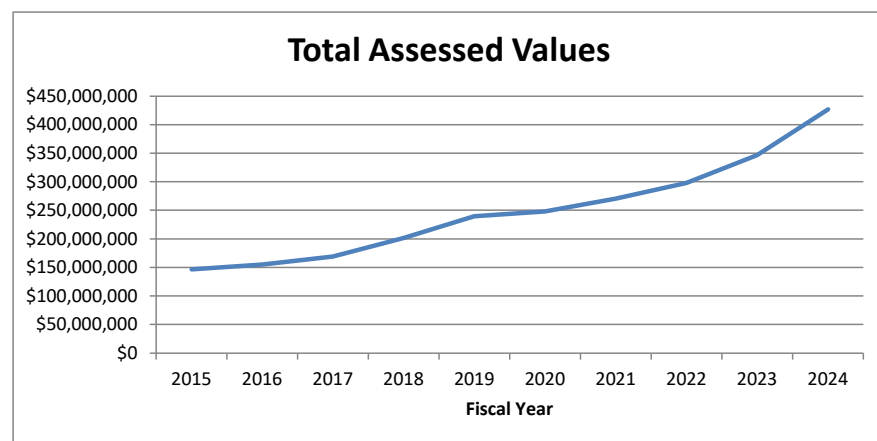
TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 7
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	Real and Personal Property		Motor Vehicles		Total Taxable		Total Direct Tax Rate	Taxable Assessed Value as a Percentage of Estimated Actual Taxable Value
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2015	2014	\$ 136,945,050	\$ 2,590,016,419	\$ 9,549,500	\$ 159,158,333	\$ 146,494,550	\$ 2,749,174,752	44.35	5.33%
2016	2015	140,889,336	2,654,799,615	14,139,420	235,657,000	155,028,756	2,890,456,615	44.35	5.36%
2017	2016	154,685,800	2,919,919,981	14,160,660	236,011,000	168,846,460	3,155,930,981	42.35	5.35%
2018	2017	186,163,210	3,544,760,914	15,459,770	257,662,833	201,622,980	3,802,423,748	40.35	5.30%
2019	2018	222,663,410	4,265,244,781	16,762,779	279,938,407	239,426,189	4,545,183,188	38.50	5.27%
2020	2019	230,101,761	4,762,941,176	18,103,801	301,730,022	248,205,562	5,064,671,198	38.50	4.90%
2021	2020	250,789,550	5,927,521,139	19,552,105	359,489,250	270,341,655	6,287,010,389	38.50	4.30%
2022	2021	278,400,650	6,471,933,139	19,474,858	324,580,963	297,875,508	6,796,514,102	38.50	4.38%
2023	2022	328,054,850	7,327,887,129	18,827,953	314,426,815	346,882,803	7,642,313,944	36.00	4.54%
2024	2023	407,711,720	11,364,117,329	19,513,482	325,875,141	427,225,202	11,689,992,470	36.00	3.65%

Source: Beaufort County Assessor's Office.

Note: Property in Beaufort County is reassessed once every five years on average. The last reassessment was tax year 2018. Currently, the County assesses property at 6% and 4% of actual value for real property, 10.5% for personal property, and 6% for motor vehicles. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages. Tax rates are per \$1,000 of assessed value.



TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 8
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

(rate per thousand of assessed value)

Bluffton Fire District 2024 Budget														
		Town Direct Rates				Overlapping Rates								
Fiscal Year	Tax Year	General Fund	Debt Service	Total Direct Rate	County Operations	County Debt	County Land Purchase	County Schools Operations	County Schools Debt	Bluffton Fire District Operations	Bluffton Fire District Debt	Total Overlapping Rate	Total Rate	
**	2015	2014	40.00	4.35	44.35	46.48	5.48	4.90	103.50	31.71	24.02	-	216.09	260.44
	2016	2015	40.00	4.35	44.35	48.77	5.48	4.90	103.50	31.71	24.02	1.22	219.60	263.95
	2017	2016	39.00	3.35	42.35	50.89	5.48	4.90	111.50	31.71	24.64	1.10	230.22	272.57
	2018	2017	37.00	3.35	40.35	53.01	5.58	4.80	113.50	31.71	24.70	1.04	234.34	274.69
*	2019	2018	35.30	3.20	38.50	54.30	5.50	5.50	114.00	31.70	24.10	1.60	236.70	275.20
	2020	2019	35.30	3.20	38.50	54.30	5.50	5.50	114.00	31.70	24.10	1.60	236.70	275.20
	2021	2020	36.80	1.70	38.50	53.90	5.50	4.80	114.00	36.30	24.10	1.60	240.20	278.70
	2022	2021	36.80	1.70	38.50	53.90	5.60	5.30	121.60	36.30	24.10	1.60	248.40	286.90
	2023	2022	34.30	1.70	36.00	51.70	3.40	4.40	121.80	36.30	24.50	1.50	243.60	279.60
	2024	2023	34.30	1.70	36.00	51.70	3.40	4.40	121.80	36.30	24.10	1.90	243.60	279.60

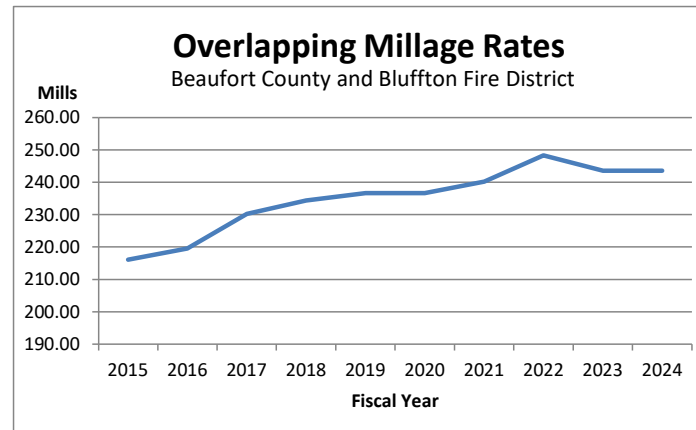
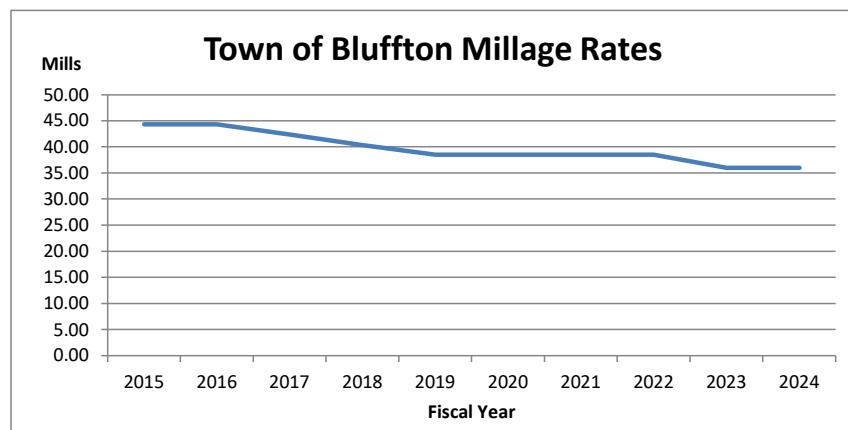
Source: Beaufort County Auditor's Office and Town Finance Department

* Represents Reassessment and millage rollback

** Represents Reassessment and millage rollforward

Notes: The Town's basic property tax rate may be increased only by a majority vote of Town Council after sufficient public notice has been provided to the citizens. State legislature limits the millage rate increase for general operating purposes to the region's average CPI for the January through December period of the prior year plus estimated population growth.

Overlapping rates are those of local and county governments that apply to property owners within the Town of Bluffton in addition to those impacted directly by the Town itself. Not all overlapping rates apply to all of the Beaufort County School District property owners. Beginning with Tax Year 2006, a 1% statewide sales tax was used to pay the operating expenses that would otherwise have been paid by owner occupied residents as a part of their millage rate. Prior to Tax Year 2006, the owner occupied and non-owner occupied rates were the same. Whereas currently, the Beaufort County School District rates apply only to non-owner occupied properties.



TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 9
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Fiscal Year 2024 Tax Year 2023			Fiscal Year 2015 Tax Year 2014		
	Total Assessed Value	Rank ¹	Percentage of Total Town Taxable Assessed Value	Total Assessed Value	Rank ¹	Percentage of Total Town Taxable Assessed Value
Dominion Energy South	\$ 7,009,910	1	1.64%	\$ 4,360,910	1	3.10%
Passco One Hampton DST	4,161,040	2	0.97%	-		-
Bluffton Telephone Company	3,863,980	3	0.90%	1,026,560	6	0.73%
Crowne at 170 LP	3,193,090	4	0.75%	826,350	8	0.59%
Neyland Apartment Associates	2,884,300	5	0.68%	-		-
PBLH LLC	2,806,740	6	0.66%	1,138,900	5	0.81%
May River Forest LLC	2,054,300	7	0.48%	884,240	7	0.63%
Palmetto Electric Cooperative	1,985,660	8	0.46%	1,712,190	3	1.22%
BC Buckwalter LLC	1,666,610	9	0.39%	-		-
Q New River Forest Holdings LLC	1,247,640	10	0.29%	-		-
East Coast Newspaper Inc.	-		-	1,912,750	2	0.93%
Garrison Bluffton LLC	-		-	1,306,610	4	1.36%
BRE Mariner Belfair Town Village LLC	-		-	768,330	9	0.55%
Bluffton Land Investors	-		-	628,310	10	0.45%
Total	\$ 30,873,270		7.22%	\$ 14,565,150		10.37%

Source: Beaufort County Assessor's Office

¹Note: The rankings are based on total taxes paid and not the total assessed value.

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 10
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Tax Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2015	2014	\$ 5,989,057	\$ 5,978,582	99.83%	\$ 32,515	\$ 5,978,582	99.83%
2016	2015	6,876,467	6,550,702	95.26%	n/a	6,550,702	95.26%
2017	2016	7,141,565	7,025,202	98.37%	n/a	7,025,202	98.37%
2018	2017	7,587,957	7,522,431	99.14%	n/a	7,522,431	99.14%
2019	2018	8,597,686	8,566,314	99.64%	n/a	8,566,314	99.64%
2020	2019	9,652,689	9,397,631	97.36%	n/a	9,397,631	97.36%
2021	2020	10,623,522	10,172,420	95.75%	n/a	10,172,420	95.75%
2022	2021	11,746,994	11,414,985	97.17%	n/a	11,414,985	97.17%
2023	2022	13,291,923	13,142,332	98.87%	n/a	13,142,332	98.87%
2024	2023	14,956,605	14,611,621	97.69%	n/a	14,611,621	97.69%

Source: Beaufort County Treasurer's Office and Finance Department.

Note: Penalties associated with delinquent collections are not included in this schedule. For some fiscal years, information for collections in subsequent years is not always available at the time of printing. Therefore, delinquent collections may be shown in the year collected and may result in collection percentages slightly (immaterial) higher.

*COVID-19

n/a - not available at time of printing

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 11
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	Town Direct Rate	Beaufort County	South Carolina
2015	0%	0%	6%
2016	0%	0%	6%
2017	0%	0%	6%
2018	0%	0%	6%
2019	0%	1%	6%
2020	0%	1%	6%
2021	0%	1%	6%
2022	0%	0%	6%
2023	0%	1%	6%
2024	0%	1%	6%

Sources: Beaufort County and Town Finance Department

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 12
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Revenue Bonds	Financed Purchases	Leases	Subscription Based IT Arrangements	Intergovernmental Agreement Payments	Operating Payable	Total	Percentage of Personal Income ^a	Per Capita ^a
2015	\$ 6,090,000	\$ 8,923,000	\$ 919,944	\$ -	\$ -	\$ 200,000	\$ 219,146	\$ 16,352,090	0.00%	\$ 1,076
2016	5,875,000	8,212,365	1,167,525	-	-	38,000	-	15,292,890	0.00%	914
2017	5,650,000	7,483,156	1,125,974	-	-	-	-	14,259,130	0.00%	755
2018	5,415,000	6,734,888	771,296	-	-	-	-	12,921,184	0.00%	642
2019	5,175,000	5,967,060	749,579	-	-	-	-	11,891,639	0.00%	515
2020	4,930,000	5,179,165	840,119	-	-	-	-	10,949,284	0.00%	428
2021	9,616,518	4,370,677	534,005	-	-	-	-	14,521,200	0.00%	524
2022	9,095,958	3,541,057	366,499	650,677 *	-	-	-	13,654,191	0.00%	424
2023	8,564,676	12,063,571	319,093	626,269	75,691 **	-	-	21,649,300	0.00%	628
2024	8,023,180	10,873,418	-	1,806,621	38,451	-	-	20,741,670	0.00%	589

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

^aSee Schedule 17 for personal income and population data. These ratios are calculated using personal income for the prior calendar year.

* Implementation of GASB 87

** Implementation of GASB 96

n/a - not available at time of printing.

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 13

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Total Gross	Exempt from Debt Limit	Total Net	Percentage of Actual Taxable Value^a of Property	Per Capita^b
2014	\$ 6,300,000	\$ 6,300,000	\$ -	\$ 6,300,000	0.24%	\$ 463
2015	6,090,000	6,090,000	-	6,090,000	0.23%	401
2016	5,875,000	5,875,000	-	5,875,000	0.21%	351
2017	5,650,000	5,650,000	-	5,650,000	0.20%	299
2018	5,415,000	5,415,000	-	5,415,000	0.17%	269
2019	5,175,000	5,175,000	-	5,175,000	0.14%	224
2020	4,930,000	4,930,000	-	4,930,000	0.11%	193
2021	9,616,518	9,616,518	-	9,616,518	0.19%	347
2022	9,095,958	9,095,958	-	9,095,958	0.14%	283
2023	8,564,676	8,564,676	-	8,564,676	0.13%	248
2024	8,023,180	8,023,180	-	8,023,180	0.10%	228

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

^aSee Schedule 7 for property value data.

^bSee Schedule 17 for personal income and population data.

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 14
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2024

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Beaufort County School District	\$ 387,709,512	17.5%	\$ 67,849,165
Beaufort County General Obligation Debt	143,905,002	17.5%	25,183,375
Bluffton Fire District	14,721,648	55.5%	8,170,515
Subtotal, overlapping debt			101,203,055
Town direct debt			20,741,670
Total direct and overlapping debt			<u>\$ 121,944,725</u>

Sources: Beaufort County's Town Finance Department and the Beaufort County Assessor's Office.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Bluffton. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident---and, therefore, responsible for repaying the debt---of each overlapping government. The assessed values used to estimate applicable percentages are as provided by the Beaufort County Assessor's Office.

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 15
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Assessed value	\$ 427,225,202
Debt Limit (8% of assessed value)	34,178,016
Debt applicable to limit	(7,125,000)
Legal Debt Margin (without a Referendum)	<u>\$ 27,053,016</u>

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 11,719,564	\$ 12,404,000	\$ 13,507,717	\$ 16,129,838	\$ 19,154,095	\$ 19,025,454	\$ 21,627,332	\$ 23,830,041	\$ 27,805,467	\$ 34,178,016
Total net debt applicable to limit	6,090,000	5,875,000	5,650,000	5,415,000	5,175,000	4,930,000	8,265,000	7,905,000	7,525,000	7,125,000
Legal debt margin	5,629,564	6,529,000	7,857,717	10,714,838	13,979,095	14,095,454	13,362,332	15,925,041	20,280,467	27,053,016
Total net debt applicable to the limit as a percentage of debt limit	51.96%	47.36%	41.83%	33.57%	27.02%	25.91%	38.22%	33.17%	27.06%	20.85%

Note: Article Ten (X), Section Fourteen (14), of the South Carolina Constitution of 1895 as amended provides that a City or Town shall incur General Obligation Debt over the 8% limit only when approved by a majority vote of the qualified electors of the political subdivisions voting in a referendum authorized by law. There shall be no conditions or restrictions limiting the incurring of such indebtedness except:

- a. Those restrictions and limitations imposed in the authorization to incur such indebtedness;
- b. The provisions of Article Ten (X), Section Fourteen (14); and
- c. Such general obligation debt shall be issued within five (5) years of the date of such referendum and shall mature within forty (40) years from the time such indebtedness shall be incurred.

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 16
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS

Fiscal Year	Tax Increment Bonds					Coverage
	Revenue	Debt Service			Total	
		Principal	Interest	Total		
2015	\$ 1,294,921	\$ 690,000	\$ 274,323	\$ 964,323	1.34	
2016	1,568,346	710,635	221,046	931,681	1.68	
2017	1,564,116	729,209	202,472	931,681	1.68	
2018	1,778,438	748,268	183,413	931,681	1.91	
2019	2,172,578	767,826	163,855	931,681	2.33	
2020	2,471,033	787,895	143,786	931,681	2.65	
2021	2,745,263	808,488	123,193	931,681	2.95	
2022	3,103,571	829,620	102,061	931,681	3.33	
2023	3,550,357	1,277,486	295,129	1,572,615	2.26	
2024	4,187,959	1,190,153	382,461	1,572,614	2.66	

Note: Revenue includes property taxes and Municipal Improvement District ("MID") fees, Municipal Improvement Development Fees ("MIDF"), and Development Agreement Fees.

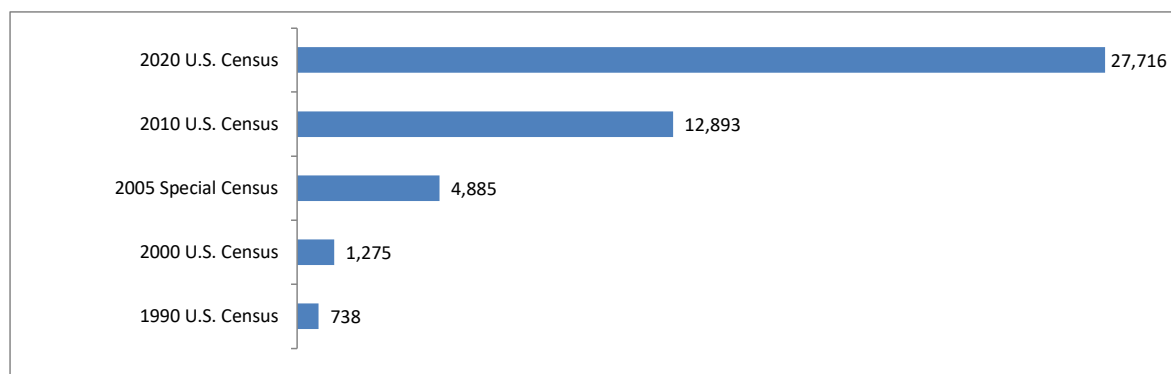
TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 17
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Calendar Year	Population	Personal Income	Per Capita Personal Income	Town of Bluffton School Enrollment	Beaufort County School Enrollment	Annual Unemployment Rate*
2013	13,606	\$ 354,218,604	\$ 26,034	5,912	20,285	6.4%
2014	15,199	391,009,474	25,726	6,262	20,622	5.7%
2015	16,728	469,906,248	28,091	6,642	21,120	5.5%
2016	18,897	584,465,313	30,929	7,149	21,439	4.6%
2017	20,126	662,608,298	32,923	8,208	21,952	3.3%
2018	23,097	859,300,788	37,204	8,000	22,014	3.9%
2019	25,557	991,049,346	38,778	8,000	22,345	3.0%
2020	27,716	1,212,824,444	43,759	8,762	21,229	7.4%
2021	32,191	1,517,161,830	47,130	8,526	21,120	2.9%
2022	34,493	1,806,777,833	52,381	8,873	21,199	3.2%
2023	35,243	1,977,942,889	56,123	8,888	21,337	4.6%

* Town of Bluffton data not available due to low population; Beaufort County data provided alternatively
n/a - not available at time of printing.

Sources: Population for remaining years are estimates only as provided by the Census Bureau's Population Division; Personal Income provided by U.S. Census Bureau, American Fact Finder; Unemployment rate provided by U.S. Department of Labor, Bureau of Labor and Statistics. BCSD School Enrollment taken from BCSD ACFR.



TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 18
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2024			2015		
	# of Employees	Rank	% of Total Town Employment	# of Employees	Rank	% of Total Town Employment
Beaufort County School District - Bluffton only	1,080	1	n/a	556	1	n/a
EviCore National, LLC/CareCore National, LLC	600	2	n/a	354	2	n/a
Montage Palmetto Bluff	581	3	n/a	347	3	n/a
Publix	545	4	n/a	234	4	n/a
Palmetto Bluff	470	5	n/a			
Kroger	381	6	n/a	125	9	n/a
Right At Home	246	7	n/a			
Hargray	200	8	n/a	150	7	n/a
NHC Healthcare/The Palmettos	194	9	n/a	207	5	n/a
Town of Bluffton	164	10	n/a	107	10	n/a
Bluffton Township Fire Department	-		n/a	129	8	n/a
Resort Services Inc.	-		n/a	180	6	n/a

Source: Town's Finance Department

n/a - not available at time of printing.

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 19
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government:										
Information technology	4.0	4.0	4.5	5.5	5.5	6.0	6.0	7.0	7.5	7.5
Municipal court	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	3.0
Executive	4.0	5.5	6.5	7.5	5.5	5.0	5.0	6.0	6.5	6.5
Economic development	2.0	1.0	3.0	3.0	3.0	2.0	3.0	3.0	3.0	3.0
Human resources	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	7.0	8.5	9.5	11.0	8.5	9.0	9.0	10.0	9.5	9.5
Growth management administration	4.0	4.0	7.0	7.0	4.0	4.0	3.0	3.0	3.0	3.5
Planning and community development	3.0	3.0	5.0	5.0	9.0	9.0	8.0	11.0	11.5	11.0
Environmental Protection:										
Stormwater management	6.0	6.0	6.0	6.0	6.0	7.0	7.0	8.0	8.0	8.0
Engineering:										
Project management	5.0	6.5	7.5	8.0	9.0	6.0	8.0	7.0	7.0	7.0
Public works:										
Public works	11.0	9.0	9.0	10.0	9.0	12.0	13.0	14.0	13.0	13.0
Public safety:										
Police	49.0	58.0	60.0	59.0	57.0	61.0	67.0	67.0	75.0	75.0
Building safety	12.0	13.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0
Total	<u>112.0</u>	<u>123.5</u>	<u>130.0</u>	<u>134.0</u>	<u>129.5</u>	<u>134.0</u>	<u>142.0</u>	<u>149.0</u>	<u>157.0</u>	<u>158.0</u>

Source: Town Finance Department

Note: Data represents the number of employees ending June 30 each year. A full-time equivalent is a measurement equal to one employee working a full-time schedule for one year and does not include the Mayor and Council.

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 20

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
Business licenses issued	2,476	2,297	2,793	3,317	3,679	2,771	3,199	4,197	4,481	3,856
Hospitality Tax remitters	133	113	135	145	146	186	197	193	224	218
Accommodations Tax remitters	23	33	28	49	59	85	126	146	189	194
Court case counts	7,009	6,301	7,324	8,392	6,139	6,551	5,282	3,409	2,096	2,288
Jury trial counts	11	14	64	61	202	-	-	145	87	40
Planning and community development applications issued	362	340	299	346	236	181	175	174	137	141
Environmental Protection/Stormwater Management:										
Certificates of compliance	n/a	57	120	59	53	41	51	29	32	55
Notices to comply	n/a	300	363	383	254	300	300	251	295	112
Stop work orders	-	-	8	11	5	18	38	30	26	6
Citations	-	1	13	3	3	7	7	3	6	9
Outreach/Education (# of people)	5,000	5,500	5,500	5,000	9,932	7,187	7,528	8,164	7,288	14,544
Sediment and erosion control Inspections	2,159	1,331	1,849	1,840	1,688	1,632	1,950	3,028	2,673	1,533
Post BMP inspections	-	-	-	-	-	-	-	-	53	64
Public Safety:										
Police calls for service	41,061	45,000	46,350	53,000	50,317	84,709	76,879	52,720	63,046	38,356
Domestic calls	515	475	489	470	631	631	552	602	487	605
Traffic collisions	871	1,080	1,112	1,200	1,239	1,137	1,320	1,492	1,526	1,598
Citations	8,628	6,200	6,368	9,400	7,138	7,680	6,670	4,572	5,675	5,188
Arrests	1,069	735	757	825	502	391	357	248	285	334
Reports	3,216	3,200	3,296	3,502	2,812	2,429	2,253	2,527	2,723	3,196
Building permit counts	1,532	1,723	1,846	1,816	1,606	1,731	1,588	1,264	1,082	1,047
Development permits Issued	27	43	52	69	40	22	25	34	29	28
Construction site inspections	24,398	19,002	16,009	16,145	14,453	16,232	19,931	19,297	19,463	17,109
Public Projects and Facilities:										
Number of capital improvement projects to manage	16	21	25	29	33	37	39	42	43	37
Number of parks to maintain	7	7	8	8	13	13	12	12	13	14
Number of pathways to maintain	19	23	23	23	23	23	22	22	22	22

Source: Town departments

n/a - not available at time of printing

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE 21

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
Town-owned parcels	30	30	32	34	36	36	39	39	42	43
Town-owned property acreage	577	574	577	578	624	624	625	625	626	642
Town vehicles	4	4	7	7	7	8	8	8	8	8
Environmental Protection/Stormwater Management:										
Town vehicles	3	3	3	3	3	3	4	3	4	3
Engineering:										
Town vehicles	2	2	4	4	2	2	2	1	1	1
Public Works:										
Town vehicles	6	8	9	9	10	10	10	10	11	11
Utility vehicles	1	-	-	1			-	1	1	1
Dump truck	1	-	1	1	1	1	1	1	1	1
Tractor	1	2	2	2	3	5	5	2	2	2
Public Safety:										
Law enforcement center	1	1	1	1	1	1	1	1	1	3
Police vehicles	50	61	61	62	68	73	77	62	64	57
Police mobility vehicles	3	3	3	2	2	3	6	5	5	5
Police boat - marine patrol	1	1	1	1	1	1	1	1	1	1
Town vehicles (building safety)	7	7	6	6	7	9	9	9	9	9
Public Projects and Facilities:										
Streets (miles)	3.81	3.03	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06
Pathways (miles)	11.86	11.86	11.95	14.27	14.64	14.64	14.64	14.64	14.64	14.64
Parks (count)	7	7	8	8	10	10	11	11	11	11

Source: Finance Department and Public Works Department

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 Town Council
Town of Bluffton, South Carolina
Bluffton, 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, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the Town of Bluffton, South Carolina (the "Town") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 Town'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 Town of Bluffton, South Carolina's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Savannah, Georgia
December 18, 2024



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

The Honorable Mayor and Members
of the Town Council
Town of Bluffton, South Carolina
Bluffton, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Bluffton, South Carolina's (the "Town") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended June 30, 2024. The Town's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Savannah, Georgia
December 18, 2024

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor/Program Title	Federal AL Number	Grant Identification Number	Expenditures	Passed Through to Subrecipients
U.S. Department of the Interior				
Passed through the South Carolina Department of Parks Recreation, and Tourism Land and Water Conservation Fund	15.916	45-01131	\$ 450,000	\$ -
Total U.S. Department of the Interior			450,000	-
U.S. Department of Justice				
Direct Awards:				
Bulletproof Vest Partnership Program	16.607	NA	1,637	-
Passed through the South Carolina Department of Public Safety Justice Assistance Grant	16.738	5G003322	56,061	-
Total U.S. Department of Justice			57,698	-
Environmental Protection Agency				
Passed through the South Carolina Department of Health and Environmental Control				
Section 319(h) Nonpoint Source Implementation Grant	66.460	EQ-0-263	188,621	-
Section 319(h) Nonpoint Source Implementation Grant	66.460	EQ-1-599	57,217	-
Total Environmental Protection Agency			245,838	-
U.S. Department of Treasury				
Direct Awards:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	NA	69,118	-
Total U.S. Department of Treasury			69,118	-
Total Expenditures of Federal Awards			\$ 822,654	\$ -

TOWN OF BLUFFTON, SOUTH CAROLINA**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards ("SEFA") includes the federal award activity of the Town under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the SEFA presents only a selected portion of the operations of the Town, it is not intended to and does not present the net position, changes in net position, or cash flows of the Town.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

The Town has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. NON-CASH ASSISTANCE

No federal awards were expended in the form of non-cash assistance during the fiscal year ended June 30, 2024.

TOWN OF BLUFFTON, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION I

SUMMARY OF AUDIT RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:
Material 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

Internal control over financial reporting:
Material weaknesses identified?

___ Yes X No

Significant deficiencies identified not considered
to be material weaknesses?

___ Yes X None reported

Type of auditor's report issued

Unmodified

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

___ Yes X No

Identification of major programs:

AL Number
15.916

Name of Federal Program or Cluster
U.S. Department of the Interior:
Land and Water Conservation Fund

Dollar threshold used to distinguish between
Type A and Type B programs?

\$750,000

Auditee qualified as a low-risk auditee?

X Yes ___ No

SECTION II

FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

TOWN OF BLUFFTON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
PRIOR YEAR FINDINGS AND RESPONSES

None reported.