

JAMES ISLAND PUBLIC SERVICE DISTRICT

SOUTH CAROLINA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

**JAMES ISLAND PUBLIC SERVICE DISTRICT
BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

To the District Commissioners
James Island Public Service District

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the James Island Public Service District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the James Island Public Service District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the James Island Public Service District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 James Island Public Service District 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 James Island Public Service District'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 James Island Public Service District'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 James Island Public Service District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information on pages as represented 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 of the James Island Public Service District's basic financial statements. The combining and individual

nonmajor fund financial statements 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 general accepted in the United States of America. In our opinion, the combining individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our 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 January 23, 2025 on our consideration of the James Island Public Service District'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 James Island Public Service District'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 James Island Public Service District's internal control over financial reporting and compliance.

Love Bailey & Associates, LLC

Love Bailey & Associates, LLC
Laurens, South Carolina
January 23, 2025

JAMES ISLAND PUBLIC SERVICE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

The James Island Public Service District's discussion and analysis offers readers of the District's financial statements a narrative overview and analysis of the District's financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, in the financial statements and the notes to the financial statements.

Financial Highlights

- The James Island Public Service District's assets exceeded its liabilities at June 30, 2024 by \$62,304,684 (net position).
- The District's total net position increased \$9,042,279 with increases of \$4,388,116 and \$4,654,163 from governmental activities and business-type activities, respectively.
- For the fiscal year ending June 30, 2024, the District maintained four governmental funds which are its General Fund, Debt Service Fund, Capital Projects Fund, and One Percent Fund. The District's governmental fund balance sheet reported a combined ending fund balance of \$16,722,069, an increase of \$247,076 from the previous fiscal year. Of this amount, \$15,021,541 is unassigned.
- The General Fund reported actual revenues of \$2,672,534 over budget and expenditures of \$1,260,955 under budget. General Fund expenditures include \$2,879,548 in capital outlay for equipment. The General Fund reported other financing sources revenue in the amount of \$346,162 with \$251,570 coming from the interest income.

Overview of the Financials

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

Government-wide financial statements

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

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

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

Both government-wide financial statements distinguish functions of the James Island Public Service

**JAMES ISLAND PUBLIC SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District's governmental activities include general government, public safety - fire, and health – solid waste. The District's business-type activities include a wastewater utility system.

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statement

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

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

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

The James Island Public Service District maintained four governmental funds during the fiscal year 2023-2024. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, One Percent Fund and Capital Project Fund. General Fund is the only major fund.

The James Island Public Service District adopts an annual appropriated budget for its General Fund. Budgetary comparison statements have been provided for this fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 13-16 of this report.

Proprietary funds – The James Island Public Service District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its wastewater utility system.

**JAMES ISLAND PUBLIC SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Financial statements of proprietary funds provide the same type of information as the government-wide financial statements, but in greater detail. The basic proprietary fund financial statements can be found on pages 17-19 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 20-45 of this report.

Government-wide Financial Analysis

The government-wide financial statements are provided as part of the approach mandated by the GASB, which sets the uniform standards for presenting government financial reports. These reports provide complete comparative information as summarized in this Management's Discussion and Analysis. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of James Island Public Service District, assets exceeded liabilities by \$9,042,279 at the close of the most recent fiscal year. The District's increase in net position for this fiscal year amounts to \$9,167,343.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023
Current assets and other	\$ 25,505,283	\$ 24,920,060	\$ 19,746,610	\$ 11,300,442	\$ 45,251,893	\$ 36,220,502
Capital assets, net	14,536,113	11,927,980	49,965,411	49,384,290	64,501,524	61,312,270
Total assets	40,041,396	36,848,040	69,712,021	60,684,732	109,753,417	97,532,772
Deferred outflows	3,821,426	1,508,264	1,185,414	453,321	5,006,840	1,961,585
Total assets and deferred outflows	\$ 43,862,822	\$ 38,356,304	\$ 70,897,435	\$ 61,138,053	\$ 114,760,257	\$ 99,494,357
Current and other	\$ 579,260	\$ 2,386,393	\$ 1,044,732	\$ 2,316,218	\$ 1,623,992	\$ 4,702,611
Long-term liabilities	19,968,807	20,011,874	26,584,004	21,146,831	46,552,811	41,158,705
Total liabilities	20,548,067	22,398,267	27,628,736	23,463,049	48,176,803	45,861,316
Deferred inflows	3,273,942	305,340	1,004,828	65,296	4,278,770	370,636
Total liabilities and deferred inflows	23,822,009	22,703,607	28,633,564	23,528,345	52,455,573	46,231,952
Net position						
Net investment in capital assets	3,200,584	(2,015,834)	22,840,192	27,507,126	22,757,086	25,491,292
Restricted	3,408,165	3,717,918	7,627,663	2,751,129	11,035,828	6,469,047
Unrestricted	13,432,064	13,950,613	11,796,016	7,351,453	28,511,770	21,302,066
Total net position	\$ 20,040,813	\$ 15,652,697	\$ 42,263,871	\$ 37,609,708	\$ 62,304,684	\$ 53,262,405

**JAMES ISLAND PUBLIC SERVICE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS**

An additional portion of the District’s net position represents resources that are restricted as to how they may be used. The remaining balance of unrestricted net assets may be used to meet the government’s ongoing obligations to citizens, creditors, and customers within the respective governmental and business-type activities. At the end of the current fiscal year, the James Island Public Service District is able to report positive balances in the net position as a whole and individually within the governmental and business-type activities.

The changes in net position displayed below show the governmental and business-type activities during the fiscal year. The increase in entity-wide net position is due to the combination of the increases in net position in both the Governmental Activities and Business-Type Activities.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023
Charges for services	\$ -	\$ -	\$ 10,472,049	\$ 10,309,340	\$ 10,472,049	\$ 10,309,340
Capital grants and contributions	-	-	250,000	-	250,000	-
General revenues	13,871,329	10,473,498	2,024,673	1,118,482	16,104,726	11,591,980
Total revenues	13,871,329	10,473,498	12,746,722	11,427,822	26,618,051	21,901,320
Program expenses	9,483,213	8,728,525	8,092,559	8,776,404	17,575,772	17,504,929
Increase in net position	4,388,116	1,744,973	4,654,163	2,651,418	9,042,279	4,396,391
Beginning net position	15,652,697	13,907,724	37,609,708	34,958,290	53,262,405	48,866,014
Total net position	\$ 20,040,813	\$ 15,652,697	\$ 42,263,871	\$ 37,609,708	\$ 62,304,684	\$ 53,262,405

Financial Analysis of James Island Public Service District Funds

As noted earlier, The James Island Public Service District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of June 30, 2024, the James Island Public Service District governmental funds reported combined fund balances of \$16,722,069 an increase of \$247,076 compared to prior year balances. 89% of this total amount constitutes unassigned fund balance, which is available for spending at the District’s discretion.

The remainder of the fund balance is split between a nonspendable amount of \$148,321, \$512,509 being restricted that is not available for new spending because it has already been restricted for specific purposes, and \$1,039,698 being committed due to the District’s Board setting aside this money for specific purposes.

The General Fund is the primary operating fund of the District. At June 30, 2024, the total fund balance in the General Fund was \$13,491,153. The General Fund balance increased by \$338,231 during the current fiscal year. This increase is mainly a result of increases in property tax collections.

**JAMES ISLAND PUBLIC SERVICE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS**

In addition to the General Fund the District’s other nonmajor governmental funds are the Debt Service Fund, Capital Projects Fund and One Percent Fund. At June 30, 2024 the total fund balance in each fund was \$1,358,029, \$1,678,709 and \$194,178, respectively. Debt service fund balance decreased during the fiscal year by \$1,325,944, Capital Projects fund balance increased by \$1,210,271 and One Percent Fund increased by \$24,518.

Proprietary funds – The District’s Proprietary Fund provides the same type of information found in the government-wide financial statements, but with greater detail. At June 30, 2024, total net position of the Wastewater Utility System amounted to \$42,263,871 as compared to a total net position balance of \$37,609,708 at June 30, 2023. The increase in net position of \$4,654,163 for the fiscal year is due increasing revenue and decreasing expenditures during the fiscal year.

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund. The General Fund budgeted revenues of \$9,324,650 before other financing sources and achieved actual revenues of \$11,997,184, or \$2,672,534 more than budgeted. Property tax revenues increased and grant revenue increased. Expenditures were budgeted for \$13,266,070 with actual expenditures of \$12,005,115.

Capital assets – The James Island Public Service District’s investments in capital assets for its governmental and business type activities as of June 30, 2024, amounts to \$64,501,524 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, and equipment. Major capital asset events in the current year included the following (see Note 5):

- For the James Island Public Service District to meet the needs and continue to provide high quality response and services, the District bought vehicles and various equipment for \$2,879,548 during the year.
- The District continues to upgrade, update and repair projects with the sewer system and functions of the District. Various upgrades and various construction in progress in the amount of \$1,776,287 regarding the sewer system during the fiscal year. Additionally, other construction in progress was started but not completed during the year.

**JAMES ISLAND PUBLIC SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental Activities

	Balance at June 30, 2023	Additions	Transfers	Deletions	Balance at June 30, 2024
Non-depreciable assets:					
Land	\$ 1,600,664	\$ -	\$ -	\$ (16,000)	\$ 1,584,664
Construction in Progress	85,622	792,693	-	-	878,315
Total non-depreciable assets	1,686,286	792,693	-	(16,000)	2,462,979
Depreciable:					
Buildings	7,856,177	-	-	-	7,856,177
Fencing paving & landscaping	30,008	-	-	-	30,008
Vehicles	5,811,469	2,509,015	-	(85,491)	8,234,993
Machinery & fire equipment	1,748,406	371,573	-	(84,675)	2,035,304
Furniture and office equipment	248,866	-	-	(38,895)	209,971
Communication system	766,431	-	-	-	766,431
Total depreciable capital assets	16,461,357	2,880,588	-	(209,061)	19,132,884
Less accumulated depreciation:	(6,220,703)	(1,024,117)	-	185,070	(7,059,750)
Total depreciable capital assets, net	10,241,694	1,855,431	-	(23,991)	12,073,134
Total capital assets, net	\$ 11,927,980	\$ 2,649,164	\$ -	\$ (39,991)	\$ 14,536,113

Business-Type Activities

	Balance at June 30, 2023	Additions	Transfer	Deletions	Balance at June 30, 2024
Non-depreciable assets:					
Land	\$ 814,365	\$ 16,000	\$ -	\$ (16,000)	\$ 814,365
Construction in Progress	1,476,574	1,776,287	(1,053,415)	-	2,199,446
Total non-depreciable assets	2,290,939	1,792,287	(1,053,415)	(16,000)	3,013,811
Depreciable:					
Buildings	571,390	17,450	-	(17,604)	571,236
Sewer system	57,106,971	13,860	1,053,415	-	58,174,246
Contributed systems	11,191,477	-	-	-	11,191,477
Equipment and tools	1,652,593	-	-	-	1,652,593
Purchased systems	179,566	-	-	-	179,566
Equipment	115,290	-	-	-	115,290
Vehicles	1,353,100	311,461	-	(130,000)	1,534,561
Communication system	870,115	-	-	-	870,115
Total depreciable capital assets	73,040,502	342,771	1,053,415	(147,604)	74,289,084
Less accumulated depreciation	(25,948,037)	(1,530,681)	-	141,234	(27,337,484)
Total depreciable capital assets, net	47,092,465	(1,187,910)	1,053,415	(6,370)	46,951,600
Total capital assets, net	\$ 49,383,404	\$ 604,377	\$ -	\$ (22,370)	\$ 49,965,411

**JAMES ISLAND PUBLIC SERVICE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Long-term debt - At the end of the current fiscal year, the James Island Public Service District had total debt outstanding in the amount of \$36,267,648. Debt instruments outstanding consist of general obligation bonds and capital leases for Governmental Activities and revenue bonds, state revolving loans, and capital leases for Business-type Activities. Overall Governmental Activities and Business-type Activity debt outstanding totaled \$12,156,240 and \$24,111,408, respectively, includes accrued compensated absences.

The District's overall General Obligation bonds, revenue bonds and state revolving fund loans experienced payment decreases of \$2,174,691, \$35,210, and \$1,019,634, respectively. Capital leases had a net decrease of \$829,027 due to an additional capital lease in the prior year. See Note 8 for further details on outstanding debt.

Net pension plan liability experienced a decrease of \$1,438,642 when compared to the prior year. See Note 6 and for further details on decreases and plan information.

Economic Outlook

The area's economy was stable and shows continued growth during fiscal year 2024. The unemployment rate for the area is currently 3.0 percent, which is in line with previous years and the lowest in more than ten years. This compares favorably with State of SC rate of 3.1 percent and the national rate of 3.6 percent.

The principal challenge facing the District sewer system is to retain current customers and at the same time, gain new sewer customers as to help spread the fixed cost of operating the sewer system. The District Collection Systems Management, Operation, and Maintenance goal is to provide excellent service with effective environmental controls, while ensuring that the District is in a sound financial position to pay all its liabilities now and in the future.

The District's sanitary sewer operations are entirely supported by user fees as no property taxes are used for this sewer service. Accordingly, sewer rates and charges must be established at a level to cover operations, maintenance, improvement and upgrades to the JIPSD collection system. Inflationary pressures continued to rise, so the District will continue to monitor the economic conditions, reevaluate the current rates and continue to search-out cost saving measures to maintain a stable rate structure.

The District is not aware of any facts, decisions, or conditions that can reasonably be expected to have a material impact on the District's economic outlook during the fiscal year beginning July 1, 2024.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Finance Director, Ed Kilcullen at 1739 Signal Point Road/PO Box 12140, Charleston, South Carolina 29422-2140 or 843-998-6175.

JAMES ISLAND PUBLIC SERVICE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 13,356,208	\$ 11,768,065	\$ 25,124,273
Restricted cash and cash equivalents	3,089,834	1,947,247	5,037,081
Funds held in escrow	318,331	5,680,416	5,998,747
Intergovernmental receivables	740,177	-	740,177
Tax receivable (net of allowance)	7,714,839	-	7,714,839
Customer receivables (net of allowance)	-	479,302	479,302
Internal balances	137,574	(137,574)	-
Prepaid expenses	132,146	9,154	141,300
Inventory	16,174	-	16,174
Capital assets			
Non-depreciable capital assets	2,462,979	3,013,811	5,476,790
Depreciable capital assets	12,073,134	46,951,600	59,024,734
Total assets	<u>40,041,396</u>	<u>69,712,021</u>	<u>109,753,417</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	3,821,426	1,185,414	5,006,840
Total deferred outflows of resources	<u>3,821,426</u>	<u>1,185,414</u>	<u>5,006,840</u>
LIABILITIES			
Accounts payable	256,806	736,742	993,548
Accrued salaries and benefits	93,535	48,349	141,884
Accrued interest payable	228,919	71,967	300,886
Customer deposits	-	187,674	187,674
Long-term liabilities			
Net pension liability	7,812,567	2,472,596	10,285,163
Long-term debt:			
Due within one year	1,311,329	1,229,959	2,541,288
Due in more than one year	10,844,911	22,881,449	33,726,360
Total liabilities	<u>20,548,067</u>	<u>27,628,736</u>	<u>48,176,803</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan	3,273,942	1,004,828	4,278,770
Total deferred inflows of resources	<u>3,273,942</u>	<u>1,004,828</u>	<u>4,278,770</u>
NET POSITION			
Invested in capital assets, net of related debt	3,200,584	22,840,192	26,040,776
Restricted	3,408,165	7,627,663	11,035,828
Unrestricted	13,432,064	11,796,016	25,228,080
Total net position	<u>\$ 20,040,813</u>	<u>\$ 42,263,871</u>	<u>\$ 62,304,684</u>

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

**JAMES ISLAND PUBLIC SERVICE DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT						
Governmental activities						
General government	\$ 1,363,283	\$ -	\$ -	\$ (1,363,283)	\$ -	\$ (1,363,283)
Public safety	5,007,384	-	-	(5,007,384)	-	(5,007,384)
Solid waste	2,581,918	-	-	(2,581,918)	-	(2,581,918)
Interest	530,628	-	-	(530,628)	-	(530,628)
Total governmental activities	<u>9,483,213</u>	<u>-</u>	<u>-</u>	<u>(9,483,213)</u>	<u>-</u>	<u>(9,483,213)</u>
Business-type activities						
Wastewater	8,092,559	10,472,049	250,000	-	2,629,490	2,629,490
Total primary government	<u>\$ 17,575,772</u>	<u>\$ 10,472,049</u>	<u>\$ 250,000</u>	<u>(9,483,213)</u>	<u>2,629,490</u>	<u>(6,853,723)</u>
GENERAL REVENUES						
Property taxes				13,337,898	-	13,337,898
Merchant's inventory and motor carrier taxes				28,457	-	28,457
One percent income				113,663	-	113,663
Interest income				254,837	244,142	498,979
Other income				81,873	-	81,873
Insurance proceeds				49,937	-	49,937
Gain (loss) on sale of capital assets				20,664	1,764,531	1,785,195
Transfers				(16,000)	16,000	-
Total general revenues				<u>13,871,329</u>	<u>2,024,673</u>	<u>15,896,002</u>
Change in net position				4,388,116	4,654,163	9,042,279
Net position, beginning of year				<u>15,652,697</u>	<u>37,609,708</u>	<u>53,262,405</u>
Net position, end of year				<u>\$ 20,040,813</u>	<u>\$ 42,263,871</u>	<u>\$ 62,304,684</u>

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

JAMES ISLAND PUBLIC SERVICE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>General Fund</u>	<u>Non-major Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 13,356,208	\$ -	\$ 13,356,208
Restricted cash	-	3,089,834	3,089,834
Funds held in escrow	-	318,331	318,331
Intergovernmental receivables	649,810	90,367	740,177
Tax receivable (net of allowance)	7,404,173	310,666	7,714,839
Due from other funds	142,639	-	142,639
Prepaid expenses	132,146	-	132,146
Inventory	16,174	-	16,174
Total assets	<u>\$ 21,701,150</u>	<u>\$ 3,809,198</u>	<u>\$ 25,510,348</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	232,559	24,247	256,806
Accrued interest	33,572	195,347	228,919
Accrued salaries and benefits	93,535	-	93,535
Due to other funds	-	5,065	5,065
Total liabilities	<u>359,666</u>	<u>224,659</u>	<u>584,325</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	<u>7,850,331</u>	<u>353,623</u>	<u>8,203,954</u>
Total liabilities and deferred inflows of resources	<u>8,209,997</u>	<u>578,282</u>	<u>8,788,279</u>
FUND BALANCES			
Nonspendable:			
Prepaid expenses	132,146	-	132,146
Inventory	16,174	-	16,174
Restricted	-	512,509	512,509
Committed	-	1,039,698	1,039,698
Unassigned	<u>13,342,833</u>	<u>1,678,709</u>	<u>15,021,542</u>
Total fund balances	<u>13,491,153</u>	<u>3,230,916</u>	<u>16,722,069</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,701,150</u>	<u>\$ 3,809,198</u>	<u>\$ 25,510,348</u>

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

**JAMES ISLAND PUBLIC SERVICE DISTRICT
RECONCILIATION OF BALANCE SHEET - TOTAL
GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION
JUNE 30, 2024**

Total fund balances - Governmental Funds	\$	16,722,069
<p>Amounts reported for governmental activities in the Statement of Net Position are different due to the following</p>		
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds:</p>		
Non-depreciable		2,462,979
Depreciable, net of accumulated depreciation		12,073,134
<p>Deferred property taxes are reported in the governmental funds but not reported in governmental activities</p>		
		8,203,954
<p>Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds:</p>		
Bonds payable		(7,066,148)
Capital leases payable		(4,269,381)
Accrued compensated absences payable		(820,711)
Net pension plan liability		(7,812,567)
Deferred outflows - pension plan		3,821,426
Deferred inflows - pension plan		(3,273,942)
Net position of governmental activities	\$	<u>20,040,813</u>

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

JAMES ISLAND PUBLIC SERVICE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	<u>General Fund</u>	<u>Non-Major Fund</u>	<u>Total Governmental Funds</u>
REVENUE			
Property taxes	\$ 11,949,056	\$ 1,179,737	\$ 13,128,793
Intergovernmental revenues	28,457	-	28,457
One percent income	-	113,663	113,663
Other income	19,671	62,202	81,873
Total revenues	<u>11,997,184</u>	<u>1,355,602</u>	<u>13,352,786</u>
EXPENDITURES			
General government	1,130,145	89,762	1,219,907
Public safety	4,774,234	-	4,774,234
Solid waste	2,336,130	-	2,336,130
Capital outlay	2,879,548	792,693	3,672,241
Debt service:			
Principal	747,308	2,174,691	2,921,999
Interest	137,750	392,878	530,628
Total expenditures	<u>12,005,115</u>	<u>3,450,024</u>	<u>15,455,139</u>
Excess (deficiency) of revenues over expenditures	<u>(7,931)</u>	<u>(2,094,422)</u>	<u>(2,102,353)</u>
OTHER FINANCING SOURCES (USES)			
Interest income	251,570	3,267	254,837
Proceeds from sale of assets	44,655	-	44,655
Insurance proceeds	49,937	-	49,937
Proceeds from debt issuance	-	2,000,000	2,000,000
Total other financing sources (uses)	<u>346,162</u>	<u>2,003,267</u>	<u>2,349,429</u>
Net changes in fund balances	338,231	(91,155)	247,076
Fund balances, beginning of year	<u>13,152,922</u>	<u>3,322,071</u>	<u>16,474,993</u>
Fund balances, end of year	<u>\$ 13,491,153</u>	<u>\$ 3,230,916</u>	<u>\$ 16,722,069</u>

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

**JAMES ISLAND PUBLIC SERVICE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Net change in fund balances - Total Governmental Funds		\$ 247,076
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Capital outlays are reported as expenditures in the governmental fund. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:</p>		
Capital outlay	3,672,241	
Transfer of capital between funds	(16,000)	
Depreciation expense	<u>(1,024,117)</u>	
		2,632,124
Repayment of bond and capital lease principal is an expenditure in governmental funds but a reduction of liabilities in the Statement of Net Position		2,921,999
<p>An item reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental fund. This activity consists of:</p>		
Change in net pension plan liability		437,347
Change in compensated absences		(35,544)
Change in deferred tax receivable		209,105
<p>Other financing sources which do not provide current resources:</p>		
Gain or loss on the sale of assets		20,664
Proceeds from sale of capital assets		(44,655)
Proceeds from debt issuance		<u>(2,000,000)</u>
Total change in net position		<u>\$ 4,388,116</u>

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

JAMES ISLAND PUBLIC SERVICE DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2024

ASSETS

Cash and cash equivalents	\$ 11,768,065
Restricted cash and cash equivalents	1,947,247
Funds held in escrow	5,680,416
Customer receivables (net of allowance)	479,302
Prepaid expenses	9,154
Due from other funds	107,297
Capital assets	
Non-depreciable capital assets	3,013,811
Depreciable capital assets	46,951,600
Total assets	69,956,892

DEFERRED OUTFLOWS OF RESOURCES

Pension plan	1,185,414
Total deferred outflows of resources	1,185,414

LIABILITIES

Accounts payable	736,742
Due to other funds	244,871
Accrued salaries and benefits	48,349
Accrued interest payable	71,967
Customer deposits	187,674
Long-term liabilities	
Net pension liability	2,472,596
Long-term debt:	
Due within one year	1,229,959
Due in more than one year	22,881,449
Total liabilities	27,873,607

DEFERRED INFLOWS OF RESOURCES

Pension Plan	1,004,828
Total deferred inflows of resources	1,004,828

NET POSITION

Invested in capital assets, net of related debt	22,840,192
Restricted	7,627,663
Unrestricted	11,796,016
Total net position	\$ 42,263,871

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

JAMES ISLAND PUBLIC SERVICE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
JUNE 30, 2024

OPERATING REVENUES

District customer	\$ 5,908,017
Transportation customer	1,796,186
Full charge customer	1,856,898
Wholesale customer	577,018
Other fees and charges	228,225
Tap fees	40,310
Impact fees	65,395
Total operating revenues	10,472,049

OPERATING EXPENSES

Salaries and fringe benefits	1,976,895
Operations and maintenance	3,925,379
Administrative	588,292
Depreciation	1,530,681
Total operating expenses	8,021,247
Operating income (loss)	2,450,802

NON-OPERATING REVENUE (EXPENSES)

Capital grants	250,000
Gain from the sale of capital assets	1,764,531
Interest income	244,142
Interest expense	(71,312)
Transfer	16,000
Net non-operating revenues (expenses)	2,203,361

Change in net position	4,654,163
Net position, beginning of year	37,609,708
Net position, end of year	\$ 42,263,871

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

**JAMES ISLAND PUBLIC SERVICE DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net position	\$ 4,654,163
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Depreciation	1,530,681
Gain on disposal of assets	1,764,531
Decrease (increase) in:	
Customer receivable	(341,850)
Escrow funds	(5,461,717)
Prepaid expenses	2,281
Increase (decrease) in:	
Accounts payable	292,690
Accrued salaries and benefits	(320,581)
Customer deposits	14,250
GASB 68 - state retirement	(138,416)
Net cash provided by operating activities	1,996,032

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Net proceeds from debt	5,669,493
Net payments on debt	(1,144,310)
Due to / from transfers	(244,294)
Proceeds from sale of assets	(1,741,275)
Purchases of capital assets	(2,135,058)
Net cash provided by financing activities	404,556
Net increase in cash	2,400,588

CASH

Beginning of year	11,314,724
End of year	\$ 13,715,312

SUPPLEMENTAL INFORMATION

Interest paid	\$ 1,409,921
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The accompanying notes are an integral part of these financial statements.

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The James Island Public Service District (the “District”) was formed under Act Number 498 of the 1961 General Assembly of the State of South Carolina. The District is governed by an elected seven-member Commission and operates under a Commission/Manager form of government. The District provides the following services as authorized by its charter: fire protection, solid waste and wastewater collection.

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

Basis of Presentation

Government-wide Financial Statements

The statement of net position and the statement of activities report information about all activities of the primary government. These statements distinguish between the District’s governmental and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. All the District’s governmental funds are reported in the government-wide financial statements as governmental activities and all of its enterprise funds are reported as business-type activities. Separate financial statements are provided for government-wide and business-type activities.

Net position is reported as restricted when constraints are placed on net position use by external creditors (such as through debt covenants), grantors, contributors or laws or regulations of the other governments or when imposed by law through enabling legislation. Restricted net position is used prior to unrestricted net position when permissible.

The District uses the accrual basis of accounting in reporting its government-wide financial statements, as well as its proprietary fund financial statements. Under the accrual basis, the District generally records revenues when earned and reasonably measurable and records expenses when a liability is incurred, regardless of the timing of related cash flows. Significant non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include taxes, grants, and donations. The District recognizes grants, donations and similar items as revenue as soon as it meets all eligibility requirements.

The statement of activities presents a comparison between both direct and indirect, and program revenues for each segment of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, are clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are allocated among the programs, function and segments using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Program revenues include charges for services paid by the recipients of the services offered by the program.

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its governmental funds and proprietary fund. The District presents separate statements for each fund category- governmental and proprietary. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives in accordance with limitations and restrictions imposed by sources outside the entity and in accordance with directives issued by the governing board.

The District's funds are classified into two categories – governmental and proprietary.

Governmental Funds

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund is used to accumulate debt revenues collected by the County Treasurer of Charleston County and to remit the principal and interest due on general obligation bonds. These debt issues were sold to finance construction of various projects and to pay for capital equipment such as fire and solid waste trucks.

Capital Projects Fund – The Capital Projects Fund is used to accumulate financial resources utilized in acquiring or constructing capital facilities for the District. Expenses related to the capital facilities are also accumulated in this fund.

Firefighter's One Percent Fund

The Firefighter's One Percent Fund is used to account for the District's Firemen's Insurance and Inspection Fund, commonly referred to as 1% money, allocation, and expenditures. These resources are to be used for the betterment and maintenance of skilled and efficient fire departments. This is an unbudgeted fund.

Proprietary Fund

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

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Enterprise funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally are limited to items resulting from the provision of services and goods in connection with the fund's principal ongoing operations. The District generally classifies revenues and expenses as operating only if the related cash flows appear in the operating section on the statement of cash flows. Accordingly, grants are reportable as operating revenues only if they are essentially the same as contracts for services (i.e., exchange transactions) and they finance programs that the proprietary fund would not otherwise undertake (i.e., the activity of the grant is inherently part of the operations of the grantor). Conversely, the District classifies non-exchange transactions as non-operating. This includes all grant revenues except those reportable as operating revenue as described above and those restricted by the grantor for use exclusively for capital purposes. The District reports as operating most expenses it pays from operating revenues but usually reports interest expense as non-operating.

The District uses the modified accrual basis of accounting to report its governmental funds. Under the modified accrual basis, revenues, net of estimated uncollectible amounts, are recognized in the fiscal year when they become susceptible to accrual—that is, as soon as they become both measurable and available to finance current operations or to liquidate liabilities existing at fiscal year-end. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Principal revenue sources considered susceptible to accrual include taxes, grants, charges for goods and services, and interest earnings.

Under the modified accrual basis, expenditures generally are recorded when a liability is incurred, as under accrual accounting. An exception, however, is that principal and interest on general long-term debt, claims and judgments, and compensated absences, are recognized as expenditures only to the extent they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. General capital asset acquisitions are reported as expenditures (rather than as assets) in governmental funds.

The accounting policies of the District conform to generally accepted accounting principles (GAAP) applicable to its activities as prescribed by the Governmental Accounting Standards Board (GASB), the recognized standard-setting body for GAAP for all state governmental entities. Proprietary fund activities are reported using the accrual basis method of accounting. If measurable, revenue is recognized when earned and expenses when incurred.

Transfers of financial resources among funds are recognized in all affected funds in the period in which the related interfund receivables and payables arise.

The District has elected to treat the General Fund as major, which is presented in a separate column. Debt Service and Capital Project Funds are considered nonmajor and will be presented in a combined column called Nonmajor Funds.

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The District legally adopts a budget for the General Fund and the Proprietary Fund (Wastewater). The following procedures are followed in establishing the budgetary data reflected in the financial statements: (a) Prior to June 30th, of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The general fund budget includes proposed expenditures based on the modified accrual basis of accounting and the means of financing them, and (b) the Commission adopts the proposed budget.

Restricted Cash and Cash Equivalents and Funds Held in Escrow

Cash includes amounts held in demand deposits. For the purpose of the statement of cash flows, the wastewater proprietary fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The revenue bond agreements in the proprietary fund require the establishment of the following funds: debt service, debt service reserve, depreciation and contingency. The District is required to fund these accounts out of revenues and impact fees generated by the wastewater system. Additionally, the District’s proprietary and governmental activities have funds held in escrow. These funds are to be used for specific capital outlay purchases as described in the debt agreements associated and can be drawn down as these expenditures occur and are approved by financial institutions through which the associated debt is funded. These funds cannot be used for any other purpose. Total cash and cash equivalents in debt service, debt service reserves, depreciation, contingency and funds held in escrow funds was \$7,952,997 at June 30, 2024.

Restricted cash and cash equivalents and funds held in escrow consisted of the following at June 30, 2024:

	Governmental Funds	Business-Type Funds
Debt service reserves	\$ 1,187,635	\$ 418,289
Capital projects	1,708,021	-
Contingency	-	803,707
Depreciation	-	348,326
Funds in escrow	318,331	5,680,416
One percent funds	194,178	-
SCIIP project	-	376,925
	\$ 3,408,165	\$ 7,627,663
Total		

Receivables

The accounts receivable of the proprietary (Enterprise) fund represent charges for services provided. The amount of unpaid charges is reported net of an allowance for uncollectable accounts in the amount of \$479,302. The allowance for uncollectable accounts totaled \$711,474 as of June 30, 2024.

Property taxes receivable in the general fund and debt service fund consist of uncollected property taxes from the following years, less an allowance for estimated uncollected taxes of \$388,000 and \$29,245 for the General Fund and Debt Service Fund, respectively at June 30, 2024.

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

<u>Tax Year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
2024 and prior years	\$ 7,792,173	\$ 339,911
Less: allowance for uncollectible taxes	(388,000)	(29,245)
Net property taxes receivable	<u>\$ 7,404,173</u>	<u>\$ 310,666</u>

Property Taxes

Property Taxes attach as an enforceable lien on property as of January 1 of each year. Ad valorem taxes are levied during September by Charleston County which is responsible for the collection of the taxes and may be paid without penalty until January 15 of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16 – 3%; February 1 – an additional 7%; March 16 -an additional 5%. On March 16, the intermediary government turns unpaid taxes over to its delinquent tax office and the properties are subject to sale. Personal property taxes on vehicles are levied on a monthly basis and are based on the assessed values on January 1 of each year.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on their respective financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. At June 30, 2024, the amount due to the general fund from the wastewater fund totaled \$137,574.

Inventory and Prepaid Items

The general fund inventory is valued at cost using the first in first out method. The prepaid items represent an expense that is applicable to a future period. The cost of the fuel inventory is recorded as an expenditure at the time it is used. These prepayments are equally offset by fund balance reserves which indicate that this portion of the fund balance does not constitute available spendable resources.

Capital Assets and Depreciation

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized in the government- wide financial statements. The valuation basis for general capital assets are historical costs, or if historical cost is not available, estimated historical cost based on replacement cost. The District capitalizes only those individual capital assets exceeding \$5,000 in cost and which have a useful life exceeding one year.

Donated capital assets, if any, are capitalized and accounted for as capital contributions at estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Depreciation of all capitalized assets is charges as an expense against operations. Depreciation of exhaustible capital assets has been provided using the straight-line method over the estimated useful lives as follows:

Buildings	50 years
Wastewater system (constructed and purchased)	20 - 60 years
Office Furniture and equipment	5 - 10 years

Unpaid Compensated Absences

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums. Annual leave exceeding the maximum accrual and not used will be forfeited.

The portion of this liability which is not expected to be liquidated with expendable available financial resources is not reported as a fund liability in accordance with interpretation No. 6 of the Governmental Accounting Standards Board – Recognition of Management of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. The amount applicable to the proprietary fund is charged to expense and as a corresponding liability. Sick leave is not accrued since the benefits are not vested and are not payable upon termination.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Deferred Outflows/Inflows 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently reports deferred outflows of resources related to the pension plan in the amount of \$3,821,426 and \$1,185,414 at June 30, 2024, respectively.

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District currently reports deferred inflow of resources related to the pension and plan in the amount of \$3,273,942 and \$1,004,828 as of June 30, 2024, respectively.

In the Governmental Fund financial statements, the District accounts for delinquent taxes receivable collected more than 60 days following the end of its fiscal year as deferred inflows of resources. The District currently reports deferred inflow of resources related to unavailable property tax revenues, net, in the amount of \$7,404,173 and \$310,666 in general fund and debt service fund as of June 30, 2024, respectively.

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Net position is classified and presented in one or more of the following components in the government-wide financial statements:

Net Position/Fund Balances – Net position is classified and presented in three components in the government-wide financial statements:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and is reduced by outstanding debt attributed to the acquisition, construction or improvement of the assets.

Restricted net position – Consists of amounts restricted by external creditors, grantors, contributors, or laws and regulations of other governments.

Unrestricted net position – All other net position that do not meet the definition of "Restricted," or "Net invested in capital assets."

Fund balances are classified and presented in one or more of the following components in the fund basis financial statements:

Non-spendable – Non-spendable form or legally or contractually required to be maintained intact.

Restricted – Use is restricted by external creditors or imposed by law or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by action of the District's Commissioners.

Assigned – Represents resources assigned by the District but not as restrictive as Committed.

Unassigned – Represents the portion of the fund balance that does not meet any of the component definitions listed above.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position or fund balances are available. Within the unrestricted fund balance, committed resources would be first applied, when available, followed by assigned resources before unassigned resources are used.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are used to determine depreciation expense, and the allowance for doubtful accounts among other accounts. Actual results could differ from those estimates.

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE – 2 – LEGAL COMPLIANCE – BUDGETS

The District is required by law to adopt an annual budget. The District legally adopts a budget for the General Fund and the Proprietary Fund. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- (a) Prior to June 30th of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year being July 1st.
- (b) The General Fund budget includes proposed expenditures based on the modified accrual basis of accounting and the means of financing them.
- (c) The District's Commission adopts the proposed budget.

Expenditures approved by the District's Commission shall automatically carry amendments to fund appropriations where necessary. Budget amounts reported are as originally adopted, or as amended by the District's Commission.

Actual revenue was above budgeted revenue by \$2,672,534. Budgeted expenditures were less than actual expenditures by \$1,260,955.

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 3 – DEPOSITS

Custodial Credit Risk

Custodial Credit Risk for deposits exists when, in the event of the failure of depository financial institution, a government may be unable to recover deposits, or recover collateral securities that is in the possession of the outside party. The District follows state law which requires depository financial statements to provide FDIC insurance or pledge collateral obligations sufficient to cover its deposits and investments as described in the following paragraph.

All of the District’s deposits are made in Commission designated official depositories and are secured as required by state laws. State of South Carolina statues authorize the District to invest in the following: 1) obligations of the State of South Carolina or any of its political subdivisions; 2) obligations of the United States and agencies thereof; 3) bank or savings and loan deposits and certificates of deposit to the extent insured by the Federal Deposit Insurance Corporation (FDIC); 4) Repurchase agreements collateralized by securities of the type described in 1) and 2) preceding; and 5) no-load open and closed end portfolios of certain investment companies or trusts which hold issues of the U.S. government.

At June 30, 2024, the carrying amount of the District’s unrestricted and restricted cash and cash equivalents was \$30,161,354, and the bank balance was \$29,884,770 of which all is covered either by FDIC or is properly collateralized in accordance with State law.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2024, consist of the following:

	Governmental Activities	Business-Type Activities	Total
Gross receivables			
Intergovernmental revenue	\$ 740,177	\$ -	\$ 740,177
Utility service billings	-	1,190,776	1,190,776
Total receivables	740,177	1,190,776	1,930,953
Less: allowance for uncollectible	-	(711,474)	(711,474)
Net receivables	\$ 740,177	\$ 479,302	\$ 1,219,479

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

Governmental activities:

	Balance at June 30, 2023	Additions	Transfers	Deletions	Balance at June 30, 2024
Non-depreciable assets:					
Land	\$ 1,600,664	\$ -	\$ -	\$ (16,000)	\$ 1,584,664
Construction in Progress	85,622	792,693	-	-	878,315
Total non-depreciable assets	1,686,286	792,693	-	(16,000)	2,462,979
Depreciable:					
Buildings	7,856,177	-	-	-	7,856,177
Fencing paving & landscaping	30,008	-	-	-	30,008
Vehicles	5,811,469	2,509,015	-	(85,491)	8,234,993
Machinery & fire equipment	1,748,406	371,533	-	(84,675)	2,035,304
Furniture and office equipment	248,866	-	-	(38,895)	209,971
Communication system	766,431	-	-	-	766,431
Total depreciable capital assets	16,461,357	2,880,558	-	(209,061)	19,132,884
Less accumulated depreciation:	(6,220,703)	(1,024,117)	-	185,070	(7,059,750)
Total depreciable capital assets, net	10,240,654	1,856,471	-	(23,991)	12,073,134
Total capital assets, net	\$ 11,926,940	\$ 2,649,164	\$ -	\$ (39,991)	\$ 14,536,113

Depreciation expense for Governmental Activities was charged to functions/programs as follows:

General government	\$ 143,376
Public safety – fire	634,953
Health – solid waste	245,788
Total depreciation – governmental activities	\$ 1,024,117

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 5 – CAPITAL ASSETS, Continued

Business Activities:

	Balance at June 30, 2023	Additions	Transfer	Deletions	Balance at June 30, 2024
Non-depreciable assets:					
Land	\$ 814,365	\$ 16,000	\$ -	\$ (16,000)	\$ 814,365
Construction in Progress	1,476,574	1,776,287	(1,053,415)	-	2,199,446
Total non-depreciable assets	2,290,939	1,792,287	(1,053,415)	(16,000)	3,013,811
Depreciable:					
Buildings	571,390	17,450	-	(17,604)	571,236
Sewer system	57,106,971	13,860	1,053,415	-	59,837,451
Contributed systems	11,191,477	-	-	-	11,191,477
Equipment and tools	1,652,593	-	-	-	1,652,593
Purchased systems	179,566	-	-	-	179,566
Equipment	115,290	-	-	-	115,290
Vehicles	1,353,100	311,461	-	(130,000)	1,534,461
Communication system	870,115	-	-	-	870,115
Total depreciable capital assets	73,040,502	342,771	1,053,415	(147,604)	74,289,084
Less accumulated depreciation	(25,948,037)	(1,530,681)	-	141,234	(27,337,484)
Total depreciable capital assets, net	47,092,465	(1,187,910)	1,053,415	(6,370)	46,951,600
Total capital assets, net	\$ 49,383,404	\$ 604,377	\$ -	\$ (22,370)	\$ 49,965,411

Depreciation expense for Business-type Activities was charged to the only function in the amount of \$1,530,681.

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 6 – PENSION PLANS

State Retirement Plan

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

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems’ five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds’ assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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

Plan Descriptions

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

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 6 – PENSION PLANS, Continued

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

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

Plan Membership

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

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Plan Benefits

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

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 6 – PENSION PLANS, Continued

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

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

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

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

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased and capped at 9 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 6 – PENSION PLANS, Continued

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

Required employee contribution rates¹ are as follows:

	Fiscal Year 2024 ¹	Fiscal Year 2023 ¹
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates¹ are as follows:

	Fiscal Year 2024 ¹	Fiscal Year 2023 ¹
SCRS		
Employee Class Two	18.41%	17.41%
Employee Class Three	18.41%	17.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	20.84%	19.84%
Employee Class Three	20.84%	19.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Benefit	0.20%	0.20%

Actuarial Assumptions and Methods

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

(Continued)

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

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 6 – PENSION PLANS, Continued

The June 30, 2023, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plans’ fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

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

	SCRS	PORS
Actuarial cost method:	Entry age normal	Entry age normal
Investment rate of return ²	7%	7%
Projected salary increases	3.0% to 11.0% (varies by service) ¹	3.5% to 10.5% (varies by service) ¹
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems’ mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

Net Pension Liability

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

(Continued)

² Includes inflation at 2.25%

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 6 – PENSION PLANS, Continued

<u>System</u>	District's Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	District's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 5,811,473	58.6%	.024037%
PORS	\$ 4,473,635	67.8%	.146961%

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

Long-term Expected Rate of Return

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

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

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 6 – PENSION PLANS, Continued

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity ³	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity ^{1 4}	9.0%	10.91%	0.98%
Private Debt ²	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real Estate ²	9.0%	6.41%	0.58%
Infrastructure ²	3.0%	6.62%	0.20%
Total Expected Real Return ⁵	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

Pensions

At June 30, 2024, the District reported a liability of \$5,811,531 and \$4,473,635 for its proportionate share of the net pension liability for SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

Discount Rate

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

(Continued)

³ The target weight to Private Equity will be equal to its actual weight, reported by the custodial bank, as of prior month end. When flows have occurred, flow adjusted weights are used to more accurately reflect the impact of the asset class weight. Private Equity and Public Equity combine for 55% of the entire portfolio.

⁴ Staff and Consultant will notify the Commission if Private Markets assets exceed 25% of total assets.

⁵ Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 20% of total assets.

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 6 – PENSION PLANS, Continued

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7.00 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

System	1.00% Decrease (6%)	Current Discount Rate (7%)	1.00% Increase (8%)
District's proportionate share of the net pension liability of the SCRS	\$ 7,508,977	\$ 5,811,473	\$ 4,400,566
District's proportionate share of the net pension liability of the PORS	\$ 6,310,738	\$ 4,473,635	\$ 2,968,818

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the District recognized pension expense for the SCRS and PORS plans of \$(1,077,956) and \$1,641,684, respectively. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred outflow of resources	Deferred inflow of resources
SCRS		
Differences between expected and actual experience	\$ 197,235	\$ 16,116
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	7,955
Net difference between projected and actual earnings on pension plan investments	251,167	4,191,517
District's contributions subsequent to the measurement date	529,671	-
Total SCRS	\$ 978,073	\$ 4,215,588
PORS		
Differences between expected and actual experience	\$ 307,898	\$ 55,150
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	7,678
Net difference between projected and actual earnings on pension plan investments	3,105,682	354
District's contributions subsequent to the measurement date	605,292	-
Total PORS	\$ 4,018,872	\$ 63,182

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 6 – PENSION PLANS, Continued

The \$529,671 and \$605,292 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2024 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2024.

The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at the measurement date. Average remaining service lives of all employees provided with pensions through the pension plan at the measurement date was 4.00 years for SCRS and PORS:

Year Ended June 30,	SCRS	PORS	Total
2025	\$ (1,349,985)	\$ 1,244,159	\$ (105,826)
2026	(1,538,742)	1,023,488	(515,254)
2027	(875,050)	1,087,431	212,381
2028	(3,409)	(4,680)	(8,089)
	\$ (3,767,186)	\$ 3,350,398	\$ (416,788)

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

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

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2024, and the accounting valuation report as of June 30, 2023. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 7 – LONG-TERM DEBT

The District reports long-term debt of governmental funds at face value in the government-wide statements. Long-term debt and other obligations financed by proprietary funds are reported as proprietary fund liabilities. For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond or capital lease proceeds are reported as an “other financing source” net of the applicable premiums or discount. Issuance costs, if any, paid or withheld from the proceeds, are reported as debt service expenditures. For business-type funds, bond premiums or discounts and any deferred refunding costs (if applicable) are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium, discount or deferred refunding costs.

Governmental Activities:

For governmental activities, compensated absences are generally liquidated by the general fund and included as a long-term liability in the government-wide financial statements. The District issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. These bonds are direct obligations and pledge the full faith and credit of the District. Fire Station 3 general obligation bonds is held by the Farmers Home Administration and the remaining are held by USDA.

Business-Type Activities:

For business-type activities, compensated absences are liquidated by the proprietary fund and included as a long-term liability the enterprise fund and business-type activities.

In 1980, the District began issuing revenue bonds payable from the revenues generated by the wastewater proprietary fund which pays for the construction and expansion of the wastewater transportation system.

Changes in long-term liabilities for Governmental activities for the year ended June 30, 2024, were as follows:

<u>Governmental activities</u>	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>	<u>Within One Year</u>
General obligation bonds	\$7,240,839	\$2,000,000	\$(2,174,691)	\$7,066,148	\$ 566,903
Capital leases	5,016,689	-	(747,308)	4,269,381	744,426
Net pension liability	8,905,354	-	(1,092,787)	7,812,567	-
Compensated absences	785,167	35,544	-	820,711	-
	<u>\$ 21,948,049</u>	<u>\$2,035,544</u>	<u>\$ (4,014,787)</u>	<u>\$19,968,807</u>	<u>\$1,311,329</u>

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 7 – LONG-TERM DEBT, Continued

<u>Business-type activities</u>	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>	<u>Within One Year</u>
Revenue bonds	\$ 473,011	\$ -	\$ (35,210)	\$ 437,801	\$ 37,179
State revolving fund loan	18,496,922	5,569,303	(1,027,178)	23,039,047	1,112,807
Capital leases	529,241	-	(81,922)	447,319	79,973
Net pension liability	2,818,451	-	(345,855)	2,472,596	-
Compensated absences	87,051	100,190	-	187,241	-
	<u>\$ 22,404,676</u>	<u>\$5,669,493</u>	<u>\$ (1,490,165)</u>	<u>\$ 26,584,004</u>	<u>\$1,229,959</u>

The principal and interest requirements to retire the District's long-term obligations, exclusive of compensated absences, capital leases, and net pension liability, are as follows:

<u>Governmental Activities</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 566,903	\$ 153,278	\$ 720,181
2026	595,557	136,124	731,681
2027	421,247	118,934	540,181
2028	163,976	110,830	274,574
2029	174,744	102,312	277,056
2030-2034	966,812	451,569	1,418,381
2035-2039	1,055,618	356,253	1,411,871
2040-2044	1,280,000	248,560	1,528,560
2045-2049	1,280,000	116,600	1,396,600
2050-Thereafter	561,291	11,200	572,491
	<u>\$ 7,066,148</u>	<u>\$ 1,805,660</u>	<u>\$ 8,871,808</u>

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 7 – LONG-TERM DEBT, Continued

Business-Type Activities	Principal	Interest	Total
2025	\$ 1,149,986	\$ 348,810	\$ 1,498,796
2026	1,336,024	407,357	1,743,381
2027	1,365,831	382,480	1,748,311
2028	1,395,857	356,637	1,752,494
2029	1,426,335	330,346	1,756,681
2030-2034	6,898,029	1,261,115	8,159,144
2035-2039	5,316,089	731,368	6,047,457
2040-2044	3,261,756	337,465	3,599,221
2045-2049	1,221,315	216,080	1,437,395
2050-2052	105,626	1,031	106,657
	<u>\$ 23,476,848</u>	<u>\$ 4,372,689</u>	<u>\$27,849,537</u>

The revenue bonds outstanding for the business-type activity at June 30, 2024, are as follows:

Title of Issues	Date	Date	Rate	Original	Outstanding
Sol Legare Project	3/31/1992	3/28/2032	5.75%	\$ 437,000	\$ 282,482
Grimball Road Expansion	11/14/1996	11/14/2036	5.13%	538,000	155,319
Totals				<u>\$ 975,000</u>	<u>\$ 437,801</u>

The State Revolving Fund loan outstanding for the business-type activity at June 30, 2024, is as follows:

Title of Issues	IssueDate	Maturity Date	Interest Rate	Original Principal	Principal Outstanding
Pump Stations 11 & 54 Upgrade	10/31/2014	05/01/2035	2.00%	\$ 4,242,522	\$ 2,383,768
Pump Station 11 Phase 2	09/01/2016	09/01/2036	1.80%	2,527,959	1,321,210
Schooner Road Extension	02/26/2010	05/01/2030	2.25%	717,520	251,862
Harbor View Circle Force Main	07/01/2011	04/01/2031	2.25%	586,757	238,537
Pump Station 33 Rehab	07/01/2011	07/01/2031	2.25%	1,250,352	519,814
Force Main Replacement	10/01/2013	07/01/2031	2.25%	1,870,339	969,502
Water Pollution Control 19	06/07/2019	10/01/2049	2.37%	6,715,435	4,927,250
Pump Station 2 Upgrade	12/05/2019	07/01/2040	2.60%	1,793,128	1,371,750
Pump Station 22 and 34 Upgrades	06/01/2020	09/01/2040	2.20%	1,067,767	871,844
Pump Station 1 Downgrades	06/01/2020	01/01/2041	2.20%	994,972	861,472
SSES Rehab	12/02/2020	06/01/2041	1.80%	2,000,000	1,640,671
Pump Station 33 Upgrade	12/02/2020	06/01/2041	1.80%	1,322,658	1,109,172
Rehab Facilities Phase 4	02/15/2022	01/23/2043	1.50%	1,081,235	1,010,892
HVFM 543-23	06/28/2024	03/01/2045	2.10%	4,485,303	4,485,303
SSES Phase 5	06/28/2024	11/01/2024	2.10%	1,076,000	1,076,000
				<u>\$ 31,731,947</u>	<u>\$23,039,047</u>

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 7 – LONG-TERM DEBT, Continued

The revenues of the proprietary fund are pledged as collateral on all revenue bonds. The District has complied with all material covenants and restrictions.

The governmental activities general obligation bonds outstanding at June 30, 2024, are as follows:

Title of Issues	Issue Date	Maturity Date	Interest Rate	Original Principal	Principal Outstanding
Fire Station 3	11/14/1996	11/14/2036	5.50%	\$ 363,000	\$ 170,148
2020A GO	12/1/2020	12/1/2051	2.00%	7,060,000	6,275,000
Fire State 2	10/12/2023	4/1/2027	4.73%	2,000,000	621,000
				\$ 9,423,000	\$ 7,066,148

NOTE 9 – CAPITAL LEASE OBLIGATIONS

The District has various leases on equipment used in business-type activities and governmental activities which are being accounted for as capital leases. These leases financed equipment purchased during prior fiscal years. Under the terms of lease payments, including interest, by year ended June 30, 2024, are as follows:

Governmental Activities	Principal	Interest	Total
2025	\$ 744,580	\$ 123,908	\$ 868,488
2026	605,808	107,122	712,930
2027	617,561	90,840	708,401
2028	377,121	65,104	442,225
2029	808,784	133,173	941,957
2030-2033	1,115,527	121,994	1,237,521
	\$ 4,269,381	\$ 642,141	\$ 4,911,522
Business-Type Activities	Principal	Interest	Total
2025	\$ 79,943	\$ 12,520	\$ 92,463
2026	74,816	10,641	85,457
2027	76,772	8,685	85,457
2028	78,000	7,457	85,457
2029	78,000	7,457	85,457
2030-2033	59,788	6,475	66,263
	\$ 447,319	\$ 53,235	\$ 500,554

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 8 – CAPITAL LEASE OBLIGATIONS, Continued

Capital leases outstanding for governmental activities at June 30, 2024, are as follows:

Title of Issues	Issue Date	Maturity Date	Interest Rate	Original Principal	Principal Outstanding
Roll carts	11/14/1996	11/14/2036	2.04%	\$ 453,282	\$ 48,568
Escrow vehicles and equipment	2/4/2018	8/4/2024	2.08%	2,124,663	154,935
2019 CL-vehicles	9/23/2019	9/23/2026	2.37%	903,000	315,102
2021 CL-vehicles	5/17/2021	5/17/2028	2.10%	783,847	461,821
2021 CL-radio equipment	5/17/2021	5/17/2028	1.66%	647,744	379,078
2023 CL-equipment	5/11/2023	5/1/2033	Varies	3,262,068	2,909,877
				<u>\$ 8,174,604</u>	<u>\$ 4,269,381</u>

Capital leases outstanding for business-type activities at June 30, 2024, are as follows:

Title of Issues	Issue Date	Maturity Date	Interest Rate	Original Principal	Principal Outstanding
Vehicles and equipment	2/4/2018	8/4/2024	2.04%	175,337	\$ 18,719
2019 CL-vehicles	9/23/2019	9/23/2026	2.08%	158,000	70,900
2021 CL-vehicles and equipt	5/17/2021	5/17/2028	1.66%	177,675	104,681
2023 CL-equipment	5/11/2023	5/1/2033	Varies	260,965	253,019
				<u>\$ 771,977</u>	<u>\$ 447,319</u>

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The District is contingently liable for lawsuits and claims that may arise in the course of its operations. Management believes the ultimate resolution of any such matters will not materially affect the District's financial position.

The District serves a geographic area which is subject to annexation by a local municipality. In the event an area is annexed by the municipality, there could be a significant impact on the operations of the District. South Carolina law requires a municipality which annexes properties currently served by another political subdivision to assume responsibility for payment of the pro-rata bonded debt outstanding on the area(s) annexed.

NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, loss for damage to assets, errors or omissions, and natural disasters. The District is a member of the State of South Carolina Insurance Reserve Fund, which is a public entity risk pool currently operating as an insurance program and risk management facility for local governments. The District pays annual insurance premiums to the State Insurance Reserve Fund for its general insurance coverages. The State Insurance Reserve Fund is self-sustaining through member insurance premiums and reinsures through commercial companies for certain claims.

(Continued)

**JAMES ISLAND PUBLIC SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 10 – RISK MANAGEMENT, Continued

In addition, the District insures for the risk of job-related injury or illness to its employees through South Carolina State Accident Fund, a public entity risk pool operating for the benefit of local governments. The District pays an annual premium to the Worker’s Compensation Trust for its insurance coverage.

The District is also subject to risks of loss from providing health, life, accident, dental and other medical benefits for employees, retirees and their dependents. The District utilizes a state health insurance plan administered by the South Carolina Budget and Control Board. The state reinsures through commercial companies for these risks.

For all the above programs, the District has not significantly reduced insurance coverages from the previous year and settled claims in excess of insurance coverage for the last three years have been immaterial. For each of the insurance programs, the District has effectively transferred all risk with no liability for unfunded claims.

NOTE 11 – SUBSEQUENT EVENTS

The District has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2024 through **TBD, 2025** the date the financial statements were available to be issued.

JAMES ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUE				
Property taxes	\$ 9,105,810	\$ 9,105,810	\$ 11,949,056	\$ 2,843,246
Intergovernmental revenues	26,440	26,440	28,457	2,017
Other income	192,400	192,400	19,671	(172,729)
Total revenues	9,324,650	9,324,650	11,997,184	2,672,534
EXPENDITURES				
Current:				
General government	1,263,579	1,263,579	1,130,145	133,434
Public safety	5,188,062	5,188,062	4,774,234	413,828
Solid waste	2,494,799	2,494,799	2,336,130	158,669
Capital outlay	3,429,105	3,429,105	2,879,548	549,557
Debt service:				
Principal	752,775	752,775	747,308	5,467
Interest	137,750	137,750	137,750	-
Total expenditures	13,266,070	13,266,070	12,005,115	1,260,955
Excess (deficiency) of revenues over expenditures	(3,941,420)	(3,941,420)	(7,931)	1,411,579
OTHER FINANCING SOURCES (USES)				
Interest income	24,000	24,000	251,570	(227,570)
Proceeds from sale of assets	52,500	52,500	44,655	7,845
Insurance proceeds	-	-	49,937	(49,937)
Debt issuance cost	2,930,000	2,930,000	-	2,930,000
Total other financing sources (uses)	3,006,500	3,006,500	346,162	2,660,338
Net changes in fund balances	\$ (934,920)	\$ (934,920)	\$ 338,231	\$ 4,071,917

**JAMES ISLAND PUBLIC SERVICE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM
POLICE OFFICERS RETIREMENT SYSTEM**

SCRS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.024037%	0.048361%	0.045990%	0.047094%	0.050584%	0.048044%	0.048044%	0.049145%	0.046509%	0.004785%
District's proportionate share of the net pension liability	\$ 5,811,473	\$ 11,723,805	\$ 9,952,884	\$ 12,033,341	\$ 11,541,482	\$ 10,765,152	\$ 10,765,152	\$ 10,541,040	\$ 9,320,586	\$ 8,251,489
District's covered-employee payroll	\$ 2,853,832	\$ 5,198,779	\$ 5,774,725	\$ 5,198,779	\$ 5,380,645	\$ 4,978,702	\$ 6,042,240	\$ 4,506,844	\$ 4,562,183	\$ 4,534,662
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	49.11%	44.34%	58.02%	43.20%	46.62%	46.25%	56.13%	42.76%	48.95%	54.96%
Plan fiduciary net position as a percentage of the total pension liability	58.6%	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%

Only ten years of information is presented as only ten years of data were available.

PORS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.146961%	0.000000%	0.000000%	0.000000%	0.000312%	0.000591%	0.000000%	0.000000%	0.000000%	0.000000%
District's proportionate share of the net pension liability	\$ 4,473,635	\$ -	\$ -	\$ -	\$ 8,929	\$ 16,749	\$ 16,749	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,849,776	\$ -	\$ -	\$ -	\$ 4,416	\$ 8,183	\$ 8,497	\$ -	\$ -	\$ -
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	63.70%	0.00%	0.00%	0.00%	49.46%	48.86%	50.73%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	67.8%	0.0%	0.0%	0.0%	62.7%	61.7%	60.9%	0.00%	0.00%	0.00%

Notes to schedule:

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

**JAMES ISLAND PUBLIC SERVICE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PENSION PLAN CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM
POLICE OFFICERS RETIREMENT SYSTEM**

SCRS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 529,671	\$ 533,655	\$ 956,294	\$ 808,930	\$ 817,518	\$ 775,351	\$ 675,112	\$ 698,483	\$ 498,457	\$ 497,278
Contributions in relation to the contractually required contribution	<u>(529,671)</u>	<u>(533,655)</u>	<u>(956,294)</u>	<u>(808,930)</u>	<u>(817,518)</u>	<u>(775,351)</u>	<u>(675,112)</u>	<u>(698,483)</u>	<u>(498,457)</u>	<u>(497,278)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,853,832	\$ 3,039,039	\$ 5,774,725	\$ 5,198,779	\$ 5,253,969	\$ 5,380,645	\$ 4,978,702	\$ 6,042,240	\$ 4,506,844	\$ 4,562,183
Contributions as a percentage of covered-employee payroll	18.56%	17.56%	16.56%	15.56%	15.56%	14.41%	13.56%	11.56%	11.06%	10.90%

Only ten years of information is presented as only ten years of data were available.

PORS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 605,292	\$ 521,158	\$ -	\$ -	\$ -	\$ 779	\$ 1,329	\$ 1,210	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>(605,292)</u>	<u>(521,158)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(779)</u>	<u>(1,329)</u>	<u>(1,210)</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,849,776	\$ 2,626,807	\$ -	\$ -	\$ -	\$ 4,416	\$ 8,183	\$ 8,497	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	21.24%	19.84%	0.00%	0.00%	0.00%	17.64%	16.24%	14.24%	0.00%	0.00%

**JAMES ISLAND PUBLIC SERVICE DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR FUNDS
JUNE 30, 2024**

	Capital Projects Fund	Debt Service Fund	Firefighters One Percent Fund	Total Non-Major Funds
ASSETS				
Restricted cash	\$ 1,708,021	\$ 1,187,635	\$ 194,178	\$ 3,089,834
Funds held in escrow	-	318,331	-	318,331
Intergovernmental receivables	-	90,367	-	90,367
Tax receivable (net of allowance)	-	310,666	-	310,666
Total assets	<u>\$ 1,708,021</u>	<u>\$ 1,906,999</u>	<u>\$ 194,178</u>	<u>\$ 3,809,198</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	24,247	-	-	24,247
Accrued interest	-	195,347	-	195,347
Due to other funds	5,065	-	-	5,065
Total liabilities	<u>29,312</u>	<u>195,347</u>	<u>-</u>	<u>224,659</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	353,623	-	353,623
Total	<u>29,312</u>	<u>548,970</u>	<u>-</u>	<u>578,282</u>
FUND BALANCES				
Nonspendable:				
Restricted	-	318,331	194,178	512,509
Committed	-	1,039,698	-	1,039,698
Unassigned	1,678,709	-	-	1,678,709
Total fund balances	<u>1,678,709</u>	<u>1,358,029</u>	<u>194,178</u>	<u>3,230,916</u>
Total	<u>\$ 1,708,021</u>	<u>\$ 1,906,999</u>	<u>\$ 194,178</u>	<u>\$ 3,809,198</u>

JAMES ISLAND PUBLIC SERVICE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR FUNDS
YEAR ENDED JUNE 30, 2024

	Capital Projects Fund	Debt Service Fund	Firefighters One Percent Fund	Total Non-Major Funds
REVENUE				
Property taxes	\$ -	\$ 1,179,737	\$ -	\$ 1,179,737
One percent income	-	-	113,663	113,663
Other income	-	62,202	-	62,202
Total revenues	<u>-</u>	<u>1,241,939</u>	<u>113,663</u>	<u>1,355,602</u>
EXPENDITURES				
General government	303	314	89,145	89,762
Capital outlay	792,693	-	-	792,693
Debt service:				
Principal	-	2,174,691	-	2,174,691
Interest	-	392,878	-	392,878
Total expenditures	<u>792,996</u>	<u>2,567,883</u>	<u>89,145</u>	<u>3,450,024</u>
Excess (deficiency) of revenues over expenditures	<u>(792,996)</u>	<u>(1,325,944)</u>	<u>24,518</u>	<u>(2,094,422)</u>
OTHER FINANCING SOURCES (USES)				
Interests income	3,267	-	-	3,267
Proceeds from debt issuance	2,000,000	-	-	2,000,000
Total other financing sources (uses)	<u>2,003,267</u>	<u>-</u>	<u>-</u>	<u>2,003,267</u>
Net changes in fund balances	1,210,271	(1,325,944)	24,518	(91,155)
Fund balances, beginning of year	468,438	2,683,973	169,660	3,322,071
Fund balances, end of year	<u>\$ 1,678,709</u>	<u>\$ 1,358,029</u>	<u>\$ 194,178</u>	<u>\$ 3,230,916</u>



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

To the District Commissioner
James Island Public Service District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of James Island Public Service District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise James Island Public Service District's basic financial statements, and have issued our report thereon dated January 23, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered James Island Public Service District'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 James Island Public Service District's internal control. Accordingly, we do not express an opinion on the effectiveness of James Island Public Service District'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 James Island Public Service District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Love Bailey & Associates, LLC

Love Bailey & Associates
Laurens, South Carolina
January 23, 2025