AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

CITY OF ORANGEBURG, SOUTH CAROLINA

September 30, 2025

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GOVERNMENTAL AUDITING SECTION

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the City Council of
City of Orangeburg, South Carolina

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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 City 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *GAS* 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 GAAS and *GAS*, 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 City'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 City'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, on pages 4 through 13, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – General Fund, on page 66, the Schedule of Changes in the Total OPEB liability and Related Ratios, on page 71, the Schedule of City's Proportionate Share of the Net Pension Liability, on pages 67 and 69, and the Schedule of the City's Contributions, on pages 68 through 70, 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 City's basic financial statements. The Schedules of Revenues and Expenditures – General Fund – Budget (GAAP Basis) and Actual, the Schedule of Revenues, Expenditures and Changes in Net Position – Budget (GAAP Basis) and Actual – Department of Public Utilities, the schedules I through III on pages 80 through 86, and the Schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations,* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, the "supplementary information"), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The Hobbs Group, P.A.

Columbia, South Carolina
July 31, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the Annual Financial Statements of the City of Orangeburg, South Carolina (the "City") provides an overall narrative and analysis of the City's financial statements for the fiscal year ended September 30, 2025. This discussion and analysis is designed to look at the City's financial performance as a whole. Readers should also review the financial statements with notes which follow this narrative, to enhance their understanding of the City's financial performance.

The City is comprised of many departments that are included in the City's general fund: Executive (City Council), Finance, Administration, Public Works, Public Safety, Parks & Recreation, Non-Operating and Service. The City has enterprise funds including the Department of Public Utilities and the Airport, as well as other Boards and Commissions. The Boards and Commissions include Election, Hillcrest Golf Course, Board of Zoning Appeals, Construction Board of Adjustments and Appeals, Aviation, Planning, Grievance, and Accommodations Tax Advisory.

Financial Highlights

Key financial highlights for the year ended September 30, 2025, are as follows:

- The Government's combined net position totaled $346.9 million.
- The Government's total net position increased by $26 million.
- The required contribution rates for the South Carolina Retirement System (SCRS) and South Carolina Police Officers Retirement System (PORS) did not increase effective July 1, 2025.

Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplementary information** is provided to show details about the City's pension and OPEB plans, additional budgetary comparison schedules, non-major governmental funds and proprietary funds (all of which are added together in one column on the appropriate basic financial statements), and information required by South Carolina State law.

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the City's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the City's financial position, which assists in assessing the economic condition at the end of the fiscal year. These statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This means the statements take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The government-wide financial statements include the following two statements:

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

The **Statement of Activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expense and program revenues for each function of the City.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the City's basic services such as general administration, judicial services, public safety, public works, culture and recreation, housing and development, tourism, and non-departmental. Property taxes, charges for services, and state and federal grant funds finance most of these activities. The business-type activities are those services that the City charges a fee to customers in order to provide. These include Public Utilities (water, sewer, electricity, and natural gas) and the Municipal Airport.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the City reporting the City's operations in more detail than the government-wide statements. All of the funds of the City can be divided into three categories: 1) governmental funds, 2) proprietary funds and 3) fiduciary funds. These fund categories use different accounting approaches and should be interpreted differently.

Governmental Funds

Most of the basic services provided by the City are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, these funds focus on how assets can readily be converted into cash and the amount of funds left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting,* which focuses on current financial resources. Such information may be useful in evaluating the City's short-term financing requirements. These statements provide a detailed short-term view of the City's finances that assists in determining whether there will be adequate financial resources available to meet the Government's current needs. The relationship between governmental activities in the government-wide financial statements and the governmental funds financial statements is described in a reconciliation that is a part of the fund financial statements.

The Government has three governmental fund types: 1) the General Fund, 2) Special Revenue Funds, and 3) the Capital Projects Funds. The Government reported three major governmental funds: the General Fund, ARPA Fund, and the County Capital One Percent Fund.

Proprietary Funds

The City has one type of proprietary fund used to account for activities that operate similar to commercial enterprises found in the private sector. Funds that charge fees for services provided to outside customers including other local governments are known as Enterprise Funds. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds use the accrual basis of accounting, thus there is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The City has two enterprise funds: Department of Public Utilities and Municipal Airport. The Department of Public Utilities Fund is the only fund being considered a major fund for presentation purposes.

Fiduciary Funds

The Fiduciary Fund is used to account for assets held by the City as an agent for individuals, private organizations, other governments and other departments. The City is responsible for ensuring that the assets reported in this fund are used only for their intended purposes and only by those to whom the assets belong. This fund is not reflected in the government-wide financial statements because the resources are not available to support the City's operations or programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately after the City's basic financial statements.

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Government-wide Financial Analysis

	Governmental Activities 2025	Business-type Activities 2025	Total 2025	Governmental Activities 2024	Business-type Activities 2024	Total 2024
Current and other assets	$ 10,333,160	$ 91,070,776	$ 101,403,936	$ 13,926,760	$ 90,178,115	$ 104,104,875
Capital assets	40,761,219	339,867,506	380,628,725	41,076,177	322,484,919	363,561,096
Total Assets	$ 51,094,379	$ 430,938,282	$ 482,032,661	$ 55,002,937	$ 412,663,034	$ 467,665,971
Deferred outflows of resources	$ 2,495,963	$ 2,408,836	$ 4,904,799	$ 2,310,507	$ 2,594,496	$ 4,905,003
Current liabilities	6,200,088	30,329,001	36,529,089	7,682,856	26,755,312	34,438,168
Long-term liabilities	28,172,784	69,932,274	98,105,058	33,176,560	79,623,887	112,800,447
Total Liabilities	34,372,872	100,261,275	134,634,147	40,859,416	106,379,199	147,238,615
Deferred inflows of resources	2,449,290	2,978,639	5,427,929	2,020,379	3,149,787	5,170,166
Net position:						
Net investment in capital assets	28,384,348	294,095,996	322,480,344	27,348,975	285,056,653	312,405,628
Restricted	4,445,681	4,007,633	8,453,314	4,353,326	3,052,342	7,405,668
Unrestricted	(16,061,849)	32,003,575	15,941,726	(17,268,652)	17,619,549	350,897
Total Net Position	$ 16,768,180	$ 330,107,204	$ 346,875,384	$ 14,433,649	$ 305,728,544	$ 320,162,193

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Net Position

Net position may serve over time as one useful indicator of a City's financial condition. The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources by $346,875,384 as of September 30, 2025.

The largest portion of the City's net position, $322 million, or 93%, reflects its net investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, sidewalks, water lines and sewer lines) less any related debt used to acquire those assets that is still outstanding. This portion of net position includes both the City's governmental activities and its business-type activities (including the Department of Public Utilities).

The City uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, $8.4 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $15.9 million may be used to meet the City's ongoing obligations to citizens and creditors. Combined, restricted and unrestricted net position make up 7% of resources.

Changes in Net Position

Governmental activities: Governmental activities increased the City's net position by $2.3 million. Key elements of this increase are as follows:

Governmental Revenues**:** Charges for services (28%), property tax (21%), operating grants and contributions (28%), and other taxes (19%) continue as the main source of revenue of the City amounting to 96% in 2025, compared to 91% in 2024.

Governmental Functional Expenses**:** As reflected in the summary of Changes in Net Position, the Government expended 43% of the appropriations for judicial and public safety expenses. The Government continues to commit substantial financial resources for the safety of its citizens. Other expenses accounted for the remaining 57%.

Business-type activities: Business-type activities increased the Government's net position by approximately $24.4 million. A significant portion of the increase was the result of the revenues received in the Department of Public Utilities Fund, which rose in 2025 to approximately $131.7 million from $126.2 million in 2024.

The City's Changes in Net Position

	Governmental Activities 2025	Business-type Activities 2025	Total 2025	Governmental Activities 2024	Business-type Activities 2024	Total 2024
Revenues						
Program Revenues:						
Charges for services	$ 6,727,540	$ 132,143,576	$ 138,871,116	$ 5,106,474	$ 126,758,838	$ 131,865,312
Operating grants and contributions	6,682,774	-	6,682,774	4,514,843	-	4,514,843
Capital grants and contributions	739,120	11,875,138	12,614,258	1,489,504	836,767	2,326,271
General revenues:						
Property taxes	5,106,611	-	5,106,611	4,736,636	-	4,736,636
Other taxes	4,468,871	-	4,468,871	4,826,499	-	4,826,499
Unrestricted Investment Income	300,254	2,604,545	2,904,799	351,830	3,287,719	3,639,549
Gain (loss) on disposal of capital assets	(225,467)	-	(225,467)	90,732	5,200	95,932
Miscellaneous	3,444	392,230	395,674	-	627,521	627,521
Total Revenues	23,803,147	147,015,489	170,818,636	21,116,518	131,516,045	152,632,563
Expenses:						
General government	4,432,123	-	4,432,123	501,627	-	501,627
Judicial	424,305	-	424,305	462,297	-	462,297
Public safety	11,546,720	-	11,546,720	10,652,495	-	10,652,495
Public works	3,330,313	-	3,330,313	3,499,854	-	3,499,854
Culture and recreation	4,475,054	-	4,475,054	4,098,758	-	4,098,758
Tourism	161,089	-	161,089	162,685	-	162,685
Non-departmental	2,995,516	-	2,995,516	8,877,842	-	8,877,842
Interest on long-term debt	403,496	-	403,496	515,899	-	515,899
Public utilities	-	115,383,589	115,383,589	-	111,657,681	111,657,681
Municipal airport	-	953,240	953,240	-	1,320,890	1,320,890
Total Expenses	27,768,616	116,336,829	144,105,445	28,771,457	112,978,571	141,750,028
Increase (decrease) in net position before transfers	(3,965,469)	30,678,660	26,713,191	(7,654,939)	18,537,474	10,882,535
Transfers	6,300,000	(6,300,000)	-	6,087,983	(6,087,983)	-
Change in Net Position	2,334,531	24,378,660	26,713,191	(1,566,956)	12,449,491	10,882,535
Net position, beginning	14,433,649	305,728,544	320,162,193	16,000,605	293,279,053	309,279,658
Net Position, Ending	$ 16,768,180	$ 330,107,204	$ 346,875,384	$ 14,433,649	$ 305,728,544	$ 320,162,193

Financial Analysis of the City's Individual Funds

The City uses fund accounting to demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of usable resources. Such information is useful in assessing the City's financial requirements. In particular, the unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year. The combined fund balance of all the governmental funds is $5.8 million, of which ($184,013), or (3%), is unassigned.

General Fund

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, total fund balance of the General Fund was $1.4 million, of which ($184,013) or (13%) was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. As of September 30, 2025, total unassigned fund balance, represents (1%) of total general fund expenditures.

The fund balance of the General Fund decreased by $653, or 0.1%. Key factors contributing to this decrease included a deficiency of revenues under expenditures of $9,107,768. The deficiency was partially offset by transfers from other funds of $8,511,066, and proceeds from sale of assets of $596,049.

During the year, the City revised the budget on several occasions. Generally, budget amendments fall into one of four categories (the fifth category has no effect on the final budget and therefore is not addressed in this narrative): 1) amendments made to adjust the estimates that are used to prepare the original budget resolution once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and state grants; 3) increases in appropriations that become necessary to maintain services; and 4) amendments to transfer appropriations between departments.

General Fund Budgetary Highlights

The actual revenues for the General Fund were higher than the budgeted amount by approximately $954,048 or 5%. The individual sources within the revenues fluctuated both positively and negatively.

The actual operating expenditures for the General Fund were lower than the budgeted amounts, approximately $726,170 or 3%. The individual departments within the General Fund show both positive and negative fluctuations, with the negative fluctuations outweighing the positive. Net other financing sources for the General Fund were lower that the budgeted amounts by approximately $1,644,156.

Proprietary Funds

The activities of the City that render services to the general public on a user charge basis, or that require periodic determination of revenues for public policy are accounted for as Enterprise Funds. The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position at the end of the year were as follows: Department of Public Utilities Fund, $33.5 million and the Municipal Airport, ($1,537,242) deficit. The total growth in net position for previously mentioned funds were $24.9 million for the Department of Public Utilities and a decrease of ($498,769) for the Municipal Airport fund. Other factors concerning the finances of these funds have already been addressed in the discussion of the Government's business-type activities.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to $380.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, construction in progress, and right to use assets. Infrastructure assets are items that are normally immovable and of value only to the City, such as roads, bridges, streets and sidewalks, drainage systems, utility systems and other similar items.

Major capital asset transactions during the year included construction of infrastructure, buildings, acquisition of public safety vehicles, recreation facilities, and construction of utility systems.

The City's Capital Assets (Net of Depreciation and Amortization)

	Governmental Activities	Business-Type Activities	Total
Land	$ 2,949,906	$ 3,866,575	$ 6,816,481
Land and site improvements	13,130,608	1,508,092	14,638,700
Building and building improvements	7,827,051	12,881,017	20,708,068
Utility systems	-	234,690,171	234,690,171
Infrastructure	3,790,987	-	3,790,987
Vehicles, machinery and equipment	2,842,008	9,567,280	12,409,288
Construction in progress	9,362,396	77,354,371	86,716,767
Right-to-use assets	858,263	-	858,263
Total	$ 40,761,219	$ 339,867,506	$ 380,628,725

Additional information on the City's capital assets can be found in Note E of the notes to the financial statements of this report.

Long-term Liabilities

As of September 30, 2025, the City had a total of $104 million in outstanding long-term liabilities including the City's portion of the SCRS and PORS net pension liabilities as well as the City's total OPEB liability. Of this amount, $45.7 million consists of notes and bonds payable backed by the revenues of the Department of Public Utilities, $43 million represents the City's liabilities for pensions and OPEB benefits, $2.9 million represents the City's Hospitality and Accommodations Tax Revenue Bond, $7 million represents the City's Installment Purchase Revenue Bond, $1.6 million consists of financed purchase obligations outstanding for the acquisition of capital assets, and $3.8 million consists of leases payable, subscriptions payable and compensated absences. A table of the City's outstanding debt can be found below.

The City's Outstanding Long-term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Notes payable from direct borrowings	$ -	$ -	$ 15,887,548	$ 17,380,400	$ 15,887,548	$ 17,380,400
Financed purchases	1,564,684	2,160,631	-	-	1,564,684	2,160,631
Bonds payable from direct borrowings	9,910,112	10,261,340	29,883,962	31,523,556	39,794,074	41,784,896
Other long-term obligations	18,613,559	20,754,589	28,284,355	30,719,931	46,897,914	51,474,520
Total Debt	$ 30,088,355	$ 33,176,560	$ 74,055,865	$ 79,623,887	$ 104,144,220	$ 112,800,447

Of the total liabilities outstanding as of September 30, 2025, no portion constitutes general obligation debt or is attributable to the City's legal debt limit as set forth in the South Carolina State Code of Laws.

Additional information regarding the City's long-term debt can be found in Note F of the notes to the financial statements of this report.

Economic Factors and Next Year's Budget and Rates

The City is located in Orangeburg County, South Carolina. According to the Bureau of Labor Statistics, Orangeburg County has an unemployment rate for 2025 at 7.5%, higher than the rate for South Carolina of 4.4% and higher than the national average of 4.2%.

The City was awarded a Capital Projects grant for over $22 million for the construction of a pedestrian bridge and parking garage. Because of recent and potential changes (the paradigm shifts in federal mandates) coming from Washington, it is still undetermined when the funds will be released. The City also was awarded a $1.5 million grant from the Federal Aviation Administration for Airport improvements.

The City completed the Gateway Project and New City Hall in FY2025.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, City of Orangeburg, 1099 Russell Street, Orangeburg, South Carolina 29115.

AUDITED FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
CITY OF ORANGEBURG, SOUTH CAROLINA
September 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 7,166,084	$ 16,801,438	$ 23,967,522
Investments	-	36,195,866	36,195,866
Taxes receivable, net of allowances	438,573	-	438,573
Accounts receivable, net of allowances	699,477	13,881,296	14,580,773
Due from other governments	821,599	2,871,805	3,693,404
Internal balances	801,277	(801,277)	-
Inventories	172,664	9,857,432	10,030,096
Prepaid expenses	233,486	1,029,182	1,262,668
Restricted cash and cash equivalents	-	11,235,034	11,235,034
Total Current Assets	10,333,160	91,070,776	101,403,936
Noncurrent Assets			
Capital assets, net	40,761,219	339,867,506	380,628,725
Total Noncurrent Assets	40,761,219	339,867,506	380,628,725
Total Assets	51,094,379	430,938,282	482,032,661
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension charges	2,025,708	2,032,562	4,058,270
Deferred other post employment benefit charges	470,255	376,274	846,529
Total Deferred Outflows of Resources	2,495,963	2,408,836	4,904,799

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

STATEMENT OF NET POSITION - Continued
CITY OF ORANGEBURG, SOUTH CAROLINA
September 30, 2025

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts payable	1,500,951	10,978,688	12,479,639
Accrued liabilities	773,918	2,076,691	2,850,609
Unearned revenue	2,009,648	5,922,630	7,932,278
Payable from restricted assets - customer deposits	-	7,227,401	7,227,401
Long-term liabilities due within a year			
Note payable	-	1,518,279	1,518,279
Financed purchase obligations	612,401	-	612,401
Bonds payable	405,512	1,693,968	2,099,480
Leases payable	301,278	-	301,278
Subscriptions payable	83,289	-	83,289
Compensated absences	513,091	911,344	1,424,435
Total Current Liabilities	6,200,088	30,329,001	36,529,089
Noncurrent Liabilities			
Note payable	-	14,369,269	14,369,269
Financed purchase obligations	952,283	-	952,283
Bonds payable	9,504,600	28,189,994	37,694,594
Leases payable	376,832	-	376,832
Subscriptions payable	140,676	-	140,676
Compensated absences	513,094	1,045,366	1,558,460
Net pension liability	14,375,667	21,873,347	36,249,014
Net OPEB obligations	2,309,632	4,454,298	6,763,930
Total Liabilities	34,372,872	100,261,275	134,634,147
DEFERRED INFLOWS OF RESOURCES			
Deferred pension credits	2,281,509	2,655,062	4,936,571
Deferred other post employment benefit credits	167,781	323,577	491,358
Total Deferred Inflows of Resources	2,449,290	2,978,639	5,427,929
NET POSITION			
Net investment in capital assets	28,384,348	294,095,996	322,480,344
Restricted for			
Public safety	571,735	-	571,735
Public works	93,331	-	93,331
Culture and recreation	1,342,005	-	1,342,005
Housing and development	6,912	-	6,912
Tourism	293,129	-	293,129
Capital outlay	2,138,569	-	2,138,569
Self insurance	-	25,000	25,000
Debt service	-	3,982,633	3,982,633
Unrestricted	(16,061,849)	32,003,575	15,941,726
TOTAL NET POSITION	$ 16,768,180	$ 330,107,204	$ 346,875,384

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

STATEMENT OF ACTIVITIES

CITY OF ORANGEBURG, SOUTH CAROLINA

For the Year Ended September 30, 2025

		Program Revenue			Net (Expense) Revenue and Changes to Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	$ 4,432,123	$ 943,754	$ 4,995,806	$ -	$ 1,507,437	$ -	$ 1,507,437
Judicial	424,305	-	-	-	(424,305)	-	(424,305)
Public safety	11,546,720	1,085,433	978,016	36,657	(9,446,614)	-	(9,446,614)
Public works	3,330,313	4,024,780	418,206	-	1,112,673	-	1,112,673
Culture and recreation	4,475,054	673,573	63,146	702,463	(3,035,872)	-	(3,035,872)
Tourism	161,089	-	227,600	-	66,511	-	66,511
Non-departmental	2,995,516	-	-	-	(2,995,516)	-	(2,995,516)
Interest on long-term debt	403,496	-	-	-	(403,496)	-	(403,496)
Total Governmental Activities	27,768,616	6,727,540	6,682,774	739,120	(13,619,182)	-	(13,619,182)
Business-Type Activities							
Public utilities	115,383,589	131,747,001	-	11,817,242	-	28,180,654	28,180,654
Municipal airport	953,240	396,575	-	57,896	-	(498,769)	(498,769)
Total Business-Type Activities	116,336,829	132,143,576	-	11,875,138	-	27,681,885	27,681,885
Total Primary Government	$ 144,105,445	$ 138,871,116	$ 6,682,774	$ 12,614,258	(13,619,182)	27,681,885	14,062,703
General Revenues							
Taxes:							
Property taxes					5,106,611	-	5,106,611
Franchise taxes					124,763	-	124,763
Sales taxes					13,568	-	13,568
Other taxes					4,330,540	-	4,330,540
Unrestricted investment income					300,254	2,604,545	2,904,799
Loss on disposal of capital assets					(225,467)	-	(225,467)
Miscellaneous					3,444	392,230	395,674
Transfers					6,300,000	(6,300,000)	-
Total General Revenues					15,953,713	(3,303,225)	12,650,488
Change in Net Position					2,334,531	24,378,660	26,713,191
Net position at beginning of year					14,433,649	305,728,544	320,162,193
Net Position at End of Year					$ 16,768,180	$ 330,107,204	$ 346,875,384

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

BALANCE SHEET - GOVERNMENTAL FUNDS
CITY OF ORANGEBURG, SOUTH CAROLINA
September 30, 2025

	General Fund	County Capital One Percent Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 2,281,857	$ 171,444	$ 1,895,098	$ 2,817,685	$ 7,166,084
Taxes receivable, net of allowance	438,573	-	-	-	438,573
Accounts receivable, net	653,373	-	-	46,104	699,477
Due from other governments	821,599	-	-	-	821,599
Due from other funds	359,938	951,224	28,517	724,876	2,064,555
Prepaid expenditures	233,486	-	-	-	233,486
Inventory	172,664	-	-	-	172,664
Advance to other funds	1,197,207	-	-	-	1,197,207
TOTAL ASSETS	$ 6,158,697	$ 1,122,668	$ 1,923,615	$ 3,588,665	$ 12,793,645
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 1,230,646	$ 270,305	$ -	$ -	$ 1,500,951
Accrued liabilities	631,657	-	-	559	632,216
Unearned revenue	98,560	-	1,911,088	-	2,009,648
Due to other funds	2,453,170	-	-	7,315	2,460,485
Total Liabilities	4,414,033	270,305	1,911,088	7,874	6,603,300
Deferred Inflows of Resources					
Unavailable revenue - property taxes	303,791	-	-	-	303,791
Total Deferred Inflows of Resources	303,791	-	-	-	303,791
Fund Balances					
Nonspendable:					
Prepaid expenditures	233,486	-	-	-	233,486
Inventory	172,664	-	-	-	172,664
Advances to other funds	1,197,207	-	-	-	1,197,207
Restricted for:					
Housing and development	-	-	-	6,912	6,912
Public safety	-	-	-	571,735	571,735
Public works	-	-	-	93,331	93,331
Culture and recreation	-	-	-	1,342,005	1,342,005
Tourism	-	-	-	293,129	293,129
Capital outlay	-	852,363	12,527	1,273,679	2,138,569
Assigned to:					
Self insurance reserve	21,529	-	-	-	21,529
Unassigned	(184,013)	-	-	-	(184,013)
Total Fund Balances	1,440,873	852,363	12,527	3,580,791	5,886,554
TOTAL LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCES	$ 6,158,697	$ 1,122,668	$ 1,923,615	$ 3,588,665	$ 12,793,645

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

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

CITY OF ORANGEBURG, SOUTH CAROLINA

September 30, 2025

Total Fund Balances of the Governmental Funds	$	5,886,554
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of depreciation, are not current financial resources and are not included in the governmental funds.		40,761,219
Revenues in the Statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		303,791
The City's proportionate shares 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.		(14,631,468)
The City's proportionate shares of the OPEB liability and deferred outflows of resources related to its participation in the other post employment benefit plan is not recorded in the governmental funds but is recorded in the Statement of Net Position.		(2,007,158)
Interest is recorded as an expenditure when due and payable in the governmental fund. Interest is recorded in the government-wide financial statements when it is due. This amount represents the amount of interest due but unpaid at year-end.		(141,702)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Financed purchase obligations		(1,564,684)
Bonds payable		(9,910,112)
Lease liability		(678,110)
Subscriptions payable		(223,965)
Compensated absences		(1,026,185)
Total Net Position of the Governmental Activities	$	16,768,180

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
CITY OF ORANGEBURG, SOUTH CAROLINA
For the Year Ended September 30, 2025

	General Fund	County Capital One Percent Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 5,156,149	$ -	$ -	$ -	$ 5,156,149
Franchise tax	124,763	-	-	-	124,763
Sales taxes	13,568	-	-	-	13,568
Other taxes	2,865,172	-	-	1,465,368	4,330,540
Licenses and permits	1,715,472	-	-	-	1,715,472
Intergovernmental	4,958,156	702,463	1,333,322	427,953	7,421,894
Charges for services	4,233,829	-	-	27,221	4,261,050
Fines and forfeitures	310,553	-	-	42,107	352,660
Investment income	239,269	286	2,097	58,602	300,254
Other revenues	397,703	-	-	4,099	401,802
Total Revenues	20,014,634	702,749	1,335,419	2,025,350	24,078,152
Expenditures					
Current:					
General Government	3,933,302	-	333,322	-	4,266,624
Judicial	463,032	-	-	-	463,032
Public safety	11,378,826	-	-	149,559	11,528,385
Public works	2,840,008	-	-	535	2,840,543
Culture and recreation	3,280,525	-	-	11,946	3,292,471
Tourism	-	-	-	161,089	161,089
Non-departmental	5,860,589	-	-	-	5,860,589
Capital outlay	-	787,744	-	17,241	804,985
Debt service:					
Principal	1,177,493	-	-	321,217	1,498,710
Interest and fiscal charges	188,627	-	-	216,056	404,683
Total Expenditures	29,122,402	787,744	333,322	877,643	31,121,111
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,107,768)	(84,995)	1,002,097	1,147,707	(7,042,959)
Other Financing Sources (Uses)					
Sale of assets	596,049	-	-	-	596,049
Transfers in	8,511,066	-	-	-	8,511,066
Transfers out	-	-	(1,000,000)	(1,211,066)	(2,211,066)
Total Other Financing Sources (Uses)	9,107,115	-	(1,000,000)	(1,211,066)	6,896,049
Net Change in Fund Balances	(653)	(84,995)	2,097	(63,359)	(146,910)
Fund Balances at Beginning of Year	1,441,526	937,358	10,430	3,644,150	6,033,464
FUND BALANCES AT END OF YEAR	$ 1,440,873	$ 852,363	$ 12,527	$ 3,580,791	$ 5,886,554

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

CITY OF ORANGEBURG, SOUTH CAROLINA

For the Year Ended September 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$	(146,910)
In the Statement of Activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds only the proceeds increase the financial resources. Thus the change in net position differs from the change in the fund balance by the net book value of the asset disposed.		(821,516)
Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds.		(49,538)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This activity is reconciled as follows:		
Cost of capitalized assets		4,242,500
Remeasurement of lease asset		(101,302)
Depreciation expense		(3,399,983)
Amortization of leases		(438,713)
		302,502
Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore are not reported as expenditures in governmental funds. This activity is reconciled as follows:		
Current year change in compensated absences and other employment related benefits		(180,628)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Related interest is recognized as an expenditure in the funds when it is due and payable and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as interest accrues, regardless of when it is due.		
Payments on debt		1,498,710
Current year change in accrued interest		1,188
		1,499,898
Change in the City's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		1,357,663
Change in the City's proportionate shares of the net OPEB obligation and deferred outflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		373,060
Change in Net Position of Governmental Activities	$	2,334,531

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

STATEMENT OF NET POSITION - PROPRIETARY FUND
CITY OF ORANGEBURG, SOUTH CAROLINA
September 30, 2025

	Department of Public Utilities	Nonmajor Enterprise Fund Municipal Airport	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 16,801,238	$ 200	$ 16,801,438
Investments	36,195,866	-	36,195,866
Accounts receivable, net of allowances	13,879,399	1,897	13,881,296
Grants receivable	2,871,805	-	2,871,805
Due from other fund	573,553	-	573,553
Prepaid expenses	1,027,790	1,392	1,029,182
Inventory	9,811,932	45,500	9,857,432
Restricted cash	11,235,034	-	11,235,034
Total Current Assets	92,396,617	48,989	92,445,606
NONCURRENT ASSETS			
Capital assets nondepreciable	79,904,994	1,315,952	81,220,946
Capital assets depreciable, net of accumulated depreciation	256,372,435	2,274,125	258,646,560
Total Noncurrent Assets	336,277,429	3,590,077	339,867,506
Total Assets	428,674,046	3,639,066	432,313,112
DEFERRED OUTFLOWS OF RESOURCES			
Pension	2,007,307	25,255	2,032,562
Other postemployment benefits	354,579	21,695	376,274
Total Deferred outflows of Resources	2,361,886	46,950	2,408,836
Total Assets and Deferred Outflows of Resources	$ 431,035,932	$ 3,686,016	$ 434,721,948
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	$ 10,953,397	$ 25,291	$ 10,978,688
Unearned revenue	5,922,630	-	5,922,630
Accrued expenses	2,076,424	267	2,076,691
Due to other funds	177,623	-	177,623
Compensated absences - current portion	905,900	5,444	911,344
Total Payable From Current Assets Non-Restricted	20,035,974	31,002	20,066,976
Customer deposits	7,227,401	-	7,227,401
Bonds and notes payable - current portion	3,212,247	-	3,212,247
Total Payable From Restricted Assets	10,439,648	-	10,439,648
Total Current Liabilities	30,475,622	31,002	30,506,624
NONCURRENT LIABILITIES			
Advance to other funds	-	1,197,207	1,197,207
Bonds and notes payable - long term portion	42,559,263	-	42,559,263
Net pension liability	21,617,580	255,767	21,873,347
Total other postemployment benefits liability	4,347,744	106,554	4,454,298
Compensated absences - long term portion	1,045,366	-	1,045,366
Total Noncurrent Liabilities	69,569,953	1,559,528	71,129,481
Total Liabilities	100,045,575	1,590,530	101,636,105
DEFERRED INFLOWS OF RESOURCES			
Pension	2,620,151	34,911	2,655,062
Other postemployment benefits	315,837	7,740	323,577
Total Deferred Inflows of Resources	2,935,988	42,651	2,978,639
Total Liabilities and Deferred Inflows of Resources	102,981,563	1,633,181	104,614,744
NET POSITION			
Net investment in capital assets	290,505,919	3,590,077	294,095,996
Restricted for self insurance	25,000	-	25,000
Restricted for debt service	3,982,633	-	3,982,633
Unrestricted	33,540,817	(1,537,242)	32,003,575
Total Net Position	$ 328,054,369	$ 2,052,835	$ 330,107,204

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND
CITY OF ORANGEBURG, SOUTH CAROLINA
For the Year Ended September 30, 2025

	Department of Public Utilities	Nonmajor Enterprise Fund Municipal Airport	Total
OPERATING REVENUES			
Charges for services	$ 131,747,001	$ 396,310	$ 132,143,311
Miscellaneous	-	265	265
Total Operating Revenue	131,747,001	396,575	132,143,576
OPERATING EXPENSES			
Cost of sales and service	68,619,654	201,381	68,821,035
Operating and maintenance	15,066,061	2,139	15,068,200
Administration	14,411,881	542,830	14,954,711
Depreciation expense	13,955,255	206,890	14,162,145
Total Operating Expenses	112,052,851	953,240	113,006,091
Operating Income (Loss)	19,694,150	(556,665)	19,137,485
NONOPERATING REVENUES (EXPENSES)			
Loss on disposal of assets	(1,583,466)	-	(1,583,466)
Interest expense	(1,747,272)	-	(1,747,272)
Investment income	2,604,545	-	2,604,545
Other nonoperating revenues	392,230	-	392,230
Total Nonoperating Revenues (Expenses)	(333,963)	-	(333,963)
Income (Loss) Before Contributions and Transfers	19,360,187	(556,665)	18,803,522
CAPITAL CONTRIBUTIONS	11,817,242	57,896	11,875,138
TRANSFERS			
Transfers out	(6,300,000)	-	(6,300,000)
Total Transfers	(6,300,000)	-	(6,300,000)
Change in Net Position	24,877,429	(498,769)	24,378,660
Net position, beginning of year	303,176,940	2,551,604	305,728,544
NET POSITION AT END OF YEAR	$ 328,054,369	$ 2,052,835	$ 330,107,204

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

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

CITY OF ORANGEBURG, SOUTH CAROLINA

For the Year Ended September 30, 2025

	Department of Public Utilities	Nonmajor Enterprise Fund Municipal Airport	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 127,675,942	$ 422,259	$ 128,098,201
Payments to suppliers	(83,117,902)	(195,207)	(83,313,109)
Payments to employees	(16,326,643)	(562,744)	(16,889,387)
Other receipts	392,230	265	392,495
Internal activity-payments from other funds	11,525	272,996	284,521
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	28,635,152	(62,431)	28,572,721
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers out	(6,300,000)	-	(6,300,000)
NET CASH USED IN NON-CAPITAL AND RELATED FINANCING ACTIVITIES	(6,300,000)	-	(6,300,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisitions of capital assets	(33,261,709)	-	(33,261,709)
Proceeds from sale of capital assets	1,704,960	-	1,704,960
Principal payments on bonds and notes payable	(3,132,465)	-	(3,132,465)
Capital grants received	8,371,884	62,431	8,434,315
Interest paid	(1,747,272)	-	(1,747,272)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(28,064,602)	62,431	(28,002,171)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(8,349,882)	-	(8,349,882)
Proceeds from sale of investments	6,233,738	-	6,233,738
Interest received	1,769,675	-	1,769,675
NET CASH USED IN INVESTING ACTIVITIES	(346,469)	-	(346,469)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(6,075,919)	-	(6,075,919)
Cash, cash equivalents, and restricted cash at beginning of year	34,112,191	200	34,112,391
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	$ 28,036,272	$ 200	$ 28,036,472
Reconciliation of cash and restricted cash on the statement of net position to cash and restricted cash shown above:			
Unrestricted cash and cash equivalents	$ 16,801,238	$ 200	$ 16,801,438
Restricted cash and cash equivalents	11,235,034	-	11,235,034
TOTAL CASH, CASH EQUIVALENTS AND RESTRICTED CASH	$ 28,036,272	$ 200	$ 28,036,472
NONCASH FROM INVESTING ACTIVITIES			
Increase in the fair value of investments	$ 1,208,852	$ -	$ 1,208,852

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

STATEMENT OF CASH FLOWS - PROPRIETARY FUND - Continued
CITY OF ORANGEBURG, SOUTH CAROLINA
For the Year Ended September 30, 2025

	Department of Public Utilities	Nonmajor Enterprise Fund Municipal Airport	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN)OPERATING ACTIVITIES			
Operating income (loss)	$ 19,694,150	$ (556,665)	$ 19,137,485
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	13,955,255	206,890	14,162,145
Other revenues	392,230	-	392,230
Changes in assets and liabilities:			-
(Increase) decrease in accounts receivable	(1,093,676)	25,949	(1,067,727)
Decrease in prepaid expenses	1,239	1,785	3,024
(Increase) decrease in inventory	(1,391,206)	15,733	(1,375,473)
(Increase) decrease in deferred outflows of resources-pension	60,542	(692)	59,850
(Increase) decrease in deferred outflows of resources-OPEB	131,804	(5,994)	125,810
Increase in accounts payable	1,631,320	9,915	1,641,235
Increase in accrued expenses	463,527	3,741	467,268
Increase in customer deposits	326,460	-	326,460
Decrease in unearned revenue	(2,977,383)	-	(2,977,383)
Increase in due to other funds	11,525	272,996	284,521
Increase in deferred inflows of resources-pension	327,863	10,469	338,332
Decrease in deferred inflows of resources-OPEB	(497,703)	(11,777)	(509,480)
Decrease in net pension liability	(2,455,222)	(35,340)	(2,490,562)
Increase (decrease) in total other postemployment benefits liability	(70,520)	559	(69,961)
Increase in compensated absences	124,947	-	124,947
Net Cash Provided By (Used In) Operating Activities	$ 28,635,152	$ (62,431)	$ 28,572,721

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
CITY OF ORANGEBURG, SOUTH CAROLINA
September 30, 2025

	Custodial Fund
	Delinquent Tax Fund
ASSETS	
Cash and cash equivalents	$ 3,328
TOTAL ASSETS	$ 3,328
FIDUCIARY NET POSITION	
Restricted:	
Individuals, organizations, and other governments	$ 3,328
Total Fiduciary Net Position	$ 3,328

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
CITY OF ORANGEBURG, SOUTH CAROLINA
September 30, 2025

	Custodial Fund
	Delinquent Tax Fund
ADDITIONS	
Total Additions	$ -
DEDUCTIONS	
Total Deductions	-
Change in Fiduciary Net Position	-
Fiduciary Net Position at Beginning of Year	3,328
FIDUCIARY NET POSITION END OF YEAR	$ 3,328

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

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The City of Orangeburg, South Carolina (the "*City*") is a municipality located in Orangeburg County, South Carolina and operates within the defined city limits. The Mayor and City Council, which are elected by the City's resident electors, determine the operating policies of the City. City Council appoints the City Administrator to serve as the City's Chief Administrative Officer. The City Administrator is responsible for implementing the policies of City Council, directing business and administrative procedures and appointing departmental officials and certain other City employees.

The City operates under a charter originally granted by the State of South Carolina on December 24, 1883. The government is a municipal corporation governed by an elected Mayor and six-member council. The City provides the following services: general government (administrative services, elections, community planning and development), judicial (municipal court), public safety (police, fire, and communications), public works (building inspection, parking and municipal buildings, sanitation, and streets), housing and development (community development) and culture and recreation (parks, gardens, cemeteries, and recreation).

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City of Orangeburg (the primary government) which includes all fund types of the City. Component units may be presented by two different methods. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the City. The City reports no discretely presented component units and one (1) blended component unit.

The Orangeburg Redevelopment Corporation (the "Corporation") is a single purpose corporate entity, established in 2022, which has a leasehold interest in certain City facilities. Its Board is comprised of several employees and elected officials of the City. The Corporation issued $7,000,000 of financing in the form of installment purchase revenue bonds during 2022 to finance the purchase of acquiring and equipping a city hall facility. The assets, debts, and activities of the Corporation are reported in the governmental activities of the City. The Corporation does not issue separate audited financial statements.

Summary of Significant Accounting Policies

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

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days 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 leases, subscriptions, compensated absences, pensions, other postemployment benefits and claims and judgments, are recorded only when payment is due. Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales, accommodations, and hospitality taxes are recorded when the underlying transaction is made.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Shared revenues are recorded at the time of receipt or earlier if the susceptible accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which are normally 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 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.

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and aggregated nonmajor funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to net position presented in the government-wide financial statements. The City has presented all major funds that met the qualifications of GASB statement no. 34.

The City reports the following major governmental funds:

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

The County Capital One Percent Fund is used to account for the acquisition and construction of capital facilities.

The ARPA Fund is used to account for the proceeds of the Coronavirus State and Local Fiscal Recovery Funds program under the American Rescue Plan Act (ARPA).

The City reports the following major proprietary fund:

The Department of Public Utilities Fund accounts for the user charges, fees, and other resources and all costs associated with the operations of the City's water, sewer, electricity, and gas systems.

Additionally, the City reports the following nonmajor fund types:

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

The Capital Projects Funds account for the acquisition and construction of the City's major capital facilities, other than those financed by proprietary funds.

The Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to a private business or where Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. All of the City's proprietary funds are enterprise funds.

The Fiduciary Fund is custodial in nature and is used to account for assets held by the government in a trustee capacity or as an agent on behalf of others. The Delinquent Tax Fund accounts for the receipts and disbursements from delinquent property tax sales.

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgets and Budgetary Accounting: An annual budget is adopted on a basis consistent with generally accepted accounting principles for the General Fund and Public Utilities Fund. All annual appropriations lapse at fiscal year-end. The City Administrator submits to City Council a balanced, proposed annual budget prior to September 30 for the fiscal year commencing October 1. City Council must approve and adopt a final budget through the passage of an ordinance. The appropriated budget is prepared by fund, function, and department. The City Administrator may make transfers of appropriations within and between departments. Transfers of appropriations between funds require the approval of City Council. The legal level of budgetary control is the fund level.

The legally adopted budget for the General Fund is presented as required supplementary information while the legally adopted budget of the Department of Public Utilities Fund is presented as other supplementary information. Additionally, the budget of the General Fund is prepared on a basis consistent with accounting principles generally accepted in the United States and is presented on the modified accrual basis of accounting, while the budget of the Department of Public Utilities Fund is prepared on a basis consistent with accounting principles generally accepted in the United States and is presented on the accrual basis of accounting.

Cash and Investments: For purposes of financial statement presentation, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash. Cash includes certain amounts in certificates of deposit and money market funds and are stated at cost which approximates fair value.

With the exception of non-participating investment contracts and debt securities, all investments, including the City's investment in the South Carolina Local Government Investment Pool (LGIP) are carried at fair value. The total fair value of the LGIP is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of $1.00. Non-participating investment contracts such as nonnegotiable certificates of deposit are reported at amortized cost which approximates fair value.

Receivables: All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Taxes receivable are comprised of delinquent real property taxes, net of an allowance for uncollectible accounts. The current property tax receivable allowance is equal to 1% of the current property tax levy.

Accounts receivable in the General Fund are comprised of franchise taxes and reimbursements. Receivables in the Special Revenue Funds are comprised of accommodations taxes. Accounts receivable in the City's enterprise funds are comprised of charges for services and an estimate of unbilled receivables associated with the City's Public Utilities Fund. Estimated unbilled revenues are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year. The City computes the allowance for uncollectible accounts relative to the Public Utilities Fund based on an estimate of collections within each aging category of receivables.

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- Continued

Interfund Receivables and Payables: Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year, as well as all other outstanding balances between funds, are reported as “due to/from other funds” (current interfund loans) or “advances to/from other funds” (noncurrent portion of interfund loans).

Advances between funds are offset by a fund balance reserve account in the applicable government funds to indicate that they are not available for appropriation and are not available financial resources.

Inventories: Inventories in governmental funds, which are accounted for using the consumption method, consist of consumable supplies and fuel and are stated at cost, using the first-in/first-out (FIFO) method. Reported inventories are equally offset by a nonspendable fund balance, which indicates that they do not constitute available spendable resources even though they are a component of current assets.

Inventories in enterprise funds are also accounted for using the consumption method. These inventories consist of merchandise for resale, fuel for sale, supplies and materials for operation, maintenance, and improvements to property and plant and are stated at the lower of cost or market, using the first-in/first-out (FIFO) method.

Prepaid Items: Payments made to vendors for services that will benefit periods beyond September 30, 2025, are recorded as prepaid items in both the government-wide and fund financial statements. The consumption method is used to account for prepaid items in the City’s funds.

Restricted Assets: The City’s restricted accounts are established to account for assets restricted for specific purposes, typically by outside parties or legal agreement. Certain debt agreements require the establishment of an account to hold 1) maximum annual principal and interest payments, and 2) the next succeeding principal and accrued interest payment.

Notes Receivable: Amounts loaned to others, which were funded with the City’s unrestricted funds, are recorded as notes receivable. The City periodically evaluates the collectability of its outstanding notes receivable and has determined no provision for uncollectible amounts to be necessary.

Capital Contributions: The City receives federal and state grants to fund operating activities and capital improvement projects that support the maintenance and enhancement of the City's infrastructure. Grant proceeds are recognized as revenue when all eligibility requirements have been met and the revenue is earned. For the year ended September 30, 2025, the City received $12,086,798 in federal grant funding for operating and capital improvement projects.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, water and sewer delivery systems and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets and infrastructure are defined by the City as assets with an initial, individual cost of more than $3,000 and an estimated useful life in excess of one year. Capital assets and infrastructure are defined by the Department of Public Utilities as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The costs of normal maintenance and repairs that do not increase the capacity or efficiency of an item or add to the value of the asset or materially extend the assets' lives beyond original estimates, are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction of governmental-type activities and business-type activities is not capitalized.

All reported capital assets (including right-to-use lease and subscription assets) except land and construction in progress are depreciated/amortized. Useful lives for infrastructure are estimated based on the City's historical records of necessary improvements and replacements.

Depreciation/amortization is provided using the straight-line method over the following estimated useful lives:

Type of Capital Asset	Years
Buildings	30-45
Infrastructure:	
Electric system	25-50
Gas system	35-50
Water system	30-100
Wastewater system	40-60
Fiber optics and SCADA system	12-30
Streets, bridges, and sidewalks	25
Runways	20
Warehouse	25
Furniture and Fixtures	3-20
Right-to-use vehicles and equipment	2-7
Right-to-use subscriptions	2-7
Vehicles, machinery and equipment	3-20
Warehouse	25
Furniture and Fixtures	3-20

Compensated Absences: During the year the City implemented GASB Statement No. 101, Compensated Absences, which updated the recognition and measurement guidance for compensated absences. The City's policy is to permit employees to accumulate leave depending upon length of service. The maximum leave that can be accrued is 1,080 hours for persons with twenty or more years of service (calculated as hours earned times hourly rate). Upon termination, accumulated leave will be paid to the employee. All leave and compensatory pay are accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only to the extent they are payable from current resources and represent matured liabilities, for example, as a result of employee resignations and retirements.

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Long-term Obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/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 future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has four (4) items that qualify for reporting in this category, all of which relate to the City's Retirement Plans and OPEB Plan and are combined in the Statement of Net Position under the heading "Pension" and "Other postemployment benefits", respectively. The first item, experience losses, results from periodic studies by the actuaries of the Retirement Plans and OPEB Plan, which adjust the net pension and OPEB liabilities for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience losses are recorded as deferred outflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of the plan members. The second item results from changes in the proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions. These changes are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability over a four-year period. The third item, changes in the actuarial assumptions, adjust the net pension and total OPEB liabilities and is amortized into pension and OPEB expense over the expected remaining service lives of plan members. The fourth item, pension and OPEB contributions made subsequent to the plan measurement date, includes any contributions made by the City to the pension and OPEB plan before year-end but subsequent to the measurement date of the City's net pension and total OPEB liabilities are reported as deferred outflows of resources and will be recognized as a reduction of the net pension and total OPEB liabilities during the year ended September 30, 2026.

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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has five (5) items that qualify for reporting in this category.

The first item, *unavailable revenue*, arises only under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenue from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The second item, experience gains relating to the City's Retirement Plans and OPEB Plan, is recorded in the Statement of Net Position under the heading "Pension" and "Other postemployment benefits." Experience gains result from periodic studies by the actuaries of the Retirement Plans and OPEB Plan, which adjust the net pension and total OPEB liabilities for actual experience for certain trend information that was previously assumed. These gains are recorded as deferred inflows of resources and are amortized into pension expense and OPEB expense over the expected remaining lives of the plan members. The third item results from changes in the proportionate share and differences between employer

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- Continued

contributions and the proportionate share of total pension plan employer contributions. The fourth item, changes in the actuarial assumptions, adjust the total other postemployment benefits liability and is amortized into OPEB expense over the expected remaining service lives of plan members. The fifth item, differences between projected investment return on pension investments and actual return on those investments, is deferred and amortized into pension expense over a four-year period.

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

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

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

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

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

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion.

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

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 there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws and regulations of other governments. All other net position is reported as unrestricted. The City applies expenses that can be used both for restricted and unrestricted resources against restricted resources first.

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- Continued

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Leases: The City is a lessee for certain noncancellable leases of vehicles and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements for individual leases with an initial present value of expected lease payments of $50,000 or more. Leases below this threshold are recognized as outflows of resources or expenses, as applicable, unless management determines that capitalization is necessary because such leases are material individually or in the aggregate.

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

Key estimates and judgments include the discount rate, lease term, and lease payments. The City uses the interest rate charged by the lessor as the discount rate when available; otherwise, the City uses its estimated incremental borrowing rate. The lease term includes the noncancellable period of the lease and any periods covered by options that the City is reasonably certain to exercise. Lease payments included in the liability generally consist of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that may require remeasurement of lease assets and liabilities and remeasures them when changes are expected to significantly affect the lease liability. Lease assets are reported with capital assets, and lease liabilities are reported with long-term liabilities, on the Statement of Net Position.

Subscription-Based Information Technology Arrangements: The City is a party to certain noncancellable subscription-based information technology arrangements (SBITAs). The City recognizes a subscription liability and subscription asset in the government-wide financial statements for individual SBITAs with an initial value of $50,000 or more.

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Key estimates and judgments include the discount rate, subscription term, and subscription payments. The City uses the interest rate charged by the vendor as the discount rate when available; otherwise, the City uses its estimated incremental borrowing rate. The subscription term includes the noncancellable period of the agreement and any periods covered by options that the City is reasonably certain to exercise. Subscription payments included in the liability generally consist of fixed payments and other payments that are reasonably certain of being required under the agreement.

The City monitors changes in circumstances that may require remeasurement of subscription assets and liabilities and remeasures them when changes are expected to significantly affect the subscription liability. Subscription assets are reported with capital assets, and subscription liabilities are reported with long-term liabilities, on the Statement of Net Position.

NOTE B -- LEGAL COMPLIANCE - BUDGETS

For the fiscal year ended September 30, 2025, expenditures exceeded appropriations in the General Fund by $726,170. The excess expenditures were funded through the use of available fund balance.

NOTE C -- CASH AND INVESTMENTS

Total cash and Investments as of September 30, 2025, are summarized as follows:

Amounts as presented in the entity-wide Statement of Net Position:		
Cash and cash equivalents	$	23,967,522
Investments		36,195,866
Restricted cash and cash equivalents		11,235,034
Amounts as presented in the Statement of Fiduciary Net Position:		
Cash and cash equivalents - Custodial Fund		3,328
TOTAL	$	71,401,750

At September 30, 2025, the City's cash and investments included demand deposits with financial institutions, local government pools, mutual funds, and United States Government debt securities. The local government pool is managed by the State of South Carolina. The fair value of its position in the pool is the same as the value of the pool shares.

NOTE C -- CASH AND INVESTMENTS - Continued

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

Custodial Credit Risk – Deposits and Investments: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2025, all of the City's deposits were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust department in the City's name.

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

Investments consisted of the following as of September 30, 2025:

	Fair Value	Percentage of Portfolio	Credit Rating
U.S. Treasuries	$ 34,411,041	95.0%	AAA/AA+
Mutual Funds	1,784,825	5.0%	N/A
TOTAL	36,195,866		

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of September 30, 2025:

	Level 1	Level 2	Level 3	Fair Value
U.S. Treasuries	$ 34,411,041	$ -	$ -	$ 34,411,041
Mutual Funds	1,784,825	-	-	1,784,825
TOTAL	$ 36,195,866	$ -	$ -	$ 36,195,866

The City's investment in mutual funds and U.S. Treasuries classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The City has no investments classified in Level 2 or Level 3 of the fair value hierarchy.

NOTE C -- CASH AND INVESTMENTS - Continued

The LGIP is an investment pool, which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose investment in the LGIP within the fair value hierarchy.

Credit Risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The City's investment policy allows for investments in the LGIP. As of September 30, 2024, the underlying security ratings of the City's investment in the LGIP may be obtained from the LGIP's complete financial statements. This investment pool does not have a credit quality rating assigned. These financial statements may be obtained by writing to the State Treasurer's Office, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211. Additionally, the City may invest in obligations of the United States, obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, Bank of Cooperatives, Federal Intermediate Credit Bank, Federal Land Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Federal Housing Administration, and Farmer's 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 organizations.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City does not have a formal investment policy that would limit investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

	Fair Value	Less than 1	1 – 5	6 – 10
U.S. Treasuries	$ 34,411,041	$ 3,543,656	$ 30,867,385	$ -
Mutual Funds	1,784,825	1,784,825	-	-
TOTAL	$ 36,195,866	$ 5,238,481	$ 30,867,385	$ -

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City places no limit on the amount that can be invested with any one issuer.

NOTE D -- RECEIVABLES

Property taxes are levied on real and personal properties owned on the preceding December 31 of the City's fiscal year ended September 30. Liens attach to the property at the time the taxes are levied, which is usually in November of each year. These taxes are due without penalty through January 15. After January 15, penalties are added, and taxes become delinquent. After March 16, the taxes go into execution. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month. Penalty dates and rates are the same as that established by the Orangeburg County Council (January 16 – 3%, February 2 - an additional 7%, and March 16 - an additional 5%). If taxes are not paid by March 15, they are turned over to the delinquent tax office for collection. Orangeburg County (the "County") bills and collects current and delinquent property taxes.

NOTE D -- RECEIVABLES - Continued

City tax revenues are recognized in the period for which they are levied; therefore, revenue recognition is deferred.

Taxes on licensed motor vehicles are levied during the month when the taxpayer's license is up for renewal and are, therefore, recognized when cash is received by the County. The taxpayer must provide proof of payment to the Highway Department before the vehicle license will be renewed.

Receivables at September 30, 2025, for the City's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Nonmajor Governmental Fund	Department of Public Utilities	Nonmajor Enterprise Funds	Total
Receivables:					
Taxes	$ 495,380	$ -	$ -	$ -	$ 495,380
Acccounts Receivable	653,373	46,104	14,125,982	1,897	14,827,356
Due from other governments	821,599	-	2,871,805	-	3,693,404
Gross Receivables	1,970,352	46,104	16,997,787	1,897	19,016,140
Less allowance for uncollectable accounts	(56,807)	-	(246,583)	-	(303,390)
Total Recievables	$ 1,913,545	$ 46,104	$ 16,751,204	$ 1,897	$ 18,712,750

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NOTE E -- CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended September 30, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Transfers and Reclassifications	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	$ 3,644,473	$ 1,000	$ (695,567)	$ -	$ 2,949,906
Construction in progress	6,505,380	2,864,331	-	(7,315)	9,362,396
Total	10,149,853	2,865,331	(695,567)	(7,315)	12,312,302
Capital Assets Being Depreciated:					
Land and site Improvements	24,602,906	-	-	-	24,602,906
Buildings	16,974,127	-	-	-	16,974,127
Vehicles	9,797,003	310,546	(272,012)	(67,279)	9,768,258
Machinery and equipment	3,015,708	622,690	(42,511)	(17,003)	3,578,884
Infrastructure	12,018,880	-	(154,518)	-	11,864,362
Furniture and fixtures	1,634,441	115,261	(348,683)	-	1,401,019
Computer Equipment	2,047,442	328,672	(61,345)	-	2,314,769
Right-to-use lease vehicles	1,540,650	102,755	-	-	1,643,405
Right-to-use lease equipment	457,275	-	-	-	457,275
Right-to-use lease subscriptions	408,893	-	-	-	408,893
Tools and equipment	1,115,785	-	(150,105)	-	965,680
Total	73,613,110	1,479,924	(1,029,174)	(84,282)	73,979,578
Less Accumulated Depreciation For:					
Land and site Improvements	(10,106,171)	(1,369,044)	-	2,917	(11,472,298)
Buildings	(8,661,621)	(503,839)	-	18,384	(9,147,076)
Vehicles	(8,118,162)	(765,396)	264,849	3,717	(8,614,992)
Machinery and equipment	(2,205,993)	(243,168)	42,511	8,947	(2,397,703)
Infrastructure	(7,758,416)	(409,476)	94,417	100	(8,073,375)
Furniture and fixtures	(1,516,951)	(35,583)	344,532	2,997	(1,205,005)
Computer equipment	(2,012,735)	(62,940)	61,345	-	(2,014,330)
Right-to-use lease vehicles	(760,787)	(235,616)	-	-	(996,403)
Right-to-use lease equipment	(335,957)	(121,318)	-	-	(457,275)
Right-to-use lease subscriptions	(115,853)	(81,779)	-	-	(197,632)
Tools and other equipment	(1,094,140)	(10,537)	150,105	-	(954,572)
Total	(42,686,786)	(3,838,696)	957,759	37,062	(45,530,661)
Total Capital Assets Being Depreciated, Net	30,926,324	(2,358,772)	(71,415)	(47,220)	28,448,917
Governmental Activities Total Capital Assets, Net	$ 41,076,177	$ 506,559	$ (766,982)	$ (54,535)	$ 40,761,219

NOTE E -- CAPITAL ASSETS - Continued

Capital asset activity for the business-type activities for the year ended September 30, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Transfers and Reclassifications	Ending Balance
Business-Type Activities					
Capital Assets Not Being Depreciated:					
Land	$ 3,866,575	$ -	$ -	$ -	$ 3,866,575
Construction in progress	58,504,661	33,261,709	(44,150)	(14,367,849)	77,354,371
Total	62,371,236	33,261,709	(44,150)	(14,367,849)	81,220,946
Capital Assets Being Depreciated:					
Building and Improvements	25,057,975	-	-	-	25,057,975
Vehicles	38,339	-	-	-	38,339
Electric division	180,794,068	-	(1,485,951)	5,258,384	184,566,501
Gas division	43,755,734	-	(209,722)	4,253,677	47,799,689
Water division	115,860,996	-	(2,592,268)	1,910,898	115,179,626
Wastewater division	110,771,548	-	(82,101)	1,877,492	112,566,939
Land improvements	14,633,054	-	-	-	14,633,054
Tools and equipment	20,036,481	-	(96,316)	1,051,579	20,991,744
Furniture and fixtures	3,022,250	-	(7,259)		3,014,991
Total	513,970,445	-	(4,473,617)	14,352,030	523,848,858
Less Accumulated Depreciation For:					
Building and Improvements	(7,583,236)	(5,463,736)	870,014	-	(12,176,958)
Vehicles	(38,339)	-	-	-	(38,339)
Electric division	(103,216,605)	(1,129,030)	95,656	-	(104,249,979)
Gas division	(19,518,322)	(2,528,400)	1,677,263	-	(20,369,459)
Water division	(52,606,974)	(2,630,767)	66,299	-	(55,171,442)
Wastewater division	(44,925,760)	(705,944)	-	-	(45,631,704)
Land improvements	(12,977,754)	(147,208)	-	-	(13,124,962)
Tools and equipment	(11,777,028)	(1,337,667)	96,316	3,802	(13,014,577)
Furniture and fixtures	(1,212,744)	(219,393)	7,259	-	(1,424,878)
Total	(253,856,762)	(14,162,145)	2,812,807	3,802	(265,202,298)
Total Capital Assets Being Depreciated, Net	260,113,683	(14,162,145)	(1,660,810)	14,355,832	258,646,560
Business-Type Activities Capital Assets, Net	$ 322,484,919	$ 19,099,564	$ (1,704,960)	$ (12,017)	$ 339,867,506

NOTE E -- CAPITAL ASSETS - Continued

Depreciation and amortization expense was charged to the following functions for governmental activities for the City as follows:

General Government	$	437,062
Judicial		4,819
Public safety		1,016,020
Public works		776,891
Culture and recreation		1,603,904
Total Depreciation Expense	$	3,838,697

Depreciation expense was charged to programs for business-type activities for the City as follows:

Public utilities	$	13,955,255
Municipal airport		206,890
Total Depreciation Expense	$	14,162,145

NOTE F -- LONG-TERM DEBT

The City's long-term obligations include notes payable, bonds payable, leases payable, subscriptions payable, financed purchase obligations, compensated absences, net pension liability, and other postemployment benefits liability.

Notes payable were issued through the South Carolina State Revolving Fund Program to finance acquisition and construction of major capital facilities for the Department of Public Utilities Fund (the "Department") and are secured by Public Utilities system revenues.

Bonds payable were issued to finance acquisition, construction, and infrastructure improvements, including certain facilities, buildings, and the Department of Public Utilities Operations Center. Repayment of bonds is primarily funded by Local Hospitality and Accommodations Fund revenues, Public Utilities system revenues, and, for installment purchase revenue bonds, the General Fund.

Leases payable, subscriptions payable, and financed purchase obligations relate to vehicles, equipment, and subscription-based information technology arrangements and are primarily funded by the General Fund and, where applicable, the Local Hospitality and Accommodations Tax Fund.

The net pension liability and other postemployment benefits liability represent the City's long-term benefit obligations. These obligations, along with compensated absences for accumulated annual leave and compensatory time, are primarily funded by the General Fund and Public Utilities Fund.

NOTE F -- LONG-TERM DEBT - Continued

The following is a summary of long-term debt activity of the City for the year ended September 30, 2025:

	September 30, 2024	Additions	Reductions	September 30, 2025	Due Within One Year
Governmental Activities:					
Financed purchase obligations	$ 2,160,631	$ -	$ (595,947)	$ 1,564,684	$ 612,401
Revenue bonds payable from direct borrowings	10,261,340	-	(351,228)	9,910,112	405,512
Leases payable	946,353	204,058	(472,301)	678,110	301,278
Subscriptions payable	303,199	-	(79,234)	223,965	83,289
Compensated absences	845,560	180,625	-	1,026,185	513,094
Net pension liability	16,361,966	-	(1,986,299)	14,375,667	-
Total other postemployment benefit liability	2,297,511	12,121	-	2,309,632	-
Total Governmental Activities	$ 33,176,560	$ 396,804	$ (3,485,009)	$ 30,088,355	$ 1,915,574

	September 30, 2024	Additions	Reductions	September 30, 2025	Due Within One Year
Business-type activities:					
Notes payable from direct borrowings	$ 17,380,400	$ -	$ (1,492,852)	$ 15,887,548	$ 1,518,279
Revenue bonds payable from direct borrowings	31,523,556	-	(1,639,594)	29,883,962	1,693,968
Compensated absences	1,831,763	124,947	-	1,956,710	911,344
Net pension liability	24,363,909	-	(2,490,562)	21,873,347	-
Total other postemployment benefit liability	4,524,259	-	(69,961)	4,454,298	-
Total Buisness-Type Activities	$ 79,623,887	$ 124,947	$ (5,692,969)	$ 74,055,865	$ 4,123,591

Notes and Bonds Payable: The City entered into financing agreements with the South Carolina State Revolving Fund Program to provide funds for various capital projects. The formal approval of each note payable was provided for under various revenue bond ordinances passed by City Council which stipulates that the notes are payable solely from the revenues of the operations of the system. All issuances of the notes are considered parity notes and have equal standing. The notes are secured by all revenues which remain after paying the cost of the operation and maintenance of the system of the Department. The bond ordinances require the Department to maintain various funds as long as the bonds are outstanding. The gross revenue fund, the operating and maintenance fund, the debt service fund, the depreciation fund, and the contingent fund are maintained to provide for payment of principal, interest, operating contingencies and depreciation. These funds are invested in obligations of the U.S. Government.

NOTE F -- LONG-TERM DEBT - Continued

As of September 30, 2025, balances in all funds met the requirements. Additional such debt can be issued only if (1) there are no defaults in payments of interest and principal of any existing debt having claim on the revenues of the system, (2) existing debt cushion funds have been maintained as required, and (3) the net earnings of the system for the fiscal year in which debt is to be issued should not be less than 120 percent of the highest combined annual principal requirements of any succeeding fiscal year on all such debt outstanding and all such debt then proposed to be issued.

Notes payable from business-type activities at September 30, 2025, are as follows:

The City entered into a financing agreement with the South Carolina State Revolving Fund Program in the amount of $4,280,163 titled Series 2009A. Principal and interest payments on the note are due in quarterly installments through 2030 in the amount of $19,827. The note bears interest of 1.84%.	$ 987,934
The City entered into a financing agreement with the South Carolina State Revolving Fund Program in the amount of $982,514 titled Series 2009B. Principal and interest payments on the note are due in quarterly installments through 2030 in the amount of $4,482. The note bears interest of 1.68%.	211,128
The City entered into a financing agreement with the South Carolina State Revolving Fund Program in the amount of $27,454,700 titled Series 2014. Principal and interest payments on the note are due in quarterly installments through 2036 in the amount of $123,849. The note bears interest of 1.68%.	14,688,487
TOTAL	$ 15,887,548

The annual requirements for debt service on notes payable outstanding at September 30, 2025, are summarized as follows:

	Principal	Interest	Total
2026	$ 1,518,279	$ 259,623	$ 1,777,902
2027	1,544,242	233,659	1,777,901
2028	1,570,753	207,147	1,777,900
2029	1,597,828	180,072	1,777,900
2030	1,416,568	153,410	1,569,978
2031 - 2035	7,012,808	418,137	7,430,945
2036	1,227,070	11,419	1,238,489
	$ 15,887,548	$ 1,463,467	$ 17,351,015

NOTE F -- LONG-TERM DEBT - Continued

Bonds Payable – Governmental Activities:

Bonds payable from governmental-type activities at September 30, 2025, are as follows:

Revenue Bonds Payable:	
The City entered into a financing agreement with South State Bank during 2018 in the amount of $5,000,000 titled Accommodations and Hospitality Tax Revenue Bond on 2018. The bonds are payable from and are secured by a pledge of and a lien upon, revenues received by the City from the State Accommodations Tax. Principal and interest payments on the bond are due in semi-annual installments through 2033. The bond bears interest of 2.96%.	$ 2,935,112
The City issued direct placement installment purchase revenue bonds through the Orangeburg Redevelopment Corporation during 2012 in the amount of $7,000,000 to construct a new city hall facility. The bonds are secured by a base lease and trust agreement encompassing the to-be-constructed facility. Principal and interest payments on the bond are due in semi-annual installments through May 2032. The bond bears interest of 3.49%	6,975,000
TOTAL	$ 9,910,112

The annual requirements for debt service on revenue bonds payable - governmental activity outstanding at September 30, 2025, are summarized as follows:

	Principal	Interest	Total
2026	$ 405,512	$ 329,201	$ 734,713
2027	490,637	316,596	807,233
2028	824,754	301,244	1,125,998
2029	541,848	284,078	825,926
2030	558,441	267,202	825,643
2031 - 2035	7,088,920	490,213	7,579,133
	$ 9,910,112	$ 1,988,534	$ 11,898,646

NOTE F -- LONG-TERM DEBT - Continued

Bonds Payable - Business-type Activities :

Bonds payable from business-type activities at September 30, 2025, are as follows:

In 2020, the City issued Combined Public Utility System Revenue Bonds, Series 2020 in a direct borrowing transaction. The bonds were issued in the amount of $15,000,000 to defray the costs of the construction of a Department of Public Utilities Operations Center to consist of new crew quarters, assembly building and covered equipment and inventory storage area. The bonds are payable from and are secured by the revenues derived from the operation of the City's Combined Public Utility System. The bonds are payable in monthly installments of principal and interest commencing on February 15, 2020, and ending on January 15, 2035, in the amount of $100,655 and bear interest at 2.59%.	$ 10,004,724
In 2024, the City issued Combined Public Utility System Revenue Bonds, Series 2024 in a direct borrowing transaction. The bonds were issued in the amount of $21,000,000 to defray the costs of the substations and the subsequent lines and power facilities needed to continue to serve the citizens of Orangeburg. The bonds are payable from and are secured by the revenues derived from the operation of the City's Combined Public Utility System. The bonds are payable in monthly installments of principal and interest commencing on February 23, 2024, and ending on February 15, 2044, in the amount of $128,914 and bear interest at 4.16%.	19,879,237
TOTAL	$ 45,771,510

The bonds are subject to option redemption in whole, but not in part, at any time, at a redemption price equal to 101% of the principal amount to be redeemed, plus accrued interest to the date of redemption, to and including June 15, 2027, and thereafter at par, plus accrued interest to the date of redemption. The bond agreement includes various events of default, and upon the occurrence of such an event the bondholders of the outstanding bonds may, by notice in writing to the City, declare the principal balance immediately due and payable.

In 2025, the City entered into a loan agreement related to the Combined Public Utility System Improvement Revenue Bond, Series 2025. The bond was authorized to finance improvements to the water treatment plant, including a new bulk lime storage tank, pump station, drain improvements, and various repairs and replacements. The Series 2025 bond is authorized in an amount not to exceed $13,112,100, plus capitalized interest, if any. The loan bears interest at 2.10% per annum and is payable over a 20-year term. Accrued interest, if any, is due beginning November 1, 2026, with principal and interest payments beginning February 1, 2027. The repayment schedule provides for 79 quarterly installments of $201,146 and one final installment for the remaining principal and interest, subject to adjustment for capitalized interest or changes in the final loan amount. As of September 30, 2025, the Department had not drawn any amounts on the loan; therefore, no liability was outstanding related to the Series 2025 bond at year-end. Subsequent to year-end, the Department drew $2,486,774 on the loan.

NOTE F -- LONG-TERM DEBT - Continued

The annual requirements for debt service on bonds payable – business-type activities outstanding at September 30, 2025, are summarized as follows:

	Principal	Interest	Total
2026	$ 1,693,968	$ 1 060 867	$ 2,754,835
2027	1,750,250	1,004,585	2,754,835
2028	1,808,511	946,324	2,754,835
2029	1,868,824	886,011	2,754,835
2030	1,931,265	823,569	2,754,834
2031 – 2035	9,861,798	3,107,136	12,968,934
2036 – 2040	6,050,226	1,684,642	7,734,868
2041 - 2044	4,919,120	366,371	5,285,491
	$ 29,883,962	$ 9,879,505	$ 39,763,467

Financed Purchase Obligations – Governmental Activities: The City entered into various finance lease agreements to purchase equipment. The following comprise financed purchase obligations as of September 30, 2025:

The City entered into a financed purchase agreement in the amount of $2,617,113 with a regional bank during 2022 for various equipment. Payments are made annually at 2.90% for a term of seven years.	$ 1,148,856
The City entered into a financed purchase agreement in the amount of $451,000 with a regional bank during 2023 for various equipment. Payments are made annually at 4.08% for a term of three years.	258,048
The City entered into a financed purchase agreement in the amount of $410,000 with a regional bank during 2023 for various equipment. Payments are made annually at 4.08% for a term of five years.	157,780
TOTAL	$ 1,564,684

The annual requirements for debt service on financed purchase obligations outstanding at September 30, 2025, are summarized as follows:

	Principal	Interest	Total
2026	$ 612,401	$ 50,398	$ 662,799
2027	468,817	29,764	498,581
2028	483,466	15,116	498,582
	$ 1,564,684	$ 95,278	$ 1,659,962

NOTE F -- LONG-TERM DEBT - Continued

Leases Obligations: The City has entered into multiple noncancelable leases as the lessee for various right-to-use assets. Payments are due in monthly installments through 2030. As no interest rate is stated in the lease agreements, the City used its incremental borrowing rate as the discount rate for these leases. As of September 30, 2025, the City has $678,110 outstanding in leases payable.

Annual principal and interest requirements to maturity for the lease liability as of September 30, 2025, are as follows:

	Principal	Interest	Total
2026	$ 301,278	$ 54,806	$ 356,084
2027	189,353	40,077	229,430
2028	117,802	26,187	143,989
2029	55,758	13,689	69,447
2030	13,919	2,502	16,421
	$ 678,110	$ 137,261	$ 815,371

Lease asset activity for the City's governmental activities for the year ended September 30, 2025, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Right to use assets:				
Leased vehicles	$ 1,540,650	$ 102,755	$ -	$ 1,643,405
Leased equipment	457,275	-	-	457,275
Total Right to Use Assets	1,997,925	102,755	-	2,100,680
Less accumulated amortization for:				
Leased vehicles	(760,787)	(235,616)		(996,403)
Leased equipment	(335,957)	(121,318)		(457,275)
Total Accumulated Amortization	(1,096,744)	(356,934)	-	(1,453,678)
Governmental Activities Right to use Assets, Net	$ 901,181	$ (254,179)	$ -	$ 647,002

Subscription-Based Information Technology Arrangements: The City has entered into a noncancelable SBITAs for a subscription asset. As no interest rate is stated in the agreements, the City used its incremental borrowing rate as the discount rate for these SBITAs. As of September 30, 2025, the City has $223,965 outstanding in subscriptions payable.

NOTE F -- LONG-TERM DEBT - Continued

The annual requirements to amortize all SBITAs payable as of September 30, including interest payments, are as follows:

	Principal	Interest	Total
2026	$ 83,289	$ 9,307	$ 92,596
2027	87,550	5,045	92,595
2028	53,126	889	54,015
	$ 223,965	$ 15,241	$ 239,206

Subscription asset activity for the City's governmental activities for the year ended September 30, 2025, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities:				
Subscription asset	$ 408,893	$ -	$ -	$ 408,893
Total Subscription Assets	408,893	-	-	408,893
Less accumulated amortization for:				
Subscription asset	(115,853)	(81,779)		(197,632)
Total Accumulated Amortization	(115,853)	(81,779)	-	(197,632)
Governmental Activities Subscription Assets, Net	$ 293,040	$ (81,779)	$ -	$ 211,261

NOTE G -- INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2025, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Public Utilities Fund	$ 177,623
General Fund	Nonmajor Governmental Funds	7,315
General Fund	General Fund	175,000
County Capital One Percent Fund	General Fund	951,224
Nonmajor Governmental Funds	General Fund	724,876
ARPA Fund	General Fund	28,517
	TOTAL	$ 2,064,555

NOTE G -- INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Airport	$ 1,197,207
	TOTAL	$ 1,197,207

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Advances to/from other funds represent amounts not expected to be repaid within one year from the date of the financial statements.

The composition of interfund transfers for the year ended September 30, 2025, is as follows:

	Transfer from			
Transfer to	ARPA Fund	Department of Public Utilities	Nonmajor Governmental Fund	TOTAL
General Fund	$ 1,000,000	$ 6,300,000	$ 1,211,066	$ 8,511,066
TOTAL	$ 1,000,000	$ 6,300,000	$ 1,211,066	$ 8,511,066

Transfers are used to (1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE H -- COMMITMENTS AND CONTINGENT LIABILITIES

Risk Management: The City is exposed to various risks of losses related to torts including theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City is a member of the South Carolina Insurance Reserve Fund (SCIRF), which operates as a common risk management and insurance program for local governments. The City pays an annual premium to the SCIRF for its general insurance. The SCIRF is self-sustaining through member premiums and reinsures through commercial companies for certain claims. The City did not have any significant reductions in insurance coverage from prior years, and there were no settlements which exceeded insurance coverage for any of the past three years.

NOTE H -- COMMITMENTS AND CONTINGENT LIABILITIES - Continued

Additionally, the City participates in the South Carolina Municipal Insurance Trust/Workers' Compensation Pool, a public entity risk pool for its workers' compensation coverage. Pool members are subject to a supplemental assessment in the event of deficiencies.

Beginning January 1, 2014, the City implemented a partial self-insurance program for medical insurance coverage for its employees. The City's health insurance plan has an individual stop loss insurance amount of $125,000. Health claims are handled by an administrator. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

Changes in the balance of the liability for health, dental and prescription claims during the year ended September 30, 2025, was as follows:

Unpaid claims, beginning of fiscal year	$	381,133
Incurred claims and changes in estimates		5,489,279
Claim payments		(5,436,006)
Unpaid claims, end of fiscal year	$	434,406

<u>Grants</u>: Amounts received or receivable from grantor agencies in previous years are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, could become a liability of the General Fund or other applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

<u>Litigation</u>: The City is party to various legal proceedings and pending lawsuits which normally occur in governmental operations. In the opinion of the City 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 City's financial position.

<u>Unemployment Compensation</u>: The City makes payments to the South Carolina Department of Employment and Workforce on a reimbursement basis for costs incurred in the administration of the state unemployment compensation statutes. Claims incurred but not reported at September 30, 2025, are not significant.

<u>Construction Commitments</u>: At September 30, 2025, the City had construction commitments related to various capital projects of approximately $59,568,500.

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

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

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

<u>Plan Descriptions</u>

- The South Carolina Retirement System (SCRS), a cost–sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired state, public higher education institution and public school district employees, as well as individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

NOTE I -- PENSION PLANS - Continued

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

Membership

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

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

State ORP - As an alternative to membership in SCRS, newly hired state, public school and higher education employees, as well as individuals first elected to the South Carolina General Assembly at or after the general election in November 2012 have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

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

Plan Benefits

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

NOTE I -- PENSION PLANS - Continued

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

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

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

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

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

NOTE I -- PENSION PLANS - Continued

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

Required employee contribution rates[1] are as follows:

	Fiscal Year 2026[1]	Fiscal Year 2025[1]
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP		
Employee	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

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

Required employer contribution rates[1] are as follows:

	Fiscal Year 2026[1]	Fiscal Year 2025[1]
SCRS		
Employer Class Two	18.41%	18.41%
Employer Class Three	18.41%	18.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution[2]	18.41%	18.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	21.04%	21.04%
Employee Class Three	21.04%	21.04%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Benefit	0.20%	0.20%

[1]Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.
[2]Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP service provider to be allocated to the member's account with the remainder of the employer contributed and remitted to the SCRS.

NOTE I -- PENSION 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. The GASB Statement No. 67 valuation report prepared as of June 30, 2025 is based on the experience study report for the period ending June 30, 2023.

The June 30, 2025, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2024. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2025, using generally accepted actuarial principles. There was no legislation enacted during the 2025 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2025.

	SCRS	PORS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return[1]	7%	7%
Projected salary increases	3.0% to 11.25% (varies by service)[1]	3.5% to 11.0% (varies by service)[1]
Benefit adjustments	Lesser of 1% or $500 annually	Lesser of 1% or $500 annually

[1]Includes inflation at 2.25%

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

Assumptions used in the determination of the June 30, 2025, TPL are as follows.

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

NOTE I -- PENSION PLANS - Continued

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that system's fiduciary net position. As of September 30, 2025 (measurement date of June 30, 2025), NPL totals for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 63,956,318,760	$ 42,347,352,061	$ 21,608,966,699	66.2%
PORS	$ 10,857,734,777	$ 8,092,430,248	$ 2,765,304,529	74.5%

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

The City's proportionate share of the net pension liability was calculated on the basis of historical employer contributions. Although GASB 68 encourages the use of the employer's projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is considered acceptable. For the year ending September 30, 2025 (measurement date of June 30, 2025), the City's percentage of the SCRS and PORS net pension liability was 0.137034% and 0.240022%, respectively. The City's proportionate share is determined by its percentage of total contributions to SCRS and PORS during the respective fiscal year. The change in percentage resulted in the City recognizing a change in its proportionate share of the SCRS and PORS net pension liability as related deferred outflows and inflows of resources.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 30-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2025 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

NOTE I -- PENSION PLANS - Continued

Allocation/Exposure	**Policy Target**	**Expected Arithmetic Real Rate of Return**	**Long Term Expected Portfolio Real Rate of Return**
Public Equity	**46.0%**	5.87%	2.70%
Bonds	**26.0%**	3.20%	0.83%
Private Equity[1]	**9.0%**	8.50%	0.77%
Private Debt[1]	**7.0%**	7.40%	0.52%
Real Assets	**12.0%**		
Real Estate[1]	9.0%	5.00%	0.45%
Infrastructure[1]	3.0%	7.70%	0.23%
Total Expected Return[2]	100%		5.50%
Inflation for Actuarial Purposes			2.25%
			7.75%

[1]RSIC Staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30% of total plan assets.
[2]Portable Alpha Strategies, which utilize hedge funds and are not included in the Policy Target, will be capped at 15% of total assets.

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

Sensitivity Analysis
The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

System	1.00% Decrease (6%)	Current Discount Rate (7%)	1.00% Increase (8%)
SCRS	$ 40,015,525	$ 29,611,680	$ 20,954,115
PORS	$ 10,102,317	$ 6,637,334	$ 3,794,657

The remainder of the page was intentionally left blank.

NOTE I -- PENSION PLANS - Continued

Deferred Outflows (Inflows) of Resources

For the year ended September 30, 2025, the City recognized pension expense of $723,644 and $632,718 for the SCRS and PORS, respectively. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources and will be amortized to pension expense as noted in the following schedules.

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,389,313	$ -
Changes in assumptions	349,969	-
Net difference between projected and actual earnings on pension plan investments	-	1,901,180
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	88,335	2,216,793
Employer contributions subsequent to the measurement date	913,563	-
TOTAL	$ 2,741,180	$ 4,117,973

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 779,228	$ -
Changes in assumptions	88,206	-
Net difference between projected and actual earnings on pension plan investments	-	625,082
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	165,274	193,516
Employer contributions subsequent to the measurement date	284,382	-
TOTAL	$ 1,317,090	$ 818,598

The City reported $1,197,945 as deferred outflows of resources related to the City's contributions subsequent to the measurement date to the SCRS, which will be recognized as a reduction of the net pension liability in the year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS will be recognized in pension expense as follows:

	SCRS
2026	$ (4,177)
2027	(1,022,266)
2028	(825,611)
2029	(438,302)

NOTE I -- PENSION PLANS - Continued

The City reported $284,382 as deferred outflows of resources related to the City's contributions subsequent to the measurement date to the PORS, which will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the PORS will be recognized in pension expense as follows:

	PORS
2026	$ 390,717
2027	86,546
2028	(120,803)
2029	(142,350)

NOTE J -- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description: The City administers a Retiree Medical and Prescription Drug Plan (the "Plan") as a single employer defined benefit other postemployment benefit plan (OPEB). The Plan provides for continuation of medical insurance benefits for certain retirees and can be amended by action of the City. Eligibility requirements are set forth in the Plan's provisions and based on amount of service to the City. Employees hired prior to June 1, 1993, may receive benefits under the terms of the Plan if they meet one of the following requirements: (a) completes 15 years of service with the City and attains age 65; (b) completes 20 years of service with the City and attains age 60; (c) completes 25 years of service with the City; (d) completes 25 years of service with the City Department of Public Safety;(e) completes 28 years of service under the South Carolina Retirement System and completes 15 years of continuous service with the City; or (f) completes 25 years of service under the South Carolina Police Officers Retirement System and completes 15 years of continuous service with the City.

Employees hired on or after June 1, 1993, and prior to January 1, 2010, may continue coverage under the terms of the Plan if they meet one of the following requirements: (a) completes 25 years of service with the City; or (b) completes 25 years of service with the City Department of Public Safety. Employees hired on or after January 1, 2010, are not eligible for post-employment benefits under this Plan. Additionally, disabled retirees must meet the same eligibility requirements as non-disabled retirees.

Eligible retirees will receive health benefits through the City's self-insured group plan at no cost between the ages of 60 and 65. Prior to age 60, retirees must pay the full premium for health coverage. Upon reaching Medicare eligibility, the retiree will be removed from the City's group health plan. At this time, the City will pay up to $100 per month toward the cost of a Medicare supplement.

The City Council established and may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the Plan.

NOTE J -- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

Plan Membership: Department membership of the Plan consisted of the following at September 30, 2023, the date of the latest actuarial valuation:

Active members	119
Inactive members or beneficiaries currently receiving benefits	117
Total membership	236

Contributions: The City Council has elected to fund the Plan on a "pay as you go" basis. The required contribution rate of the City varies depending on the applicable agreement. The costs of administering the Plan are paid by the City. Monthly premiums in effect during the City's fiscal year ended September 30, 2025 were $676 for retirees only and $1,326 for retiree family coverage. For the year ended September 30, 2025, the City contributed $526,973, for the pay as you go benefits for the Plan.

Total OPEB Liability: The Department's total OPEB liability was measured as of September 30, 2024, and was determined by an actuarial valuation as of September 30, 2023.

Actuarial Assumptions: The total OPEB liability in the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	3.81% as of September 30, 2024 (measurement date)
Healthcare cost trend rate:	7.00% - 4.50%, decrease to ultimate rate by 2033
Inflation rate:	2.25%
Salary increase:	3.00% to 9.65%, including inflation
Participation rate:	25% for retiree spouse coverage for all ages
	100% for retirees aged 55 and above at retirement
	50% for retirees aged up to 55 at retirement

Mortality rates were based on the PUB-2010 Mortality Tables for Employees with a 135% multiplier to better reflect the anticipated experience and provide margin for future improvements.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the September 30, 2023 valuation were based on the results of the 2020 actuarial experience study adopted by SCRS and PORS. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the September 30, 2023, valuation were also based on a review of recent plan experience done concurrently with the September 30, 2023, valuation.

Discount Rate: The discount rate used to measure the total OPEB liability was 3.81% for the year ended September 30, 2025 (measurement date of September 30, 2024), respectively. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 4.09% as determined by the Bond Buyer 20-Bond GO Index Rate as of September 30, 2023 (the measurement date).

NOTE J -- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

Changes in the Total OPEB Liability: The changes in the total OPEB liability of the City for the year ended September 30, 2025 (measurement date of September 30, 2024), were as follows:

Beginning balance	$ 6,821,770
Changes for the year:	
Service cost	109,182
Interest	271,237
Difference between actual and expected experience	9,752
Assumption changes	(64,053)
Benefit payments	(383,958)
Other changes	-
Net changes	(57,840)
Ending balance	$ 6,763,930

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate as of September 30, 2025 (September 30, 2024 measurement date):

Fiscal Year	1% Decrease (2.81%)	Current Discount Rate (3.81%)	1% Increase (4.81%)
2025	$ 7,402,156	$ 6,763,930	$ 6,198,481

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates as of September 30, 2025 (September 30, 2024 measurement date):

Fiscal Year	1% Decrease (6.00% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (7.00% decreasing to 4.50%)	1% Increase (8.00% decreasing to 5.50%)
2025	$ 6,317,841	$ 6,763,930	$ 7,275,670

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2023, and the current sharing pattern of costs between employer and inactive employees.

NOTE J -- POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

OPEB Expense: For the fiscal year ended September 30, 2025 , the City recognized OPEB expense of ($160,085), respectively. The components of OPEB expense are detailed in the table below.

Service cost (annual cost of current service)	$	109,182
Interest on the total pension liability		271,237
Expensed portion of current-period differences between expected and actual experience		2,747
Expensed portion of current-period changes in assumptions or other inputs		(18,043)
Recognition of current year amortization – difference between expected and actual experience & assumption changes		285,545
Recognition of current year amortization – beginning deferred inflows of resources		(810,753)
Total OPEB expense	$	(160,085)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expectations and actual experience	$	223,988	$	104,679
Changes of assumptions		95,568		386,679
Employer contributions subsequent to the measurement date		526,973		-
Total	$	846,529	$	491,358

The City's contributions subsequent to the measurement date of $526,973 for the Retiree Health plan are reported as deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended September 30, 2026.

As of September 30, 2025 other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:		
2026	$	(199,027)
2027		35,638
2028		(8,413)

NOTE K -- TAX ABATEMENTS

As of September 30, 2025, the City's ad valorem property tax revenues were reduced by $99,402 under tax abatement agreements entered into by Orangeburg County. Such agreements, enacted under Title 12 of the South Carolina Code of Laws as the Fee-in-Lieu of Tax Act and the Special Source Revenue Credit Acts, allow the County to enter into negotiated fee-in-lieu of tax (FILOT) arrangements with entities in exchange for making investments in facilities and jobs in the County. The FILOT's typically include millage caps and reduced assessment ratios for entities who commit to certain investment and employment targets. Some FILOT's also include Special Source Revenue Credits (SSRC's) which further reduce the negotiated fee by a percentage for a set time period. The City is not reimbursed by the County for the foregone property tax revenues associated with the agreements.

NOTE L -- SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 31, 2026, the date the financial statements were available to be issued.

In February 2026, the City received $7,000,000 from Orangeburg County, South Carolina, representing proceeds from the capital project sales tax referendum designated for the City's acquisition of City Hall. The City used these proceeds to retire the outstanding Series 2022 Installment Purchase Revenue Bond, which had been issued through the Orangeburg Redevelopment Corporation. The payoff amount was $7,053,438. The Series 2022 bond was originally issued in the principal amount of $7,000,000 to finance the construction of the new City Hall.

In December 2025, the Department purchased approximately 92 acres of land for $2,754,900. The acquisition was funded with grant proceeds from the South Carolina Department of Commerce.

The Amended and Restated Power Purchase Agreement between Duke Energy Carolinas, LLC and the City of Orangeburg, South Carolina was executed on June 17, 2026. Duke filed the Agreement with the Federal Energy Regulatory Commission on June 23, 2026, in Docket No. ER26-2927, seeking an effective date of January 1, 2024. The filing is currently pending acceptance by the Commission.

REQUIRED SUPPLEMENTAL INFORMATION

SCHEUDLE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
(GAAP BASIS) AND ACTUAL - GENERAL FUND

CITY OF ORANGEBURG, SOUTH CAROLINA

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Property taxes	$ 4,545,000	$ 4,905,325	$ 5,156,149	$ 250,824
Franchise taxes	168,000	168,000	124,763	(43,237)
Sales taxes	14,000	14,000	13,568	(432)
Other taxes	2,826,500	2,826,500	2,865,172	38,672
Licenses and permits	1,421,440	1,641,585	1,715,472	73,887
Intergovernmental	5,136,056	4,928,245	4,958,156	29,911
Charges for services	2,992,010	3,838,443	4,233,829	395,386
Fines and forfeitures	217,575	239,534	310,553	71,019
Investment income	100,000	108,024	239,269	131,245
Other revenues	433,200	390,930	397,703	6,773
Total Revenues	17,853,781	19,060,586	20,014,634	954,048
Expenditures				
General government	3,235,338	3,352,442	3,933,302	(580,860)
Judicial	468,201	462,770	463,032	(262)
Public Safety	11,804,540	12,305,475	11,378,826	926,649
Public Works	2,438,175	2,565,063	2,840,008	(274,945)
Culture and recreation	3,066,407	3,445,938	3,280,525	165,413
Non-departmental	5,719,600	6,660,021	5,860,589	799,432
Debt service				
Principal	932,195	932,195	1,177,493	(245,298)
Interest and fiscal charges	-	124,668	188,627	(63,959)
Total Expenditures	27,664,456	29,848,572	29,122,402	726,170
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,810,675)	(10,787,986)	(9,107,768)	1,680,218
Other Financing Sources (Uses)				
Sale of capital assets	-	533,271	596,049	62,778
Transfers in	10,018,000	10,218,000	8,511,066	(1,706,934)
Total Other Financing Sources	10,018,000	10,751,271	9,107,115	(1,644,156)
Net Change in Fund Balances	$ 207,325	$ (36,715)	(653)	$ 36,062
Fund Balance at Beginning of Year	3,431,534	3,458,785	1,441,526	(2,017,259)
FUND BALANCE AT YEAR END	3,638,859	3,422,070	$ 1,440,873	(1,981,197)

See accompanying notes to budgetary comparison schedule.

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - SOUTH CAROLINA RETIREMENT SYSTEM
CITY OF ORANGEBURG, SOUTH CAROLINA

	September 30, 2025	2024	2023	2022	2021
The City's proportion of the net pension liability	0.137034%	0.144033%	0.154105%	0.152132%	0.152090%
The City's proportionate share of the net pension liability	$ 29,611,680	$ 33,776,373	$ 37,258,664	$ 36,880,131	$ 32,914,165
The City's covered-employee payroll	$ 21,569,335	$ 15,902,717	$ 16,072,495	$ 15,100,370	$ 14,887,497
The City's proportionate share of the net pension liability as a percentage of its covered employee payroll	137.29%	212.39%	231.82%	244.23%	221.09%
Plan fiduciary net position as a percentage of the total pension liability	66.20%	61.80%	58.60%	57.10%	60.70%

	September 30, 2020	2019	2018	2017	2016
The City's proportion of the net pension liability	0.148452%	0.148288%	0.149280%	0.146364%	0.148145%
The City's proportionate share of the net pension liability	$ 37,932,284	$ 33,860,387	$ 33,448,829	$ 32,948,890	$ 31,643,554
The City's covered-employee payroll	$ 13,764,484	$ 13,617,407	$ 12,827,458	$ 12,020,937	$ 11,504,330
The City's proportionate share of the net pension liability as a percentage of its covered employee payroll	275.58%	248.66%	260.76%	274.10%	275.06%
Plan fiduciary net position as a percentage of the total pension liability	50.70%	54.40%	54.10%	53.30%	52.90%

The amounts presented were determined as of September 30th of the previous year.

SCHEDULE OF THE CITY'S CONTRIBUTIONS - SOUTH CAROLINA RETIREMENT SYSTEM
CITY OF ORANGEBURG, SOUTH CAROLINA

	For the Years Ended September 30,				
	2025	2024	2023	2022	2021
Contractually required contribution	$ 3,732,352	$ 3,725,472	$ 3,355,003	$ 3,089,216	$ 2,783,742
Actual contributions	3,732,352	3,725,472	3,355,003	3,089,216	2,783,742
Contribution deficiency	$ -	$ -	$ -	$ -	$ -
The City's covered-employee payroll	$ 20,109,651	$ 20,072,586	$ 19,120,544	$ 18,350,491	$ 17,601,868
Contributions as a percentage of covered-employee payroll	18.56%	18.56%	17.55%	16.83%	15.82%

	For the Years Ended September 30,				
	2020	2019	2018	2017	2016
Contractually required contribution	$ 2,602,212	$ 2,351,593	$ 2,151,673	$ 1,805,147	$ 1,586,649
Actual contributions	2,602,212	2,351,593	2,151,673	1,805,147	1,586,649
Contribution deficiency	$ -	$ -	$ -	$ -	$ -
The City's covered-employee payroll	$ 16,723,730	$ 15,861,847	$ 15,573,109	$ 14,938,944	$ 14,701,855
Contributions as a percentage of covered-employee payroll	15.56%	14.83%	13.82%	12.08%	10.79%

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - POLICE OFFICERS RETIREMENT SYSTEM
CITY OF ORANGEBURG, SOUTH CAROLINA

	September 30,				
	2025	2024	2023	2022	2021
The City's proportion of the net pension liability	0.240022%	0.231670%	0.238550%	0.255380%	0.240950%
The City's proportionate share of the net pension liability	$ 6,637,334	$ 6,949,502	$ 7,261,604	$ 7,658,916	$ 6,199,393
The City's covered-employee payroll	$ 5,040,573	$ 3,710,588	$ 3,611,040	$ 3,663,792	$ 3,471,235
The City's proportionate share of the net pension liability as a percentage of its covered employee payroll	131.68%	187.29%	201.09%	209.04%	178.59%
Plan fiduciary net position as a percentage of the total pension liability	75.94%	70.50%	67.80%	66.40%	70.40%

	September 30,				
	2020	2019	2018	2017	2016
The City's proportion of the net pension liability	0.243630%	0.261060%	0.278430%	0.263580%	0.262130%
The City's proportionate share of the net pension liability	$ 8,079,221	$ 7,481,740	$ 7,889,382	$ 7,221,044	$ 6,648,861
The City's covered-employee payroll	$ 3,357,814	$ 3,411,914	$ 3,517,419	$ 3,129,209	$ 2,989,380
The City's proportionate share of the net pension liability as a percentage of its covered employee payroll	240.61%	219.28%	224.29%	230.76%	222.42%
Plan fiduciary net position as a percentage of the total pension liability	58.80%	62.70%	61.70%	60.90%	60.40%

The amounts presented were determined as of September 30th of the previous year.

SCHEDULE OF THE CITY'S CONTRIBUTIONS - POLICE OFFICERS RETIREMENT SYSTEM
CITY OF ORANGEBURG, SOUTH CAROLINA

	For the Years Ended September 30,				
	2025	2024	2023	2022	2021
Contractually required contribution	$ 1,067,018	$ 1,015,395	$ 861,408	$ 801,824	$ 710,594
Actual contributions	1,067,018	1,015,395	861,408	801,824	710,594
Contribution deficiency	$ -	$ -	$ -	$ -	$ -
The City's covered-employee payroll	$ 5,071,378	$ 4,780,579	$ 4,201,297	$ 4,111,099	$ 3,839,473
Contributions as a percentage of covered-employee payroll	21.04%	21.24%	20.50%	19.50%	18.51%

	For the Years Ended September 30,				
	2020	2019	2018	2017	2016
Contractually required contribution	$ 666,858	$ 662,825	$ 635,478	$ 542,493	$ 459,163
Actual contributions	666,858	662,825	635,478	542,493	459,163
Contribution deficiency	$ -	$ -	$ -	$ -	$ -
The City's covered-employee payroll	$ 3,656,020	$ 3,744,189	$ 3,859,030	$ 3,686,997	$ 3,152,742
Contributions as a percentage of covered-employee payroll	18.24%	17.70%	16.47%	14.71%	14.56%

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
CITY OF ORANGEBURG, SOUTH CAROLINA

	For the Years Ended September 30,				
Total OPEB liability	2025	2024	2023	2022	2021
Service cost	$ 109,182	$ 107,791	$ 161,965	$ 250,209	$ 218,414
Interest on the total OPEB liability	271,237	243,767	163,996	205,989	234,794
Difference between expected and actual experience of the total OPEB liability	9,752	441,441	74,267	(1,997,716)	(66,976)
Assumption changes	(64,053)	208,575	(1,146,364)	(177,531)	402,286
Benefit payments	(383,958)	(482,543)	(412,842)	(278,492)	(310,197)
Other Changes	-	-	-	-	-
Net change in total OPEB liability	(57,840)	519,031	(1,158,978)	(1,997,541)	478,321
Total OPEB liability - beginning	6,821,770	6,302,739	7,461,717	9,459,258	8,980,937
Total OPEB liability - ending	$ 6,763,930	$ 6,821,770	$ 6,302,739	$ 7,461,717	$ 9,459,258
Covered-employee payroll	$ 8,435,743	$ 8,435,743	$ 8,528,295	$ 8,528,295	$ 9,416,097
Discount rate	3.81%	4.09%	4.02%	2.26%	2.21%
Total OPEB liability as a percentage of covered -employee payroll	80.18%	80.87%	73.90%	87.49%	100.46%

Total OPEB liability	2020	2019	2018
Service cost	$ 189,179	$ 213,065	$ 241,515
Interest on the total OPEB liability	375,731	338,374	290,803
Difference between expected and actual experience of the total OPEB liability	(1,304,218)	(195,882)	(28,865)
Assumption changes	890,134	(586,120)	(673,229)
Benefit payments	(314,117)	(205,124)	(348,149)
Other Changes	-	-	-
Net change in total OPEB liability	(163,291)	(435,687)	(517,925)
Total OPEB liability - beginning	9,144,228	9,579,915	10,097,840
Total OPEB liability - ending	$ 8,980,937	$ 9,144,228	$ 9,579,915
Covered-employee payroll	$ 9,238,697	$ 9,406,674	$ 9,854,392
Discount rate	2.66%	4.18%	3.57%
Total OPEB liability as a percentage of covered -employee payroll	97.21%	97.21%	97.21%

NOTES TO THE SCHEDULE:

This schedule will present 10 years of data as that information becomes available.

The assumptions used in the preparation of the above schedule are disclosed in Note J to the financial statements.

The City is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

OTHER SUPPLEMENTAL INFORMATION

SCHEUDLE OF REVENUES - GENERAL FUND BUDGET (GAAP BASIS) AND ACTUAL

CITY OF ORANGEBURG, SOUTH CAROLINA

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Revenues				
Property taxes:				
Current taxes	$ 4,290,000	$ 4,451,361	$ 4,355,585	$ (95,776)
Delinquent taxes	210,000	400,874	733,873	332,999
Other	45,000	53,090	66,691	13,601
Franchise taxes	168,000	168,000	124,763	(43,237)
Sales taxes	14,000	14,000	13,568	(432)
Business taxes:				
Insurance	2,700,000	2,700,000	2,858,320	158,320
Other taxes	126,500	126,500	6,852	(119,648)
Licenses and permits taxes:				
Business licenses	1,361,300	1,422,631	1,441,626	18,995
Permits	60,140	218,954	273,846	54,892
Intergovernmental:				
Local	275,000	279,400	245,017	(34,383)
State	4,561,056	4,348,845	4,413,662	64,817
Federal	300,000	300,000	299,477	(523)
Charges for services:				
Sanitation - commercial	585,200	699,773	1,007,947	308,174
Sanitation - residential	1,294,800	1,294,800	1,301,361	6,561
Fire service contracts	850,000	1,250,948	1,250,948	-
Recreation programs	116,450	325,788	318,990	(6,798)
Recreation department	17,000	17,000	11,925	(5,075)
Golf course and pro shop	128,560	250,134	342,658	92,524
Fines and forfeitures:				
Criminal fines	50,000	62,802	82,036	19,234
Traffic fines	160,000	161,258	209,630	48,372
Other	7,575	15,474	18,887	3,413
Interest and penalties	100,000	108,024	239,269	131,245
Other revenues:				
Rentals	50,000	59,733	67,544	7,811
Other	383,200	331,197	330,159	(1,038)
Total Revenues	$ 17,853,781	$ 19,060,586	$ 20,014,634	$ 954,048

SCHEUDLE OF EXPENDITURES - GENERAL FUND BUDGET (GAAP BASIS) AND ACTUAL
CITY OF ORANGEBURG, SOUTH CAROLINA
For the Year Ended September 30, 2025

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
General Government				
Executive Department				
Administrative division:				
Personnel	$ 2,500	$ 2,500	$ 1,733	$ 767
Utilities	9,000	9,000	10,276	(1,276)
Property and tort insurance	5,000	49,793	56,439	(6,646)
Operating	146,250	247,196	283,088	(35,892)
Total Administrative Division	162,750	308,489	351,536	(43,047)
Total Executive Department	162,750	308,489	351,536	(43,047)
Finance Department				
Finance and records division:				
Personnel	389,278	441,724	342,530	99,194
Utilities	10,500	10,500	11,211	(711)
Property and tort insurance	6,000	2,564	1,082	1,482
Operating	203,800	204,568	189,243	15,325
Total Finance and Records Division	609,578	659,356	544,066	115,290
Information Technology Division:				
Personnel	265,400	269,544	252,116	17,428
Utilities	4,000	4,000	2,499	1,501
Property and tort insurance	9,000	6,700	6,824	(124)
Operating	487,210	928,073	790,319	137,754
Total Information Technology Division	765,610	1,208,317	1,051,758	156,559
Total Finance Department	1,375,188	1,867,673	1,595,824	271,849
Administration Department:				
Administration Division:				
Personnel	887,200	304,181	934,940	(630,759)
Utilities	500	873	7,010	(6,137)
Property and tort insurance	-	-	5,217	(5,217)
Operating	57,500	66,152	293,045	(226,893)
Total Administrative Division	945,200	371,206	1,240,212	(869,006)
Community Planning and Development Division:				
Personnel	73,300	73,300	-	73,300
Utilities	500	500	-	500
Operating	5,000	6,372	-	6,372
Total Community Planning and Development Division	78,800	80,172	-	80,172
Total Administrative Department	1,024,000	451,378	1,240,212	(788,834)

SCHEUDLE OF EXPENDITURES - GENERAL FUND BUDGET (GAAP BASIS) AND ACTUAL - Continued
CITY OF ORANGEBURG, SOUTH CAROLINA
For the Year Ended September 30, 2025

	Budgeted Amounts			Variance Favorable
	Original Budget	Final Budget	Actual	(Unfavorable)
General Government (Continued):				
Service Department:				
Administrative division:				
Personnel	$ 606,200	$ 621,743	$ 621,265	$ 478
Utilities	6,000	6,000	6,046	(46)
Property and tort insurance	12,000	18,000	25,407	(7,407)
Operating	49,200	79,159	93,012	(13,853)
Total Administrative Division	673,400	724,902	745,730	(20,828)
Total Service Department	673,400	724,902	745,730	(20,828)
Total General Government	3,235,338	3,352,442	3,933,302	(580,860)
Judicial:				
Municipal Court Division:				
Personnel	418,301	418,456	424,295.00	(5,839)
Utilities	500	500	456.00	44
Property and tort insurance	7,000	1,200	2,160.00	(960)
Operating	42,400	42,614	36,121	6,493
Total Municipal Court Division	468,201	462,770	463,032	(262)
Total Judicial	468,201	462,770	463,032	(262)
Public Safety:				
Public Safety Department:				
Administrative Division:				
Personnel	443,000	443,000	474,551	(31,551)
Utilities	130,000	130,991	158,642	(27,651)
Property and tort insurance	78,000	35,000	22,898	12,102
Operating	692,400	802,756	702,652	100,104
Capital	-	125,000	-	125,000
Total Administrative Division	1,343,400	1,536,747	1,358,743	178,004
Patrol Division:				
Personnel	2,615,000	2,615,000	2,694,677	(79,677)
Property and tort insurance	52,000	64,700	90,491	(25,791)
Operating	635,300	667,954	454,175	213,779
Total Patrol Division	3,302,300	3,347,654	3,239,343	108,311
Special Operations Division:				
Personnel	1,636,500	1,636,500	1,383,464	253,036
Property and tort insurance	46,000	23,800	31,900	(8,100)
Operating	190,800	191,613	75,440	116,173
Total Special Operations Division	1,873,300	1,851,913	1,490,804	361,109

SCHEUDLE OF EXPENDITURES - GENERAL FUND BUDGET (GAAP BASIS) AND ACTUAL - Continued
CITY OF ORANGEBURG, SOUTH CAROLINA
For the Year Ended September 30, 2025

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Public Safety (Continued):				
Public Safety Department (Continued):				
Investigation Division:				
Personnel	$ 1,355,100	$ 1,355,100	$ 1,268,612	$ 86,488
Property and tort insurance	46,000	19,800	41,864	(22,064)
Operating	363,900	370,098	61,899	308,199
Total Investigation Division	1,765,000	1,744,998	1,372,375	372,623
Fire Division:				
Personnel	2,025,200	2,078,162	2,207,095	(128,933)
Utilities	-	727	1,168	(441)
Property and tort insurance	23,000	55,200	52,830	2,370
Operating	738,340	865,272	919,871	(54,599)
Total Fire Division	2,786,540	2,999,361	3,180,964	(181,603)
Forensic Services Division:				
Personnel	608,000	612,586	594,811	17,775
Utilities	2,400	3,072	3,557	(485)
Property and tort insurance	7,000	9,000	1,999	7,001
Operating	116,600	119,592	136,230	(16,638)
Capital	-	80,552	-	80,552
Total Forensic Services Division	734,000	824,802	736,597	88,205
Total Public Safety	11,804,540	12,305,475	11,378,826	926,649
Public Works:				
Public Works Department:				
Administrative Division:				
Personnel	390,500	390,894	291,950	98,944
Utilities	8,000	8,000	8,401	(401)
Property and tort insurance	11,000	6,000	3,169	2,831
Operating	6,600	7,799	5,410	2,389
Total Administrative Division	416,100	412,693	308,930	103,763
Building Inspection Division:				
Personnel	186,025	187,930	188,343	(413)
Utilities	7,500	7,500	8,066	(566)
Property and tort insurance	7,000	3,400	8,035	(4,635)
Operating	13,250	16,856	9,377	7,479
Total Building Inspection Division	213,775	215,686	213,821	1,865

SCHEUDLE OF EXPENDITURES - GENERAL FUND BUDGET (GAAP BASIS) AND ACTUAL - Continued
CITY OF ORANGEBURG, SOUTH CAROLINA
For the Year Ended September 30, 2025

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Public Works (Continued):				
Public Works Department (Continued):				
Garage Division:				
Personnel	$ 278,500	$ 278,729	$ 236,422	$ 42,307
Utilities	18,000	18,000	18,150	(150)
Property and tort insurance	14,000	10,900	10,780	120
Operating	29,300	47,222	51,382	(4,160)
Total Garage Division	339,800	354,851	316,734	38,117
Municipal Buildings Division:				
Personnel	57,500	67,274	74,293	(7,019)
Utilities	39,000	39,000	59,795	(20,795)
Property and tort insurance	21,000	35,500	21,677	13,823
Operating	43,600	110,768	119,635	(8,867)
Total Municipal Buildings Division	161,100	252,542	275,400	(22,858)
Parking Facilities Division:				
Operating	3,500	3,500	2,221	1,279
Total Parking Facilities Division	3,500	3,500	2,221	1,279
Sanitation Division:				
Personnel	912,200	913,455	1,103,262	(189,807)
Utilities	5,000	5,000	5,667	(667)
Property and tort insurance	11,000	26,022	43,947	(17,925)
Operating	120,700	129,714	443,130	(313,416)
Capital	238,000	238,000	117,921	120,079
Total Sanitation Division	1,286,900	1,312,191	1,713,927	(401,736)
Street and Maintenance Division:				
Property and tort insurance	7,500	4,100	2,392	1,708
Operating	9,500	9,500	6,583	2,917
Total Building Inspection Division	17,000	13,600	8,975	4,625
Total Public Works	2,438,175	2,565,063	2,840,008	(274,945)

SCHEUDLE OF EXPENDITURES - GENERAL FUND BUDGET (GAAP BASIS) AND ACTUAL - Continued
CITY OF ORANGEBURG, SOUTH CAROLINA
For the Year Ended September 30, 2025

	Budgeted Amounts			Variance Favorable
	Original Budget	Final Budget	Actual	(Unfavorable)
Culture and Recreation:				
Parks and Recreation Department:				
Administrative Division:				
Personnel	$ 374,500	$ 379,500	$ 329,065	$ 50,435
Utilities	8,500	8,887	11,027	(2,140)
Property and tort insurance	2,000	8,200	13,848	(5,648)
Operating	8,500	16,590	9,313	7,277
Total Administrative Division	393,500	413,177	363,253	49,924
Recreation Division:				
Personnel	272,100	274,047	297,188	(23,141)
Utilities	80,000	88,500	92,970	(4,470)
Property and tort insurance	42,000	31,000	11,409	19,591
Operating	157,550	219,303	169,141	50,162
Total Recreation Division	551,650	612,850	570,708	42,142
Gardens Division:				
Personnel	593,200	598,374	543,118	55,256
Utilities	67,000	67,000	64,867	2,133
Property and tort insurance	27,000	23,000	23,708	(708)
Operating	87,000	104,972	99,325	5,647
Total Gardens Division	774,200	793,346	731,018	62,328
Parks and Cemetery Division:				
Personnel	426,500	475,071	438,105	36,966
Utilities	25,000	27,983	34,311	(6,328)
Property and tort insurance	15,000	11,300	15,616	(4,316)
Operating	76,650	76,697	67,009	9,688
Total Parks and Cemetery Division	543,150	591,051	555,041	36,010
Recreation Complex Division:				
Personnel	352,200	380,310	313,451	66,859
Utilities	75,000	90,267	108,240	(17,973)
Property and tort insurance	34,000	21,300	13,456	7,844
Operating	126,600	147,356	176,158	(28,802)
Capital	-	850	-	850
Total Recreation Complex Division	587,800	640,083	611,305	28,778

SCHEUDLE OF EXPENDITURES - GENERAL FUND BUDGET (GAAP BASIS) AND ACTUAL - Continued

CITY OF ORANGEBURG, SOUTH CAROLINA

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
Culture and Recreation (Continued):				
Parks and Recreation Department (Continued):				
Golf Course Division				
Personnel	$ 157,080	$ 258,035	$ 296,325	$ (38,290)
Utilities	10,880	37,107	44,933	(7,826)
Property and tort insurance	5,100	6,300	3,531	2,769
Operating	43,047	93,989	104,411	(10,422)
Total Golf Course Division	216,107	395,431	449,200	(53,769)
Total Parks and Recreation Department	3,066,407	3,445,938	3,280,525	165,413
Total Culture and Recreation	3,066,407	3,445,938	3,280,525	165,413
Non-Departmental:				
Annexation covenants	18,000	22,588	28,678	(6,090)
Operating/insurance coverage	400,000	1,567,660	1,597,687	(30,027)
Commercial sanitation fees	275,000	-	-	-
Unemployment insurance	-	547	1,359	(812)
Transfer to Orangeburg Development	-	105,722	-	105,722
Other expenses	10,000	10,000	12,193	(2,193)
Retirees group insurance	40,500	49,553	98,975	(49,422)
Setoff debt	-	7,084	7,084	-
CDL drug and alcohol testing	6,500	6,500	5,699	801
Street lights	372,000	372,787	372,787	-
Chamber dues	1,600	1,700	1,700	-
Fiber rental expense	21,000	19,800	21,600	(1,800)
Banking fees	8,000	8,000	13,336	(5,336)
COVID-19	-	1,343	2,031	(688)
IPRB capital outlay	1,800,000	299,783	182,570	117,213
Stevenson auditorium	10,000	22,389	26,869	(4,480)
Capital grants	2,757,000	4,164,299	3,487,489	676,810
Donations	-	266	532	(266)
Total Non-Departmental	5,719,600	6,660,021	5,860,589	799,432
Debt Service:				
Principal	932,195	932,195	1,177,493	(245,298)
Interest	-	124,668	188,627	(63,959)
Total Debt Service	932,195	1,056,863	1,366,120	(309,257)
Total Expenditures	$ 27,664,456	$ 29,848,572	$ 29,122,402	$ 726,170

SCHEUDLE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET
(GAAP BASIS) AND ACTUAL - DEPARTMENT OF PUBLIC UTILITIES
CITY OF ORANGEBURG, SOUTH CAROLINA
For the Year Ended September 30, 2025

	Budgeted Amounts			Variance Favorable
	Original Budget	Final Budget	Actual	(Unfavorable)
Operating Revenues:				
Charges for services and fees	$ 129,668,900	$ 129,778,500	$ 131,747,001	$ 1,968,501
Total Operating Revenues	129,668,900	129,778,500	131,747,001	1,968,501
Operating Expenses:				
Electricity purchased	59,755,100	62,300,000	60,765,654	1,534,346
Natural gas purchased	5,408,000	7,200,000	7,854,000	(654,000)
Operating and maintenance	18,396,300	15,896,300	15,066,061	830,239
Administrative	15,622,300	15,622,300	14,411,881	1,210,419
Depreciation and amortization	13,717,600	14,218,000	13,955,255	262,745
Total Operating Expenses	112,899,300	115,236,600	112,052,851	3,183,749
Operating Income	16,769,600	14,541,900	19,694,150	5,152,250
Nonoperating Revenues (Expenses)				
Water and wastewater taps	343,300	343,300	224,888	(118,412)
Water and wastewater impact fees	-	-	167,342	167,342
Loss on disposal of capital assets	(879,800)	(1,620,000)	(1,583,466)	36,534
Investment income	1,246,900	2,775,000	2,604,545	(170,455)
Interest expense	(1,416,100)	(1,416,100)	(1,747,272)	(331,172)
Total Nonoperating Revenues (Expenses)	(705,700)	82,200	(333,963)	(416,163)
Net Income Before Capital Contributions and Transfers	16,063,900	14,624,100	19,360,187	4,736,087
Capital contributions	-	5,300,000	11,817,242	6,517,242
Transfers to other funds	(6,100,000)	(6,300,000)	(6,300,000)	-
Economic Development Revolving Fund	-	(1,000,000)	-	1,000,000
Total Capital Contributions and Transfers	(6,100,000)	(2,000,000)	5,517,242	7,517,242
Change in net position	9,963,900	12,624,100	24,877,429	12,253,329
Net position, beginning of year	299,830,767	298,052,550	303,176,940	5,124,390
Net Position, End of Year	$ 309,794,667	$ 310,676,650	$ 328,054,369	$ 17,377,719

SCHEDULE I - COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CITY OF ORANGEBURG, SOUTH CAROLINA
September 30, 2025

	Special Revenue Funds					
	Sunnyside Cemetery Fund	Orangeburg Cemetery Fund	SC Festival of Roses Fund	State Accommodations Tax Fund	Local Hospitality and Accommodations Fund	Subtotal
ASSETS						
Cash and cash equivalents	$ 90,666	$ 1,165	$ 85,882	$ 73,814	$ 2,146,649	$ 2,398,176
Accounts receivable	-	-	-	46,001	-	46,001
Due from other funds	1,500	-	780	173,314	366,645	542,239
TOTAL ASSETS	$ 92,166	$ 1,165	$ 86,662	$ 293,129	$ 2,513,294	$ 2,986,416
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Accrued liabilities	-	-	559	-	-	559
Due to other funds	-	-	-	-	-	-
Total Liabilities	-	-	559	-	-	559
Fund Balances						
Restricted for:						
Housing and development	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	92,166	1,165	-	-	-	93,331
Culture and recreation	-	-	86,103	-	1,239,990	1,326,093
Tourism	-	-	-	293,129	-	293,129
Capital outlay	-	-	-	-	1,273,304	1,273,304
Total Fund Balances	92,166	1,165	86,103	293,129	2,513,294	2,985,857
TOTAL LIABILITIES AND FUND BALANCES	$ 92,166	$ 1,165	$ 86,662	$ 293,129	$ 2,513,294	$ 2,986,416

SCHEDULE I - COMBINING BALANCE SHEET - Continued
NONMAJOR GOVERNMENTAL FUNDS
CITY OF ORANGEBURG, SOUTH CAROLINA
September 30, 2025

	Special Revenue Funds					
	Victims Advocate Fund	Drug Fund	Stevenson Auditorium Fund	Orangeburg Senior Games Fund	Community Development Corporation Fund	Subtotal
ASSETS						
Cash and cash equivalents	$ 44,046	$ 98,185	$ 643	$ 497	$ 6,912	$ 2,548,459
Accounts receivable	-	-	103	-	-	46,104
Due from other funds	2,164	2,002	14,404	265	-	561,074
TOTAL ASSETS	$ 46,210	$ 100,187	$ 15,150	$ 762	$ 6,912	$ 3,155,637
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Accrued liabilities	-	-	-	-	-	559
Due to other funds	7,315	-	-	-	-	7,315
Total Liabilities	7,315	-	-	-	-	7,874
Fund Balances						
Restricted for:						
Housing and development	-	-	-	-	6,912	6,912
Public safety	38,895	100,187	-	-	-	139,082
Public works	-	-	-	-	-	93,331
Culture and recreation	-	-	15,150	762	-	1,342,005
Tourism	-	-	-	-	-	293,129
Capital outlay	-	-	-	-	-	1,273,304
Total Fund Balances	38,895	100,187	15,150	762	6,912	3,147,763
TOTAL LIABILITIES AND FUND BALANCES	$ 46,210	$ 100,187	$ 15,150	$ 762	$ 6,912	$ 3,155,637

SCHEDULE I - COMBINING BALANCE SHEET - Continued
NONMAJOR GOVERNMENTAL FUNDS
CITY OF ORANGEBURG, SOUTH CAROLINA
September 30, 2025

	Special Revenue Funds		Capital Projects Funds		
	Firemen's Fund	Police Seizure Fund	Hillcrest Capital Projects Fund	Orangeburg Redevelopment Corporation Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	$ 178,246	$ 90,605	$ -	$ 375	$ 2,817,685
Accounts receivable	-	-	-	-	46,104
Due from other funds	163,802	-	-	-	724,876
TOTAL ASSETS	$ 342,048	$ 90,605	$ -	$ 375	$ 3,588,665
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Accrued liabilities	-	-	-	-	559
Due to other funds	-	-	-	-	7,315
Total Liabilities	-	-	-	-	7,874
Fund Balances					
Restricted for:					
Housing and development	-	-	-	-	6,912
Public safety	342,048	90,605	-	-	571,735
Public works	-	-	-	-	93,331
Culture and recreation	-	-	-	-	1,342,005
Tourism	-	-	-	-	293,129
Capital outlay	-	-	-	375	1,273,679
Total Fund Balances	342,048	90,605	-	375	3,580,791
TOTAL LIABILITIES AND FUND BALANCES	$ 342,048	$ 90,605	$ -	$ 375	$ 3,588,665

SCHEDULE II - COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CITY OF ORANGEBURG, SOUTH CAROLINA
September 30, 2025

	Special Revenue Funds					
	Sunnyside Cemetery Fund	Orangeburg Cemetery Fund	SC Festival of Roses Fund	State Accommodations Tax Fund	Local Hospitality and Accommodations Fund	Subtotal
Revenues:						
Other taxes	$ -	$ -	$ -	$ -	$ 1,465,368	$ 1,465,368
Intergovernmental	-	-	-	227,600		227,600
Charges for services	4,200		22,821	-		27,021
Fines and forfeitures	-	-	-	-		-
Investment income	-	-	-	-	58,186	58,186
Other revenues	-	-	-	-	300	300
Total Revenues	4,200	-	22,821	227,600	1,523,854	1,778,475
Expenditures:						
Current						
Public Safety	-	-	-	-	-	-
Public Works	535	-	-	-	-	535
Culture and recreation	-	-	10,831	-	-	10,831
Tourism	-	-	-	112,867	48,222	161,089
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	321,217	321,217
Interest	-	-	-	-	93,906	93,906
Total Expenditures	535	-	10,831	112,867	463,345	587,578
Excess (deficiency) of revenues over (under) expenditures	3,665	-	11,990	114,733	1,060,509	1,190,897
Other Financing Uses:						
Transfers out	-	-	-	(27,003)	(1,100,000)	(1,127,003)
Total Other Financing Uses	-	-	-	(27,003)	(1,100,000)	(1,127,003)
Net Change in Fund Balances	3,665	-	11,990	87,730	(39,491)	63,894
Fund Balance at Beginning of Year	88,501	1,165	74,113	205,399	2,552,785	2,921,963
FUND BALANCE AT YEAR END	$ 92,166	$ 1,165	$ 86,103	$ 293,129	$ 2,513,294	$ 2,985,857

SCHEDULE II - COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - Continued
NONMAJOR GOVERNMENTAL FUNDS
CITY OF ORANGEBURG, SOUTH CAROLINA
September 30, 2025

	Special Revenue Funds					
	Victims Advocate Fund	Drug Fund	Stevenson Auditorium Fund	Orangeburg Senior Games Fund	Community Development Corporation Fund	Subtotal
Revenues:						
Other taxes	$ -	$ -	$ -	$ -	$ -	$ 1,465,368
Intergovernmental	-	36,657	-	-	-	264,257
Charges for services	-	-	200	-	-	27,221
Fines and forfeitures	22,028	-	-	-	-	22,028
Investment income	-	-	-	-	3	58,189
Other revenues	-	3,444	-	355	-	4,099
Total Revenues	22,028	40,101	200	355	3	1,841,162
Expenditures:						
Current						
Public safety	-	7,953	-	-	-	7,953
Public works	-	-	-	-	-	535
Culture and recreation	-	-	75	1,040	-	11,946
Tourism	-	-	-	-	-	161,089
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	321,217
Interest	-	-	-	-	-	93,906
Total Expenditures	-	7,953	75	1,040	-	596,646
Excess (deficiency) of revenues over (under) expenditures	22,028	32,148	125	(685)	3	1,244,516
Other Financing Uses:						
Transfers out	-	-	-	-	-	(1,127,003)
Total Other Financing Uses	-	-	-	-	-	(1,127,003)
Net Change in Fund Balances	22,028	32,148	125	(685)	3	117,513
Fund Balance at Beginning of Year	16,867	68,039	15,025	1,447	6,909	3,030,250
FUND BALANCE AT YEAR END	$ 38,895	$ 100,187	$ 15,150	$ 762	$ 6,912	$ 3,147,763

SCHEDULE II - COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - Continued
NONMAJOR GOVERNMENTAL FUNDS
CITY OF ORANGEBURG, SOUTH CAROLINA
September 30, 2025

	Special Revenue Funds		Capital Projects Funds		
	Firemen's Fund	Police Seizure Fund	Hillcrest Capital Projects Fund	Orangeburg Redevelopment Corporation Fund	Total Nonmajor Governmental Funds
Revenues:					
Other taxes	$ -	$ -	$ -	$ -	$ 1,465,368
Intergovernmental	163,696	-	-	-	427,953
Charges for services	-	-	-	-	27,221
Fines and forfeitures	-	20,079	-	-	42,107
Investment income	-	38	-	375	58,602
Other revenues	-	-	-	-	4,099
Total Revenues	163,696	20,117	-	375	2,025,350
Expenditures:					
Current					
Public safety	141,606	-	-	-	149,559
Public works	-	-	-	-	535
Culture and recreation	-	-	-	-	11,946
Tourism	-	-	-	-	161,089
Capital outlay	17,241	-	-	-	17,241
Debt service					
Principal	-	-	-	-	321,217
Interest	-	-	-	122,150	216,056
Total Expenditures	158,847	-	-	122,150	877,643
Excess (deficiency) of revenues over (under) expenditures	4,849	20,117	-	(121,775)	1,147,707
Other Financing Uses:					
Transfers out	-	-	-	(84,063)	(1,211,066)
Total Other Financing Uses	-	-	-	(84,063)	(1,211,066)
Net Change in Fund Balances	4,849	20,117	-	(205,838)	(63,359)
Fund Balance at Beginning of Year	337,199	70,488	-	206,213	3,644,150
FUND BALANCE AT YEAR END	$ 342,048	$ 90,605	$ -	$ 375	$ 3,580,791

SCHEDULE III - UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
CITY OF ORANGEBURG, SOUTH CAROLINA
For the Year Ended September 30, 2025

For the State Treasurer's Office

County/Municipal Funds Collected by Clerk of Court		Municipal Court
Court fines and Assessments:		
Court fines and assessments collected	$	322,452
Court fines and assessments remitted to State Treasurer		183,376
Total Court Fines and Assessments Retained	$	139,076
Surcharges and Assessments retained for victims services:		
Surcharges collected and retained	$	6,520
Assessments retained		15,508
Total Surcharges and Assessments Retained for Victim Services	$	22,028

For the Department of Crime Victim Compensation:

Victim Service Funds Collected		Municipal Court
Carryforward from Previous Year - Beginning Balance	$	16,867
Victim Service Revenue:		
Victim service assessments retained by city treasurer		15,508
Victim service surcharges retained by city treasurer		6,520
Total Funds Allocated to Victim Service Fund Plus Beginning Balance		38,895
Expenditures for Victim Service Program:		
Operating expenditures		-
Total Expenditures from Victim Service Fund		-
Total Victim Service Funds Retained by Municipal Treasurer		38,895
Carryforward Funds - End of Year	$	38,895

GOVERNMENTAL AUDITING SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
CITY OF ORANGEBURG, SOUTH CAROLINA
For the Year Ended September 30, 2025

Federal Grantor / Pass-through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Direct Programs:				
U.S. Department of Transportation				
Airport Improvement Program	20.106	3-45-0045-028-2023		$ 89,670
Airport Improvement Program	20.106	3-45-0045-029-2024		124,398
Railroad Corner Pedestrian Improvement Feasibility & Planning	20.933	693JJ32440095		95,000
				309,068
U.S. Environmental Protection Agency				
Brownfields Assessment Grant	66.818	BF02D63623-0		63,146
U.S. Department of Agriculture				
Rural Development Community Facilities	10.766	84494		167,143
U.S. Department of Justice				
DNA Capacity Enhancement for Backlog Reduction (CEBR)	16.741	15PBJA-23-GG01358-DNAX		143,790
DNA Capacity Enhancement for Backlog Reduction (CEBR)	16.741	15PBJA-24-GG-02722-DNAX		11,430
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	15PBJA-22-GG-02834-JAGX		4,500
				159,720
Federal Emergency Management Agency				
Disaster Grants - Hurricane Helene	97.036	4829		307,217
Disaster Grant - Tropical Storm Debby	97.036	4835		3,750
Disaster Grants - Edisto Flood	97.036	4858		388,794
Assistance to Firefighters Grant	97.044	EMW-2023-FG-00414		479,100
				1,178,861
		Total Direct Programs	$ -	1,877,938
Pass - Through Programs:				
U.S. Department of the Treasury				
The South Carolina Rural Infrastructure Authority (RIA)				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	A-23-R156		5,991,166
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	A-23-C155		1,211,578
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	29,989	1,333,322
				8,536,066
U.S. Department of Housing and Urban Development (HUD)				
The South Carolina Department of Commerce				
Community Development Block Grant	14.228	4-CI-23-008		1,672,794
		Total Pass-Through Programs	29,989	10,208,860
		TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 12,086,798
		TOTAL PASSED THROUGH TO SUBRECIPIENTS	$ 29,989	

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
CITY OF ORANGEBURG, SOUTH CAROLINA
For the Year Ended September 30, 2025

NOTE A --BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Orangeburg, South Carolina (the "City") under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting as described in Note A to the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C -- INDIRECT COST RATE

The City has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

1704 Laurel Street
Columbia, SC 29201

125 W. Stone Avenue
Greenville, SC 29609

5 Broad Street
Sumter, SC 29150

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

To the Honorable Mayor and Members
of the City Council
City of Orangeburg, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Orangeburg, South Carolina (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 31, 2026.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001, that we consider to be a significant deficiency.

REPORT ON COMPLIANCE AND OTHER MATTERS

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

THE CITY'S RESPONSE TO FINDINGS

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Hobbs Group, P.A.

Columbia, South Carolina
July 31, 2026

1704 Laurel Street
Columbia, SC 29201

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Greenville, SC 29609

5 Broad Street
Sumter, SC 29150

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Honorable Mayor and Members
of the City Council
Orangeburg, South Carolina

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the City of Orangeburg, South Carolina's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements

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of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

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

The Hobbs Group, P.A.

Columbia, South Carolina
July 31, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CITY OF ORANGEBURG, SOUTH CAROLINA
For the Year Ended September 30, 2025

SECTION I -- SUMMARY OF AUDITORS' 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 weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?	X	Yes		None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major federal programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?		Yes	X	None reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		Yes	X	No

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
14.228	Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs:	$1,000,000			
Auditee qualified as a low-risk auditee?		Yes	X	No

SECTION II -- FINANCIAL STATEMENT FINDINGS

2025-001: Year-End Close and General Accounting Matters

Condition: During our audit, we noted that the City did not complete its year-end close process in a timely manner for the fiscal year ended September 30, 2025. Specifically, the City's initial trial balance was not provided for audit purposes until March 2026, approximately six months after fiscal year-end.

Criteria: Management is responsible for designing, implementing, and maintaining internal controls over financial reporting, including procedures to ensure that accounting records are complete, accurate, and closed in a timely manner following fiscal year-end. Timely year-end close procedures are necessary to support the preparation of financial statements in accordance with generally accepted accounting principles and to facilitate the timely completion of the annual audit.

Context**:** The City's fiscal year ended September 30, 2025. An effective year-end close process requires the timely completion of account reconciliations, identification and recording of necessary adjusting and closing entries, and preparation and review of a final trial balance. These procedures provide the foundation for preparing the City's annual financial statements and supporting schedules and for beginning and completing the annual financial statement audit in a timely manner. For fiscal year 2025, the year-end accounting and close process extended significantly beyond the fiscal year-end, which delayed the availability of financial information necessary for the audit.

Cause: The City's year-end close process and related general accounting procedures were not sufficient to ensure that account reconciliations, closing entries, and the trial balance were completed and reviewed within a reasonable period after fiscal year-end.

Effect: The delay in completing the year-end close process may result in delays in the City's financial reporting and audit completion process. In addition, untimely completion and review of account reconciliations, closing entries, and related financial reporting procedures increases the risk that material misstatements, errors, or irregularities could occur and not be prevented, or detected and corrected, in a timely manner.

Recommendation: We recommend that the City evaluate and strengthen its year-end close and general accounting procedures. This should include developing a formal year-end close calendar, assigning responsibility for key reconciliations and closing tasks, establishing internal deadlines for completion and supervisory review, and monitoring progress throughout the close process. In addition, the City should ensure that all significant account reconciliations, adjustments, and supporting documentation are completed and reviewed timely to support the preparation of accurate financial statements and the timely completion of the annual audit.

Views of Responsible Officials and Planned Corrective Actions: Management should provide a written response describing the corrective actions it plans to implement to improve the timeliness and effectiveness of the year-end close and financial reporting process.

SECTION III -- FEDERAL AWARD FINDINGS

None

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
CITY OF ORANGEBURG, SOUTH CAROLINA
September 30, 2025

Prior Year Financial Statement Findings

2024-001: Year End Close and General Accounting Matters

Criteria**:** Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operational objectives. Generally accepted accounting principles require assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenditures/expenses to be recognized in the accounting period in which they become measurable, and in certain instances, available. Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition**:** A significant amount of accounting, reporting, and reconciling activity was not properly performed and reviewed during the fiscal year which required a significant effort to close the City's 2024 fiscal year. Significant adjustments amounting to over $13.6 million across seven (7) City funds were determined and required to be recorded in the months that followed September 30, 2024. Further, and throughout the course of the audit process, we noted there was an overall lack of proper and adequate accounting on a timely basis. We noted deficiencies in timeliness, completeness, and accuracy. Specifically, we noted a lack of timely and accurate financial and nonfinancial information needed:

- to properly maintain general ledgers, subsidiary ledgers, reconciliations; and,
- to close-out and report activities, events, and transactions on a periodic basis.

Status: Unresolved. The City has made considerable progress toward implementing controls and procedures to improve the timeliness of accounting, reporting, and reconciliation activities. During the current year, the severity of this finding was reduced from a material weakness to a significant deficiency. However, the corrective actions were not fully implemented and operating effectively during the current year, and delays and deficiencies related to the year-end close process continued to be noted. Accordingly, this finding has not been fully resolved and has been repeated as current-year Finding 2025-001.

2024-002: Management of Accrued Liabilities

Criteria**:** Generally accepted accounting principles require the reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition**:** The City did not properly address the above criteria as of September 30, 2024, as it relates to accounts payable and accrued salaries and wages, as well as other payroll accrual items.

Status: Resolved.

MANAGEMENT CORRECTIVE ACTION PLAN

Section II – Financial Statement Findings

Finding: 2025-001 and 2024-001 Year-end Close and General Accounting Matters

Responsible Party: Maurishka Williams, City Accountant

Recommendation: We recommend that the City evaluate and strengthen its year-end close and general accounting procedures. This should include developing a formal year-end close calendar, assigning responsibility for key reconciliations and closing tasks, establishing internal deadlines for completion and supervisory review, and monitoring progress throughout the close process. In addition, the City should ensure that all significant account reconciliations, adjustments, and supporting documentation are completed and reviewed timely to support the preparation of accurate financial statements and the timely completion of the annual audit.

Corrective Action: The Finance Department will continue monthly and quarterly reconciliations of subledger accounts and provide resolutions as warranted. The department will streamline, document, and implement processes to ensure clear and consistent daily transactional practices. The department will develop and publish a clear close schedule detailing subledger close dates and final reporting targets. Also, all staff will be notified and reminded about the key year-end deadlines to ensure all transactions are submitted with enough time for approvals and posting. Finally, the department will continuously review and adjust the daily processes as needed to improve efficiency and the accuracy of data.

Proposed Completion Date: September 30, 2026