TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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INTRODUCTORY SECTION
October 11, 2022

To Members of the Town Council and the Citizens of the Town of Kiawah Island, South Carolina:

State law requires that all general-purpose local governments publish at the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with auditing standards generally accepted in the United States of America, by a firm of licensed, certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Town of Kiawah Island, South Carolina (the "Town"), for the fiscal year ended June 30, 2022.

This report contains management's representations concerning the finances of the Town of Kiawah Island. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the Town has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than an absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Mauldin & Jenkins, CPAs and Advisors, a firm of licensed certified public accountants, has audited the Town's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the Town's financial statements for the year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

The Town of Kiawah Island, South Carolina, was incorporated by the State of South Carolina on September 13, 1988. The Town operates as a Mayor-Council form of government, i.e., a strong mayor. The Town Council is composed of a Mayor and four Council Members. The Council is elected on a non-partisan basis. In the inaugural change with the November 2020 election, three members were elected to four-year terms, and two members were elected to two-year terms. Starting November 2022, all members will serve four-year terms. The current term is the 18th full administration. Currently, there are approximately 2,065 voters on the rolls.

The Mayor and four Council Members comprise the legislative branch of the Town. It is their duty to set overall policy concerning the operation of the Town’s affairs.

The Mayor is further charged with the executive functions of Town management. He is responsible for coordinating and carrying out the Town Council's policies and ensuring that all Town employees' duties are performed efficiently and effectively. The Town Administrator provides support and advice to the Mayor on these matters. Since incorporation, the Town has grown from 1 full-time to 23 full-time positions.

The Town is unique compared to other South Carolina municipalities. Kiawah Island is a "residential community with a resort surrounded by a unique and beautiful natural setting.” The Kiawah Island Community Association (“KICA”), a private nonprofit property homeowner association, shares the responsibility to serve residents and provides some services, including road and drainage maintenance for the property they own, community security, landscaping, and recreation within the gated community. In addition, the Town provides services to its citizens and guests including, but not limited to:

- **Public Safety:** island-wide law enforcement through a contract with Charleston County Sheriff's office and code enforcement; emergency response; disaster planning and recovery;

- **Code Enforcement:** provides code enforcement for municipal ordinances, including business licenses. It also provides enforcement on the beach;

- **Public Works:** is responsible for the street and drainage maintenance of Beachwalker Drive, Kiawah Island Parkway from the roundabout at Betsy Kerrison Parkway to the front gate; landscaping at Town Hall and along Kiawah Island Parkway and Beachwalker Drive, and manages all the Town's third-party contracts;

- **Solid Waste Disposal:** island-wide garbage, recycling, yard debris, brown trash, and household hazardous waste collection and disposal for all residential property through a contract with Carolina Waste;

- **Planning and Zoning Administration:** the Planning Department provides a wide range of public services concerning planning and zoning, including processing land use applications; providing general information related to zoning and mapping; preparing and reviewing long-range plans, policies, and programs that promote land use policy established by Town Council; and, enforcing land development regulations for the Town.

- **Criminal Court Administration:** as part of the unified judicial system in South Carolina, the court hears and determines offenses of a criminal nature which may be subject to a fine not exceeding $500 or imprisonment not exceeding 30 days, as well as cases arising under the ordinances of the municipality;

- **Beach Maintenance and Safety:** beach patrol, solid waste collection, and beach condition monitoring;
• **Communications:** Town website, quarterly newsletter (Town notes), weekly email blast, and community forum; and

• **Wildlife Studies:** monitors, manages and researches the island's native wildlife species and habitats while educating the general island public in these areas.

**Committees**
The Town relies heavily on volunteer committees to support Town functions and strategies. The Town has committees as required by State statute and special committees to review and recommend policies, activities, and ordinances. These committees include the following:

**Planning Commission**
The primary objectives of the Planning Commission are to approve plats and make recommendations to the Town Council on planned development, zoning district and map amendments, zoning text amendments, and comprehensive plan amendments.

**Board of Zoning Appeals (“BZA”)**
The BZA has three primary purposes: 1) to hear and decide appeals when it is alleged by the appellant that an administrative official has made an error (Administrative Review); 2) to hear and decide applications for a variance from the requirements of the zoning regulations (variances); and 3) to permit uses by exception, subject to the terms and conditions for those uses as identified in the zoning regulations (Special Exceptions).

**Construction Board of Appeals**
The Construction Board of Appeals was formed to hear appeals regarding decisions and interpretations made by the Town's Building officials.

**State Accommodations Tax Committee**
The State Accommodation Tax Committee (“SATAX”) meets annually to consider SATAX applications and make recommendations to the Ways and Means Committee and approved by the Town Council on how the Town's tourism-related funding should be allocated during the following budget year.

**Public Safety Committee**
The Public Safety Committee is responsible for assisting the Town in meeting its state-mandated responsibilities regarding maintaining peace, order, and law enforcement and initiating and considering proposals and methods to upgrade and improve public safety on the Island.

**Environmental Committee**
The Environmental Committee's primary objectives are to study and report on environmental issues such as alligator/fauna control, monitor the health and population of birds and animals (bobcat, deer, fox, raccoon), and make recommendations to Town Council on ways to improve the quality of environmental services and the cost-effectiveness of such services.

**Arts and Cultural Events Council**
The Arts and Cultural Events Council plans, develops, organizes, and implements a wide range of performing art events supporting local and national musicians and artists.
Ways and Means
The Ways and Means Committee oversees all financial decisions, including the annual budget, capital purchases, and contracts.

Audit Committee
The Audit Committee oversees the Town's internal controls, risk management, the integrity of financial statements, compliance with legal and regulatory requirements and ethical standards, and the performance of the Town's independent auditors.

Budget
The annual budget is the foundation for the Town's financial planning and control. All departments and affiliates of the Town are asked to submit budget requests to the Town Administrator. The Finance Director and Town Administrator then prepare the first draft and present it for review to the Town's Ways and Means Committee, which is comprised of the Mayor and the four Council Members. Any necessary revisions are made, and a final draft is submitted to the Town Council. A second reading is scheduled for the June meeting to meet the June 30 adoption deadline. According to the State laws, a public hearing is held to receive citizen input before final adoption, and the adopted budget is posted on the Town's website. The line-item appropriated budget is prepared by fund and department. The level of budgetary controls (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the Town Council at the fund level. It may be amended as necessary during the fiscal year. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted.

In addition to the annual budget, the Town prepares a five-year Capital Improvement Plan each year. The primary objective is to set aside funds for projects, vehicles and equipment purchases that occur in the near future.

LOCAL ECONOMY

The last few years brought on many unexpected challenges, including a global pandemic and a financial crisis, propelling the nation into a recession. While some towns and cities have struggled, the persistence of travel demands allowed Kiawah to be resilient. This is primarily due to the Island being a perfect mix of a residential community that incorporates a world-class resort and a unique, vibrant shopping village within a natural maritime setting that is being preserved and enhanced for current and future generations. In addition to its ten miles of beaches, the Island offers preserved maritime forests, sand dunes, and marshes where whitetail deer, alligators, bobcats, seabirds, and sea turtles abound. In the last three years, the Island has been recognized as one of the top best U.S. islands, the top 15 islands in the continental U.S., the top resort in the South by Code Nast Traveler, and the best resort hotels in South Carolina by Travel and Leisure magazine.

Other contributors to the Kiawah economy include the Sanctuary, which offers 255 deluxe guest rooms, a spa, meeting facilities, and fine dining, and the Andell Inn, a 100-room boutique hotel in Freshfields Village. Kiawah is recognized internationally for its world-class golf courses. The Resort sponsored several golf championships, including the 1991 Ryder Cup and the 2012 and 2021 PGA Championship. The Island is also one of the top tennis communities in South Carolina, offering a diverse range of racquet sports led by nationally known experts. These events impact the economy and showcase Kiawah as a highly desirable place to live and visit. The continued demand for new construction and escalating housing prices on the Island provides another indicator of the desirability of living on Kiawah Island. Last year the Island reached a new milestone in its real estate history topping $1 billion in sales volume.
For several years prior to the offset of the pandemic in FY2020, the Town experienced substantial growth in tourism and residential expansion. This trend continued in FY2022; the Town finished the fiscal year in relatively good financial condition, increased fund balances and recorded record revenues. Overall, revenues exceeded projections primarily due to the growth in building permits, business licenses, and accommodation taxes. In addition, conservative revenue projections and expenditure policies resulted in a healthy fund balance at the end of FY2022. As a result, the Town began the fiscal year with a combined fund balance of approximately $22.9M and ended the year with a combined balance of approximately $28.7M.

TOWN INITIATIVES

With goals and priorities of financially sound Town government, top-quality municipal service and strong partnership with our stakeholders, the Town continues to be a financially secure local government. While maintaining its robust fiscal health, the Town continues to focus on infrastructure improvements, environmental projects, and improving service delivery.

The Town completed a Bicycle Pedestrian Safety Action Plan for Beachwalker Drive with the help of consultants Kimley-Horn. This plan aimed to analyze continuous bicycle paths, options for raised pedestrian crossings, and safety options for the cohesion between bicycles, pedestrians and vehicles. This also included analyzing potential geometric improvements to Beachwalker Drive at Kiawah Island Parkway intersection. Phase One of the recommended improvements focused on pedestrian and bicycle connectivity at the Kiawah Island Parkway and Beachwalker Drive intersection with improved sight lines, bicycle and pedestrian safety, pronounced pedestrian crossings, and standardized bicycle path widths. This phase was completed in May and cost $325,278. Phase Two, the intersection improvements of Beachwalker and Kiawah Island Parkway, is further being evaluated for alternative solutions for improved traffic conditions.

The Town engaged in the Kiawah Island Parkway Corridor study with Kimley-Horn to study the intersection capacity of select intersections along Kiawah Island Parkway, Betsy Kerrison Parkway, and Seabrook Island Road during existing, short-term and long-term conditions. For this study, existing (in 2021), short-term (in 2026), and long-term (in 2036) conditions. This study utilizes site plans, future development plans, and future land use plans to determine the operations at the various intersections and the future roadway volumes along Kiawah Island Parkway. The short-term conditions include known upcoming developments in or near the Town of Kiawah Island that can increase the traffic volume on the Town's roads. The long-term conditions include vacant parcels of land that are not currently slated for development but could be developed in the future. The study results will provide the Town with prioritized recommendations of needed and projected improvements to the Kiawah Island Parkway and area segments as the Town prepares for anticipated future development. For the last fiscal year, the cost of the study was $61,000.

The Town has an established process and management strategy for maintaining one of the most significant natural resources for Kiawah, the beach. Kiawah has an outstanding healthy beach because of Kiawah's geographical position and both Kiawah's management practices and development patterns along the beach over time. Another significant natural resource that Kiawah has, which is not always recognized, is the marsh front. The salt marsh provides tremendous benefits to the community, including flood mitigation, wildlife habitat, and natural beauty. We must develop strategies to protect this critical resource island-wide by focusing on the interface of the highlands and critical areas. In Fall 2019, the Town amended its Comprehensive Plan to prioritize flood mitigation and sea-level rise risks. One of those risks identified was focusing on Kiawah's salt marsh. Through several community engagement initiatives beginning with the work of the Flood Mitigation and Sea Level Rise Subcommittee, the Comprehensive Plan was amended to establish a new natural resources goal of formalizing a marsh management plan that explores various methods of protection for the Island's marsh. The development of our Marsh Management Plan started in May 2022 and is now underway with the help of our consultant team Biohabitats and Elko Coastal Consulting.
The Town of Kiawah Island continued a long-term bobcat ecology study on Kiawah Island using global positioning system ("GPS") tracking collars. This year marked the 16th consecutive year of this study, and a total of 99 bobcats have been fitted with collars to date. Bobcats play a vital role in the Kiawah Island ecosystem by helping to control small mammal and white-tailed deer populations. A healthy bobcat population is necessary to maintain the balance of wildlife communities on Kiawah Island. Data from the Bobcat GPS study identified a rapid decline in bobcat numbers beginning in 2017, caused primarily by secondary poisoning of bobcats due to the widespread use of second-generation anticoagulant rodenticides ("SGA’s") for rodent control. The Town attempted to ban the use of SGAs on the island, but State law prohibits municipalities from enacting local ordinances dealing with pesticides. In 2020, the Town launched a voluntary program to reduce the use of SGAs on Kiawah called the Bobcat Guardian program (www.savekiawahbobcats.com). This program has been a tremendous success, with 29 pest control companies, 20 businesses, and more than 600 households taking the pledge to stop using SGAs.

The Town of Kiawah Island, working in cooperation with other island entities, continuously engages in various environmental research projects. For example, over the last nine years, the Town has partnered with the Kiawah Conservancy to conduct an alligator research project to study ecological contaminants in Kiawah's alligator population. In addition, we have partnered with Kiawah Island Community Association on an alligator behavior and safety study, using both VHF and GPS transmitters. The Town has also partnered with the Kiawah Conservancy on several additional projects dealing with climate change and sea level rise, including studies on salt marsh vulnerability, groundwater quality and watershed dynamics.

The Town of Kiawah Island has been operating fall migration bird banding stations since 2009. These stations allow biologists to learn valuable information on a variety of bird species, including migration patterns and timing, survival, longevity, population distribution, and physical condition. Because birds are sensitive to ecological changes, they are considered key indicators of environmental health. The Town of Kiawah Island biologists uses bird banding data to monitor and diagnose the health of our ecosystem while also tracking migration patterns and population changes over time. Since 2009, over 80,000 birds of different species have been captured during fall migration bird banding operations on the Island. To learn more about Kiawah's fall migration banding, visit www.kiawahislandbanding.blogspot.com. This website is updated daily during the fall with interesting facts about migratory birds, information on how to identify birds, and the daily totals of the birds banded for that day. The Town also researches marsh sparrows and painted buntings. Each of these species is an essential indicator of habitat health on the Island.

As a part of the Town's ongoing development of expended services and communication efforts, the Town introduced the Town's podcast, Sharing with the Community. A Podcast from the Town of Kiawah Island is available to stream on all major podcast streaming services and www.tokipodcast.buzzsprout.com. The podcast is intended to provide the Town's perspectives on essential issues in the community. Additionally, the Town's new app was launched. This new asset is a helpful resource for residents and visitors and provides convenient access to community information, services and reporting capabilities. The Town of Kiawah Island app is available for iOS and Android operating systems. Exciting features on the app include:

- A consolidated contact list of important community phone numbers with tap-to-communicate ability allows users to call directly from the app.
- Detailed beach map with GPS includes boardwalk access, critical habitat areas, and overlays of the dog leash zones with tap-to-view descriptions of each zone.
- Report an issue portal (see below) that routes entered requests to the appropriate Town department or responsible entity for resolution, even if it's not a Town service. Users can pin their location, enter addresses manually, send an image, and provide other data.

- Hospitality directory (see below) of lodging, dining, recreation, and shopping options, including tap-to-communicate features that allow users to call the business, use GPS for directions, or visit listing websites.

- Quick access to the Town's wildlife directory provides detailed species information on Kiawah wildlife, viewing spots, and research projects.

- Tide and weather information.

- Beach Rules and regulations information.

In January 2022, the Town has committed $1M over five years to support the Medical University of South Carolina Health's Sea Island Medical Pavilion. This new facility will provide residents and visitors with convenient and rapid access to MUSC Health's emergency care services, select outpatient services, and some of the nation's top primary and specialty care providers. In addition, the Town's donation has been designated for a healing, restful green space, and garden. The Sea Island Medical Pavilion is scheduled to open in late 2023 or early 2024.

The Town has provided generous philanthropic support to charitable and educational organizations on Kiawah, Johns, and Wadmalaw Islands for 11 consecutive years. Charitable contributions are awarded once a year by the Town Council. This year the Town awarded 20 organizations a total of $200,000.

The Arts and Cultural Events Council sponsors a wide range of performing art events supporting local and national musicians and artists. In addition, the Council plans an extensive repertoire of events hosting musical genres, including jazz, orchestra, blues, chamber, comedy, ballet, vocalist, holiday performances, and dance bands. The Town Staff supports the Council with an annual budget of over $300,000, approved by the Town Council each year. The Council is proud to offer first-class entertainment close to home with complimentary tickets or a nominal fee. Despite many challenges, navigating through the aftermath of the pandemic, adapting to reduced capacities, shortages, and staffing changes, the 2021-2022 season was a huge success with 32 events. The Council believes our programs add value to the Island brand while enhancing our residents’ and visitors’ quality of life.

The Town continues to participate as full board members of the Charleston Area Regional Transportation Authority Board of Directors, the Berkeley-Charleston-Dorchester Council of Governments, the Charleston Area Transportation Study Committee, and the Charleston Visitors Bureau Board of Governors.

AWARDS AND ACKNOWLEDGEMENTS

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Kiawah for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the 18th consecutive year the Town achieved this prestigious award. A Certificate of Achievement is valid for one year only, and we believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement requirements.
We want to acknowledge the cooperation and support of the Town Council in making this report possible.

John Labriola  
Mayor

Stephanie Monroe Tillerson  
Town Administrator

Dorota Szubert  
Finance Director
TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

ORGANIZATIONAL CHART
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

ADMINISTRATION

**Finance** administers the financial affairs of the Town including cash management, accounting, debt administration, budget preparation and monitoring, investing Town funds, capital asset accounting, payroll, waste billing and collection, accounts payable and receivable, and provides financial customer service to waste customers, other Town departments, employees and vendors. The Finance Department produces the Annual Comprehensive Financial Report, which includes general information about the Town, financial statements and manages the external audit process as well as statistical information. Risk management services includes administration of the Town's property and casualty insurance program and claims management.

**Development Services** coordinates and manages the Town’s multi-departmental development process. The department is a central point of contact for citizens, business owners and developers; we work with these groups from their project’s initial concept to the issuance of a certificate of occupancy and all steps in between. Our staff helps our clients understand and navigate the development process, with the goals of creating an exceptional environment for our citizens and development partners and providing exemplary service throughout all stages of developing and building on Kiawah Island.

This department consists of five divisions: Permitting, Plan Review, Inspections, Codes Compliance, and Licensing. The entire staff serves as representatives of the department and provides a variety of information to the public pertaining to building procedures, licensing requirement, zoning issues and code compliance.

**Communications and Public Engagement** ensures that information about Town programs and services is accessible to citizens and visitors to Kiawah Island. Functions include coordinating initiatives, communications, and strategic communications planning.

**Environmental and Wildlife** works to protect and restore ecological systems that work naturally to improve water quality, the environment, and the quality of life for residents and visitors. The Town recognizes the connection between the natural environment and our quality of life and is dedicated to providing a sustainable environment for its residents, businesses, and visitors to enjoy. The Environmental and Wildlife Department protects and restores our Town’s unique natural systems through policy and regulation, restoration projects, wildlife and habitat protection and other environmental initiatives.

**Facilities and Contract Liaison** maintains and repairs Town buildings, grounds, Kiawah Island Parkway (Town limit), Beachwalker Drive, manages third-party contracts; and conducts fleet maintenance for all Town vehicles and equipment.

The Facilities and Contract Liaison Department allows five departments to function as a team to accomplish goals and objectives. Sharing similar skill sets, labor and equipment is necessary to complete projects as efficiently as possible and expand the ability to provide cost-effective services to our citizens and guests.
**Elected Officials**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>John D. Labriola</td>
<td>Mayor</td>
</tr>
<tr>
<td>Maryanne Connelly</td>
<td>Council Member</td>
</tr>
<tr>
<td>John Moffitt</td>
<td>Council Member</td>
</tr>
<tr>
<td>Dr. Scott Parker</td>
<td>Council Member</td>
</tr>
<tr>
<td>Daniel Prickett</td>
<td>Council Member</td>
</tr>
</tbody>
</table>

**Other Officials**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephanie Monroe Tillerson</td>
<td>Town Administrator</td>
</tr>
<tr>
<td>Dorota Szubert</td>
<td>Finance Director</td>
</tr>
</tbody>
</table>
Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Town of Kiawah Island
South Carolina

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell
Executive Director/CEO
INDEPENDENT AUDITOR’S REPORT

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

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Kiawah Island, South Carolina (the “Town”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town as of June 30, 2022, and the respective changes in financial position 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 Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.
**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, budgetary comparison schedules for the General Fund and Major Special Revenue Funds, pension schedules, and OPEB schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town’s basic financial statements. The Capital Projects Fund schedule of revenues, expenditures and changes in fund balances – budget and actual – GAAP basis, and the comparative schedules of revenues and expenditures, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) is presented for purposes of additional analysis as required by the State of South Carolina, and is not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Capital Projects Fund schedule of revenues, expenditures and changes in fund balances – budget and actual – GAAP basis, the comparative schedules of revenues and expenditures, and the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We previously audited the Town’s June 30, 2021 financial statements, and we expressed unmodified opinions on the governmental activities and each major fund in our report dated September 29, 2021. The comparative schedules of revenues and expenditures, as listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. In our opinion, the summarized comparative information as presented in the comparative schedules of revenues and expenditures, as listed in the table of contents, as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.
**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section 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 October 11, 2022, on our consideration of the Town’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town’s internal control over financial reporting and compliance.

Savannah, Georgia
October 11, 2022

Mauldin & Jenkins, LLC
As management of the Town of Kiawah Island, South Carolina (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2022. The intent of this Management's Discussion and Analysis ("MD&A") is to look at the Town's financial performance. We encourage readers to consider the information presented here in conjunction with the Town’s financial statements and the notes to financial statements to enhance their understanding of the Town’s overall financial performance.

Financial Highlights

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at June 30, 2022 by $41,526,205 (net position). Of this amount, $16,239,740 represents the investment in capital assets and $5,349,279 is considered restricted. The remaining $19,937,186 (unrestricted) may be used to meet the Town's ongoing obligations to vendors and residents.
- The Town's total net position increased by $6,163,012 from the fiscal year ended June 30, 2021. Key factors in the increase were continuous growth in tourism generated revenues and charges for services, like business licenses and building permits.
- On June 30, 2022, the Town's governmental funds reported ending fund balances of $28,606,075, an increase of $5,745,954 compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $16,284,939, or 228% of the total General Fund expenditures and transfers out. This is more than 198% required by the Town’s fiscal policies.

Overview of the Financial Statements

This MD&A provides an introduction to the Town’s basic financial statements, which include the following parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This annual report also contains certain required supplementary information and other supplementary information to aid in understanding the operations of the Town.

Government-wide Financial Statements

The government-wide statements present a long-term view of the Town’s finances as a whole, using accrual-basis accounting – the same accounting basis that most businesses use.

There are two government-wide financial statements:

Statement of Net Position: This statement presents information on all of the Town’s assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in the Town’s net position may serve as a useful indicator of whether its financial position is improving or deteriorating.

Statement of Activities: This statement presents information showing how the Town’s net position changed during the most recent fiscal year. All changes in net positions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods.
The government-wide financial statements consist of the Town’s governmental activities as the Town does not have any business-type activities. The governmental activities include general government, judicial, public safety, environmental services, and tourism and recreation. Accommodations and hospitality taxes, business licenses, and building permits finance most of these activities.

The government-wide financial statements can be found as listed in the table of contents.

**Fund Financial Statements**

The fund financial statements provide detailed information about the Town’s most significant activities. Funds are accounting designations that the Town uses to track specific funding sources and spending for particular purposes. The Town, like other governments, uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town are governmental funds.

**Governmental funds**: The Town reports all of its basic services in its governmental funds. The governmental funds account for activities that the Town reports as governmental activities in its government-wide statements. These funds focus on short-term inflows and outflows of expendable resources. The balances remaining at the end of the year help determine whether a fund has more or less financial resources available to spend in the near future. Because the governmental funds statement lacks the additional long-term focus of the government-wide statements, a reconciliation that explains the relationship (or differences) between the two kinds of statements is provided. By comparing the two kinds of statements and examining the reconciliation, a better understanding of the long-term impact of the Town’s near-term funding decisions is available.

The Town maintains eight individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in the fund balances for the General Fund, Capital Projects Fund, State Accommodations Tax Fund, County Accommodations Tax Fund, Local Accommodations Tax Fund, Beverage Permits Fund, Hospitality Tax Fund and Victims’ Assistance Fund - since they are considered major funds. The governmental funds financial statements can be found as listed in the table of contents.

**Notes to the Financial Statements**

Immediately following the financial statements are notes that provide additional and pertinent information to the financial statement amounts. The notes to the financial statements can be found as listed in the table of contents.

**Required Supplementary Information**

This section addresses certain required reporting information that supplements the basic financial statements. Included in this section are comparative budget to actual schedules of revenues, expenditures and changes in fund balance for all major governmental funds the Town adopts an annual budget for, a schedule of the Town’s proportionate share of the net pension liability of the South Carolina Retirement System, and a schedule of contributions to the South Carolina Retirement System. Required supplemental information can be found as listed in the table of contents.
Supplementary Information

Supplementary information presented but not required by accounting principles generally accepted in the United States of America includes current year comparative schedules of revenues and expenditures and the schedule of court fines, assessments and surcharges. These schedules can be found as listed in the table of contents.

Government-wide Financial Analysis

Net Position

As noted earlier, net position serves as a useful indicator of a public government’s financial position. The Town’s net position at June 30, 2022 totaled $41,526,206, which is an increase of $6,163,012 or 17% from the prior year. The following table provides a summary of the Town’s net position for 2022 compared to 2021.

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td>$30,187,058</td>
<td>$24,072,957</td>
</tr>
<tr>
<td>Capital Assets, Net</td>
<td>$16,250,500</td>
<td>$15,982,703</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$46,437,558</td>
<td>$40,055,660</td>
</tr>
<tr>
<td><strong>Deferred Outflows of Resources:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Pension Charges</td>
<td>$551,641</td>
<td>$599,351</td>
</tr>
<tr>
<td>Deferred OPEB Charges</td>
<td>$47,698</td>
<td>$58,997</td>
</tr>
<tr>
<td><strong>Total Deferred Outflows of Resources</strong></td>
<td>$599,339</td>
<td>$658,348</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>$3,055,784</td>
<td>$3,591,881</td>
</tr>
<tr>
<td>Total OPEB Liability</td>
<td>$287,133</td>
<td>$316,559</td>
</tr>
<tr>
<td>Long-Term Obligations, due in one year</td>
<td>$125,662</td>
<td>$111,899</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>$1,447,285</td>
<td>$1,075,901</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$4,915,864</td>
<td>$5,096,240</td>
</tr>
<tr>
<td><strong>Deferred Inflows of Resources:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Pension Credits</td>
<td>$533,561</td>
<td>$222,345</td>
</tr>
<tr>
<td>Deferred OPEB Credits</td>
<td>$61,267</td>
<td>$32,230</td>
</tr>
<tr>
<td><strong>Total Deferred Inflows of Resources</strong></td>
<td>$594,828</td>
<td>$254,575</td>
</tr>
<tr>
<td><strong>Net Position:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment in Capital Assets</td>
<td>$16,239,740</td>
<td>$15,982,703</td>
</tr>
<tr>
<td>Restricted</td>
<td>$5,349,279</td>
<td>$4,321,491</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$19,937,186</td>
<td>$15,058,999</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>$41,526,205</td>
<td>$35,363,193</td>
</tr>
</tbody>
</table>

Governmental Activities
The large portion of the Town’s net position of $16,239,740 (39% of total net position) reflects its investment in capital assets less capital related accounts payable. The Town uses these capital assets to provide services to residents; consequently, these assets are not available for future spending.

The additional portion of the Town’s net position of $5,349,279 (13% of total net position) represents resources that are subject to external restrictions as to how they may be used. This portion of net position is restricted primarily for special revenue programs which are restricted by the revenue source.

The remaining portion of the Town’s net position is unrestricted net position of $19,937,186 (48% of total net position), which may be used to meet the Town’s ongoing obligations to residents and creditors.

Governmental activities

Governmental activities increased the Town’s net position by $6,163,012 for the year ended June 30, 2022. The following table shows the changes in the Town’s net position for fiscal year 2022 compared to 2021.

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$6,857,934</td>
<td>$5,630,832</td>
</tr>
<tr>
<td>Operating Grants and Contributions</td>
<td>440,343</td>
<td>-</td>
</tr>
<tr>
<td>General Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted SC Aid to Subdivisions</td>
<td>33,810</td>
<td>39,290</td>
</tr>
<tr>
<td>Local Option Sales Tax</td>
<td>894,993</td>
<td>760,172</td>
</tr>
<tr>
<td>Franchise Taxes</td>
<td>916,492</td>
<td>964,496</td>
</tr>
<tr>
<td>Interest</td>
<td>59,831</td>
<td>39,087</td>
</tr>
<tr>
<td>Hospitality Taxes</td>
<td>898,462</td>
<td>667,602</td>
</tr>
<tr>
<td>Accommodations Taxes</td>
<td>5,299,406</td>
<td>4,668,972</td>
</tr>
<tr>
<td>Gain on Disposal of Capital Assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>47,376</td>
<td>12,067</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>15,448,647</td>
<td>12,782,518</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>5,400,345</td>
<td>5,246,741</td>
</tr>
<tr>
<td>Judicial</td>
<td>27,832</td>
<td>33,351</td>
</tr>
<tr>
<td>Public Safety</td>
<td>556,749</td>
<td>475,604</td>
</tr>
<tr>
<td>Tourism and Recreation</td>
<td>3,300,709</td>
<td>2,533,631</td>
</tr>
<tr>
<td>Interest and Other Charges</td>
<td>-</td>
<td>11,361</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>9,285,635</td>
<td>8,300,688</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>6,163,012</td>
<td>4,481,830</td>
</tr>
<tr>
<td>Net Position - End of Year</td>
<td>$41,526,205</td>
<td>$35,363,193</td>
</tr>
</tbody>
</table>
MANAGEMENT’S DISCUSSION AND ANALYSIS

Total governmental activities revenues increased by $2,666,129, or 20% from the prior year. Key changes in governmental revenues as compared to the prior year were as follows:

- Charges for services increased $1,227,102, or 22% primarily due to an increase of $646,437, or 41%, and $571,851, or 17%, in building permits and business licenses, respectively. Building permits increased due to continuous high construction activity on the Island and issuance of several permits for the one-time, special project, the Cape. In the current year, the number of new home permits increased by 26%, residential renovation permits increased by 17%, and commercial renovation permits increased by 34% compared to last year. Business license revenue increased due to the continuous growth of business on the Island. The number of licenses issued has increased by 11% over last year; also, the fees collected from real estate activity and hospitality establishments were significantly higher than last year.
- Accommodation Taxes, Hospitality Tax, and Local Option Sales Tax revenues increased $630,434, or 13%, $230,860, or 35%, and $134,821, or 18%, respectively, primarily due to a steady increase in tourism on the Island.
- The Town also received $440,343 in the American Rescue Plan Act (“ARPA”) as the first of two installments from the federal government. The second tranche is expected in October 2022.

<table>
<thead>
<tr>
<th>Revenues</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$ 6,857,934</td>
<td>$ 5,630,832</td>
</tr>
<tr>
<td>Operating Grants and Contributions</td>
<td>440,343</td>
<td>-</td>
</tr>
<tr>
<td>General Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted SC Aid to Subdivisions</td>
<td>33,810</td>
<td>39,290</td>
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<td>894,993</td>
<td>760,172</td>
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<td>964,496</td>
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<tr>
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<td>47,376</td>
<td>12,067</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$ 15,448,647</strong></td>
<td><strong>$ 12,782,518</strong></td>
</tr>
</tbody>
</table>
Total governmental activities expenditures increased $984,947, or 12% when compared to the prior year. The biggest contributor, Tourism and Recreation increased $767,078, or 30% in direct relation to increased revenues generated by tourists that, per State law, must be spent to attract or provide for tourists, such as promotion, advertising and safety. General government expenditures also increased by $153,604, or 3% primarily due to an increase in personnel.

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$5,400,345</td>
<td>$5,246,741</td>
</tr>
<tr>
<td>Judicial</td>
<td>27,832</td>
<td>33,351</td>
</tr>
<tr>
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<td>475,604</td>
</tr>
<tr>
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<td>2,533,631</td>
</tr>
<tr>
<td>Interest and Other Charges</td>
<td>-</td>
<td>11,361</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$9,285,635</td>
<td>$8,300,688</td>
</tr>
</tbody>
</table>

Financial Analysis of the Town’s Funds

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

**Governmental Funds.** The focus of the Town’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town’s financing requirements. In particular, fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.
At the end of the current fiscal year, the Town’s governmental funds reported an ending fund balance of $28,606,075, an increase of $5,745,954, or 25%, from the prior year fund balance. Included in this change in fund balance are an increase in General Fund, State, County and Local Accommodation Tax, and Capital Projects Fund that is partially offset by a decrease in the fund balance in Beverage and Hospitality Taxes. The net increase in the fund balance for General Fund was primarily the result of higher than anticipated business licenses and building permits as businesses and construction industry remains very strong on the Island. The net increase in the fund balance in Accommodation Tax Funds is attributable to a significant increase in the collection of these revenue sources as the tourism is booming after the pandemic restrictions were removed. Decrease in the Hospitality and Beverage Tax Fund is the result of planned transfers to Capital Fund for capital future projects. The increase in the fund balance in Capital Projects Fund was due to the transfer from Local Accommodation, Beverage and Hospitality Taxes for future capital projects and emergency reserves.

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was $16,284,939, while the total fund balance was $16,534,644. As a measure of the General Fund’s liquidity, it may be useful to compare the total unassigned fund balance and total fund balance to total General Fund expenditures and transfers out. The total unassigned fund balance represents 228% of the Total General Fund expenditures and transfers out, while the total fund balance represents 232% of the total General Fund expenditures and transfers out.

The Special Revenue Funds had a total fund balance of $5,349,279. Of that amount all of the fund balance is restricted to be used to attract and provide for tourists within the Town as well as to support municipal court and victims’ assistance programs. The funds in the special revenue accounts have very specific guidelines.

The Capital Fund has a balance of $6,722,152 and is designated for the future capital projects and unanticipated expenditures of an emergency nature.

**General Fund Budgetary Highlights.** The Town’s actual revenues of $9,364,687 were $3,412,234, or 57% higher than budgeted. Primarily due to very conservative revenue projections related to the uncertainties surrounding the global pandemic and anticipated economic slowdown. However, all the revenue sources have exceeded our budget. The key contributors to the positive variance are Building Permits, Business License revenues and Local Option Sales Tax, which exceeded budgeted amounts by $1,206,404, or 121%, $1,263,450, or 46%, and $297,540, or 50%, respectively. All those revenues were budgeted with cautious assumptions accounting for a possible slowdown of business activity and tourism on the Island comparable to the pre-pandemic levels. The Town also received the first tranche from the ARPA in the amount of $440,343.

General Fund reported actual expenditures of $6,955,434, which is $687,080, or 11% in excess of the budget. The negative variance is primarily attributable to personnel cost due to two new positions, Public Safety Director and Arts Council Liaison and salary adjustments approved after the budget adoption and capital outlay related to the cost on Beachwalker Drive and bike path safety improvements.
Capital Assets and Debt Administration

Capital Assets. The Town’s capital assets as of June 30, 2022, amounts to $16,250,500 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, furniture and fixture, signs and fences, equipment, computers and software, vehicles, municipal center (buildings, landscaping and miscellaneous) and infrastructure. The total increase in the Town’s investment in capital assets for the current fiscal year was $267,797. The increase is primarily attributable to the infrastructure improvements to the bike path along Beachwalker Drive in the amount of $363,656, the construction of two offices in the garage in the amount of $200,801, and construction in progress for two ongoing projects; Kiawah Island Parkway Intersection and Sora Rail Recycling Center in the amount of $176,476. Those major capital assets additions were offset by depreciation expense of $618,897.

The following table provides a detail of the Town’s capital assets:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$2,088,092</td>
<td>$2,088,092</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>$176,476</td>
<td>-</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>$397,803</td>
<td>$388,814</td>
</tr>
<tr>
<td>Signs and Fences</td>
<td>$180,007</td>
<td>$131,291</td>
</tr>
<tr>
<td>Equipment</td>
<td>$152,713</td>
<td>$146,687</td>
</tr>
<tr>
<td>Computers and Software</td>
<td>$103,716</td>
<td>$87,646</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$370,000</td>
<td>$324,342</td>
</tr>
<tr>
<td>Municipal Center - Buildings, Landscaping and Miscellaneous</td>
<td>$8,568,017</td>
<td>$8,367,216</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$10,347,497</td>
<td>$9,983,841</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>(6,133,821)</td>
<td>(5,535,226)</td>
</tr>
<tr>
<td>Total</td>
<td>$16,250,500</td>
<td>$15,982,703</td>
</tr>
</tbody>
</table>

Additional information on the Town’s capital assets can be found in Note 6 of this report.

Economic Factors and Next Year’s Budget

Despite much economic uncertainty, the Town of Kiawah continues to maintain a stable overall financial condition and provide high-quality core services, thanks to effective Town Council directions, strong financial management and planning by the Town.

The current fiscal year illustrates the strengths, stability and uniqueness of Kiawah Island. It is expected that the local economy will continue to support our local businesses, restaurants, property development and new rental properties, which will sustain business licenses, building permit revenues, accommodation taxes and more.
Overall, the consolidated revenues are budgeted at $12,080,725, or 22% less than fiscal year 2022 actual revenues. The revenues are projected to return to pre-pandemic levels. The consolidated expenditures are anticipated at $11,465,980, or 18% higher than fiscal year 2021 actuals. FY2022 budget addresses infrastructure improvements, marsh management and comprehensive plan consulting, feasibility study for cultural and community center, donation to a new MUSC facility and funding capital and emergency reserves while maintaining a healthy fund balance and providing quality services in the cost-effective manner.

Requests for Information

This financial report is designed to provide a general overview of the Town of Kiawah Island’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town’s Finance Director, Town of Kiawah Island, 4475 Betsy Kerrison Parkway, Kiawah Island, South Carolina, 29455.
TOWN OF KIWAH ISLAND, SOUTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2022

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 18,233,816</td>
</tr>
<tr>
<td>Cash and cash equivalents, restricted</td>
<td>9,282,624</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>512,813</td>
</tr>
<tr>
<td>Due from state</td>
<td>1,294,127</td>
</tr>
<tr>
<td>Due from county</td>
<td>613,973</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>249,705</td>
</tr>
<tr>
<td>Capital assets:</td>
<td></td>
</tr>
<tr>
<td>Non-depreciable</td>
<td>2,264,568</td>
</tr>
<tr>
<td>Depreciable, net of accumulated depreciation</td>
<td>13,985,932</td>
</tr>
<tr>
<td>Total assets</td>
<td>46,437,558</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEFERRED OUTFLOWS OF RESOURCES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred pension charges</td>
<td>551,641</td>
</tr>
<tr>
<td>Deferred OPEB charges</td>
<td>47,698</td>
</tr>
<tr>
<td>Total deferred outflows of resources</td>
<td>599,339</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>1,372,347</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>58,255</td>
</tr>
<tr>
<td>Court fines and assessments payable</td>
<td>3,849</td>
</tr>
<tr>
<td>Unearned revenues</td>
<td>12,834</td>
</tr>
<tr>
<td>Long-term liabilities:</td>
<td></td>
</tr>
<tr>
<td>Compensated absences due within one year</td>
<td>125,662</td>
</tr>
<tr>
<td>Net pension liability, due in more than one year</td>
<td>3,055,784</td>
</tr>
<tr>
<td>Total OPEB liability, due in more than one year</td>
<td>287,133</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>4,915,864</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEFERRED INFLOWS OF RESOURCES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred pension credits</td>
<td>533,561</td>
</tr>
<tr>
<td>Deferred OPEB credits</td>
<td>61,267</td>
</tr>
<tr>
<td>Total deferred inflows of resources</td>
<td>594,828</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET POSITION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in capital assets</td>
<td>16,239,740</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
</tr>
<tr>
<td>Tourism related expenses</td>
<td>5,328,103</td>
</tr>
<tr>
<td>Victims' assistance</td>
<td>21,176</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>19,937,186</td>
</tr>
<tr>
<td>Total net position</td>
<td>$ 41,526,205</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>$5,400,345</td>
<td>$6,824,199</td>
<td>$440,343</td>
<td>-</td>
<td>$1,864,197</td>
</tr>
<tr>
<td>Judicial</td>
<td>27,832</td>
<td>33,735</td>
<td>-</td>
<td>-</td>
<td>5,903</td>
</tr>
<tr>
<td>Public safety</td>
<td>556,749</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(556,749)</td>
</tr>
<tr>
<td>Tourism and recreation</td>
<td>3,300,709</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3,300,709)</td>
</tr>
<tr>
<td>Total governmental activities</td>
<td>$9,285,635</td>
<td>$6,857,934</td>
<td>$440,343</td>
<td>-</td>
<td>(1,987,358)</td>
</tr>
</tbody>
</table>

**General revenues:**
- Unrestricted South Carolina aid to subdivisions: $33,810
- Local option sales tax: $894,993
- Franchise taxes: $916,492
- Interest: $59,831
- Hospitality tax: $898,462
- Accommodations tax: $5,299,406
- Miscellaneous revenues: $47,376
- Total general revenues: $8,150,370
- Change in net position: $6,163,012
- Net position, beginning of year: $35,363,193
- Net position, end of year: $41,526,205

The accompanying notes are an integral part of these financial statements.
# TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

## BALANCE SHEET

### GOVERNMENTAL FUNDS

### JUNE 30, 2022

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>General Fund</th>
<th>State Fund</th>
<th>County Fund</th>
<th>Local Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$12,507,952</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Cash and cash equivalents, restricted</td>
<td>-</td>
<td>$1,151,283</td>
<td>$1,505,988</td>
<td>$4,097,722</td>
</tr>
<tr>
<td>Due from state</td>
<td>$148,850</td>
<td>$1,141,677</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from county</td>
<td>-</td>
<td>-</td>
<td>$215,252</td>
<td>$398,721</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>$5,316,020</td>
<td>$478,138</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$416,114</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid expenditures</td>
<td>$249,705</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$18,638,641</strong></td>
<td><strong>$2,771,098</strong></td>
<td><strong>$1,721,240</strong></td>
<td><strong>$4,496,443</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIABILITIES</td>
</tr>
<tr>
<td>Accounts payable</td>
</tr>
<tr>
<td>Accrued liabilities</td>
</tr>
<tr>
<td>Municipal court fines and assessments payable</td>
</tr>
<tr>
<td>Unearned revenues</td>
</tr>
<tr>
<td>Due to other funds</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEFERRED INFLOWS OF RESOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unavailable revenue</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FUND BALANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable</td>
</tr>
<tr>
<td>Restricted for:</td>
</tr>
<tr>
<td>Tourism related expenditures</td>
</tr>
<tr>
<td>Victims' assistance</td>
</tr>
<tr>
<td>Committed for:</td>
</tr>
<tr>
<td>Capital improvements</td>
</tr>
<tr>
<td>Unassigned</td>
</tr>
<tr>
<td><strong>Total fund balances</strong></td>
</tr>
</tbody>
</table>

Total liabilities, deferred inflows of resources and fund balances | **$18,638,641** | **$2,771,098** | **$1,721,240** | **$4,496,443** |

The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th>Beverage Permits Fund</th>
<th>Hospitality Tax Fund</th>
<th>Victims' Assistance Fund</th>
<th>Capital Projects Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>- $</td>
<td>- $</td>
<td>$ 5,725,864</td>
<td>$ 18,233,816</td>
</tr>
<tr>
<td>3,600</td>
<td>2,527,631</td>
<td>-</td>
<td>-</td>
<td>9,282,624</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>23,151</td>
<td>996,288</td>
<td>6,813,597</td>
</tr>
<tr>
<td>-</td>
<td>96,699</td>
<td>-</td>
<td>-</td>
<td>512,813</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>249,705</td>
</tr>
<tr>
<td>$ 3,600</td>
<td>$ 2,624,330</td>
<td>$ 23,151</td>
<td>$ 6,722,152</td>
<td>$ 37,000,655</td>
</tr>
</tbody>
</table>

| $                     | -                    | $ 152                    | $ 1,975               | -                         |
| -                     | -                    | -                        | -                     | 1,372,347                 |
| -                     | -                    | -                        | -                     | 58,255                   |
| -                     | -                    | -                        | -                     | 3,849                    |
| -                     | -                    | -                        | -                     | 12,834                   |
| 3,600                 | 1,670,578            | -                        | -                     | 6,813,597                |
| 3,600                 | 1,670,730            | 1,975                    | -                     | 8,260,882                |

| -                     | -                    | -                        | -                     | 133,698                  |
| -                     | -                    | -                        | -                     | 133,698                  |

| -                     | -                    | -                        | -                     | 249,705                  |
| -                     | 953,600              | -                        | -                     | 5,328,103                |
| -                     | -                    | 21,176                   | -                     | 21,176                   |
| -                     | -                    | -                        | 6,722,152             | 6,722,152                |
| -                     | -                    | -                        | 16,284,939            | 16,284,939               |
| -                     | 953,600              | 21,176                   | 6,722,152             | 28,606,075               |

| $ 3,600               | $ 2,624,330          | $ 23,151                 | $ 6,722,152           | $ 37,000,655             |
Amelut reported for governmental activities in the Statement of Net Position are different because:

Fund balances, end of year $ 28,606,075

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 16,250,500

Revenues that will be collected in the future, but are not available soon enough to pay for the current period's expenditures are, therefore, deferred in the funds. 133,698

The Town's proportionate share of the net pension liability, deferred outflows of resources and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position. (3,037,704)

The total OPEB liability and related deferred outflows and inflows or resources do not require the use of current financial resources, therefore, they are not reported in the governmental funds. (300,702)

Compensated absences are not due or payable in the current period and, therefore, are not reported in the governmental funds. (125,662)

Net position of governmental activities $ 41,526,205

The accompanying notes are an integral part of these financial statements.
### Statement of Revenues, Expenditures and Changes in Fund Balances

**Governmental Funds**

**For the Fiscal Year Ended June 30, 2022**

<table>
<thead>
<tr>
<th>Fund</th>
<th>General Fund</th>
<th>State Accommodations Tax Fund</th>
<th>County Accommodations Tax Fund</th>
<th>Local Accommodations Tax Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building permits</td>
<td>$ 2,206,404</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Business licenses</td>
<td>3,958,450</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Franchise fee revenue</td>
<td>916,492</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Beverage permit revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Local option sales tax</td>
<td>894,993</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>25,784</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>24,189</td>
<td>2,971</td>
<td>5,941</td>
<td>11,880</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>71,065</td>
<td>-</td>
<td>-</td>
<td>10,100</td>
</tr>
<tr>
<td>Accommodations tax</td>
<td>195,522</td>
<td>2,977,740</td>
<td>609,937</td>
<td>1,519,444</td>
</tr>
<tr>
<td>Environmental service fee</td>
<td>631,445</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Federal revenue</td>
<td>440,343</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Hospitality tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>9,364,687</td>
<td>2,980,711</td>
<td>615,878</td>
<td>1,541,424</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>5,249,142</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Judicial</td>
<td>21,213</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public safety</td>
<td>596,010</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tourism and recreation</td>
<td>303,845</td>
<td>1,749,455</td>
<td>690,746</td>
<td>52,663</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>785,224</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>6,955,434</td>
<td>1,749,455</td>
<td>690,746</td>
<td>52,663</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenues over (under) expenditures</strong></td>
<td>2,409,253</td>
<td>1,231,256</td>
<td>(74,868)</td>
<td>1,488,761</td>
</tr>
<tr>
<td><strong>Other financing sources (uses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>1,549,439</td>
<td>-</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(180,467)</td>
<td>(523,000)</td>
<td>-</td>
<td>(1,066,849)</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>1,368,972</td>
<td>(523,000)</td>
<td>100,000</td>
<td>(1,066,849)</td>
</tr>
<tr>
<td><strong>Net change in fund balances</strong></td>
<td>3,778,225</td>
<td>708,256</td>
<td>25,132</td>
<td>421,912</td>
</tr>
<tr>
<td><strong>Fund balances, beginning of year</strong></td>
<td>12,756,419</td>
<td>1,095,313</td>
<td>1,316,464</td>
<td>807,426</td>
</tr>
<tr>
<td><strong>Fund balances, end of year</strong></td>
<td>$ 16,534,644</td>
<td>$ 1,803,569</td>
<td>$ 1,341,596</td>
<td>$ 1,229,338</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
<table>
<thead>
<tr>
<th>Beverage Permits Fund</th>
<th>Hospitality Tax Fund</th>
<th>Victims’ Assistance Fund</th>
<th>Capital Projects Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$2,206,404</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,958,450</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>916,492</td>
</tr>
<tr>
<td>27,900</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27,900</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>894,993</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>7,951</td>
<td>-</td>
<td>33,735</td>
</tr>
<tr>
<td>-</td>
<td>8,910</td>
<td>-</td>
<td>5,940</td>
<td>59,831</td>
</tr>
<tr>
<td>-</td>
<td>21</td>
<td>-</td>
<td>-</td>
<td>81,186</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,302,643</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>631,445</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>440,343</td>
</tr>
<tr>
<td>-</td>
<td>898,462</td>
<td>-</td>
<td>-</td>
<td>898,462</td>
</tr>
<tr>
<td>27,900</td>
<td>907,393</td>
<td>7,951</td>
<td>5,940</td>
<td>15,451,884</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,249,142</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>7,925</td>
<td>-</td>
<td>29,138</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>596,010</td>
</tr>
<tr>
<td>-</td>
<td>249,707</td>
<td>-</td>
<td>-</td>
<td>3,046,416</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>785,224</td>
</tr>
<tr>
<td>-</td>
<td>249,707</td>
<td>7,925</td>
<td>-</td>
<td>9,705,930</td>
</tr>
<tr>
<td>27,900</td>
<td>657,686</td>
<td>26</td>
<td>5,940</td>
<td>5,745,954</td>
</tr>
<tr>
<td>(37,574)</td>
<td>(775,550)</td>
<td>-</td>
<td>934,001</td>
<td>2,583,440</td>
</tr>
<tr>
<td>(37,574)</td>
<td>(775,550)</td>
<td>-</td>
<td>-</td>
<td>(2,583,440)</td>
</tr>
<tr>
<td>(9,674)</td>
<td>(117,864)</td>
<td>26</td>
<td>939,941</td>
<td>5,745,954</td>
</tr>
<tr>
<td>9,674</td>
<td>1,071,464</td>
<td>21,150</td>
<td>5,782,211</td>
<td>22,860,121</td>
</tr>
<tr>
<td>$</td>
<td>$953,600</td>
<td>$21,176</td>
<td>$6,722,152</td>
<td>$28,606,075</td>
</tr>
</tbody>
</table>
Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds $ 5,745,954

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

| Total capital outlay          | $886,694 |
| Total depreciation expense    | (618,897) |

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the change in unavailable revenue related to the judgement receivable. (3,237)

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

| Net pension liability         | $177,171 |
| Total OPEB liability          | (10,910)  |
| Compensated absences          | (13,763)  |

Change in net position of governmental activities. $ 6,163,012

The accompanying notes are an integral part of these financial statements.
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Kiawah Island, South Carolina (the “Town”) have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to governmental units. The Town’s reporting entity applies all relevant Governmental Accounting Standards Board (“GASB”) pronouncements. The accounting and reporting framework and the more significant accounting principles and practices are discussed below.

A. Financial Reporting Entity

The incorporation of the Town was certified by the State of South Carolina on September 13, 1988, under Section 5-1-70 of the 1976 Code of Laws of the State of South Carolina. The Town has a mayor-council form of government comprised of a Mayor and four council members (strong Mayor Government). As required by GAAP, the financial statements present the Town as a primary government. The financial statements of the Town include the accounts of all the Town operations defined as the financial reporting entity.

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

Finally, an entity could be a component unit even if it did not meet all the conditions described above if excluding it would cause the Town’s financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are in substance, part of the government's operations, and data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the financial statements to emphasize they are legally separate from the Town. Based on the criteria above, the Town has no blended or discretely presented component units.
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Town (the “Primary Government”). For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Town has no business-type activities.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, includes grants and donations. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The government-wide financial statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further on the following page). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. All revenues (including franchise fees, intergovernmental revenues, licenses, etc.) are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of grant related revenues. Grant related revenues are considered to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due and payable, if applicable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Fund financial statements report detailed information about the Town. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column, if applicable.

When both restricted and unrestricted resources are available for use, it is the Town’s practice to use restricted resources first, then unrestricted resources as they are needed.

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

Governmental fund types are those through which all governmental functions of the Town are financed. The Town’s expendable financial resources and related assets and liabilities are accounted for through governmental funds. Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting.
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund types (Continued)

The Town’s major governmental fund types are as follows:

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

The **Capital Projects Fund, a major fund** and a budgeted fund, is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to equipment, site acquisitions, construction, renovation of capital facilities, and other capital assets for the Town, except for those financed by other funds.

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Town has the following major Special Revenue Funds:

i. The **State Accommodations Tax Fund, a major fund** and a budgeted fund, is used to account for and report the financial resources received and disbursed related to a portion of the hotel/motel 2% fee levied by the State of South Carolina and remitted to the Town that are legally restricted for advertising, promotion and tourism related expenditures.

ii. The **County Accommodations Tax Fund, a major fund** and a budgeted fund, is used to account for and report the financial resources received and disbursed related to the allocation of Charleston County Accommodations Fees received that are legally restricted for advertising, promotion and tourism related expenditures.

iii. The **Local Accommodations Tax Fund, a major fund** and a budgeted fund, is used to account for and report the financial resources received and disbursed related to the 1% fee imposed on the rental of any accommodations within the Town that are legally restricted for advertising, promotion and tourism related expenditures.
B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Special Revenue Funds (Continued)

iv. The Beverage Permits Fund, a major fund and a budgeted fund, is used to account for and report the financial resources received and disbursed related to the fee imposed by the State of South Carolina on Sunday liquor sales that is restricted for capital and tourism related expenditures.

v. The Hospitality Tax Fund, a major fund and a budgeted fund, is used to account for and report the financial resources received and disbursed related to the 1% tax imposed by Charleston County on food and beverage sales within the Town that is restricted for tourism related expenditures.

vi. The Victims' Assistance Fund, a major fund and a budgeted fund, is used to account for and report the financial resources received and disbursed related to the fees from court fines that is restricted for victims' assistance.

C. Cash and Cash Equivalents

The Town considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the South Carolina Pooled Investment Fund (the “Pool”), if any, to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not purchased from the Pool are reported as investments.

D. Investments

The Town’s investment policy is designed to operate within existing statutes (which are identical for all funds and fund types within the State of South Carolina) that authorize the Town to invest in the following:

(a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Investments (Continued)

   (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

   (c) 1) General obligations of the State of South Carolina or any of its political units; or 2) revenue obligations of the State of South Carolina or its political units, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

   (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.

   (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third-party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

   (f) Repurchase agreements when collateralized by securities as set forth in this section.

   (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Investments (Continued)

The Town’s cash investment objectives are preservation of capital, liquidity and yield. The Town reports its cash and investments at fair value which is normally determined by quoted market prices. During the past year, the Town’s only investment was in the South Carolina Local Government Investment Pool.

E. Receivables and Payables

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

All trade receivables are shown net of an allowance for uncollectibles (if any).

F. Prepaid Items

Prepaid balances are for payments made by the Town in the current year to obtain services in the subsequent fiscal year. The Town uses the consumption method to account for these items. The portion of fund balance shown as non-spendable for prepaid items has been recognized to signify that a portion of fund balances is not available for other subsequent expenditures.

G. Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements.

All capital assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition value (as estimated by the Town) at the date of donation. As allowed by GASB No. 34, the Town has elected to prospectively report public domain (“infrastructure”) general capital assets. Therefore, infrastructure capital assets acquired prior to July 1, 2003 have not been recorded. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. The Town maintains a minimum capitalization threshold of $1,000 for all capital assets and a useful life of two years.
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

All reported capital assets, except land and construction in progress, are depreciated. Improvements are capitalized over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

- Furniture and fixtures: 5 – 7 years
- Signs and fences: 10 – 15 years
- Equipment: 3 – 5 years
- Computers and software: 3 years
- Vehicles: 3 – 5 years
- Municipal center: 10 – 40 years
- Infrastructure: 20 – 50 years

H. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All current payables and accrued liabilities from governmental funds are reported in the governmental fund financial statements.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. When applicable, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are recorded as expenses in the period the debt is issued. Bonds payable are reported net of the applicable bond premiums or discounts, if applicable.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has two types of deferred outflows of resources: 1) the Town reports deferred pension charges in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System, and 2) the Town reports deferred OPEB charges in its Statement of Net Position in connection with the OPEB Plan. The deferred pension and OPEB charges are either: (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date), or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town currently has three types of deferred inflows of resources: 1) the Town reports unavailable revenue only in the Governmental Funds Balance Sheet; it is deferred and recognized as an inflow of resources (revenues) in the period the amounts become available, 2) the Town also reports deferred pension credits in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System, and 3) the Town reports deferred OPEB credits in its Statement of Net Position in connection with the OPEB Plan. The deferred pension and OPEB credits are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity

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

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

- **Non-spendable** – Fund balances are reported as non-spendable when amounts cannot be spent because they are either: (a) not in a spendable form, or (b) legally or contractually required to be maintained intact.

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

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

- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by the Council or by an official or body to which the Council delegates the authority. The Town Council has not delegated such authority as of June 30, 2022.

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

- **Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town’s policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity (Continued)

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when limitations are imposed on its use, either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws and regulations of other governments. All other net position is reported as unrestricted.

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

K. Pensions and Other Post-employment Benefits (“OPEB”)

In government-wide financial statements, pensions and OPEB are required to be recognized and disclosed using the accrual basis of accounting (see Note 10 and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The Town recognizes a net pension liability for each plan for which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified plan, or the Town’s proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the Town’s fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources, depending on the nature of the change, in the period incurred. Those changes in net pension and total OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Accounting 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. Those estimates and assumptions affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all funds. The Town’s procedures are as follows:

1. Prior to July 1, the Ways and Means Committee submits to the Mayor and Town Council a proposed budget for the year commencing July 1. The operating budget includes proposed expenditures/expenses and the means of financing them.
2. The Council legally enacts the budget through the passage of an ordinance.
3. The Mayor is responsible for the administration of the budget. Town Council shall approve any budgeted operating expenditure/expense for which insufficient funds remain. The budget may be modified during the year only by a majority vote of Town Council.
4. Budget to actual comparison is employed as a management control device during the year for all funds.
5. All annual appropriations lapse at year-end.
6. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended by Council.

There were no amendments to the budget for the year ended June 30, 2022.
NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. Excess Expenditures over Appropriations

For the fiscal year ended June 30, 2022, the following funds had expenditures that exceeded appropriations at the fund level:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Excess</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$687,080</td>
</tr>
<tr>
<td>State Accommodations Tax Fund</td>
<td>281,271</td>
</tr>
<tr>
<td>County Accommodations Tax Fund</td>
<td>13,072</td>
</tr>
<tr>
<td>Hospitality Tax Fund</td>
<td>6,957</td>
</tr>
</tbody>
</table>

These overspendings were funded by excess of revenues over appropriations.

NOTE 3. DEPOSITS AND INVESTMENTS

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town’s deposits might not be recovered. The Town follows the South Carolina Code of Laws Section 6-5-15 as its policy for custodial credit risk which states that to the extent that these deposits exceed the amount of insurance coverage provided by the Federal Deposit Insurance Corporation, the bank or savings and loan association at the time of deposit must: 1) furnish an indemnity bond in a responsible surety company authorized to do business in this State; or 2) pledge as collateral: a) obligations of the United States; b) obligations fully guaranteed both as to principal and interest by the United States; c) general obligations of this State or any political subdivision of this State; or d) obligations of the Federal National Mortgage Association, the Federal Home Loan Bank, Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation; or provide an irrevocable letter of credit issued by the Federal National Mortgage Association, the Federal Home Loan Bank, Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation, in which the local entity is named as beneficiary and the letter of credit otherwise meets the criteria established and prescribed by the local entity. As of June 30, 2022, the Town’s bank balances were properly collateralized.

As of June 30, 2022, the Town had the following cash equivalents and maturities:

<table>
<thead>
<tr>
<th>Cash Equivalents</th>
<th>Maturity</th>
<th>Percentage</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Carolina Government Investment Pool</td>
<td>26 days</td>
<td>100%</td>
<td>$22,958,204</td>
</tr>
</tbody>
</table>
NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk for Deposits (Continued): South Carolina Local Government Investment Pool (“LGIP” or “Pool”) amounts are held by the South Carolina State Treasurer’s Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 “Accounting and Financial Reporting for Certain Investments and for External Investment Pools” and GASB Statement No. 72 “Fair Value Measurement and Application”, investments are carried at fair value determined annually based upon: a) quoted market prices for identical or similar investments, or b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of $1. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours’ notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

Interest Rate Risk: The Town’s investment policy limits the weighted average maturity of investments to less than five years.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town’s investments policy states that an independent third-party with whom the bank has a current custodial agreement with will always hold collateral and that a clearly marked evidence of ownership must be supplied to the Town and retained.

Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town’s investment policy for credit risk states that the risk shall be mitigated by investing in safe institutions, but does not have strict guidelines regarding credit ratings. The Town follows the investment policy statutes of the State of South Carolina related to credit risk for investments.

Concentration of Credit Risk for Investments: The Town’s investment policy states that no more than 50% of the Town’s investment portfolio will be invested in a single security type. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from concentration of credit risk disclosures.
### NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

**Concentration of Credit Risk for Investments (Continued):** A reconciliation of cash and investments as shown in the Statement of Net Position follows:

Statement of Net Position:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$18,233,816</td>
</tr>
<tr>
<td>Cash and cash equivalents, restricted</td>
<td>$9,282,624</td>
</tr>
<tr>
<td><strong>Total cash and investments</strong></td>
<td><strong>$27,516,440</strong></td>
</tr>
<tr>
<td>Cash deposited with financial institutions</td>
<td>$4,558,236</td>
</tr>
<tr>
<td>South Carolina Local Government Investment Pool</td>
<td>$22,958,204</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$27,516,440</strong></td>
</tr>
</tbody>
</table>

### NOTE 4. RECEIVABLES

Receivables at June 30, 2022 are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>General Fund</th>
<th>State Accommodations Tax Fund</th>
<th>County Accommodations Tax Fund</th>
<th>Local Accommodations Tax Fund</th>
<th>Beverage Permits Fund</th>
<th>Hospitality Tax Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local option sales tax</td>
<td>$88,762</td>
<td>$-</td>
<td>$-</td>
<td>-$</td>
<td>-</td>
<td>-</td>
<td>$88,762</td>
</tr>
<tr>
<td>Accommodations taxes</td>
<td>-</td>
<td>1,141,677</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,141,677</td>
</tr>
<tr>
<td>Due from county</td>
<td>136,006</td>
<td>-</td>
<td>215,252</td>
<td>398,721</td>
<td>-</td>
<td>-</td>
<td>613,973</td>
</tr>
<tr>
<td>Franchise fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>136,006</td>
</tr>
<tr>
<td>Beverage permits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,600</td>
<td>-</td>
<td>3,600</td>
</tr>
<tr>
<td>Hospitality tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>96,699</td>
<td>96,699</td>
</tr>
<tr>
<td>Other receivables</td>
<td>340,196</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>340,196</td>
</tr>
<tr>
<td><strong>Net total receivables</strong></td>
<td>$564,964</td>
<td>$1,141,677</td>
<td>$215,252</td>
<td>$398,721</td>
<td>$3,600</td>
<td>$96,699</td>
<td>$2,420,913</td>
</tr>
</tbody>
</table>

No significant amounts were deemed uncollectible for the year ended June 30, 2022. Lien and judgement receivables of $133,698 were not collected soon enough after year-end to pay for expenditures of the current period; thus, they have been recorded as unavailable until the revenue is received.
NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at June 30, 2022, consisted of the following individual fund receivables and payables:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Receivables</th>
<th>Payables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Major Governmental Funds:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$5,316,020</td>
<td>$1,497,577</td>
</tr>
<tr>
<td>Beverage Permits Fund</td>
<td>-</td>
<td>3,600</td>
</tr>
<tr>
<td>Victims’ Assistance Fund</td>
<td>23,151</td>
<td>-</td>
</tr>
<tr>
<td>Capital Projects Fund</td>
<td>996,288</td>
<td>-</td>
</tr>
<tr>
<td>State Accommodations Tax Fund</td>
<td>478,138</td>
<td>-</td>
</tr>
<tr>
<td>County Accommodations Tax Fund</td>
<td>-</td>
<td>378,811</td>
</tr>
<tr>
<td>Local Accommodations Tax Fund</td>
<td>-</td>
<td>3,263,031</td>
</tr>
<tr>
<td>Hospitality Tax Fund</td>
<td>-</td>
<td>1,670,578</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$6,813,597</td>
<td>$6,813,597</td>
</tr>
</tbody>
</table>

The General Fund net receivable is a result of deposits made into the General Fund central depository account during the year. The Beverage Permits Fund, County and Local Accommodations Tax Funds and the Hospitality Tax Fund net payables are a result of the General Fund central depository account financing expenditures of these funds. These payables will be reimbursed to the General Fund when deposits are received after year-end. The State Accommodations Tax Fund, Victims’ Assistance Fund, and Capital Projects Fund net receivables are a result of deposits made into the General Fund central depository account during the year. These receivables will be reduced as expenditures are paid out of the General Fund central depository account.

Transfers between funds for the year ended June 30, 2022, consisted of the following:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Transfers In</th>
<th>Transfers Out</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Major Governmental Funds:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$1,549,439</td>
<td>$180,467</td>
</tr>
<tr>
<td>State Accommodations Tax Fund</td>
<td>-</td>
<td>523,000</td>
</tr>
<tr>
<td>County Accommodations Tax Fund</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td>Local Accommodations Tax Fund</td>
<td>-</td>
<td>1,066,849</td>
</tr>
<tr>
<td>Beverage Permits Fund</td>
<td>-</td>
<td>37,574</td>
</tr>
<tr>
<td>Hospitality Tax Fund</td>
<td>-</td>
<td>775,550</td>
</tr>
<tr>
<td>Capital Projects Fund</td>
<td>934,001</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,583,440</td>
<td>$2,583,440</td>
</tr>
</tbody>
</table>
The General Fund transfers in represent funds transferred from the Local Accommodations Tax Funds to partially fund tourism related arts and cultural events, tourism related environmental expenditures, tourism related public safety expenditures, and tourism related operational costs; transfers from the State Accommodations Tax Fund to partially fund tourism related public safety expenditures; and transfers from the Hospitality Tax Fund to partially fund tourism related arts and cultural events. The Capital Projects Fund transfers in represent funds transferred from the General Fund, Local Accommodations Tax Fund, Hospitality Tax Fund, and Beverage Permits Fund to partially fund tourism related construction projects. The County Accommodations Tax Fund transfers in represent funds transferred from the State Accommodations Tax Fund to partially fund tourism related beach patrol expenditures.

The General Fund transfers out represent funds transferred to the Capital Projects Fund to partially fund tourism related construction projects. The State Accommodations Tax Fund transfers out represent transfers to the General Fund to partially fund tourism related public safety expenditures and the County Accommodations Tax Fund to partially fund tourism related beach patrol expenditures. The Local Accommodations Tax Fund transfers out represent transfers to the Capital Projects Fund to partially fund tourism related future capital projects and transfers to the General Fund to partially fund tourism related arts and cultural events, tourism related environmental expenditures, and tourism related operational costs. The Hospitality Tax Fund transfers out represent transfers to the Capital Projects Fund to partially fund tourism related to future capital projects and transfers to the General Fund to partially fund tourism related arts and cultural events. The Beverage Permits Fund transfers out represent transfers to the Capital Projects Fund to partially fund tourism related to future capital projects.
### NOTE 6. CAPITAL ASSETS

Capital asset activity for the Town’s governmental activities for the year ended June 30, 2022 was as follows:

<table>
<thead>
<tr>
<th>Governmental Activities:</th>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Transfers</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital assets, not being depreciated:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$2,088,092</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$2,088,092</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>-</td>
<td>176,476</td>
<td>-</td>
<td>-</td>
<td>176,476</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,088,092</td>
<td>176,476</td>
<td>-</td>
<td>-</td>
<td>2,264,568</td>
</tr>
<tr>
<td><strong>Capital assets, being depreciated:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>388,814</td>
<td>8,989</td>
<td>-</td>
<td>-</td>
<td>397,803</td>
</tr>
<tr>
<td>Signs and fences</td>
<td>131,291</td>
<td>48,716</td>
<td>-</td>
<td>-</td>
<td>180,007</td>
</tr>
<tr>
<td>Equipment</td>
<td>146,687</td>
<td>15,424</td>
<td>(9,398)</td>
<td>-</td>
<td>152,713</td>
</tr>
<tr>
<td>Computers and software</td>
<td>87,646</td>
<td>26,974</td>
<td>(10,904)</td>
<td>-</td>
<td>103,716</td>
</tr>
<tr>
<td>Vehicles</td>
<td>324,342</td>
<td>45,658</td>
<td>-</td>
<td>-</td>
<td>370,000</td>
</tr>
<tr>
<td>Municipal Center - buildings, landscaping and miscellaneous</td>
<td>8,367,216</td>
<td>200,801</td>
<td>-</td>
<td>-</td>
<td>8,568,017</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>9,983,841</td>
<td>363,656</td>
<td>-</td>
<td>-</td>
<td>10,347,497</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19,429,837</td>
<td>710,218</td>
<td>(20,302)</td>
<td>-</td>
<td>20,119,753</td>
</tr>
<tr>
<td><strong>Less accumulated depreciation for:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>(223,321)</td>
<td>(56,002)</td>
<td>-</td>
<td>-</td>
<td>(279,323)</td>
</tr>
<tr>
<td>Signs and fences</td>
<td>(50,904)</td>
<td>(18,001)</td>
<td>-</td>
<td>-</td>
<td>(68,905)</td>
</tr>
<tr>
<td>Equipment</td>
<td>(65,756)</td>
<td>(23,624)</td>
<td>9,398</td>
<td>-</td>
<td>(79,982)</td>
</tr>
<tr>
<td>Computers and software</td>
<td>(74,220)</td>
<td>(5,956)</td>
<td>10,904</td>
<td>-</td>
<td>(69,272)</td>
</tr>
<tr>
<td>Vehicles</td>
<td>(324,342)</td>
<td>(126)</td>
<td>-</td>
<td>-</td>
<td>(324,468)</td>
</tr>
<tr>
<td>Municipal Center - buildings, landscaping and miscellaneous</td>
<td>(835,606)</td>
<td>(212,667)</td>
<td>-</td>
<td>-</td>
<td>(1,048,273)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>(3,961,077)</td>
<td>(302,521)</td>
<td>-</td>
<td>-</td>
<td>(4,263,598)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(5,535,226)</td>
<td>(618,897)</td>
<td>20,302</td>
<td>-</td>
<td>(6,133,821)</td>
</tr>
<tr>
<td><strong>Total capital assets, being depreciated, net</strong></td>
<td>13,894,611</td>
<td>91,321</td>
<td>-</td>
<td>-</td>
<td>13,985,932</td>
</tr>
<tr>
<td><strong>Governmental activities capital assets, net</strong></td>
<td>$15,982,703</td>
<td>$267,797</td>
<td>-</td>
<td>-</td>
<td>$16,250,500</td>
</tr>
</tbody>
</table>
NOTE 6.  CAPITAL ASSETS (CONTINUED)

Depreciation expense for the Town’s governmental activities was charged to functions/programs as follows:

Governmental activities:
General government $ 364,604
Tourism and recreation 254,293
Total depreciation expense - governmental activities $ 618,897

NOTE 7.  COMPENSATED ABSENCES

The following is a summary of changes in the Town’s compensated absences for the year ended June 30, 2022:

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated absences</td>
<td>$ 111,899</td>
<td>$ 130,535</td>
<td>$(116,772)</td>
<td>$ 125,662</td>
<td>$ 125,662</td>
</tr>
</tbody>
</table>

General Fund resources are used to fund compensated absences. The entire compensated absence balance is considered current based on past experience, as very few employees carry forward any balances.

NOTE 8.  COMMITMENTS AND CONTINGENCIES

A.  Agreements

In July 2018, the Town entered into a contract with Carolina Waste for collections and disposal of residential solid waste, recycling and collection and disposal of yard debris for a period of five years with the Town retaining the unilateral right of automatic renewal for two additional one-year terms. The contract stipulates the amounts to be paid based on service types and frequencies, which vary from year to year. Total expense for the year ended June 30, 2022, was $1,059,052.

In February 2022, the Town reentered a contract with Island Beach Services to provide staff to patrol the beach and maintain a safe environment for beach guests. This agreement is for a three-year term with an option for two one-year extensions. The annual cost of the contract is $584,000. The Beach Patrol services were funded by county and state accommodations taxes.

In December 2019, the Town signed a one-year agreement with the option to renew for two one-year extensions to provide after-hours code enforcement services. This agreement extends the Town’s code enforcement efforts with the primary focus on short-term rentals compliance with the Town’s ordinances. The annual cost for this contract is $288,580. The after-hours code enforcement services were funded from application fees for short-term rentals business licenses.
NOTE 8. COMMITMENTS AND CONTINGENCIES (CONTINUED)

A. Agreements (Continued)

In June 2022, the Town entered into a contract with Duke Commercial Construction, LLC to improve the public solid waste drop-off center located at Kestrel Court to make it more conducive for users and increase the capacity of waste that can be handled at the site. This contract is for $179,310 and is funded from the General Fund.

In May 2020, the Town entered into a contract with the Charleston County Sheriff’s Office (“CCSO”) for an elevated level of professional police protection. It is an annual agreement that renews automatically unless terminated with 90 days prior written notice. The agreement is for two staffed patrol units, with each unit working one of the two 12-hour shifts concurrent with the CCSO day shift 7 am to 7 pm, seven days per week. Total expenses for the year ended June 30, 2022, in the amount of $345,950, were funded from the state and local accommodations taxes, and the General Fund.

The Town also reentered into an annual contract with the CCSO for additional police protection, traffic control and emergency response. The current contract is effective from January 1, 2022, through December 31, 2022, and provides for two deputies on second and third shift for seven days per week, with two additional deputies on the first shift on weekends commencing Friday before Memorial Day through Labor Day. The deputies are paid an hourly rate through the Town’s payroll process. The total expenses for the year ended June 30, 2022, in the amount of $358,197, were funded from state and local accommodations taxes, and the General Fund.

In January 2022, the Town entered into an annual contract with Artigues Landscape & Maintenance, LLC, to provide weekly landscape maintenance and litter removal at the Municipal Center, Kiawah Island Parkway and Round-About at Freshfields. The agreement is not to exceed $188,650 annually and is funded from hospitality tax and the general fund.

B. Litigation

The Town is party to various legal proceedings that normally occur in governmental operations. In the opinion of Town management, based on the advice of legal counsel with respect to litigation, the ultimate disposition of these lawsuits and claims will not have a material adverse effect on the Town’s financial position.

In June 2018, the former Town Treasurer and Town Administrator pled guilty to various fraud-related charges. In August 2018, the Town was awarded restitution of approximately $105,000 from the former Town Administrator and approximately $92,000 from the former Town Treasurer. The restitution from the former Town Administrator was received in October 2018 and recorded as miscellaneous revenue. The restitution from the former Town Treasurer is recorded in accounts receivable and unavailable revenue. A payment plan has been set up for the outstanding obligation; the payments in the amount of $400 per month have been received.
NOTE 9. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. For all of these risks, the Town is a member of the South Carolina State Fiscal Accountability Authority Insurance Reserve Fund, a public entity risk pool operating as a common risk management and insurance program for South Carolina governments for general risk. The Town pays an annual premium for this coverage. For the year ended June 30, 2022, the Town made premium payments totaling approximately $70,000. The State Insurance Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims. The Insurance Reserve Fund’s net position from its most recently issued audited financial statements as of June 30, 2021 was $220,983,537.

The Town also participates in the South Carolina State Accident Fund, a public entity risk pool operating as a common risk management and insurance program for workers’ compensation. The Town pays an annual premium for this coverage. For the year ended June 30, 2022, the Town made payments totaling approximately $16,000. The State Accident Fund’s net position from its most recently issued audited financial statements as of June 30, 2021 was $114,721,728.

The Town has also joined together with other local governments in the South Carolina Employee Insurance Program (“EIP”) to provide medical, dental and life insurance for its employees. This is also a public entity risk pool operating as a common risk management and insurance program. Effective July 1, 2012, the South Carolina General Assembly transferred administration of the EIP to the South Carolina Public Employee Benefit Authority (“PEBA”). For the year ended June 30, 2022, the Town made premium payments totaling approximately $219,000. The EIP’s net position from its most recently issued audited financial statements as of June 30, 2021 was approximately $481,200,000.

For the above risk management programs, the Town has not significantly reduced insurance coverage from the previous year and settled claims in excess of insurance coverage for the last three years were immaterial. For each of the insurance programs and public entity risk pools in which the Town participates, the Town has effectively transferred all risk with no liability for unfunded claims.
NOTE 10. EMPLOYEE BENEFITS

A. Retirement Plans

The South Carolina Public Employee Benefit Authority (“PEBA”), created July 1, 2012, is the State agency responsible for the administration and management of the various retirement systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the South Carolina Deferred Compensation Program, as well as the State’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' (“SCRS”) 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 Retirement 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 Retirement Systems.

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

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

Plan Description

The South Carolina Retirement System (“SCRS”), a cost-sharing multiple-employer defined benefit pension plan, was established effective 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 employees of the State, its public school districts and political subdivisions. SCRS covers employees of State agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plans (Continued)

Plan Description (Continued)

The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective 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 firemen of the State and its political subdivisions.

Plan Membership

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

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the Retirement System as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the Retirement System with an effective date of membership prior to July 1, 2012 is a Class Two member. An employee member of the Retirement 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 or her employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the State; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in the PORS. Magistrates are required to participate in the PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the Retirement System with an effective date of membership prior to July 1, 2012 is a Class Two member. An employee member of the Retirement System with an effective date of membership on or after July 1, 2012 is a Class Three member.
NOTE 10.  EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plans (Continued)

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 benefit terms for each Retirement System is presented below:

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

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1%, or $500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60, or the second July 1 after the date they would have had 28 years of service credit had they not retired.

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

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1%, or $500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.
NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plans (Continued)

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. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS and 9.75% for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with State statute. However, the General Assembly postponed the 1% increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in State statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule, from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85%. If the most recent annual actuarial valuation of the Retirement Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the System (the funded ratio) that is equal to or greater than 85%, then the Board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the Retirement System shows a funded ratio of less than 85%, then effective on the following July 1, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the Retirement System shows a funded ratio that is equal to or greater than 85%.
NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

As noted earlier, both employees and the Town are required to contribute to the plans at rates established and as amended by the PEBA. The Town’s contributions are actuarially determined but are communicated to and paid by the Town as a percentage of the employees’ annual eligible compensation. Required employer and employee contribution rates for the past three years are as follows:

<table>
<thead>
<tr>
<th></th>
<th>SCRS Rates</th>
<th>PORS Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2021</td>
</tr>
<tr>
<td><strong>Employer</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement</td>
<td>15.41%</td>
<td>15.41%</td>
</tr>
<tr>
<td>Incidental Death</td>
<td>0.15%</td>
<td>0.15%</td>
</tr>
<tr>
<td>Benefit</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15.56%</td>
<td>15.56%</td>
</tr>
<tr>
<td><strong>Employee</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution Rate</td>
<td>9.00%</td>
<td>9.00%</td>
</tr>
</tbody>
</table>

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

The required contributions and percentages of amounts contributed by the Town to the plans for the past three years were as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>SCRS Contributions</th>
<th>PORS Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Required</td>
<td>% Contributed</td>
</tr>
<tr>
<td>2022</td>
<td>$ 279,596</td>
<td>100%</td>
</tr>
<tr>
<td>2021</td>
<td>234,754</td>
<td>100%</td>
</tr>
<tr>
<td>2020</td>
<td>236,628</td>
<td>100%</td>
</tr>
</tbody>
</table>

Eligible payrolls of the Town covered under the plans for the past three years were as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>SCRS Payroll</th>
<th>PORS Payroll</th>
<th>Total Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$ 1,688,384</td>
<td>$ 78,945</td>
<td>$ 1,767,329</td>
</tr>
<tr>
<td>2021</td>
<td>1,508,703</td>
<td>61,183</td>
<td>1,569,886</td>
</tr>
<tr>
<td>2020</td>
<td>1,520,748</td>
<td>49,589</td>
<td>1,570,337</td>
</tr>
</tbody>
</table>
NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plans (Continued)

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 Retirement Systems was most recently issued for the period ended June 30, 2019.

The June 30, 2021 total pension liability, net pension liability and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS"), and are based on an actuarial valuation performed as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year-end, June 30, 2021, using generally accepted actuarial principles. There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the systems. In FY 2021 the Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2021.

<table>
<thead>
<tr>
<th>Actuarial assumptions</th>
<th>SCRS</th>
<th>PORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial cost method</td>
<td>Entry Age Normal</td>
<td>Entry Age Normal</td>
</tr>
<tr>
<td>Investment rate of return</td>
<td>7.00%</td>
<td>7.00%</td>
</tr>
<tr>
<td>Projected salary:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>increases</td>
<td>3.0% to 11.0%</td>
<td>3.5% to 10.5%</td>
</tr>
<tr>
<td>Benefit adjustments</td>
<td>Lesser of 1% or $500 annually</td>
<td>Lesser of 1% or $500 annually</td>
</tr>
</tbody>
</table>
NOTE 10.  EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

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

<table>
<thead>
<tr>
<th>Former Job Class</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educators</td>
<td>2020 PRSC Males multiplied by 95%</td>
<td>2020 PRSC Females multiplied by 94%</td>
</tr>
<tr>
<td>General Employees and Members of the General Assembly</td>
<td>2020 PRSC Males multiplied by 97%</td>
<td>2020 PRSC Females multiplied by 107%</td>
</tr>
<tr>
<td>Public Safety and Firefighters</td>
<td>2020 PRSC Males multiplied by 127%</td>
<td>2020 PRSC Females multiplied by 107%</td>
</tr>
</tbody>
</table>

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 rate of returns 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.
NOTE 10.  EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 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 following table. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

<table>
<thead>
<tr>
<th>Allocation/Exposure</th>
<th>Policy Target</th>
<th>Expected Arithmetic Real Rate of Return</th>
<th>Long-Term Expected Portfolio Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Equity</td>
<td>46.0%</td>
<td>6.87%</td>
<td>3.16%</td>
</tr>
<tr>
<td>Bonds</td>
<td>26.0%</td>
<td>0.27%</td>
<td>0.07%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>9.0%</td>
<td>9.68%</td>
<td>0.87%</td>
</tr>
<tr>
<td>Private Debt</td>
<td>7.0%</td>
<td>5.47%</td>
<td>0.39%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>12.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>9.0%</td>
<td>6.01%</td>
<td>0.54%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>3.0%</td>
<td>5.08%</td>
<td>0.15%</td>
</tr>
<tr>
<td>100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total expected real return</td>
<td></td>
<td>5.18%</td>
<td></td>
</tr>
<tr>
<td>Inflation for actuarial purposes</td>
<td></td>
<td>2.25%</td>
<td></td>
</tr>
<tr>
<td>Total expected nominal return</td>
<td></td>
<td>7.43%</td>
<td></td>
</tr>
</tbody>
</table>
NOTE 10.  EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plans (Continued)

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

The net pension liability (“NPL”) is calculated separately for each Retirement System and represents that particular Retirement System’s total pension liability determined in accordance with GASB No. 67 less that System’s fiduciary net position. NPL totals, as of the June 30, 2021 measurement date, for the SCRS and PORS, are presented in the following table:

<table>
<thead>
<tr>
<th>Retirement System</th>
<th>Total Pension Liability</th>
<th>Plan Fiduciary Net Position</th>
<th>Employer’s Net Pension Liability</th>
<th>Plan Fiduciary Net Position as a Percentage of the Pension</th>
<th>Town’s Proportionate Share of the Collective Net Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCRS</td>
<td>$ 7,510,023</td>
<td>$ 4,562,122</td>
<td>$ 2,947,901</td>
<td>60.7%</td>
<td>0.013622%</td>
</tr>
<tr>
<td>PORS</td>
<td>$ 364,145</td>
<td>$ 256,262</td>
<td>$ 107,883</td>
<td>70.4%</td>
<td>0.004193%</td>
</tr>
</tbody>
</table>

The total pension liability is calculated by the Retirement Systems’ actuary, and each plan’s fiduciary net position is reported in the Retirement Systems’ financial statements. The net pension liability is disclosed in accordance with the requirements of GASB No. 67 in the Retirement Systems’ notes to the financial statements and required supplementary information. Liability calculations performed by the Retirement Systems’ actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans’ funding requirements.

At June 30, 2022, the Town reported liabilities of $2,947,901 and $107,883 for its proportionate share of the net pension liabilities for the SCRS and PORS, respectively. The net pension liabilities were measured as of June 30, 2021, and the total pension liabilities for the plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report of July 1, 2020 that was projected forward to the measurement date. The Town’s proportion of the net pension liabilities were based on a projection of the Town’s long-term share of contributions to the plans relative to the projected contributions of all participating South Carolina State and Local governmental employers, actuarially determined. At the June 30, 2021 measurement date, the Town’s SCRS proportion was 0.013622%, which was a decrease of 0.000009% from its proportion measured as of June 30, 2020. At the June 30, 2021 measurement date, the Town’s PORS proportion was 0.004193%, which was an increase of 0.000910% from its proportion measured as of June 30, 2020.
NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plans (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2022, the Town recognized pension expense of $107,456 and $1,401 for the SCRS and PORS, respectively. At June 30, 2022, the Town reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>SCRS</th>
<th>Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$ 50,214</td>
<td>$ 3,979</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>161,358</td>
<td>-</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td>-</td>
<td>428,221</td>
</tr>
<tr>
<td>Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions</td>
<td>13,640</td>
<td>55,908</td>
</tr>
<tr>
<td>Employer contributions subsequent to the measurement date</td>
<td>279,596</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 504,808</td>
<td>$ 488,108</td>
</tr>
</tbody>
</table>
NOTE 10.  EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plans (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

<table>
<thead>
<tr>
<th>PORS</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$ 3,670</td>
<td>$ 336</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>7,695</td>
<td>-</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td>-</td>
<td>24,187</td>
</tr>
<tr>
<td>Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions</td>
<td>20,417</td>
<td>20,930</td>
</tr>
<tr>
<td>Employer contributions subsequent to the measurement date</td>
<td>15,051</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 46,833</td>
<td>$ 45,453</td>
</tr>
</tbody>
</table>

The amounts of $279,596 and $15,051 that were reported as deferred outflows of resources related to the Town’s contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>SCRS</th>
<th>PORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>$(34,006)</td>
<td>$(8,411)</td>
</tr>
<tr>
<td>2024</td>
<td>(30,970)</td>
<td>(1,047)</td>
</tr>
<tr>
<td>2025</td>
<td>(37,684)</td>
<td>3,519</td>
</tr>
<tr>
<td>2026</td>
<td>(160,236)</td>
<td>(7,732)</td>
</tr>
</tbody>
</table>
NOTE 10.  EMPLOYEE BENEFITS (CONTINUED)

A.  Retirement Plans (Continued)

Aggregate Amounts

Aggregate amounts for all pension plans are as follows:

<table>
<thead>
<tr>
<th></th>
<th>SCRS</th>
<th>PORS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net pension liability</td>
<td>$2,947,901</td>
<td>$107,883</td>
<td>$3,055,784</td>
</tr>
<tr>
<td>Deferred outflows</td>
<td>504,808</td>
<td>46,833</td>
<td>551,641</td>
</tr>
<tr>
<td>Deferred inflows</td>
<td>488,108</td>
<td>45,453</td>
<td>533,561</td>
</tr>
<tr>
<td>Pension expense</td>
<td>107,456</td>
<td>1,401</td>
<td>108,857</td>
</tr>
</tbody>
</table>

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the 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, each Retirement Systems’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following table presents the sensitivity of the Town’s proportionate share of the net pension liability of the plans to changes in the discount rate, calculated using the discount rate of 7.00%, as well as what it would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease (6.00%)</th>
<th>Current Discount Rate (7.00%)</th>
<th>1% Increase (8.00%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town's portion - SCRS</td>
<td>$3,861,383</td>
<td>$2,947,901</td>
<td>$2,188,608</td>
</tr>
<tr>
<td>Town's portion - PORS</td>
<td>$156,524</td>
<td>$107,883</td>
<td>$68,038</td>
</tr>
</tbody>
</table>
NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plans (Continued)

Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plan administered by the PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for the SCRS and PORS. The ACFR is publicly available through the Retirement Benefits’ link on the 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.

Payable to Plans

The Town reported payables of approximately $37,000 and $3,000 to the PEBA as of June 30, 2022, representing required employer and employee contributions for the month of June 2022 for the SCRS and PORS, respectively. These amounts are included in accounts payable and accrued liabilities on the financial statements and were paid in July 2022.

B. Deferred Compensation Plans

Employees of the Town have the opportunity to participate in a deferred compensation plan under programs administered by the South Carolina Deferred Compensation Commission. The multiple-employer plan was created in accordance with Internal Revenue Code Section 401(k). The plan, available to all full-time Town employees, at their option, permits participants to defer a portion of their salary until future years. Only upon termination, retirement, disability, death, or an approved hardship is the deferred compensation available to an employee. Total employer matching payments for year ended June 30, 2022, were approximately $38,000.

C. Other Post-employment Benefit Plan

Plan Description

The Town provides health, dental and vision benefits to eligible employees and their beneficiaries through a single-employer plan administered by the Town. The Town extends these benefits to retirees and beneficiaries that meet eligibility provisions of the Town’s Post-Employment Health Insurance Policy, as described below. The Town has not made any contributions to an irrevocable trust as of June 30, 2022, and no assets are accumulated in a trust as defined by GAAP.
NOTE 10.  EMPLOYEE BENEFITS (CONTINUED)

C.  Other Post-employment Benefit Plan (Continued)

Plan Membership

As of June 30, 2022, the last actuarial valuation, the following employees were covered by the OPEB Plan’s benefit term:

<table>
<thead>
<tr>
<th>Plan Membership</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive Members or Beneficiaries Currently Receiving Benefits</td>
<td>1</td>
</tr>
<tr>
<td>Active Members</td>
<td>22</td>
</tr>
<tr>
<td>Total Membership</td>
<td>23</td>
</tr>
</tbody>
</table>

Plan Benefits and Contributions

Benefit terms are established and amended by the Mayor and Town Council and are based on years of service. Retirees of the Town who have been enrolled as an active participant in the South Carolina Public Employee Benefit Authority (“PEBA”) Health Plan may elect to continue their coverage upon retirement. To receive employer funded State Health benefits, a retiree must be eligible for retirement under the SCRS based on the following requirements:

- Hired prior to July 1, 2012 – Retirees must be eligible to retire by meeting one of the following criteria: 1) attainment of age 60 and at least five years of service, or 2) attainment of age 55 and at least 25 years of service, or attainment of at least 28 years of service.
- Hired on or after July 1, 2012 – Retirees must have attained age 60 and have at least eight years of service or satisfy the “Rule of 90” requirement (age plus years of service credit equals 90).

The Town pays a portion of the total pre-65 medical or dental premiums under the PEBA plan on behalf of eligible members and dependents based on the number of years of service as follows:

| Percentage of Premium Paid by the Town |
|-----------------------------------------|------|
| Years of Service                       | Employer Share | Employee Share |
| Less than 5                            | 0%    | 100%          |
| 5 – 10                                 | 15%   | 85%           |
| 11 – 20                                | 30%   | 70%           |
| 20 or more                             | 50%   | 50%           |
NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

C. Other Post-employment Benefit Plan (Continued)

Plan Benefits and Contributions (Continued)

The Town’s code of ordinances grants the authority to establish and amend the contribution requirements of the OPEB Plan to the Mayor and Town Council. Retirees pay a percentage of premium based on the years of service upon retirement as described above. During the year ended June 30, 2022, the Town paid benefits of approximately $7,800. The Town is not required to make contributions to pre-fund future benefits, and no such contributions have been made. Employees are not required to contribute to the OPEB Plan.

Actuarial Assumptions and Method

Actuarial valuations of the OPEB 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, inflation, healthcare cost trend rates, and future salary changes. Amounts determined regarding the total OPEB liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan (the plan as understood by the employer and its members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following table provides a summary of the significant actuarial assumptions and methods used in the latest actuarial valuation for the OPEB Plan.

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>June 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial Cost Method</td>
<td>Entry Age Normal</td>
</tr>
<tr>
<td>Asset Valuation Method</td>
<td>Market Value</td>
</tr>
<tr>
<td>Actuarial Assumptions:</td>
<td></td>
</tr>
<tr>
<td>Inflation</td>
<td>2.25%</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>3.54%</td>
</tr>
<tr>
<td>Healthcare Cost Trend Rate</td>
<td>6.00% graded to 4.00% for 2036 and beyond</td>
</tr>
<tr>
<td>Payroll Growth</td>
<td>2.50% per year</td>
</tr>
<tr>
<td>Coverage Elections</td>
<td>100% of eligible retirees will elect coverage and 100% of those will elect to cover the spouse</td>
</tr>
<tr>
<td>Active Participation/Marriage</td>
<td>80% of all active employees are assumed to be married with female spouses assumed to be three years younger</td>
</tr>
<tr>
<td>Mortality Table</td>
<td>2021 Public Retirees of South Carolina Mortality Table</td>
</tr>
</tbody>
</table>
NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

C. Other Post-employment Benefit Plan (Continued)

Actuarial Assumptions and Method (Continued)

The discount rate was based on the Bond Buyer’s 20 bond index.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2019 through June 30, 2020.

OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

The Town’s total OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2022.

<table>
<thead>
<tr>
<th>Total OPEB Liability (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances as of June 30, 2021 $ 316,559</td>
</tr>
<tr>
<td>Changes for the year:</td>
</tr>
<tr>
<td>Service Cost 21,158</td>
</tr>
<tr>
<td>Interest 6,665</td>
</tr>
<tr>
<td>Expected and actual experience differences (13,050)</td>
</tr>
<tr>
<td>Change of Assumptions (28,082)</td>
</tr>
<tr>
<td>Benefit Payments (7,816)</td>
</tr>
<tr>
<td>Implicit Rate Subsidy Fulfillment (8,301)</td>
</tr>
<tr>
<td>Net Changes (29,426)</td>
</tr>
<tr>
<td>Balances as of June 30, 2022 $ 287,133</td>
</tr>
</tbody>
</table>

The changes of assumptions above is a result of the Town increasing the discount rate from 2.16% to 3.54% for the year ended June 30, 2022.
NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

C. Other Post-employment Benefit Plan (Continued)

OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2022, the Town recognized OPEB expense of approximately $27,000. At June 30, 2022, the Town reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEB from the following sources:

<table>
<thead>
<tr>
<th>Description</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$27,406</td>
<td>$34,270</td>
</tr>
<tr>
<td>Change of assumptions</td>
<td>$20,292</td>
<td>$26,997</td>
</tr>
<tr>
<td>Total</td>
<td>$47,698</td>
<td>$61,267</td>
</tr>
</tbody>
</table>

Amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the OPEB Plan will increase (decrease) OPEB expense as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>$ (796)</td>
</tr>
<tr>
<td>2024</td>
<td>(796)</td>
</tr>
<tr>
<td>2025</td>
<td>(796)</td>
</tr>
<tr>
<td>2026</td>
<td>(3,073)</td>
</tr>
<tr>
<td>2027</td>
<td>(7,453)</td>
</tr>
<tr>
<td>Thereafter</td>
<td>(655)</td>
</tr>
<tr>
<td>Total</td>
<td>$ (13,569)</td>
</tr>
</tbody>
</table>

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. The Town has not made any contributions to an irrevocable trust and plans to continue on the pay-as-you-go basis. Therefore, the 20-year municipal bond index rate was applied to all periods of projected benefit payments to determine the OPEB liability.

As noted previously, the Town increased the discount rate from 2.16% to 3.54% for the year ended June 30, 2022.
NOTE 10.  EMPLOYEE BENEFITS (CONTINUED)

C.  Other Post-employment Benefit Plan (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the sensitivity of the Town’s total OPEB liability to changes in the discount rate, calculated using the discount rate of 3.54%, as well as what it would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease (2.54%)</th>
<th>Current Discount Rate (3.54%)</th>
<th>1% Increase (4.54%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total OPEB Liability</td>
<td>$310,011</td>
<td>$287,133</td>
<td>$266,242</td>
</tr>
</tbody>
</table>

The following table presents the sensitivity of the Town’s total OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.00%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease (5.00%)</th>
<th>Current Discount Rate (6.00%)</th>
<th>1% Increase (7.00%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total OPEB Liability</td>
<td>$260,413</td>
<td>$287,133</td>
<td>$318,579</td>
</tr>
</tbody>
</table>
REQUIRED SUPPLEMENTARY INFORMATION
<table>
<thead>
<tr>
<th></th>
<th>Budget Original</th>
<th>Budget Final</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building permits</td>
<td>$ 1,000,000</td>
<td>$ 1,000,000</td>
<td>$ 2,206,404</td>
<td>$ 1,206,404</td>
</tr>
<tr>
<td>Business licenses</td>
<td>2,695,000</td>
<td>2,695,000</td>
<td>3,958,450</td>
<td>1,263,450</td>
</tr>
<tr>
<td>Franchise fee revenue</td>
<td>860,000</td>
<td>860,000</td>
<td>916,492</td>
<td>56,492</td>
</tr>
<tr>
<td>Local option sales tax</td>
<td>597,453</td>
<td>597,453</td>
<td>894,993</td>
<td>297,540</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>25,000</td>
<td>25,000</td>
<td>25,784</td>
<td>784</td>
</tr>
<tr>
<td>Interest</td>
<td>10,000</td>
<td>10,000</td>
<td>24,189</td>
<td>14,189</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>70,000</td>
<td>70,000</td>
<td>71,065</td>
<td>1,065</td>
</tr>
<tr>
<td>Environmental service fee</td>
<td>610,000</td>
<td>610,000</td>
<td>631,445</td>
<td>21,445</td>
</tr>
<tr>
<td>Accommodations tax</td>
<td>85,000</td>
<td>85,000</td>
<td>195,522</td>
<td>110,522</td>
</tr>
<tr>
<td>Federal revenue</td>
<td>-</td>
<td>-</td>
<td>440,343</td>
<td>440,343</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>5,952,453</td>
<td>5,952,453</td>
<td>9,364,687</td>
<td>3,412,234</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>4,936,550</td>
<td>4,936,550</td>
<td>5,249,142</td>
<td>(312,592)</td>
</tr>
<tr>
<td>Judicial</td>
<td>21,884</td>
<td>21,884</td>
<td>21,213</td>
<td>671</td>
</tr>
<tr>
<td>Public safety</td>
<td>622,920</td>
<td>622,920</td>
<td>596,010</td>
<td>26,910</td>
</tr>
<tr>
<td>Tourism and recreation</td>
<td>303,000</td>
<td>303,000</td>
<td>303,845</td>
<td>(845)</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>384,000</td>
<td>384,000</td>
<td>785,224</td>
<td>(401,224)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>6,268,354</td>
<td>6,268,354</td>
<td>6,955,434</td>
<td>(687,080)</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues</td>
<td>(315,901)</td>
<td>(315,901)</td>
<td>2,409,253</td>
<td>2,725,154</td>
</tr>
<tr>
<td>over (under) expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>1,375,015</td>
<td>1,375,015</td>
<td>1,549,439</td>
<td>174,424</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(191,538)</td>
<td>(191,538)</td>
<td>(180,467)</td>
<td>11,071</td>
</tr>
<tr>
<td><strong>Total other financing sources</strong>, net</td>
<td>1,183,477</td>
<td>1,183,477</td>
<td>1,368,972</td>
<td>185,495</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>867,576</td>
<td>867,576</td>
<td>3,778,225</td>
<td>2,910,649</td>
</tr>
<tr>
<td><strong>Fund balances, beginning of year</strong></td>
<td>12,756,419</td>
<td>12,756,419</td>
<td>12,756,419</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund balances, end of year</strong></td>
<td>$ 13,623,995</td>
<td>$ 13,623,995</td>
<td>$ 16,534,644</td>
<td>$ 2,910,649</td>
</tr>
</tbody>
</table>
### TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

#### REQUIRED SUPPLEMENTARY INFORMATION

**STATE ACCOMMODATIONS TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th></th>
<th></th>
<th>Variance With</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Actual</td>
<td>Final Budget</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$2,000</td>
<td>$2,000</td>
<td>$2,971</td>
<td>$971</td>
</tr>
<tr>
<td>Accommodations tax</td>
<td>1,532,505</td>
<td>1,532,505</td>
<td>2,977,740</td>
<td>1,445,235</td>
</tr>
<tr>
<td>Total revenues</td>
<td>1,534,505</td>
<td>1,534,505</td>
<td>2,980,711</td>
<td>1,446,206</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourism and recreation</td>
<td>1,468,184</td>
<td>1,468,184</td>
<td>1,749,455</td>
<td>(281,271)</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>1,468,184</td>
<td>1,468,184</td>
<td>1,749,455</td>
<td>(281,271)</td>
</tr>
<tr>
<td><strong>Excess of revenues over expenditures</strong></td>
<td>66,321</td>
<td>66,321</td>
<td>1,231,256</td>
<td>1,164,935</td>
</tr>
<tr>
<td><strong>Other Financing Uses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers out</td>
<td>(523,000)</td>
<td>(523,000)</td>
<td>(523,000)</td>
<td>-</td>
</tr>
<tr>
<td>Total other financing uses</td>
<td>(523,000)</td>
<td>(523,000)</td>
<td>(523,000)</td>
<td>-</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>(456,679)</td>
<td>(456,679)</td>
<td>708,256</td>
<td>1,164,935</td>
</tr>
<tr>
<td><strong>Fund balances, beginning of year</strong></td>
<td>1,095,313</td>
<td>1,095,313</td>
<td>1,095,313</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund balances, end of year</strong></td>
<td>$638,634</td>
<td>$638,634</td>
<td>$1,803,569</td>
<td>$1,164,935</td>
</tr>
</tbody>
</table>
### TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

#### REQUIRED SUPPLEMENTARY INFORMATION

#### COUNTY ACCOMMODATIONS TAX FUND

#### SCHEDULE OF REVENUES, EXPENDITURES AND

#### CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS

#### FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<table>
<thead>
<tr>
<th>Budget</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$ 5,000</td>
<td>$ 5,000</td>
<td>$ 5,941</td>
<td>$ 941</td>
</tr>
<tr>
<td>Accommodations tax</td>
<td>200,000</td>
<td>200,000</td>
<td>609,937</td>
<td>409,937</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>205,000</td>
<td>205,000</td>
<td>615,878</td>
<td>410,878</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourism and recreation</td>
<td>677,674</td>
<td>677,674</td>
<td>690,746</td>
<td>(13,072)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>677,674</td>
<td>677,674</td>
<td>690,746</td>
<td>(13,072)</td>
</tr>
<tr>
<td><strong>Deficiency of revenues under expenditures</strong></td>
<td>(472,674)</td>
<td>(472,674)</td>
<td>(74,868)</td>
<td>397,806</td>
</tr>
<tr>
<td><strong>Other Financing Sources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total other financing sources</strong></td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>(372,674)</td>
<td>(372,674)</td>
<td>25,132</td>
<td>397,806</td>
</tr>
<tr>
<td><strong>Fund balances, beginning of year</strong></td>
<td>1,316,464</td>
<td>1,316,464</td>
<td>1,316,464</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund balances, end of year</strong></td>
<td>$ 943,790</td>
<td>$ 943,790</td>
<td>$ 1,341,596</td>
<td>$ 397,806</td>
</tr>
</tbody>
</table>
TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
LOCAL ACCOMMODATIONS TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<table>
<thead>
<tr>
<th></th>
<th>Budget Original</th>
<th>Budget Final</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$6,000</td>
<td>$6,000</td>
<td>$11,880</td>
<td>$5,880</td>
</tr>
<tr>
<td>Accommodations tax</td>
<td>986,392</td>
<td>986,392</td>
<td>1,519,444</td>
<td>533,052</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
<td>10,100</td>
<td>10,100</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>992,392</td>
<td>992,392</td>
<td>1,541,424</td>
<td>549,032</td>
</tr>
</tbody>
</table>

| **Expenditures**               |                 |              |        |                            |
| Purchased Services:            |                 |              |        |                            |
| Tourism and recreation         | 61,500          | 61,500       | 52,663 | 8,837                      |
| **Total expenditures**         | 61,500          | 61,500       | 52,663 | 8,837                      |
| **Excess of revenues over expenditures** | 930,892      | 930,892      | 1,488,761| 557,869                   |

| **Other Financing Uses**       |                 |              |        |                            |
| Transfers out                  | (1,127,034)     | (1,127,034)  | (1,066,849)| 60,185                   |
| **Total other financing uses** | (1,127,034)     | (1,127,034)  | (1,066,849)| 60,185                   |
| Net change in fund balances    | (196,142)       | (196,142)    | 421,912 | 618,054                   |
| **Fund balances, beginning of year** | 807,426    | 807,426      | 807,426 | -                         |
| **Fund balances, end of year** | $611,284        | $611,284     | $1,229,338| $618,054                  |
## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - GAAP Basis

For the Fiscal Year Ended June 30, 2022

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beverage permits revenue</td>
<td>$45,000</td>
<td>$45,000</td>
<td>$27,900</td>
<td>$(17,100)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$45,000</td>
<td>$45,000</td>
<td>$27,900</td>
<td>$(17,100)</td>
</tr>
<tr>
<td><strong>Other Financing Uses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers out</td>
<td>$(50,000)</td>
<td>$(50,000)</td>
<td>$(37,574)</td>
<td>12,426</td>
</tr>
<tr>
<td>Total other financing uses</td>
<td>$(50,000)</td>
<td>$(50,000)</td>
<td>$(37,574)</td>
<td>12,426</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>$(5,000)</td>
<td>$(5,000)</td>
<td>$(9,674)</td>
<td>$(4,674)</td>
</tr>
<tr>
<td>Fund balances, beginning of year</td>
<td>9,674</td>
<td>9,674</td>
<td>9,674</td>
<td>-</td>
</tr>
<tr>
<td>Fund balances, end of year</td>
<td>$4,674</td>
<td>$4,674</td>
<td>$</td>
<td>$$(4,674)</td>
</tr>
</tbody>
</table>
## TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

### REQUIRED SUPPLEMENTARY INFORMATION

#### HOSPITALITY TAX FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$ 6,000</td>
<td>$ 6,000</td>
</tr>
<tr>
<td>Hospitality tax</td>
<td>576,884</td>
<td>576,884</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total revenues</td>
<td>582,884</td>
<td>582,884</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourism and recreation</td>
<td>242,750</td>
<td>242,750</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>242,750</td>
<td>242,750</td>
</tr>
<tr>
<td><strong>Excess of revenues over expenditures</strong></td>
<td>340,134</td>
<td>340,134</td>
</tr>
<tr>
<td><strong>Other Financing Uses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers out</td>
<td>(296,754)</td>
<td>(296,754)</td>
</tr>
<tr>
<td>Total other financing uses</td>
<td>(296,754)</td>
<td>(296,754)</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>43,380</td>
<td>43,380</td>
</tr>
<tr>
<td><strong>Fund balances, beginning of year</strong></td>
<td>1,071,464</td>
<td>1,071,464</td>
</tr>
<tr>
<td><strong>Fund balances, end of year</strong></td>
<td>$ 1,114,844</td>
<td>$ 1,114,844</td>
</tr>
</tbody>
</table>
## Required Supplementary Information

### Victims' Assistance Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - GAAP Basis**

For the Fiscal Year Ended June 30, 2022

<table>
<thead>
<tr>
<th></th>
<th>Budget Original</th>
<th>Budget Final</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>$ 10,000</td>
<td>$ 10,000</td>
<td>$ 7,951</td>
<td>$(2,049)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$ 10,000</td>
<td>$ 10,000</td>
<td>$ 7,951</td>
<td>$(2,049)</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Judicial</td>
<td>10,000</td>
<td>10,000</td>
<td>7,925</td>
<td>2,075</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>10,000</td>
<td>10,000</td>
<td>7,925</td>
<td>2,075</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>-</td>
<td>-</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td><strong>Fund balances, beginning of</strong></td>
<td>21,150</td>
<td>21,150</td>
<td>21,150</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund balances, end of year</strong></td>
<td>$ 21,150</td>
<td>$ 21,150</td>
<td>$ 21,176</td>
<td>$ 26</td>
</tr>
</tbody>
</table>
TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS SOUTH CAROLINA RETIREMENT SYSTEM FOR THE YEAR ENDED JUNE 30,

<table>
<thead>
<tr>
<th>Plan Year Ended June 30</th>
<th>Town's proportion of the net pension liability</th>
<th>Town's proportionate share of the net pension liability</th>
<th>Town's covered payroll</th>
<th>Town's share of the net pension liability as a percentage of its covered payroll</th>
<th>Plan fiduciary net position as a percentage of the total pension liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>0.013622%</td>
<td>$2,947,901</td>
<td>$1,508,703</td>
<td>195.4%</td>
<td>60.7%</td>
</tr>
<tr>
<td>2020</td>
<td>0.013631%</td>
<td>3,483,021</td>
<td>1,520,748</td>
<td>229.0%</td>
<td>50.7%</td>
</tr>
<tr>
<td>2019</td>
<td>0.014049%</td>
<td>3,208,008</td>
<td>1,483,554</td>
<td>216.2%</td>
<td>54.4%</td>
</tr>
<tr>
<td>2018</td>
<td>0.013796%</td>
<td>3,091,317</td>
<td>1,429,682</td>
<td>216.2%</td>
<td>54.1%</td>
</tr>
<tr>
<td>2017</td>
<td>0.015650%</td>
<td>3,522,391</td>
<td>1,578,737</td>
<td>223.1%</td>
<td>53.3%</td>
</tr>
<tr>
<td>2016</td>
<td>0.013100%</td>
<td>2,797,286</td>
<td>1,259,731</td>
<td>222.1%</td>
<td>52.9%</td>
</tr>
<tr>
<td>2015</td>
<td>0.014070%</td>
<td>2,668,443</td>
<td>1,328,143</td>
<td>200.9%</td>
<td>57.0%</td>
</tr>
<tr>
<td>2014</td>
<td>0.011740%</td>
<td>2,021,411</td>
<td>1,069,095</td>
<td>189.1%</td>
<td>59.9%</td>
</tr>
<tr>
<td>2013</td>
<td>0.011740%</td>
<td>2,105,917</td>
<td>842,824</td>
<td>249.9%</td>
<td>56.4%</td>
</tr>
</tbody>
</table>

Notes to Schedule:

The above schedule will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedule is disclosed in Note 10 to the financial statements.
TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30,

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>Actuarially required contribution</th>
<th>Contributions in relation to the actuarially determined contribution</th>
<th>Contribution deficiency (excess)</th>
<th>Town's covered payroll</th>
<th>Contributions as a percentage of covered payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$ 279,596</td>
<td>$ 279,596</td>
<td>-</td>
<td>$ 1,688,384</td>
<td>16.56%</td>
</tr>
<tr>
<td>2021</td>
<td>234,754</td>
<td>234,754</td>
<td>-</td>
<td>1,508,703</td>
<td>15.56%</td>
</tr>
<tr>
<td>2020</td>
<td>236,628</td>
<td>236,628</td>
<td>-</td>
<td>1,520,748</td>
<td>15.56%</td>
</tr>
<tr>
<td>2019</td>
<td>203,070</td>
<td>203,070</td>
<td>-</td>
<td>1,483,554</td>
<td>13.69%</td>
</tr>
<tr>
<td>2018</td>
<td>193,865</td>
<td>193,865</td>
<td>-</td>
<td>1,429,682</td>
<td>13.56%</td>
</tr>
<tr>
<td>2017</td>
<td>182,502</td>
<td>182,502</td>
<td>-</td>
<td>1,578,737</td>
<td>11.56%</td>
</tr>
<tr>
<td>2016</td>
<td>139,326</td>
<td>139,326</td>
<td>-</td>
<td>1,259,731</td>
<td>11.06%</td>
</tr>
<tr>
<td>2015</td>
<td>144,768</td>
<td>144,768</td>
<td>-</td>
<td>1,328,143</td>
<td>10.90%</td>
</tr>
<tr>
<td>2014</td>
<td>112,992</td>
<td>112,992</td>
<td>-</td>
<td>1,069,095</td>
<td>10.57%</td>
</tr>
</tbody>
</table>

Notes to Schedule:

Only nine years of data were available; thus, only nine years were presented.
TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS POLICE OFFICERS RETIREMENT SYSTEM FOR THE YEAR ENDED JUNE 30,

<table>
<thead>
<tr>
<th>Plan Year Ended</th>
<th>Town's proportion of the net pension liability</th>
<th>Town's proportionate share of the net pension liability</th>
<th>Town's covered payroll</th>
<th>Town's share of the net pension liability as a percentage of its covered payroll</th>
<th>Plan fiduciary net position as a percentage of the total pension liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>0.00419%</td>
<td>$107,883</td>
<td>$61,183</td>
<td>176.3%</td>
<td>70.4%</td>
</tr>
<tr>
<td>2020</td>
<td>0.00328%</td>
<td>108,860</td>
<td>49,589</td>
<td>219.5%</td>
<td>58.8%</td>
</tr>
<tr>
<td>2019</td>
<td>0.00391%</td>
<td>111,936</td>
<td>56,651</td>
<td>197.6%</td>
<td>62.7%</td>
</tr>
<tr>
<td>2018</td>
<td>0.00560%</td>
<td>158,653</td>
<td>77,500</td>
<td>204.7%</td>
<td>61.7%</td>
</tr>
<tr>
<td>2017</td>
<td>0.00530%</td>
<td>145,115</td>
<td>71,327</td>
<td>203.5%</td>
<td>60.9%</td>
</tr>
<tr>
<td>2016</td>
<td>0.00659%</td>
<td>167,078</td>
<td>82,527</td>
<td>202.5%</td>
<td>60.4%</td>
</tr>
<tr>
<td>2015</td>
<td>0.00638%</td>
<td>138,943</td>
<td>70,078</td>
<td>198.3%</td>
<td>64.6%</td>
</tr>
<tr>
<td>2014</td>
<td>0.00668%</td>
<td>127,845</td>
<td>77,187</td>
<td>165.6%</td>
<td>67.6%</td>
</tr>
<tr>
<td>2013</td>
<td>0.00668%</td>
<td>138,433</td>
<td>41,113</td>
<td>336.7%</td>
<td>63.0%</td>
</tr>
</tbody>
</table>

Notes to Schedule:

The above schedule will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedule is disclosed in Note 10 to the financial statements.
TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30,

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>Actuarially required contribution</th>
<th>Contributions in relation to the actuarially determined contribution</th>
<th>Contribution deficiency (excess)</th>
<th>Town's covered payroll</th>
<th>Contributions as a percentage of covered payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$15,051</td>
<td>$15,051</td>
<td>$0</td>
<td>$78,945</td>
<td>19.07%</td>
</tr>
<tr>
<td>2021</td>
<td>11,160</td>
<td>11,160</td>
<td>-</td>
<td>61,183</td>
<td>18.24%</td>
</tr>
<tr>
<td>2020</td>
<td>9,045</td>
<td>9,045</td>
<td>-</td>
<td>49,589</td>
<td>18.24%</td>
</tr>
<tr>
<td>2019</td>
<td>8,904</td>
<td>8,904</td>
<td>-</td>
<td>56,651</td>
<td>15.72%</td>
</tr>
<tr>
<td>2018</td>
<td>12,586</td>
<td>12,586</td>
<td>-</td>
<td>77,500</td>
<td>16.24%</td>
</tr>
<tr>
<td>2017</td>
<td>10,157</td>
<td>10,157</td>
<td>-</td>
<td>71,327</td>
<td>14.24%</td>
</tr>
<tr>
<td>2016</td>
<td>11,339</td>
<td>11,339</td>
<td>-</td>
<td>82,527</td>
<td>13.74%</td>
</tr>
<tr>
<td>2015</td>
<td>9,397</td>
<td>9,397</td>
<td>-</td>
<td>70,078</td>
<td>13.41%</td>
</tr>
<tr>
<td>2014</td>
<td>10,314</td>
<td>10,314</td>
<td>-</td>
<td>77,187</td>
<td>13.36%</td>
</tr>
</tbody>
</table>

Notes to Schedule:

Only nine years of data were available; thus, only nine years were presented.
## TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED JUNE 30,**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total OPEB Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$21,158</td>
<td>$20,569</td>
<td>$16,783</td>
<td>$15,401</td>
<td>$11,726</td>
</tr>
<tr>
<td>Interest</td>
<td>6,665</td>
<td>6,523</td>
<td>10,350</td>
<td>10,635</td>
<td>7,413</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>(13,050)</td>
<td>-</td>
<td>(36,045)</td>
<td>-</td>
<td>64,946</td>
</tr>
<tr>
<td>Change of assumptions</td>
<td>(28,082)</td>
<td>1,149</td>
<td>22,707</td>
<td>8,678</td>
<td>(8,579)</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(7,816)</td>
<td>(8,694)</td>
<td>(8,725)</td>
<td>(9,286)</td>
<td>(9,614)</td>
</tr>
<tr>
<td>Implicit rate subsidy fulfillment</td>
<td>(8,301)</td>
<td>(4,967)</td>
<td>(6,233)</td>
<td>(3,407)</td>
<td>(2,650)</td>
</tr>
<tr>
<td>Net Changes in Total OPEB Liability</td>
<td>(29,426)</td>
<td>14,580</td>
<td>(1,163)</td>
<td>22,021</td>
<td>63,242</td>
</tr>
<tr>
<td>Total OPEB Liability - Beginning of Year</td>
<td>316,559</td>
<td>301,979</td>
<td>303,142</td>
<td>281,121</td>
<td>217,879</td>
</tr>
<tr>
<td>Total OPEB Liability - End of Year</td>
<td>$287,133</td>
<td>$316,559</td>
<td>$301,979</td>
<td>$303,142</td>
<td>$281,121</td>
</tr>
<tr>
<td>Covered-Employee Payroll</td>
<td>$1,457,259</td>
<td>$1,239,635</td>
<td>$1,239,635</td>
<td>$1,087,930</td>
<td>$1,087,930</td>
</tr>
<tr>
<td>Total OPEB Liability as a Percentage of Covered-Employee Payroll</td>
<td>19.70%</td>
<td>25.54%</td>
<td>24.36%</td>
<td>27.86%</td>
<td>25.84%</td>
</tr>
</tbody>
</table>

### Notes to Schedule:

The above schedule will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedule is disclosed in Note 10 to the financial statements.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.
OTHER SUPPLEMENTARY INFORMATION
### Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building permits</td>
<td>$2,206,404</td>
<td>$1,559,967</td>
<td>$(646,437)</td>
</tr>
<tr>
<td>Business licenses</td>
<td>3,958,450</td>
<td>3,386,599</td>
<td>(571,851)</td>
</tr>
<tr>
<td>Franchise fee revenue</td>
<td>916,492</td>
<td>964,496</td>
<td>48,004</td>
</tr>
<tr>
<td>Local option sales tax</td>
<td>894,993</td>
<td>760,172</td>
<td>(134,821)</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>25,784</td>
<td>41,309</td>
<td>15,525</td>
</tr>
<tr>
<td>Interest</td>
<td>24,189</td>
<td>15,635</td>
<td>(8,554)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>71,065</td>
<td>51,357</td>
<td>(19,708)</td>
</tr>
<tr>
<td>Environmental service fee</td>
<td>631,445</td>
<td>596,087</td>
<td>(35,358)</td>
</tr>
<tr>
<td>Accommodations tax</td>
<td>195,522</td>
<td>210,084</td>
<td>14,562</td>
</tr>
<tr>
<td>Federal revenue</td>
<td>440,343</td>
<td>-</td>
<td>(440,343)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$9,364,687</td>
<td>$7,585,706</td>
<td>$(1,778,981)</td>
</tr>
</tbody>
</table>

### Expenditures

**Current:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>5,249,142</td>
<td>4,785,046</td>
<td>464,096</td>
</tr>
<tr>
<td>Judicial</td>
<td>21,213</td>
<td>20,797</td>
<td>416</td>
</tr>
<tr>
<td>Public safety</td>
<td>596,010</td>
<td>430,561</td>
<td>165,449</td>
</tr>
<tr>
<td>Tourism and recreation</td>
<td>303,845</td>
<td>54,105</td>
<td>249,740</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>785,224</td>
<td>883,094</td>
<td>(97,870)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>$6,955,434</td>
<td>$6,173,603</td>
<td>781,831</td>
</tr>
</tbody>
</table>

Excess of revenues over expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Excess of revenues over expenditures</strong></td>
<td>$2,409,253</td>
<td>$1,412,103</td>
<td>$(997,150)</td>
</tr>
</tbody>
</table>
### TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

**STATE ACCOMMODATIONS TAX FUND**  
**COMPARATIVE SCHEDULES OF REVENUES AND EXPENDITURES**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$2,971</td>
<td>$1,954</td>
<td>$(1,017)</td>
</tr>
<tr>
<td>Accommodations tax</td>
<td>2,977,740</td>
<td>2,592,567</td>
<td>(385,173)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>2,980,711</td>
<td>2,594,521</td>
<td>(386,190)</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising/promotional</td>
<td>1,749,455</td>
<td>1,478,487</td>
<td>270,968</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>1,749,455</td>
<td>1,478,487</td>
<td>270,968</td>
</tr>
<tr>
<td><strong>Excess of revenues over expenditures</strong></td>
<td>$1,231,256</td>
<td>$1,116,034</td>
<td>$(115,222)</td>
</tr>
</tbody>
</table>

## TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

COUNTY ACCOMMODATIONS TAX FUND
COMPARATIVE SCHEDULES OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$ 5,941</td>
<td>$ 3,909</td>
<td>$(2,032)</td>
</tr>
<tr>
<td>Accommodations tax</td>
<td>609,937</td>
<td>484,000</td>
<td>(125,937)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>615,878</td>
<td>487,909</td>
<td>(127,969)</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising/promotional</td>
<td>690,746</td>
<td>522,232</td>
<td>168,514</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>690,746</td>
<td>522,232</td>
<td>168,514</td>
</tr>
<tr>
<td>Deficiency of revenues under expenditures</td>
<td>$(74,868)</td>
<td>$(34,323)</td>
<td>$40,545</td>
</tr>
</tbody>
</table>
**TOWN OF KIAWAH ISLAND, SOUTH CAROLINA**

**LOCAL ACCOMMODATIONS TAX FUND**

**COMPARATIVE SCHEDULES OF REVENUES AND EXPENDITURES**

**FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$11,880</td>
<td>$7,817</td>
<td>$(4,063)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>10,100</td>
<td>-</td>
<td>$(10,100)</td>
</tr>
<tr>
<td>Accommodations tax</td>
<td>1,519,444</td>
<td>1,384,691</td>
<td>$(134,753)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,541,424</td>
<td>1,392,508</td>
<td>$(148,916)</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising/promotional</td>
<td>52,663</td>
<td>52,342</td>
<td>321</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>52,663</td>
<td>52,342</td>
<td>321</td>
</tr>
<tr>
<td><strong>Excess of revenues over expenditures</strong></td>
<td>$1,488,761</td>
<td>$1,340,166</td>
<td>$(148,595)</td>
</tr>
</tbody>
</table>

**TOWN OF KIAWAH ISLAND, SOUTH CAROLINA**

**LOCAL ACCOMMODATIONS TAX FUND**

**COMPARATIVE SCHEDULES OF REVENUES AND EXPENDITURES**

**FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$11,880</td>
<td>$7,817</td>
<td>$(4,063)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>10,100</td>
<td>-</td>
<td>$(10,100)</td>
</tr>
<tr>
<td>Accommodations tax</td>
<td>1,519,444</td>
<td>1,384,691</td>
<td>$(134,753)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,541,424</td>
<td>1,392,508</td>
<td>$(148,916)</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising/promotional</td>
<td>52,663</td>
<td>52,342</td>
<td>321</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>52,663</td>
<td>52,342</td>
<td>321</td>
</tr>
<tr>
<td><strong>Excess of revenues over expenditures</strong></td>
<td>$1,488,761</td>
<td>$1,340,166</td>
<td>$(148,595)</td>
</tr>
</tbody>
</table>

**TOWN OF KIAWAH ISLAND, SOUTH CAROLINA**

**LOCAL ACCOMMODATIONS TAX FUND**

**COMPARATIVE SCHEDULES OF REVENUES AND EXPENDITURES**

**FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$11,880</td>
<td>$7,817</td>
<td>$(4,063)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>10,100</td>
<td>-</td>
<td>$(10,100)</td>
</tr>
<tr>
<td>Accommodations tax</td>
<td>1,519,444</td>
<td>1,384,691</td>
<td>$(134,753)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,541,424</td>
<td>1,392,508</td>
<td>$(148,916)</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising/promotional</td>
<td>52,663</td>
<td>52,342</td>
<td>321</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>52,663</td>
<td>52,342</td>
<td>321</td>
</tr>
<tr>
<td><strong>Excess of revenues over expenditures</strong></td>
<td>$1,488,761</td>
<td>$1,340,166</td>
<td>$(148,595)</td>
</tr>
</tbody>
</table>
# TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

BEVERAGE PERMITS FUND
COMPARATIVE SCHEDULES OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

<table>
<thead>
<tr>
<th>Revenues</th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beverage permits revenue</td>
<td>$27,900</td>
<td>$35,700</td>
<td>$7,800</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$27,900</td>
<td>$35,700</td>
<td>$7,800</td>
</tr>
</tbody>
</table>
## TOWN OF KIAWAH ISLAND, SOUTH CAROLINA
### HOSPITALITY TAX FUND
#### COMPARATIVE SCHEDULES OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$8,910</td>
<td>$5,863</td>
<td>$(3,047)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>21</td>
<td>-</td>
<td>(21)</td>
</tr>
<tr>
<td>Hospitality tax</td>
<td>898,462</td>
<td>667,602</td>
<td>$(230,860)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>907,393</td>
<td>673,465</td>
<td>$(233,928)</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising/promotional</td>
<td>249,707</td>
<td>192,210</td>
<td>57,497</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>249,707</td>
<td>192,210</td>
<td>57,497</td>
</tr>
<tr>
<td><strong>Excess of revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>over expenditures</td>
<td>$657,686</td>
<td>$481,255</td>
<td>$(176,431)</td>
</tr>
</tbody>
</table>
## Victim's Assistance Fund

### Comparative Schedules of Revenues and Expenditures

For the Fiscal Years Ended June 30, 2022 and 2021

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>$ 7,951</td>
<td>$ 11,170</td>
<td>$ 3,219</td>
</tr>
<tr>
<td>Total revenues</td>
<td>7,951</td>
<td>11,170</td>
<td>3,219</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Judicial</td>
<td>7,925</td>
<td>11,170</td>
<td>(3,245)</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>7,925</td>
<td>11,170</td>
<td>(3,245)</td>
</tr>
<tr>
<td><strong>Excess of revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>over expenditures</td>
<td>$ 26</td>
<td>$ -</td>
<td>$(26)</td>
</tr>
<tr>
<td></td>
<td>2022</td>
<td>2021</td>
<td>Variance</td>
</tr>
<tr>
<td>------------------------</td>
<td>--------</td>
<td>--------</td>
<td>----------</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$5,940</td>
<td>$3,909</td>
<td>$(2,031)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>5,940</td>
<td>3,909</td>
<td>(2,031)</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td></td>
<td>2,001,000</td>
<td>(2,001,000)</td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td>19,181</td>
<td>(19,181)</td>
</tr>
<tr>
<td>Total expenditures</td>
<td></td>
<td>2,020,181</td>
<td>(2,020,181)</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenues over (under) expenditures</strong></td>
<td>$5,940</td>
<td>$(2,016,272)</td>
<td>$(2,022,212)</td>
</tr>
</tbody>
</table>
**TOWN OF KIAWAH ISLAND, SOUTH CAROLINA**

**CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th></th>
<th></th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Actual</td>
<td></td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$ 5,000</td>
<td>$ 5,000</td>
<td>$ 5,940</td>
<td>$ 940</td>
</tr>
<tr>
<td>Total revenues</td>
<td>5,000</td>
<td>5,000</td>
<td>5,940</td>
<td>940</td>
</tr>
<tr>
<td><strong>Other Financing Sources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>675,310</td>
<td>675,310</td>
<td>934,001</td>
<td>258,691</td>
</tr>
<tr>
<td>Total other financing sources</td>
<td>675,310</td>
<td>675,310</td>
<td>934,001</td>
<td>258,691</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>680,310</td>
<td>680,310</td>
<td>939,941</td>
<td>259,631</td>
</tr>
<tr>
<td><strong>Fund balances, beginning of year</strong></td>
<td>5,782,211</td>
<td>5,782,211</td>
<td>5,782,211</td>
<td></td>
</tr>
<tr>
<td><strong>Fund balances, end of year</strong></td>
<td>$ 6,462,521</td>
<td>$ 6,462,521</td>
<td>$ 6,722,152</td>
<td>$ 259,631</td>
</tr>
</tbody>
</table>
## TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

### UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (PER ACT 96)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

---

**FOR THE STATE TREASURER’S OFFICE:**

<table>
<thead>
<tr>
<th>COUNTY/MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT</th>
<th>General Sessions</th>
<th>Magistrate Court</th>
<th>Municipal Court</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Court Fines and Assessments:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Court fines and assessments collected</td>
<td>N/A</td>
<td>N/A</td>
<td>$64,030</td>
<td>$64,030</td>
</tr>
<tr>
<td>Court fines and assessments remitted to State Treasurer</td>
<td>N/A</td>
<td>N/A</td>
<td>(38,271)</td>
<td>(38,271)</td>
</tr>
<tr>
<td><strong>Total Court Fines and Assessments retained</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>$25,759</td>
<td>$25,759</td>
</tr>
<tr>
<td><strong>Surcharges and Assessments retained for victim services:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surcharges collected and retained</td>
<td>N/A</td>
<td>N/A</td>
<td>$4,878</td>
<td>$4,878</td>
</tr>
<tr>
<td>Assessments retained</td>
<td>N/A</td>
<td>N/A</td>
<td>3,073</td>
<td>3,073</td>
</tr>
<tr>
<td><strong>Total Surcharges and Assessments retained for victim services</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>$7,951</td>
<td>$7,951</td>
</tr>
</tbody>
</table>
# Uniform Schedule of Court Fines, Assessments and Surcharges (Per Act 96)

## Municipal

<table>
<thead>
<tr>
<th></th>
<th>Municipal</th>
<th>County</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>$21,150</td>
<td>N/A</td>
<td>$21,150</td>
</tr>
<tr>
<td>Victim Service Fines Retained by City/County Treasurer</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Victim Service Assessments Retained by City/County Treasurer</td>
<td>3,073</td>
<td>N/A</td>
<td>3,073</td>
</tr>
<tr>
<td>Victim Service Surcharges Retained by City/County Treasurer</td>
<td>4,878</td>
<td>N/A</td>
<td>4,878</td>
</tr>
<tr>
<td>Interest Earned</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
</tbody>
</table>

## Victim Service Funds Collected

### Carryforward from Previous Year – Beginning Balance

<table>
<thead>
<tr>
<th></th>
<th>Municipal</th>
<th>County</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carryforward from Previous Year – Beginning Balance</td>
<td>$21,150</td>
<td>N/A</td>
<td>$21,150</td>
</tr>
</tbody>
</table>

## Victim Service Revenue:

### Victim Service Fines Retained by City/County Treasurer

<table>
<thead>
<tr>
<th></th>
<th>Municipal</th>
<th>County</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victim Service Fines Retained by City/County Treasurer</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
</tbody>
</table>

### Victim Service Assessments Retained by City/County Treasurer

<table>
<thead>
<tr>
<th></th>
<th>Municipal</th>
<th>County</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victim Service Assessments Retained by City/County Treasurer</td>
<td>3,073</td>
<td>N/A</td>
<td>3,073</td>
</tr>
</tbody>
</table>

### Victim Service Surcharges Retained by City/County Treasurer

<table>
<thead>
<tr>
<th></th>
<th>Municipal</th>
<th>County</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victim Service Surcharges Retained by City/County Treasurer</td>
<td>4,878</td>
<td>N/A</td>
<td>4,878</td>
</tr>
</tbody>
</table>

### Interest Earned

<table>
<thead>
<tr>
<th></th>
<th>Municipal</th>
<th>County</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Earned</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
</tbody>
</table>

## Grant Funds Received

### General Funds Transferred to Victim Service Fund

<table>
<thead>
<tr>
<th></th>
<th>Municipal</th>
<th>County</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds Transferred to Victim Service Fund</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
</tbody>
</table>

## Contribution Received from Victim Service Contracts:

### Contribution Received from Victim Service Contracts:

<table>
<thead>
<tr>
<th></th>
<th>Municipal</th>
<th>County</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Town of</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>(2) Town of</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>(3) City of</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
</tbody>
</table>

### Total Funds Allocated to Victim Service Fund + Beginning Balance (A)

<table>
<thead>
<tr>
<th></th>
<th>Municipal</th>
<th>County</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</td>
<td>$29,101</td>
<td>N/A</td>
<td>$29,101</td>
</tr>
</tbody>
</table>

---

Developed by the Office of the Attorney General, Department of Crime Victim Compensation
### Expenditures for Victim Service Program:

<table>
<thead>
<tr>
<th>Category</th>
<th>Municipal</th>
<th>County</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>$</td>
<td>N/A</td>
<td>$</td>
</tr>
<tr>
<td>Operating Expenditures</td>
<td>-</td>
<td>N/A</td>
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</table>

#### Victim Service Contract(s):

<table>
<thead>
<tr>
<th>Contract</th>
<th>Municipal</th>
<th>County</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) S.C. Ninth Circuit Judicial Services</td>
<td>7,925</td>
<td>N/A</td>
<td>7,925</td>
</tr>
<tr>
<td>(2) Entity's Name</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
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</tbody>
</table>

#### Victim Service Donation(s):

<table>
<thead>
<tr>
<th>Donation</th>
<th>Municipal</th>
<th>County</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Domestic Violence Shelter:</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>(2) Rape Crisis Center:</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>(3) Other local direct crime victims service agency:</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
</tbody>
</table>

Transferred to General Fund: - N/A -

Total Expenditures from Victim Service Fund/Program (B): $ 7,925 N/A $ 7,925

Total Victim Service Funds Retained by Municipal/County Treasurer (A-B): $ 21,176 N/A $ 21,176

**Less:** Prior Year Fund Deficit Repayment

Carryforward Funds – End of Year: $ 21,176 N/A $ 21,176

---

Developed by the Office of the Attorney General, Department of Crime Victim Compensation
STATISTICAL SECTION
The financial trends information section of the Annual Comprehensive Financial Report for the year ended June 30, 2022 for the Town of Kiawah Island, South Carolina is comprised of four schedules. The schedules are:

- **Net Position by Component** – This schedule shows the breakdown by Net Investment in Capital Assets, Restricted and Unrestricted for net position classified by governmental and business-type activities. These numbers are compared to previous years.

- **Changes in Net Position** – This schedule presents the expenses and revenues classified by function or type culminating into the change in net position. These numbers are compared to previous years.

- **Fund Balances, Governmental Funds** – This schedule shows the General Fund and other governmental fund balances broken down by classification (non-spendable, restricted, committed, assigned and unassigned). These numbers are compared to previous years.

- **Changes in Fund Balances, Governmental Funds** – This schedule breaks the revenue down by type and shows the expenses by function. It also shows transfers. The schedule results in showing the change in fund balance. These numbers are compared to previous years.
## TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

### FINANCIAL TRENDS INFORMATION

**NET POSITION BY COMPONENT – LAST TEN FISCAL YEARS**

**SCHEDULE 1**

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</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities</strong></td>
<td></td>
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<td></td>
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<tr>
<td>Restricted</td>
<td>6,396,616</td>
<td>7,432,918</td>
<td>7,988,779</td>
<td>9,046,099</td>
<td>8,138,456</td>
<td>8,491,565</td>
<td>6,574,713</td>
<td>3,880,535</td>
<td>4,321,491</td>
<td>5,349,279</td>
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</table>

(Prepared using the accrual basis of accounting)
## TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

### FINANCIAL TRENDS INFORMATION

#### CHANGES IN NET POSITION – LAST TEN FISCAL YEARS

##### SCHEDULE 2

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<tbody>
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<td><strong>Expenses</strong></td>
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<tr>
<td>Government activities:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>General government - (3)</td>
<td>$2,052,957</td>
<td>$2,685,958</td>
<td>$3,289,126</td>
<td>$3,376,047</td>
<td>$5,498,034</td>
<td>$4,485,727</td>
<td>$4,669,754</td>
<td>$5,835,726</td>
<td>$5,246,741</td>
<td>$5,400,345</td>
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<td>Judicial</td>
<td>5,919</td>
<td>2,947</td>
<td>926</td>
<td>2,023</td>
<td>23,831</td>
<td>39,539</td>
<td>30,768</td>
<td>26,606</td>
<td>33,351</td>
<td>27,832</td>
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<td>Public safety</td>
<td>83,124</td>
<td>123,575</td>
<td>192,325</td>
<td>747,401</td>
<td>693,444</td>
<td>774,770</td>
<td>555,211</td>
<td>492,322</td>
<td>475,604</td>
<td>556,749</td>
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<td>Environmental services - (3)</td>
<td>847,442</td>
<td>763,297</td>
<td>920,868</td>
<td>820,353</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tourism and recreation</td>
<td>2,278,884</td>
<td>2,067,716</td>
<td>3,085,648</td>
<td>2,386,979</td>
<td>2,277,351</td>
<td>2,413,088</td>
<td>2,388,329</td>
<td>2,171,250</td>
<td>2,533,631</td>
<td>3,300,709</td>
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<td>Interest and other charges</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>51,032</td>
<td>36,872</td>
<td>32,539</td>
<td>29,045</td>
<td>11,361</td>
<td>-</td>
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<td>Total governmental activities expenses</td>
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<td>5,643,493</td>
<td>7,488,893</td>
<td>7,332,803</td>
<td>8,543,692</td>
<td>7,419,996</td>
<td>7,676,601</td>
<td>8,554,949</td>
<td>8,300,688</td>
<td>9,285,635</td>
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<td><strong>Program Revenues</strong></td>
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<tr>
<td>Government activities:</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Charges for services:</td>
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<tr>
<td>General government - (3)</td>
<td>1,790,186</td>
<td>2,810,519</td>
<td>3,117,157</td>
<td>3,173,464</td>
<td>3,899,157</td>
<td>4,196,703</td>
<td>4,381,154</td>
<td>4,225,273</td>
<td>5,578,353</td>
<td>6,824,199</td>
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<td>Judicial</td>
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<td>14,126</td>
<td>35,206</td>
<td>10,914</td>
<td>17,595</td>
<td>90,043</td>
<td>37,375</td>
<td>24,625</td>
<td>52,479</td>
<td>33,735</td>
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<td>Environmental services - (3)</td>
<td>333,543</td>
<td>321,686</td>
<td>272,611</td>
<td>357,877</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Tourism and recreation - (1)</td>
<td>2,387,382</td>
<td>2,499,681</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Operating grants and contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>119,541</td>
<td>42,072</td>
<td>102,440</td>
<td>179,872</td>
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<td>Total governmental activities revenues</td>
<td>4,528,537</td>
<td>5,646,012</td>
<td>3,424,974</td>
<td>3,542,255</td>
<td>4,036,293</td>
<td>4,328,818</td>
<td>4,520,969</td>
<td>4,429,770</td>
<td>5,630,832</td>
<td>7,298,277</td>
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<tr>
<td><strong>Net (Expense)/Revenue</strong></td>
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<td></td>
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<tr>
<td>Government activities</td>
<td>(739,789)</td>
<td>2,519</td>
<td>(4,063,919)</td>
<td>(3,790,548)</td>
<td>(4,507,399)</td>
<td>(3,421,178)</td>
<td>(3,155,632)</td>
<td>(4,125,179)</td>
<td>(2,669,856)</td>
<td>(1,987,358)</td>
</tr>
</tbody>
</table>

(Continued)

(Prepared using the accrual basis of accounting)
### TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

**FINANCIAL TRENDS INFORMATION**  
**CHANGES IN NET POSITION – LAST TEN FISCAL YEARS**  
**SCHEDULE 2**

#### Fiscal Year

<table>
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<tr>
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<tbody>
<tr>
<td><strong>General Revenue and Other Changes in Net Position</strong></td>
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</tr>
<tr>
<td><strong>Government activities</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC aid to subdivisions</td>
<td>$35,079</td>
<td>$36,915</td>
<td>$35,590</td>
<td>$35,590</td>
<td>$37,235</td>
<td>$36,724</td>
<td>$37,177</td>
<td>$38,551</td>
<td>$39,290</td>
<td>$33,810</td>
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<tr>
<td>Franchise fee revenue</td>
<td>544,695</td>
<td>540,321</td>
<td>662,823</td>
<td>747,873</td>
<td>755,815</td>
<td>793,197</td>
<td>857,732</td>
<td>867,100</td>
<td>964,496</td>
<td>916,492</td>
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<td>Local options sales tax</td>
<td>362,654</td>
<td>357,575</td>
<td>430,527</td>
<td>501,770</td>
<td>530,338</td>
<td>548,248</td>
<td>585,738</td>
<td>548,356</td>
<td>760,172</td>
<td>894,993</td>
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<tr>
<td>Interest - (2)</td>
<td>(220,047)</td>
<td>322,279</td>
<td>278,872</td>
<td>163,965</td>
<td>45,952</td>
<td>210,255</td>
<td>432,733</td>
<td>361,789</td>
<td>39,087</td>
<td>59,831</td>
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<tr>
<td>Accommodations tax - (1)</td>
<td>-</td>
<td>-</td>
<td>2,724,872</td>
<td>2,929,710</td>
<td>3,229,911</td>
<td>3,008,349</td>
<td>3,180,810</td>
<td>2,659,808</td>
<td>4,668,972</td>
<td>5,299,406</td>
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<tr>
<td>Lease revenue</td>
<td>-</td>
<td>-</td>
<td>72,600</td>
<td>72,600</td>
<td>21,858</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Beverage permits - (1)</td>
<td>-</td>
<td>-</td>
<td>30,000</td>
<td>36,000</td>
<td>42,000</td>
<td>42,100</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Contributions and grants</td>
<td>3,535</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>40,762</td>
<td>8,179</td>
<td>197,555</td>
<td>132,801</td>
<td>26,310</td>
<td>119,586</td>
<td>148,313</td>
<td>109,044</td>
<td>12,067</td>
<td>47,376</td>
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<tr>
<td>Infrastructure contribution</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Gain on sale of assets</td>
<td>11,000</td>
<td>-</td>
<td>-</td>
<td>11,000</td>
<td>-</td>
<td>-</td>
<td>14,410</td>
<td>20,000</td>
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<tr>
<td>Transfers</td>
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<td>-</td>
<td>-</td>
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</tr>
<tr>
<td><strong>Total governmental activities</strong></td>
<td>$1,086,496</td>
<td>$1,643,135</td>
<td>$4,906,706</td>
<td>$5,121,697</td>
<td>$5,208,051</td>
<td>$5,318,641</td>
<td>$5,073,055</td>
<td>$7,151,686</td>
<td>$8,150,370</td>
<td>$8,150,370</td>
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#### Change in Net Position

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</thead>
<tbody>
<tr>
<td><strong>Governmental activities</strong></td>
<td>$1,089,015</td>
<td>$1,116,158</td>
<td>$614,298</td>
<td>$1,786,873</td>
<td>$2,163,009</td>
<td>$2,678,165</td>
<td>$947,876</td>
<td>$4,481,830</td>
<td>$6,163,012</td>
<td></td>
</tr>
</tbody>
</table>

#### Notes:

1. (1) - Prior to 2015, accommodations tax and beverage permits revenues were included in program revenues for the tourism and recreation function in the statistical schedule.
2. (2) - Interest shown on this schedule has been adjusted to include "Mark to market valuation" shown in prior years.
3. (3) - The Environmental Services function has been combined with the General Government function beginning in the year ended June 30, 2017, including the charges for services.
## General Fund

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>Nonspendable for Prepaid Items</td>
<td>$55,062</td>
<td>$130,041</td>
<td>$958</td>
<td>$49,147</td>
<td>$107,538</td>
<td>$114,752</td>
<td>$72,059</td>
<td>$86,830</td>
<td>$169,038</td>
<td>$249,705</td>
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<td>Restricted for Tourism Related Capital Improvements - (1)</td>
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<td>777,645</td>
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<tr>
<td>Assigned for Budget Carryovers for Future Years' Expenditures</td>
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<td>-</td>
<td>-</td>
<td>602,653</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Assigned for Future Years' Expenditures</td>
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<td>-</td>
<td>-</td>
<td>1,742,296</td>
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<td>Unassigned</td>
<td>9,078,755</td>
<td>9,855,854</td>
<td>8,477,442</td>
<td>5,357,910</td>
<td>6,805,230</td>
<td>7,923,320</td>
<td>10,348,426</td>
<td>11,650,708</td>
<td>12,587,381</td>
<td>16,284,939</td>
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<tr>
<td>Total General Fund</td>
<td>9,133,817</td>
<td>9,985,895</td>
<td>9,256,045</td>
<td>7,752,006</td>
<td>6,912,768</td>
<td>8,038,072</td>
<td>10,420,485</td>
<td>11,737,538</td>
<td>12,756,419</td>
<td>16,534,644</td>
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</tbody>
</table>

## All Other Governmental Funds

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Victims' Assistance</td>
<td>15,317</td>
<td>16,055</td>
<td>21,901</td>
<td>22,617</td>
<td>21,150</td>
<td>21,150</td>
<td>21,150</td>
<td>21,150</td>
<td>21,150</td>
<td>21,176</td>
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<tr>
<td>Tourism Related Capital Improvements - (1)</td>
<td>-</td>
<td>344,698</td>
<td>-</td>
<td>1,222,645</td>
<td>-</td>
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</tr>
<tr>
<td>Tourism Related Expenditures</td>
<td>6,381,299</td>
<td>7,072,165</td>
<td>7,189,233</td>
<td>7,800,837</td>
<td>8,117,306</td>
<td>8,470,415</td>
<td>6,553,563</td>
<td>3,859,385</td>
<td>4,300,341</td>
<td>5,328,103</td>
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<tr>
<td>Committed for:</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Improvements</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>1,572,645</td>
<td>1,852,420</td>
<td>4,279,132</td>
<td>4,907,385</td>
<td>5,782,211</td>
<td>6,722,152</td>
</tr>
<tr>
<td>Total all governmental funds</td>
<td>6,396,616</td>
<td>7,432,918</td>
<td>7,211,134</td>
<td>9,046,099</td>
<td>9,711,101</td>
<td>10,343,965</td>
<td>10,653,545</td>
<td>8,767,920</td>
<td>10,103,702</td>
<td>12,071,431</td>
</tr>
</tbody>
</table>

## Notes:

(1) - Prior to 2015, the fund balance in the General Fund restricted for tourism related capital improvements was included with all other governmental funds. In 2016, the Capital Projects Fund was reported separately from the General Fund for the first time.

(Prepared using the modified accrual basis of accounting)
## TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

### FINANCIAL TRENDS INFORMATION

#### CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS

#### SCHEDULE 4

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>5,604,033</td>
<td>7,289,147</td>
<td>8,270,335</td>
<td>8,640,605</td>
<td>9,271,054</td>
<td>9,568,195</td>
<td>10,324,097</td>
<td>9,486,025</td>
<td>12,784,888</td>
<td>15,451,884</td>
</tr>
<tr>
<td>Judicial</td>
<td>5,919</td>
<td>2,947</td>
<td>926</td>
<td>2,023</td>
<td>23,831</td>
<td>39,304</td>
<td>28,781</td>
<td>25,197</td>
<td>31,967</td>
<td>29,138</td>
</tr>
<tr>
<td>Public safety</td>
<td>83,124</td>
<td>123,575</td>
<td>192,416</td>
<td>732,014</td>
<td>665,838</td>
<td>665,533</td>
<td>505,544</td>
<td>458,489</td>
<td>430,561</td>
<td>596,010</td>
</tr>
<tr>
<td>Environmental service -</td>
<td>847,442</td>
<td>763,297</td>
<td>920,868</td>
<td>820,353</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tourism and recreation</td>
<td>2,015,003</td>
<td>1,605,285</td>
<td>2,838,110</td>
<td>2,104,111</td>
<td>2,043,326</td>
<td>2,177,990</td>
<td>2,154,785</td>
<td>1,943,047</td>
<td>2,299,376</td>
<td>3,046,416</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>174,984</td>
<td>163,501</td>
<td>2,163,279</td>
<td>1,516,457</td>
<td>7,052,056</td>
<td>717,145</td>
<td>365,703</td>
<td>2,045,185</td>
<td>883,094</td>
<td>785,224</td>
</tr>
<tr>
<td>Principal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest and other fiscal charges</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>5,040,474</td>
<td>5,400,767</td>
<td>9,221,969</td>
<td>8,320,679</td>
<td>14,027,113</td>
<td>7,810,046</td>
<td>7,446,234</td>
<td>10,254,897</td>
<td>10,450,225</td>
<td>9,705,930</td>
</tr>
<tr>
<td>Excess of revenues over (under) expenditures</td>
<td>563,559</td>
<td>1,888,380</td>
<td>(951,634)</td>
<td>319,926</td>
<td>(4,756,059)</td>
<td>1,758,149</td>
<td>2,877,863</td>
<td>(768,872)</td>
<td>2,334,663</td>
<td>5,745,954</td>
</tr>
<tr>
<td>Bonds issued</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,000,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from sale of assets</td>
<td>11,000</td>
<td>-</td>
<td>-</td>
<td>11,000</td>
<td>1,581,823</td>
<td>39</td>
<td>14,410</td>
<td>20,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>587,000</td>
<td>2,494,500</td>
<td>3,839,497</td>
<td>2,306,625</td>
<td>4,586,394</td>
<td>4,887,071</td>
<td>4,670,523</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>$574,559</td>
<td>$1,888,380</td>
<td>$(951,634)</td>
<td>$330,926</td>
<td>$(174,236)</td>
<td>$1,758,188</td>
<td>$2,892,273</td>
<td>$(748,872)</td>
<td>$2,334,663</td>
<td>$5,745,954</td>
</tr>
<tr>
<td>Debt service as a percentage of noncapital expenditures</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
<td>5.21%</td>
<td>5.16%</td>
<td>4.48%</td>
<td>20.71%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

**Notes:**

1. Interest shown on this schedule has been adjusted to include "Mark to market valuation" shown in prior years.
2. The Environmental Services function has been combined with the General Government function beginning in the year ended June 30, 2017.

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The revenue capacity information section of the Annual Comprehensive Financial Report for the year ended June 30, 2022 for the Town of Kiawah Island, South Carolina is comprised of three schedules. The schedules are:

- **Significant Revenue, Governmental Funds** – This schedule shows the breakdown by type revenue in the governmental funds. These numbers are compared to previous years.

- **Significant Revenue, Percent of Business License by Class** – This schedule shows the breakdown of business license revenue, one of the major revenues of the Town, by business class. These numbers are compared to previous years.

- **Significant Revenue, Percent of Accommodations Taxes by Class** – This schedule shows the breakdown of accommodations tax revenue, one of the major revenues of the Town, by rental class. These numbers will be compared to previous years when the data is available.
TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

REVENUE CAPACITY INFORMATION
SIGNIFICANT REVENUE – GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS
SCHEDULE 1

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>General Fund</th>
<th>Special Revenue Funds</th>
<th>Accommodations Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Business License</td>
<td>Local Option Sales Tax</td>
<td>Franchise Fees</td>
</tr>
<tr>
<td>2022</td>
<td>$3,958,450</td>
<td>$894,993</td>
<td>$916,492</td>
</tr>
<tr>
<td>2021</td>
<td>3,386,599</td>
<td>760,172</td>
<td>964,486</td>
</tr>
<tr>
<td>2020</td>
<td>2,695,112</td>
<td>548,356</td>
<td>867,100</td>
</tr>
<tr>
<td>2019</td>
<td>2,535,128</td>
<td>585,738</td>
<td>857,732</td>
</tr>
<tr>
<td>2018</td>
<td>2,502,770</td>
<td>548,248</td>
<td>793,197</td>
</tr>
<tr>
<td>2017</td>
<td>2,290,018</td>
<td>530,338</td>
<td>755,815</td>
</tr>
<tr>
<td>2016</td>
<td>2,183,207</td>
<td>501,770</td>
<td>747,873</td>
</tr>
<tr>
<td>2015</td>
<td>2,048,093</td>
<td>430,527</td>
<td>662,823</td>
</tr>
<tr>
<td>2014</td>
<td>1,920,755</td>
<td>357,575</td>
<td>540,321</td>
</tr>
<tr>
<td>2013</td>
<td>1,657,812</td>
<td>362,654</td>
<td>544,695</td>
</tr>
</tbody>
</table>

| Fiscal Year Ended June 30, | | | |
|----------------------------| | | |
|                            | State | County | Local | Total |
| 2022  | $2,977,740 | $609,937 | $1,519,444 | $5,107,121 |
| 2021  | 2,592,567  | 484,000  | 1,384,691  | 4,461,258  |
| 2020  | 1,342,274  | 354,000  | 851,050  | 2,547,324  |
| 2019  | 1,585,786  | 484,000  | 967,051  | 3,036,837  |
| 2018  | 1,632,897  | 422,000  | 953,452  | 3,008,349  |
| 2017  | 1,664,086  | 477,000  | 1,088,825 | 3,229,911  |
| 2016  | 1,576,964  | 450,622  | 902,124  | 2,929,710  |
| 2015  | 1,410,368  | 439,500  | 875,004  | 2,724,872  |
| 2014  | 1,344,104  | 323,596  | 803,808  | 2,471,508  |
| 2013  | 1,252,129  | 299,411  | 744,940  | 2,296,480  |

(Prepared using the modified accrual basis of accounting)
## TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

### REVENUE CAPACITY INFORMATION

**SIGNIFICANT REVENUE – PERCENT OF BUSINESS LICENSE BY CLASS – LAST TEN FISCAL YEARS**

**SCHEDULE 2**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lessors of Real Estate</td>
<td>25.2%</td>
<td>31.5%</td>
<td>25.1%</td>
<td>29.4%</td>
<td>26.8%</td>
<td>29.1%</td>
<td>31.2%</td>
<td>39.9%</td>
<td>43.7%</td>
<td>43.4%</td>
</tr>
<tr>
<td>Construction</td>
<td>21.7%</td>
<td>20.5%</td>
<td>19.2%</td>
<td>18.1%</td>
<td>18.6%</td>
<td>19.2%</td>
<td>18.3%</td>
<td>12.1%</td>
<td>11.8%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Landscaping</td>
<td>2.9%</td>
<td>3.3%</td>
<td>4.2%</td>
<td>3.9%</td>
<td>3.1%</td>
<td>2.9%</td>
<td>2.7%</td>
<td>3.4%</td>
<td>3.3%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Plumbing/Heating/AC</td>
<td>1.2%</td>
<td>2.0%</td>
<td>1.1%</td>
<td>1.0%</td>
<td>0.9%</td>
<td>1.1%</td>
<td>1.0%</td>
<td>3.3%</td>
<td>4.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Painting</td>
<td>1.2%</td>
<td>1.5%</td>
<td>1.3%</td>
<td>1.1%</td>
<td>1.3%</td>
<td>1.2%</td>
<td>1.5%</td>
<td>4.3%</td>
<td>1.7%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Carpentry</td>
<td>3.6%</td>
<td>3.0%</td>
<td>3.2%</td>
<td>3.1%</td>
<td>3.0%</td>
<td>2.5%</td>
<td>2.1%</td>
<td>2.6%</td>
<td>3.3%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Electrical Contractors</td>
<td>0.8%</td>
<td>1.1%</td>
<td>1.9%</td>
<td>1.9%</td>
<td>2.1%</td>
<td>2.4%</td>
<td>2.2%</td>
<td>2.4%</td>
<td>2.6%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Janitorial Services</td>
<td>0.3%</td>
<td>0.9%</td>
<td>0.7%</td>
<td>0.8%</td>
<td>0.6%</td>
<td>0.5%</td>
<td>0.8%</td>
<td>0.7%</td>
<td>1.8%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Carpet/Upholstery</td>
<td>0.3%</td>
<td>0.4%</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.4%</td>
<td>0.9%</td>
<td>1.1%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Masonry/Stone</td>
<td>0.1%</td>
<td>0.2%</td>
<td>0.5%</td>
<td>0.4%</td>
<td>0.4%</td>
<td>0.7%</td>
<td>0.6%</td>
<td>1.1%</td>
<td>1.6%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Floor Laying</td>
<td>0.4%</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.8%</td>
<td>1.0%</td>
<td>1.9%</td>
<td>1.7%</td>
<td>0.9%</td>
<td>1.1%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Architectural Services</td>
<td>0.9%</td>
<td>0.9%</td>
<td>1.5%</td>
<td>1.8%</td>
<td>2.1%</td>
<td>1.0%</td>
<td>1.2%</td>
<td>1.3%</td>
<td>1.5%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Roofing/Siding</td>
<td>0.7%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.8%</td>
<td>0.9%</td>
<td>1.1%</td>
<td>1.3%</td>
<td>1.3%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Interior Design Services</td>
<td>0.6%</td>
<td>1.6%</td>
<td>1.0%</td>
<td>1.1%</td>
<td>0.9%</td>
<td>0.2%</td>
<td>0.4%</td>
<td>0.7%</td>
<td>0.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Exterminating/Pest Control</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.0%</td>
<td>0.3%</td>
<td>1.2%</td>
<td>1.4%</td>
<td>1.3%</td>
</tr>
<tr>
<td>All other classes</td>
<td>39.9%</td>
<td>31.4%</td>
<td>38.3%</td>
<td>35.4%</td>
<td>37.5%</td>
<td>35.9%</td>
<td>34.5%</td>
<td>23.9%</td>
<td>18.5%</td>
<td>24.3%</td>
</tr>
</tbody>
</table>

| Fiscal Year                       | 100.0%| 100.0%| 100.0%| 100.0%| 100.0%| 100.0%| 100.0%| 100.0%| 100.0%| 100.0%|

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### Class License Description

<table>
<thead>
<tr>
<th>Class License Description</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotels</td>
<td>38%</td>
<td>40%</td>
<td>36%</td>
<td>42.0%</td>
<td>36.0%</td>
<td>22.0%</td>
<td>28.0%</td>
</tr>
<tr>
<td>Real Estate/Rental Management Companies</td>
<td>41%</td>
<td>45%</td>
<td>51%</td>
<td>55.0%</td>
<td>60.0%</td>
<td>75.0%</td>
<td>70.0%</td>
</tr>
<tr>
<td>Homes/Villas</td>
<td>21%</td>
<td>15%</td>
<td>13%</td>
<td>3.0%</td>
<td>4.0%</td>
<td>3.0%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

| 100%                                      | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
The debt capacity information section of the Annual Comprehensive Financial Report for the year ended June 30, 2022 for the Town of Kiawah Island, South Carolina is comprised of three schedules. The schedules are:

- **Ratios of Outstanding Debt by Type** – This schedule shows the net outstanding debt by debt instrument as well as the debt as a percentage of personal income and per capita.

- **Ratios of General Bonded Debt Outstanding** – This schedule shows the net outstanding general obligation debt as a percentage of estimated actual taxable value of property and per capita.

- **Legal Debt Margin Information** – This schedule details the net debt applicable to the legal debt limit per Article 8, Section 7 of the South Carolina Constitution of 1895.
### TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

#### DEBT CAPACITY INFORMATION

**RATIO OF OUTSTANDING DEBT BY TYPE**

**SCHEDULE 1**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Obligation Bonds</th>
<th>Total Primary Government</th>
<th>Percentage of Personal Income&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Per Capita&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$ -</td>
<td>$ -</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2021</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2020</td>
<td>2,001,000</td>
<td>2,001,000</td>
<td>1.2%</td>
<td>1,312</td>
</tr>
<tr>
<td>2019</td>
<td>2,334,000</td>
<td>2,334,000</td>
<td>1.4%</td>
<td>1,435</td>
</tr>
<tr>
<td>2018</td>
<td>2,667,000</td>
<td>2,667,000</td>
<td>1.6%</td>
<td>1,749</td>
</tr>
<tr>
<td>2017</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>1.8%</td>
<td>1,694</td>
</tr>
<tr>
<td>2016</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2015</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2014</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2013</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**Notes:**

<sup>1</sup> Personal income information obtained from the U.S. Census Bureau.

<sup>2</sup> See Schedule 1 of the Demographic and Economic Information section for the total population.
## TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

### DEBT CAPACITY INFORMATION

#### RATIO OF GENERAL BONDED DEBT OUTSTANDING

**SCHEDULE 2**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Obligation Bonds</th>
<th>Less: Amounts Available in Debt Service Fund</th>
<th>Total</th>
<th>Percentage of Estimated Actual Taxable Value of Property</th>
<th>Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2021</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2020</td>
<td>2,001,000</td>
<td>-</td>
<td>2,001,000</td>
<td>0.56%</td>
<td>1,312</td>
</tr>
<tr>
<td>2019</td>
<td>2,334,000</td>
<td>-</td>
<td>2,334,000</td>
<td>0.72%</td>
<td>1,435</td>
</tr>
<tr>
<td>2018</td>
<td>2,667,000</td>
<td>-</td>
<td>2,667,000</td>
<td>0.82%</td>
<td>1,749</td>
</tr>
<tr>
<td>2017</td>
<td>3,000,000</td>
<td>-</td>
<td>3,000,000</td>
<td>0.99%</td>
<td>1,694</td>
</tr>
<tr>
<td>2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2015</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2014</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2013</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**Notes:**

1. The estimated taxable value of property was obtained from the Charleston County Assessor's Office.
2. See Schedule 1 of the Demographic and Economic Information section for the total population.
# DEBT CAPACITY INFORMATION

## LEGAL DEBT MARGIN INFORMATION

### SCHEDULE 3

#### TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Limit</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>$24,276,473</td>
<td>$25,904,913</td>
<td>$27,753,870</td>
<td>$27,454,880</td>
<td>$28,689,610</td>
<td>$29,533,215</td>
</tr>
<tr>
<td>Total Net Debt Applicable to Limit</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>3,000,000</td>
<td>2,667,000</td>
<td>2,334,000</td>
<td>2,001,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Legal Debt Margin</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>$21,276,473</td>
<td>$23,237,913</td>
<td>$25,419,870</td>
<td>$25,453,880</td>
<td>$28,689,610</td>
<td>$29,533,215</td>
</tr>
<tr>
<td>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>12.36%</td>
<td>10.30%</td>
<td>8.41%</td>
<td>7.29%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

### Legal Debt Margin Calculation for Fiscal Year 2022

- **Assessed Value**: $369,165,182
- **Total Assessed Value**: $369,165,182
- **Debt Limit (8% of Total Assessed Value)**: $29,533,215
- **Debt Applicable to Limit**:
  - General Obligation Bonds (Excluding Premiums): -
  - Less: Amounts Issued Under Referendum: -
- **Total Net Debt Applicable to Limit**: -
- **Legal Debt Margin**: $29,533,215

#### Note:

Article Eight (8) Section Seven (7) of the South Carolina Constitution of 1895, as amended, provides that no City or Town shall incur any bonded debt which shall exceed eight per centum (8%) of the assessed value of the property therein and no such debt shall be created without the electors of such City or Town voting in favor of such further bonded debt. Prior to Home Rule Act of July 1, 1976, the bonded debt exempt was thirty-five per centum (35%). In 1976, the General Assembly reduced the general obligation debt limit without voter approval to eight per centum (8%) of assessed valuation; whereas, with a referendum, any amount can be floated.
The demographic and economic information section of the Annual Comprehensive Financial Report for the year ended June 30, 2022 for the Town of Kiawah Island, South Carolina is comprised of six schedules and graphs. The schedules are:

- **Profile of General Demographic Characteristics** – This schedule and graph shows the population by age. These numbers are based on the U.S. Census Bureau 2020 American Community Survey five-year estimates.

- **Population by Race** – This schedule and graph shows the population by race. These numbers are based on the U.S. Census Bureau 2020 American Community Survey five-year estimates.

- **Housing Occupancy** – This schedule and graph shows the housing totals and their occupancy rates. These numbers are based on the U.S. Census Bureau 2020 American Community Survey five-year estimates.

- **Educational Attainment** – This schedule and graph shows the rates for level of education. These numbers are based on the U.S. Census Bureau 2020 American Community Survey five-year estimates.

- **School Enrollment** – This schedule and graph shows the school enrollment by age. These numbers are based on the U.S. Census Bureau 2020 American Community Survey five-year estimates.

- **Median Household Income** – This schedule and graph shows the household income by age groups. These numbers are based on the U.S. Census Bureau 2020 American Community Survey five-year estimates.

The Town has provided the most relevant information for the demographic and economic information; thus, the tables may not include 10 years of data.
## TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

**PROFILE OF GENERAL DEMOGRAPHIC CHARACTERISTICS**

---

**Town of Kiawah Island**
4457 Betsy Kerrison Parkway
Kiawah Island, SC 29455

---

<table>
<thead>
<tr>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population</strong></td>
<td>1772</td>
</tr>
</tbody>
</table>

**Gender and Age**

<table>
<thead>
<tr>
<th>Age Ranges</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>870</td>
<td>49.1</td>
</tr>
<tr>
<td>Female</td>
<td>902</td>
<td>50.9</td>
</tr>
<tr>
<td>Under 5 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5-9 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10-19 years</td>
<td>29</td>
<td>1.6</td>
</tr>
<tr>
<td>20-29 years</td>
<td>15</td>
<td>0.8</td>
</tr>
<tr>
<td>30-39 years</td>
<td>31</td>
<td>1.7</td>
</tr>
<tr>
<td>40-49 years</td>
<td>8</td>
<td>0.5</td>
</tr>
<tr>
<td>50-59 years</td>
<td>239</td>
<td>13.5</td>
</tr>
<tr>
<td>60-69 years</td>
<td>768</td>
<td>43.3</td>
</tr>
<tr>
<td>70-79 years</td>
<td>482</td>
<td>27.2</td>
</tr>
<tr>
<td>80 years and older</td>
<td>200</td>
<td>11.3</td>
</tr>
<tr>
<td>Median age</td>
<td>67.4</td>
<td>(X)</td>
</tr>
</tbody>
</table>

---

### Population by Age

- Under 5 years
- 5-9 years
- 10-19 years
- 20-29 years
- 30-39 years
- 40-49 years
- 50-59 years
- 60-69 years
- 70-79 years
- 80 years and older

---

100
# TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

## DEMOGRAPHIC AND ECONOMIC INFORMATION

### PROFILE OF GENERAL DEMOGRAPHIC CHARACTERISTICS

#### Race

<table>
<thead>
<tr>
<th>Race</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>1686</td>
<td>95.1</td>
</tr>
<tr>
<td>Black or African American</td>
<td>20</td>
<td>1.1</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>31</td>
<td>1.7</td>
</tr>
<tr>
<td>Asian/Asian Indian</td>
<td>22</td>
<td>1.2</td>
</tr>
<tr>
<td>Some Other Race</td>
<td>13</td>
<td>0.7</td>
</tr>
</tbody>
</table>

#### Housing Occupancy

<table>
<thead>
<tr>
<th>Housing Occupancy</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Housing Units</td>
<td>3684</td>
<td>100.0</td>
</tr>
<tr>
<td>Occupied Units</td>
<td>921</td>
<td>25.0</td>
</tr>
<tr>
<td>Vacant housing Units</td>
<td>2763</td>
<td>75.0</td>
</tr>
</tbody>
</table>

- Home owner vacancy rate (%) = 98 (X)
- Rental Vacancy rate (%) = 2 (X)

#### Educational Attainment

<table>
<thead>
<tr>
<th>Educational Attainment</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 25 and older</td>
<td>1728</td>
<td></td>
</tr>
<tr>
<td>High School graduates</td>
<td>33</td>
<td>1.9</td>
</tr>
<tr>
<td>Some College, or Associates Degree</td>
<td>209</td>
<td>12.1</td>
</tr>
<tr>
<td>Bachelor's Degree</td>
<td>657</td>
<td>38.0</td>
</tr>
<tr>
<td>Master's, professional or Doctorate degree</td>
<td>829</td>
<td>48.0</td>
</tr>
</tbody>
</table>

### Pie Chart: Population by Race
- White: 95.1%
- Black or African American: 1.1%
- Hispanic or Latino: 1.7%
- Asian/Asian Indian: 1.24%
- Some Other Race: 0.7%

### Pie Chart: Housing Occupancy
- Occupied Units: 25%
- Vacant housing Units: 75%

### Bar Chart: Educational Attainment
- High School graduates: 1.9%
- Some College, or Associates Degree: 12.1%
- Bachelor's Degree: 38.0%
- Master's, professional or Doctorate degree: 48.0%
TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

DEMOGRAPHIC AND ECONOMIC INFORMATION
PROFILE OF GENERAL DEMOGRAPHIC CHARACTERISTICS

<table>
<thead>
<tr>
<th>School Enrollment</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 3 years and older</td>
<td>79</td>
<td></td>
</tr>
<tr>
<td>Preschool and Kindergarten</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grades 1-12</td>
<td>23</td>
<td>29.1</td>
</tr>
<tr>
<td>High School (grades 9-12)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Collage or Graduate School</td>
<td>56</td>
<td>70.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Median Household Income in $</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Household income</td>
<td>$202,885</td>
<td>13.4</td>
</tr>
<tr>
<td>$0 - 49,999</td>
<td>238</td>
<td>13.3</td>
</tr>
<tr>
<td>$50,000 - 99,999</td>
<td>235</td>
<td>13.3</td>
</tr>
<tr>
<td>$100,000 - 149,999</td>
<td>258</td>
<td>14.6</td>
</tr>
<tr>
<td>$150,000 - 199,999</td>
<td>151</td>
<td>8.5</td>
</tr>
<tr>
<td>$200,000 or more</td>
<td>890</td>
<td>50.2</td>
</tr>
</tbody>
</table>
The operating information section of the Annual Comprehensive Financial Report for the year ended June 30, 2022 for the Town of Kiawah Island, South Carolina is comprised of three schedules. The schedules are:

- **Full-time Equivalent Town Government Employees by Function/Program** – This schedule shows the breakdown by function of the Town’s employees. These numbers are compared to previous years.

- **Operating Indicators by Function** – This schedule shows operating indicators like traffic ticket volume and solid waste tons to demonstrate services provided. These numbers are compared to previous years.

- **Capital Assets Statistics by Function** – This schedule shows capital asset statistics to demonstrate the use of assets acquired. These numbers are compared to previous years.
## TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

### OPERATING INFORMATION
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS – SCHEDULE 1

<table>
<thead>
<tr>
<th></th>
<th>Management Services</th>
<th>Finance</th>
<th>Administrative Services</th>
<th>Building</th>
<th>Other</th>
<th>Deputies</th>
<th>Solid Waste</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>22</td>
<td>0</td>
<td>45</td>
</tr>
<tr>
<td>2021</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>7</td>
<td>4</td>
<td>28</td>
<td>0</td>
<td>47</td>
</tr>
<tr>
<td>2020</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>7</td>
<td>4</td>
<td>26</td>
<td>0</td>
<td>45</td>
</tr>
<tr>
<td>2019</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>7</td>
<td>4</td>
<td>41</td>
<td>0</td>
<td>59</td>
</tr>
<tr>
<td>2018</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>7</td>
<td>3</td>
<td>46</td>
<td>0</td>
<td>63</td>
</tr>
<tr>
<td>2017</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>7</td>
<td>3</td>
<td>46</td>
<td>0</td>
<td>63</td>
</tr>
<tr>
<td>2016</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>58</td>
<td>0</td>
<td>72</td>
</tr>
<tr>
<td>2015</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>55</td>
<td>0</td>
<td>69</td>
</tr>
<tr>
<td>2014</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>40</td>
<td>0</td>
<td>52</td>
</tr>
<tr>
<td>2013</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>29</td>
<td>0</td>
<td>39</td>
</tr>
</tbody>
</table>

**Notes:**
- Deputies are recorded at actual number of contractual staff.
- The deputies are all part-time and are full-time County deputies.

**Source:** Town’s Human Resource Office
### TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

**OPERATING INFORMATION**

**OPERATING INDICATORS BY FUNCTION – LAST TEN FISCAL YEARS**

**SCHEDULE 2**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Police</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traffic tickets issued</td>
<td>126</td>
<td>165</td>
<td>254</td>
<td>154</td>
<td>165</td>
<td>51</td>
<td>47</td>
<td>65</td>
<td>48</td>
<td>60</td>
</tr>
<tr>
<td>Criminal issues</td>
<td>2</td>
<td>17</td>
<td>24</td>
<td>29</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Solid Waste</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste by (tons)</td>
<td>2044</td>
<td>1995</td>
<td>1939</td>
<td>2098</td>
<td>2141</td>
<td>1700</td>
<td>1697</td>
<td>1995</td>
<td>2153</td>
<td>2358</td>
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<tr>
<td><strong>Culture and recreation</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation permits issued</td>
<td>3</td>
<td>26</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>12</td>
<td>31</td>
<td>5</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Town sponsored events</td>
<td>33</td>
<td>34</td>
<td>39</td>
<td>37</td>
<td>38</td>
<td>35</td>
<td>36</td>
<td>20</td>
<td>0</td>
<td>51</td>
</tr>
<tr>
<td><strong>Code Enforcement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tickets issued</td>
<td>181</td>
<td>79</td>
<td>104</td>
<td>28</td>
<td>85</td>
<td>541</td>
<td>190</td>
<td>284</td>
<td>189</td>
<td>252</td>
</tr>
</tbody>
</table>

**Source:** Town of Kiawah Island
## TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

### OPERATING INFORMATION

CAPITAL ASSETS STATISTICS BY FUNCTION – LAST TEN FISCAL YEARS

SCHEDULE 3

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Public Safety</strong></td>
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<td></td>
</tr>
<tr>
<td>Vehicles</td>
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<td>4</td>
<td>4</td>
<td>4</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Radios</td>
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<td>13</td>
<td>31</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>38</td>
<td>26</td>
<td>26</td>
<td>26</td>
</tr>
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<td><strong>Solid Waste</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collection trucks</td>
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<td>5</td>
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<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Land and Building</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Municipal meeting rooms</td>
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<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Municipal center square footage</td>
<td>6,500</td>
<td>6,500</td>
<td>6,500</td>
<td>6,500</td>
<td>6,500</td>
<td>13,900</td>
<td>13,900</td>
<td>13,900</td>
<td>13,900</td>
<td>13,900</td>
</tr>
<tr>
<td><strong>Highways and Streets</strong></td>
<td></td>
<td></td>
<td></td>
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*Source:* Town of Kiawah Island
COMPLIANCE SECTION
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Town of Kiawah Island, South Carolina (the “Town”) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements and have issued our report thereon dated October 11, 2022.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.
Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Town of Kiawah Island, South Carolina's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Savannah, Georgia
October 11, 2022
TOWN OF KIAWAH ISLAND, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements
Type of report the auditor issued on whether the financial statements
Audited were prepared in accordance with GAAP    Unmodified

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

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

Noncompliance material to financial statements noted?
____ Yes  X  No

Federal Awards
There was not an audit of major federal award programs as of June 30, 2022, due to the total amount expended being
less than $750,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV
STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.