



CITY OF SENECA, SOUTH CAROLINA

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

PREPARED BY FINANCE DEPARTMENT

CITY OF SENECA, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

	Page Number
INTRODUCTORY SECTION	
Letter of Transmittal.....	i - iv
Principal Officials	v
Organizational Chart	vi
 FINANCIAL SECTION	
Independent Auditor’s Report.....	1 - 4
Management’s Discussion and Analysis	5 - 16
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	17
Statement of Activities.....	18
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	19
Reconciliation of the Governmental Funds Balance Sheet to the	
Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund	
Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position – Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Fund Net	
Position – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds	25
Statement of Fiduciary Net Position - Fiduciary Funds	26
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	27
Notes to Financial Statements	28 - 66
Required Supplementary Information:	
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget	
to Actual (GAAP Basis) – General Fund	67 - 69
Schedule of the City’s Proportionate Share of the Net Pension Liability	
South Carolina Retirement System	70
Schedule of City’s Contributions - South Carolina Retirement System.....	71
Schedule of the City’s Proportionate Share of the Net Pension Liability	
Police Officers Retirement System	72
Schedule of the City’s Contributions - Police Officers Retirement System.....	73

CITY OF SENECA, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

	Page Number
FINANCIAL SECTION (CONTINUED)	
Combining and Individual Fund Statements and Schedules	
Nonmajor Special Revenue Funds - Combining Balance Sheets	74 and 75
Nonmajor Special Revenue Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	76 and 77
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual	
"C" Funds	78
Hospitality Tax Fund	79
Accommodations Tax Fund	80
CAT Operating Grant...PT-22N711-23	81 and 82
CAT Operating Grant...PT-23N711-28	83 and 84
CAT Capital Earmark Grant...PT-9N739-01	85
Schedules of Revenues, Expenses, and Changes in Net Position - Budget to Actual	
Light and Water Fund	86
Seneca Facilities Corp Fund	87
Seneca Improvements Corp Fund	88
Fiduciary Funds	
Statement of Fiduciary Net Position – Custodial Funds	89
Statement of Changes in Fiduciary Net Position – Custodial Funds	89
Supplementary Information Required by the State of South Carolina	
Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96).....	90
OTHER INFORMATION	
Capital Assets Used in the Operation of Governmental Funds	
Schedule by Type	91
Schedule by Function and Activity	92

CITY OF SENECA, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

	Page Number
STATISTICAL SECTION	
Financial Trends:	
Net Position by Component	93
Changes in Net Position	94 and 95
Fund Balances of Governmental Funds	96
Changes in Fund Balances of Governmental Funds.....	97 and 98
Revenue Capacity:	
Assessed Value and Estimated Value of Taxable Property.....	99
Direct and Overlapping Property Tax Rates.....	100
Principal Property Taxpayers.....	101
Property Tax Levies and Collections	102
Debt Capacity:	
Outstanding Debt by Type.....	103
Ratios of General Bonded Debt Outstanding.....	104
Direct and Overlapping Governmental Activities Debt	105
Legal Debt Margin Information	106
Pledged-Revenue Coverage.....	107
Demographic and Economic Information:	
Demographic and Economic Statistics.....	108
Principal Employers.....	109
Operating Information:	
City Full Time Employees by Function	110
Operating Indicators by Function/Program.....	111
Capital Asset Statistics by Function/Program	112
 COMPLIANCE SECTION	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	113 and 114
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	115 - 117
Schedule of Expenditures of Federal Awards	118
Schedule of Findings and Questioned Costs.....	119 - 120
Schedule of Prior Year Findings.....	120

INTRODUCTORY SECTION



CITY OF SENECA

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Seneca, South Carolina 29679
864.885.2721

T. Scott Moulder
City Administrator
smoulder@seneca.sc.us

LETTER OF TRANSMITTAL

December 30, 2024

Mayor, Governing Body, and Citizens
City of Seneca
Seneca, South Carolina

We are pleased to present the Annual Comprehensive Financial Report for the City of Seneca for the fiscal year ended June 30, 2024. State law requires that all general-purpose local governments, at the close of each fiscal year, publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement, to provide financial information about the City’s operations during the year, and to describe its financial position at the end of the year.

Management assumes full responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City of Seneca. To provide a reasonable basis for making these representations, management of the City of Seneca has established a comprehensive internal control framework that is designed to both protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Seneca’s financial statements in conformity with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

The City of Seneca receives federal financial assistance subject to the requirements of the United States Uniform Guidance. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented in the Compliance Section of the Annual Comprehensive Financial Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Seneca’s MD&A can be found in the Financial Section of the Annual Comprehensive Financial Report.

Municipal Profile

Located in the state's most northwestern county of Oconee in South Carolina, the City of Seneca was chartered in 1873 and incorporated on March 14, 1874, as Seneca City, a name derived from the indigenous Cherokee people located on the banks of the nearby Seneca River. In 1906, the Secretary of State granted a new charter and "City" was dropped from the name.

The City operates under a Mayor-Council form of government. The Council is comprised of a Mayor and eight council members to be elected from the municipality at large for terms of four years each as provided in section 5-9-10 et seq., Code of Laws of South Carolina 1976. Council appoints a City Administrator who serves as the chief executive officer of the City and is responsible to the Mayor and Council for the proper administration of all affairs of the municipality. Departments of the City provide a full range of municipal services such as police and fire protection, planning and zoning, recreational activities, public transportation, residential and commercial waste removal, and water, sewer, and electric utilities.

Local Economy

Seneca is located in southeastern Oconee County, South Carolina which is the northwestern-most county in the state of South Carolina. Seneca is the largest City in the county in both size, 7.55 square miles, and population, more than 8,700 residents. The temperature, climate, lakes, rivers, and blue ridge mountains have given Oconee County the nickname "Golden Corner". The City of Seneca's location on Lake Keowee and in the central-portion of the County makes it an ideal location for tourism and development because of its access to numerous natural resources.

Although Seneca is small, its proximity to a larger area – Clemson and Greenville – influences housing stock and growth and is growing more quickly than projected. This is demonstrated within our assessed and market values of property taxes provided from the Oconee County Assessor's Office. From FY23 to FY24, real property taxes increased by 8.55% and total taxable assessed value increased by 7.75%. This growth has also allowed Seneca to maintain the tax rate of 62.7 mills for 6 years while continuing to provide services to its citizens.

Long-term Financial Planning

As set forth in the South Carolina Code of Laws Title 6, Chapter 29, the City of Seneca adopted its Comprehensive Plan on January 10, 2023. This foundational planning document provides guidance on long-range strategic direction to the elected and appointed officials and administrative staff as programs, policies, and projects are developed. Designed to help the City prioritize and execute the Plan's goals and strategies, the document outlines coordination with governmental entities and enables strategic utilization of funding sources. Required under the South Carolina Priority Investment Act, this priority ensures that local governments examine potential federal, state, and local funds available to use for public investments and then prioritizes the expenditures based on availability.

Financial Information

Management of the City of Seneca is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Financial decisions are guided by formal and informal financial policies designed to provide a consistent and measurable framework for decision makers within the City.

The annual budget serves as the foundation for the City's financial planning and control. The South Carolina General Statutes require all governmental units to adopt a balanced budget by July 1st of each year for all funds for which an annual budget is required. Activities for the General Fund, Light & Water Fund, and Hospitality Tax Fund are budgeted annually and prepared by fund and department. The City maintains budgetary controls with the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget approved by the governing body. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund. The City Administrator presents the proposed budget to Council for review, and

approval. The City Administrator is authorized to transfer funds, as necessary, within the same fund so far as the total amount of the approved budget does not differ from what was previously approved by Mayor and Council.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by Federal Deposit Insurance or collateralized by United States Government Securities. As of June 30, 2024, all 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. The City's investments of \$20,609,751 in various U.S. Treasury and Agency securities and corporate bonds were rated AAA by Standard and Poor's.

Investments of the State Investment Pool are exempt from risk categorization because third party custodians take delivery of the investment securities. The City owns no identifiable securities but is a shareholder of a percentage of the State Investment Pool, therefore, the fair value of the investment is the same as the value of the pool shares.

Major Initiatives

Tornado Recovery – After more than four years of continued efforts from management, the City of Seneca has been able to finalize and close all projects associated with the tornado that struck downtown and surrounding areas of the city on April 13, 2020. Reimbursement to the City of Seneca totals roughly \$6.55 million, whereas the city has calculated total costs to be nearly \$7.45 million. Management is now able to submit for a management fee reimbursement and is projecting settlement of up to \$327,665. Including the management fee reimbursement, the City of Seneca anticipates receiving a 92.4 percent reimbursement by FEMA, totaling approximately \$6.9 million.

Downtown Revitalization – A great and expanding diversity of business opportunities in the Seneca area is continuing to draw new investors, both large and small, to our City. City leaders have prioritized public investment into the core downtown business district while providing incentives for private partnerships to encourage economic development, redevelopment, and tourism. With earmarked grant funding through the State of South Carolina, the City of Seneca will be able to purchase, renovate and sell dilapidated buildings within the downtown district.

After receiving \$2.5 million in state allocated funding, the City of Seneca was able to purchase and revitalize the Harper's building to the point that it would be ready to be sold to the public. The building was divided into three separate spaces and renovated in a way that would bring investors that can provide a type of business or businesses to the downtown district which would in turn create an economic boost to the overall City economy. On May 2, 2024, one of the three spaces sold for approximately \$213,576 and the City anticipates sale of the additional spaces in FY25. Interior upfits of the currently sold space is expected to begin by the new owner in 2025.

The City of Seneca has begun construction of a Fine Arts Center with an estimated 700+ seating capacity to meet the demand from merchants in downtown Seneca who continue to stress the need for increased foot traffic in downtown to support the sustainability and growth of their existing businesses. Grants totaling approximately \$22 million has been awarded to the city from the state of South Carolina for the renovation of an existing 27,000 square foot big box historic building. This funding will provide jobs, attract investors, and stimulate local economies within the arts and cultural industries. To date, the grant funding has provided for the demolition of the former Kimbrell's building and will soon begin the next phase of the project. Construction is expected to begin the first quarter of 2025.

Amphitheater – The City of Seneca entered into a grant agreement with the Appalachian Regional Commission (ARC) to construct an outdoor amphitheater entertainment venue. Located in the Downtown Business District, the amphitheater will serve as a gathering place and an entertainment venue that will attract tourists and residents. This destination not only will compliment but will also bring awareness to the existing cultural and historical resources while contributing to the local economy and enhancing the quality of life. Project costs to be paid by ARC is not to exceed \$500,000 and the grant period of performance is through 7/31/2025.

Other Information

For the fiscal year ended June 30, 2024, Mauldin & Jenkins, LLC, Certified Public Accountants, have issued an unmodified opinion on the City of Seneca's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City are free of material misstatements. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor's report is located at the beginning of the financial section and is where the auditor's report on the basic financial statements, as well as the combining and individual fund statements and schedules. The auditor's reports related specifically to compliance are included in the federal financial assistance section.

The Government Finance Officers Association of the United States and Canada ("GFOA") Certificate of Achievement for Excellence in Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City of Seneca must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Seneca staff has made great strides towards improving the ACFR and believe that our current Annual Comprehensive Financial Report meets the Certificate of Achievement Program requirements. Therefore, we are submitting the report to the GFOA to determine its eligibility for a certificate for the first time.

Acknowledgements

The preparation of the Annual Comprehensive Financial Report was made possible by the efficient and dedicated services of the entire Finance team, as well as the accounting firm of Mauldin & Jenkins, LLC. We would like to express our sincere appreciation to all the individuals who assisted and contributed to the preparation of this report.

Lastly, we would like to extend our gratitude to the Mayor and Council for their continued encouragement and support in planning and directing the financial operations of the City in a responsible and progressive manner.

Respectfully submitted



T. Scott Moulder
City Administrator



Danielle Smith
Finance Director

CITY OF SENECA
LIST OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2024

Mayor

Daniel W. Alexander

Mayor Pro-Tem

Ronnie O’Kelley

Council Members

Lakesha Benson
Scott Durham
Ernest E. Riley
WC Honeycutt Jr.

Dana Moore
Denise Rozman
Joel Ward

City Administrator

T. Scott Moulder

Assistant City Administrator

Josh Riches

Ryan Thomas

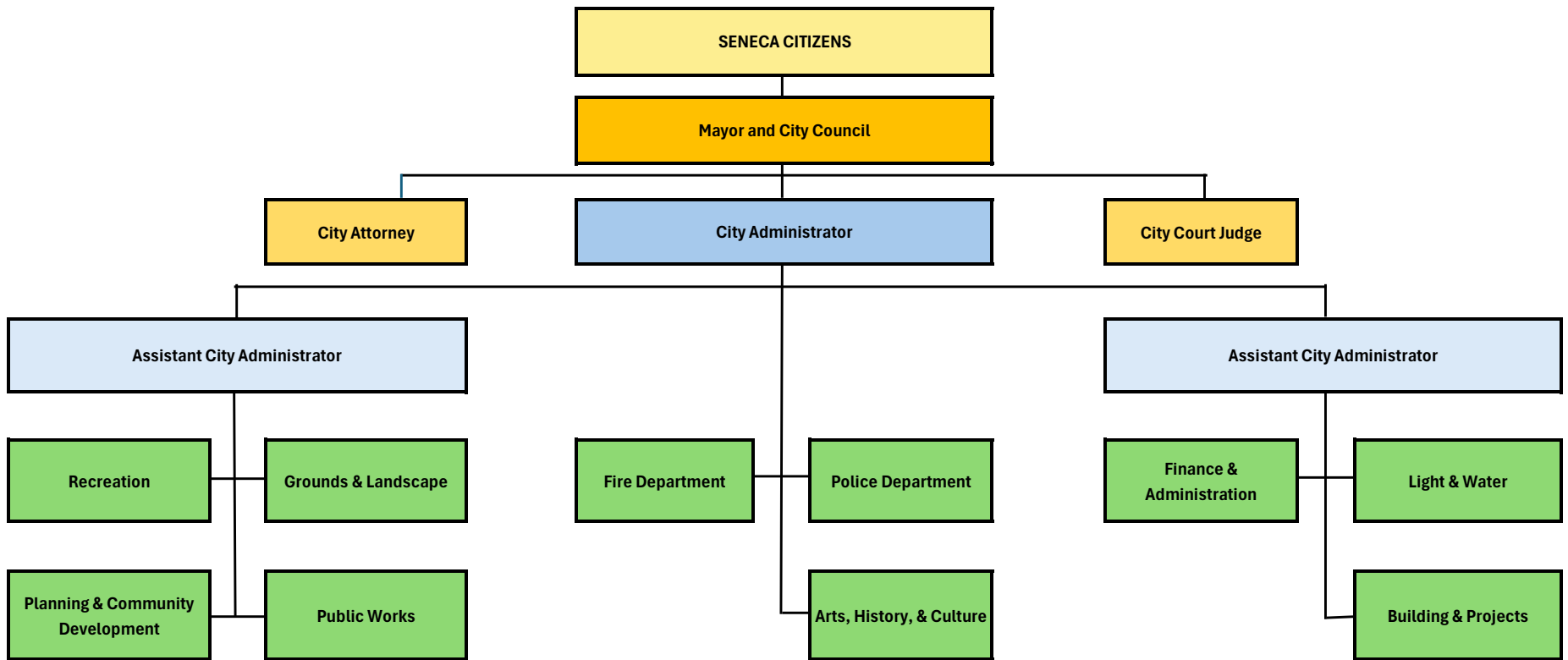
City Attorney

Bo Bowman

Department Directors

Chief Municipal Judge
Finance Director
Planning & Development Director
Police Chief
Fire Chief
Public Works Director
Recreation Director
Beautification Director
Arts, History & Culture Director
Director of Utilities

Katie Cox
Danielle Smith
Xavier Bauguess
Casey Bowling
Richie Caudill
Ernest Beck
Andy Campbell
Eric Shuler
Shelby Henderson
Robert Faires



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

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 Seneca, South Carolina** (the "City"), as of and for the year ended June 30, 2024, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis for 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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, the Schedule of Revenues, Expenditures, and changes in Fund Balance – Budget (GAAP Basis) and Actual – General Fund, the Schedules of the City's Proportionate Share of the Net Pension Liability, and the Schedules of Employer Pension Contributions 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 GAAS, 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 combining and individual nonmajor fund financial statements and schedules, the budgetary comparison schedules for the major proprietary funds, the Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, the Schedules of Budgeted to Actual Costs – SCDOT Grants, and the Uniform Schedule of Court Fines, Assessments, and Surcharges, as required by the State of South Carolina (collectively the "Supplementary Information") are presented for purposes of additional analysis and are not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2024, 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 of Seneca, South Carolina’s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF SENECA, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

As management of the City of Seneca, South Carolina, (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the City's financial statements with additional information furnished in the notes to the financial statements and the supplementary statements.

Financial Highlights

- The City's assets and deferred outflow of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$84,156,221 (net position). The government's total net position increased by \$18,402,004 during the fiscal year, primarily due to the \$8.4 million increase in the net investment in capital assets and approximately \$17.5 million increase in restricted net position which was attributed to the grant funding received for the Seneca Events Center.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$25,553,488, an increase of approximately \$12 million from the prior year primarily due to the \$12.9 million received in capital grants and contributions.
- Seneca Downtown Improvements, a major Special Revenue Fund reported a restricted fund balance at the end of the current fiscal year of \$20,046,433, an increase of approximately \$10.6 million.
- In the primary government, program revenues exceeded expenses by roughly \$12.2 million. Program revenues increased from prior year by \$9,547,168 while expenses also increased by \$3,655,401, netting at approximately \$5.9 million.

Overview of the Financial Statements

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

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Seneca's finances in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary

Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The statement of net position presents information on the City of Seneca's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Seneca is improving or deteriorating. It is important to note that this statement consolidates the governmental funds' current financial resources (short-term) with capital assets and long-term liabilities.

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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City of Seneca that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Seneca include general government, public safety, public works, recreation, and arts, history & culture. The business-type activities of the City of Seneca include Seneca Light and Water, Seneca Facilities Corporation Fund, Seneca Improvements Corporation Fund. The Seneca Light and Water Fund handles electric distribution, sewer collection, water collections, and processing and distribution, while the Seneca Facilities Corporation Fund leases building space for warehousing and manufacturing and the Seneca Improvements Corporation Fund aids in the development and revitalization of downtown.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Seneca uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City of Seneca can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are reported using an accounting method called modified accrual accounting and are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as a balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a

government's near-term financing requirements.

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

The City of Seneca maintains two governmental type funds - General and Special Revenue (Local Hospitality, State Accommodations Tax, Transit, C-Funds, American Rescue Plan Act, Policeman's Fund, Museum Account, and Narcotics Operating). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Downtown Seneca Improvements Fund. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the individual budgets.

Proprietary funds

The City of Seneca maintains three proprietary funds: Light & Water, Seneca Facilities Corporation and Seneca Improvements Corporation. A proprietary fund is used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Seneca Light and Water, the Seneca Facilities Corporation, and the Seneca Improvements Corporation. The Seneca Light and Water Fund and the Seneca Facilities Corporation are both considered major funds; however, Seneca Improvements Corporation is considered to be a nonmajor proprietary fund.

Fiduciary funds

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

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.

Other information

In addition to the financial statements and accompanying notes, this report includes certain required supplementary information. The City adopts an annual budget for the general fund, the City's major governmental fund, as required by General Statutes. A required budgetary comparison schedule has been provided for the General Fund to demonstrate compliance. The City sponsors the General Employees' Retirement Plan, a single-employer defined benefit pension plan. The City has provided the required schedules for the City Pension Plan as required by GAAP. Required pension schedules have also been included which provide relevant information regarding the City's participation in the South Carolina Police Officers Retirement System.

Supplementary information, which includes combining and individual fund financial statements, budgetary schedules of the City's governmental and proprietary funds, a schedule of fines, assessments and surcharges, and schedules of budgeted to actual costs for the SC Department of Transportation are presented immediately following the required supplementary information.

Governmental-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Seneca, assets and deferred outflow of resources exceed liabilities and deferred inflows of resources by \$84,156,221 at the close of the most recent fiscal year.

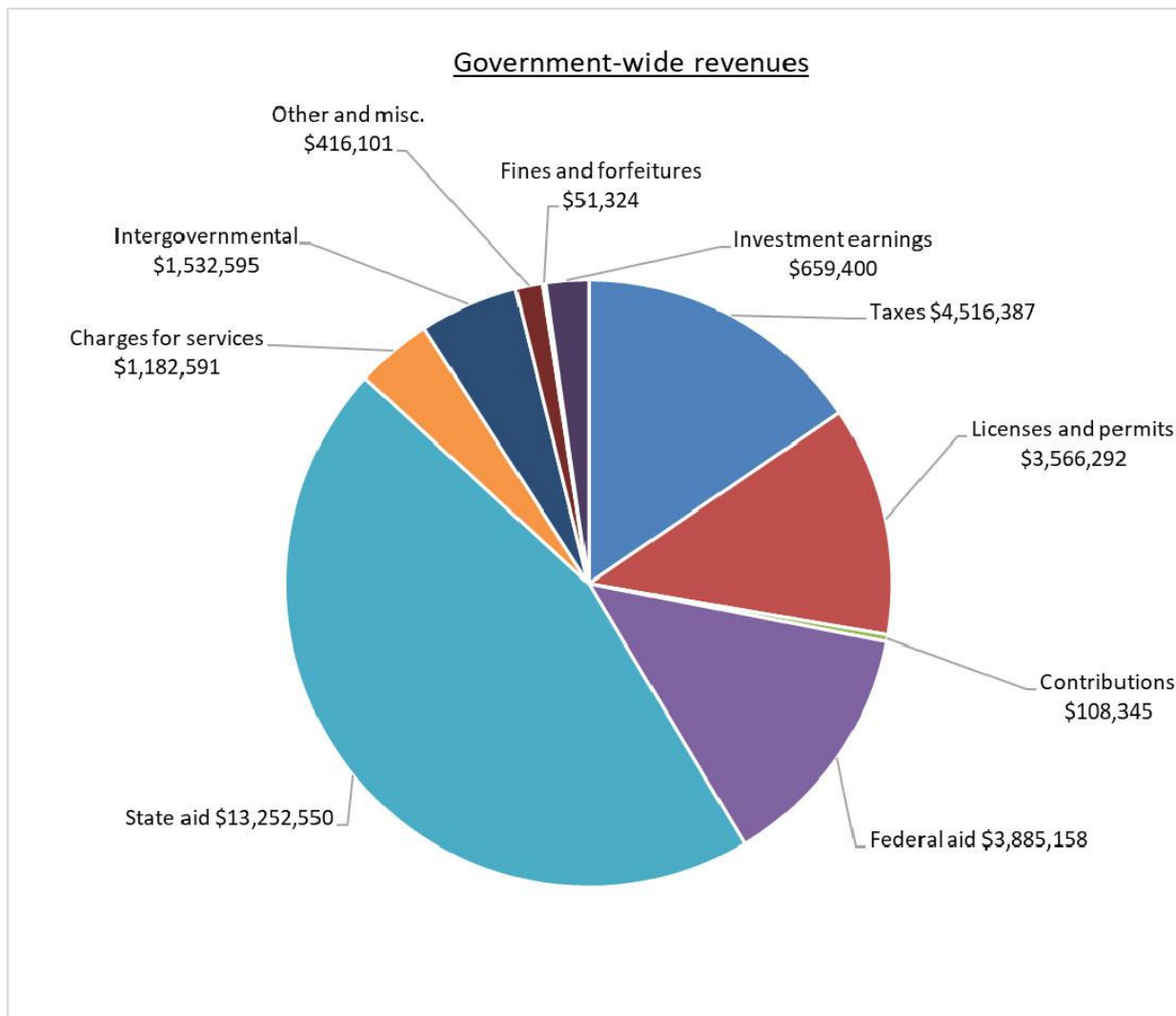
City of Seneca's Net Position

	Governmental Activities		Business-type Activities		Total	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Assets						
Current and Other Assets	\$ 27,885,210	\$ 16,660,107	\$ 13,920,234	\$ 16,037,482	\$ 41,805,444	\$ 32,697,589
Capital Assets, Net	19,070,836	17,031,957	79,769,311	75,625,645	98,840,147	92,657,602
Total Assets	46,956,046	33,692,064	93,689,545	91,663,127	140,645,591	125,355,191
Deferred Outflows of Resources	1,990,201	2,020,333	1,505,647	1,677,211	3,495,848	3,697,544
Long-term Debt Outstanding	2,796,940	2,296,975	17,108,016	20,064,764	19,904,956	22,361,739
Net Pension Liability	11,217,977	11,504,501	9,058,540	8,842,795	20,276,517	20,347,296
Other Liabilities	3,606,759	4,277,442	11,136,039	10,035,093	14,742,798	14,312,535
Total Liabilities	17,621,676	18,078,918	37,302,595	38,942,652	54,924,271	57,021,570
Deferred Inflows of Resources	263,519	394,298	4,797,428	5,882,648	5,060,947	6,276,946
Net Position						
Net Investment in Capital Assets	15,553,089	14,078,608	59,765,013	52,806,050	75,318,102	66,884,658
Restricted	21,048,843	10,399,173	1,596,108	1,264,796	22,644,951	11,663,969
Unrestricted	(5,540,879)	(7,238,600)	(8,265,952)	(5,555,811)	(13,806,831)	(12,794,411)
Total Net Position	\$ 31,061,052	\$ 17,239,181	\$ 53,095,169	\$48,515,035	\$ 84,156,221	\$ 65,754,216

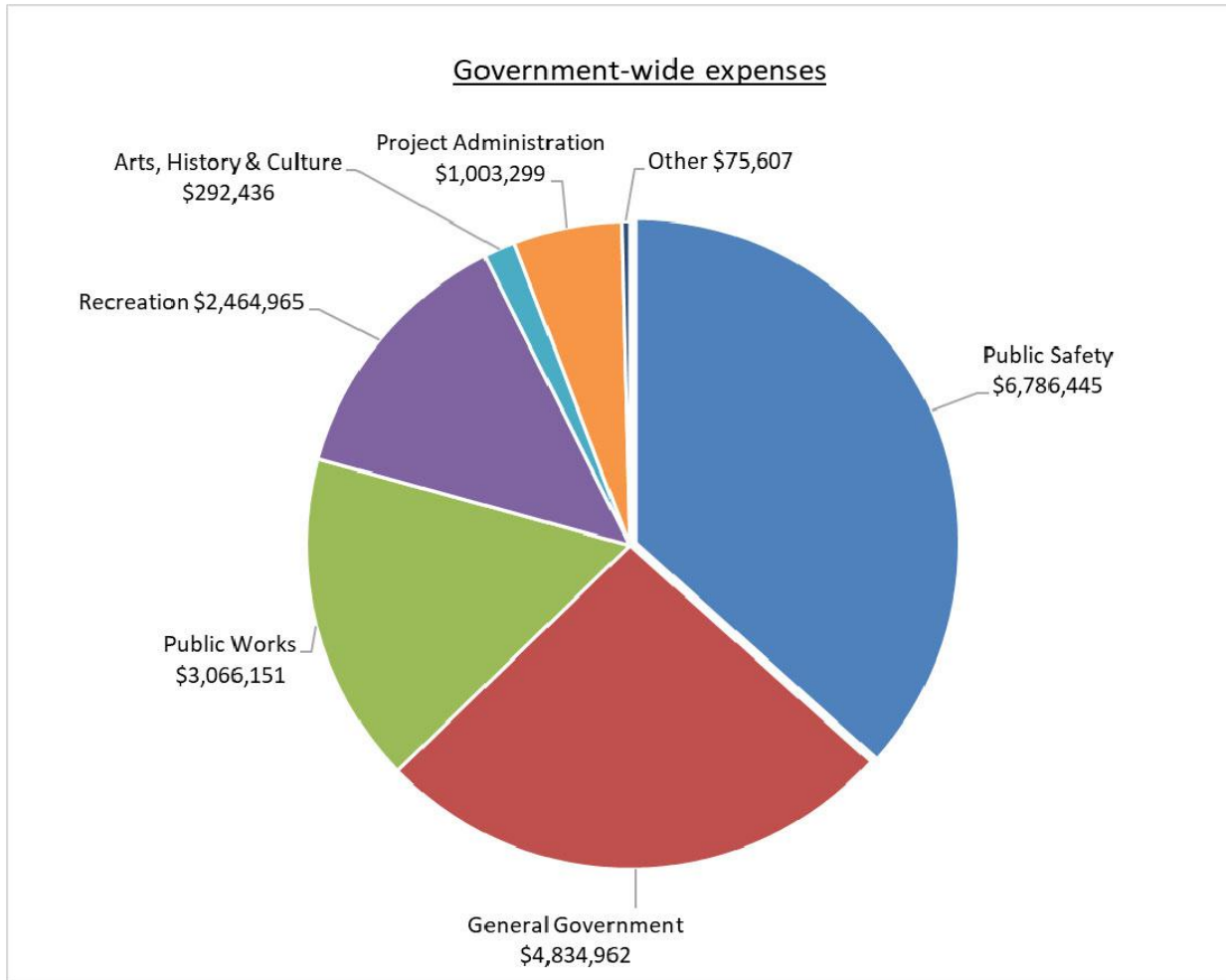
By far the largest portion of the City of Seneca's net position (89.5% percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The City of

Seneca uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Below is a graph which depicts the amount of revenue derived from property taxes, grants and contributions, business license and permit fees, charges for services, intergovernmental, and other revenues for the fiscal year ended June 30, 2024.



The figure below represents government-wide expenses within the governmental activities. The majority of expenses come from public safety (Police and Fire), the next highest is General government (Municipal Judge, Mayor & Council, Finance/Administration, Planning & Development, and Beautification). The City of Seneca ended the year with an increase in net position of \$13,821,871.



The table below summarizes the changes in net position for fiscal year 2024.

City of Seneca's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
REVENUES:						
Program Revenues:						
Charges for sales and services	4,800,207	4,338,129	39,376,516	35,243,156	\$44,176,723	\$39,581,285
Operating grants & contributions	18,422,413	13,470,681	-	-		
General revenues:						
Property taxes	4,516,387	4,161,943	-	-	4,516,387	4,161,943
Other revenues	434,740	283,587	-	-	434,740	283,587
Sale of fixed assets	37,675	66,612	35,127	-	72,802	66,612
Insurance recovery	52,032	61,612	13,957	-	65,989	61,612
Grants and contributions not restricted to specific programs	247,890	1,332,318	-	-	247,890	1,332,318
Investment earnings	659,400	10,118	188,893	169,516	848,293	179,634
Total revenues	29,170,744	\$23,725,000	39,614,493	\$35,412,672	\$50,362,824	\$45,666,991
EXPENSES:						
General government	4,834,962	4,802,798	-	-	\$4,834,962	\$4,802,798
Public safety	6,786,445	6,024,274	-	-	6,786,445	6,024,274
Public Works	3,066,151	1,860,213	-	-	3,066,151	1,860,213
Recreation	2,464,965	2,697,654	-	-	2,464,965	2,697,654
Arts, History & Culture	292,436	337,267	-	-	292,436	337,267
Project Administration	1,003,299	1,018,229	-	-	1,003,299	1,018,229
Other	75,607	76,906	2,122,465	2,021,708	2,198,072	2,098,614
Administration	-	-	4,584,840	4,946,255	4,584,840	4,946,255
Electric	-	-	13,170,937	12,006,906	13,170,937	12,006,906
Water	-	-	5,532,759	5,119,481	5,532,759	5,119,481
Sewer	-	-	5,943,292	5,228,685	5,943,292	5,228,685
Interest on Long Term debt	-	-	505,072	587,452	505,072	587,452
Total expenses	18,523,866	16,817,341	\$31,859,365	\$29,910,487	\$50,383,231	\$46,727,828
Increase in net position before transfers	10,646,878	6,907,659	7,755,127	5,502,185	18,402,006	12,409,844
Transfer	3,174,993	1,699,902	(3,174,993)	(1,699,902)	-	-
Increase in net position	13,821,871	8,607,561	4,580,134	3,802,282	18,402,005	12,409,843
Beginning net position	17,239,181	9,042,920	48,515,035	44,712,755	65,754,216	53,755,675
Prior-period adjustment	-	(411,300)	-	-	-	(411,300)
Ending net position	\$31,061,052	\$17,239,181	\$53,095,169	\$48,515,037	\$84,156,221	\$65,754,217

Governmental activities

During the current fiscal year, the City of Seneca's governmental activities' net position increased by \$13,821,871. Key factors included in this increase are as follows:

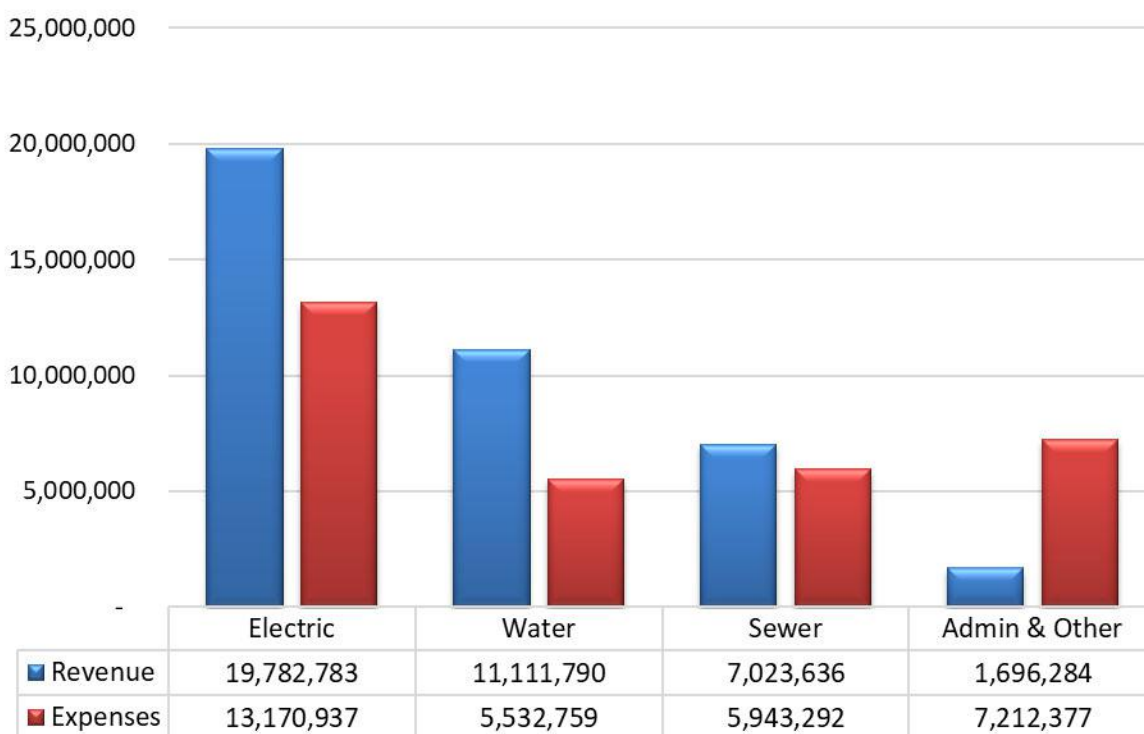
- Increase in program revenues from operating grants and contributions of approximately \$5.4 million which is primarily from the grant funding received for the downtown improvements in Seneca.
- Increase of \$436,376 in the revenues for business licenses and franchise fee taxes. Business licenses are calculated on gross receipt.
- Increase in general revenues from property taxes of approximately \$354,000.
- Increase in general revenues from reimbursement received for disaster recovery of \$2.44 million from an F-3 tornado that devastated the city in April of 2020.

Business-type activities

Business-type activities increased the City of Seneca’s net position by \$4,580,134. The key element of the increase is as follows:

- Increase of \$4,133,360 in charges for sales and services primarily due to the rate increases for both electric and sewer customers in the Light & Water fund.

Expenses and Program Revenues



Financial Analysis of the Government’s Funds

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

Governmental funds

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

fiscal year.

The General Fund is the chief operating fund of the City. At the end of the fiscal year ending June 30, 2024, the total fund balance was \$4,436,198 while total assets were \$5,882,229. Of that total, \$184,316 is in nonspendable form for inventory and prepaid expenses. The remaining fund balance of \$4,251,882 is unassigned.

Downtown Seneca Improvements is a special revenue that is a major fund for the fiscal year ended June 30, 2024. Of the total governmental fund balance of \$25,553,488, 78% represents restricted fund balance for this special revenue.

Governmental unrestricted net assets at June 30, 2024 were \$(5,540,879) due to the change in accounting principle GASB 68. GASB 68 requires the City to record a pension liability of \$11,217,977 for Governmental Funds. The remainder of the net position is reserved to indicate that it is not available for new spending because it is comprised of investments in capital assets, restrictions for debt service and special projects.

Proprietary funds

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

As of June 30, 2024, unrestricted net position of the Light and Water Fund was \$(8,922,356), as compared to \$(7,382,678) last fiscal year; this is a result of the increased net pension and current liabilities. The Seneca Facilities Corporation Fund handles the activity at the Industrial Complex on Shiloh Road and its unrestricted net position at the fiscal year end was \$1,019,019, an increase of \$319,012. The Seneca Improvements Corporation Fund aids with economic business establishment and retention for the City of Seneca. The unrestricted net position of the Seneca Improvements Corporation Fund at fiscal year-end was \$(362,615).

Total noncurrent assets was \$84,215,720 at June 30, 2024. Light and Water was \$67,200,028, an increase of \$1,029,581; this increase is a result of additional projects that include ongoing maintenance and upgrades for the utility infrastructure. Seneca Facilities Corporation was \$9,650,382 a decrease of \$993,146; this decrease is a result the lease payments paid from Borg Warner and Clarios which decreased the lease receivable at fiscal year-end. Seneca Improvements Corporation was \$7,365,310, an increase of \$3,229,719; this increase is a result of the construction in progress for the Performing Arts Center that is a part of the Downtown Seneca Improvements Special Revenue Fund.

General Fund Budgetary Highlights

In the adopted 2024 budget, the budgeted operational revenues exceeded budget by \$290,824 while the actual expenditures, including capital outlay, exceed the budgeted expenditures by \$598,738. The following is a brief summary of some of the variances.

- The City anticipated FEMA reimbursement of \$3,375,000 and received \$2,443,829 which created a variance of \$931,172.
- Total property taxes, licenses and permits, charges for services, licenses and permits, and recreation fee revenues exceeded the budget by \$638,885.
- Total actual capital outlay exceeded budget by \$3,382,374; however, \$1,794,026 of this was due to the budgeted use of American Rescue Plan funding for revenue replacement to purchase essential capital for public safety, recreation, and arts, and history and culture. These expenditures were offset with a transfer in from the ARPA fund. \$1,480,435 of the total capital outlay was for the completion of the new public works building.
- Debt service came in below budget because GO Bonds were not paid in full due to receiving less funds from FEMA than anticipated.

For more specific details please reference the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual.

Capital Assets

The City of Seneca’s investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounts to \$98,795,650 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, furniture and fixtures, equipment and vehicles, electrical system, water system, sewer system and construction in progress.

Major capital asset events during the current fiscal year included the following (please note, some of the numbers below are not net of accumulated depreciation):

- Construction in Progress for Light & Water was \$5,069,335, an increase of \$693,093; this increase is from additional upgrades and improvements to the infrastructure for electrical, sewer and water.
- Construction in Progress for Seneca Improvements Corporation was \$6,312,095, an increase of \$3,310,976 from prior year because of the Harper’s building renovations, along with the Performing Arts Center construction. These projects together total approximately \$3.25 million of the cip total.
- Construction in Progress increased in Governmental Activities because of ongoing projects at the Shaver Complex, the new police building and the new public works building.
- The total increase in the City of Seneca’s net capital assets for the current fiscal year was \$6,138,048, resulting from an increase of \$1,994,383 for Governmental Activities and an increase of \$4,143,665 for Business-type Activities.

City of Seneca's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Land	1,327,312	1,327,312	1,294,097	1,283,498	2,621,409	2,610,810
Building and system Improvement other than buildings	3,940,829	4,104,608	14,208,775	14,766,000	18,149,604	18,870,608
Machinery and equipment	4,561,101	4,990,280	51,655,008	50,612,092	56,216,109	55,602,372
Vehicles	2,487,610	2,804,571	451,320	626,263	2,938,930	3,430,834
Construction in progress	1,245,098	1,710,001	778,661	960,409	2,023,759	2,670,410
Right-to-use lease equipment	5,464,391	2,095,186	11,381,449	7,377,382	16,845,840	9,472,568
	44,496	-	-	-	44,496	-
Total	<u>19,070,836</u>	<u>17,031,957</u>	<u>79,769,310</u>	<u>75,625,645</u>	<u>98,840,146</u>	<u>\$92,657,602</u>

Long-term Debt

As of June 30, 2024, the City had a total bond indebtedness outstanding of \$20,711,971, of which \$1,595,000 in general obligation bonds that is backed by the full faith and credit of the City. The City has not passed on that portion of debt to its citizens and plan to pay the GO Bonds off when reimbursed entirely from FEMA. The City has \$6,844,265 in revenue bonds outstanding and \$12,272,706 in state revolving fund loans outstanding. The City's total bonded debt decreased by \$3,038,512 during the year. The State of South Carolina limits the amount of non-voter approved general obligation debt that a unit of government can issued to 8% of the total assessed value of taxable property located within that government's boundaries. The City's statutory limit at June 30, 2024, was \$1,595,000,000.

	City of Seneca					
	Governmental		Business-type		Total	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
General Obligation Bonds	\$ 1,595,000	\$ 1,975,000	\$ -	\$ -	\$ 1,595,000	\$ 1,975,000
Revenue Bonds	-	-	6,844,265	8,564,419	6,844,265	8,564,419
Leases	45,397	-	-	-	45,397	-
State Revolving Fund	-	-	12,272,701	13,211,064	12,272,701	13,211,064
Total	<u>\$ 1,640,397</u>	<u>\$ 1,975,000</u>	<u>\$ 19,116,966</u>	<u>\$ 21,775,483</u>	<u>\$ 20,757,363</u>	<u>\$ 23,750,483</u>

Additional information on the City's long-term debt can be found in Note 8 of this report.

Future Outlook

The management of the City of Seneca strives to remain a fiscally stable municipal government through the budget process, audit process, and internal controls. Top priorities for management and staff include maintaining appropriate levels of liquid assets in order to meet cash flow requirements throughout the fiscal year, matching revenues with expenses for all

funds in the City and ensuring that City services are as cost effective as possible.

Staff considered many factors during the preparation of the FY25 budget. These factors include the economy, tourism activity, building activity, future capital needs and the best interests of the City's residents. Key budget highlights include:

- The City's growth is reflected with an increase in the FY25 budget of \$310,075 for an increase in property tax revenues which is due to annexed properties and new business developments.
- Due to the above-mentioned business development, the business license revenue increased \$226,377 from the prior year budget.
- The FY25 budgets for water and electric revenue increased \$3,438,074 from FY24 because of increased rates and the continued expansion of the utility system.
- Capital needs within the Light & Water Fund include an increase of approximately \$4.9 million.
 - Improvements to the utility system are ongoing and extremely important for the overall health of the utility. The electric systems FY25 budget includes \$2,000,000 of improvements, an increase from prior year.
 - The capital purchase of \$1,000,000 for generator controls is vital for reducing overall charges incurred from our current power providers.

Economic Factors

In fiscal year 2024, 19.19 commercial acres and .11 residential acres were annexed into the City of Seneca. Growth inside the city is also shown by the number of housing starts and building permits issued. In fiscal year 2024, 105 single family new construction building permits were issued with a total valuation of \$45,074,099. Also issued in fiscal year 2024 were 5 apartment building permits, totaling 40 units, with a total valuation of \$6,135,163.

Seneca Light and Water is saving on the cost of electricity through the use of a peak shaving program. Five generators allow the city to generate electricity during the peak usage time of Santee Cooper, our power supplier.

As an indicator of economic growth the total property market value within the City of Seneca, increased by 8.14% percent from \$917,140,984 in 2023 to \$991,831,863 in 2024.

Request for Information

This financial report is designed to provide a general overview of the City of Seneca's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Seneca, Finance Director, PO Box 4773, Seneca, SC, 29679.

BASIC FINANCIAL STATEMENTS

CITY OF SENECA, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 2,831,322	\$ 1,350,580	\$ 4,181,903
Investments	20,507,533	102,153	20,609,686
Receivables (net of allowance)			
Property taxes	97,890	-	97,890
Accounts	534,121	5,236,328	5,770,450
Lease	-	4,821,899	4,821,899
Financed purchase	-	502,023	502,023
Other	-	98,068	98,068
Prepaid expenses	198,323	80,055	278,378
Internal balances	3,221,129	(3,221,129)	-
Due from other governments	411,634	-	411,634
Inventory	54,440	3,354,149	3,408,590
Restricted cash	28,818	1,596,108	1,624,925
Capital assets:			
Land and construction in progress	6,791,703	12,675,547	19,467,250
Other capital assets, net of depreciation/amortization	12,279,133	67,093,764	79,372,897
Total assets	\$ 46,956,045	\$ 93,689,546	\$ 140,645,591
Deferred outflow of resources			
Deferred bond loss	\$ -	\$ 60,466	\$ 60,466
Deferred pension charges	1,990,201	1,445,181	3,435,382
Total deferred outflows of resources	\$ 1,990,201	\$ 1,505,647	\$ 3,495,848
Liabilities			
Accounts payable	\$ 1,206,103	\$ 899,818	\$ 2,105,922
Accrued expenses	319,131	1,551,274	1,870,404
Due to customers	-	2,646,005	2,646,005
Interest payable	58,681	102,817	161,498
Unearned revenue	716,566	2,459,406	3,175,972
Noncurrent liabilities, net:			
Due within one year	1,306,278	3,476,719	4,782,997
Due in more than one year	2,796,940	17,108,016	19,904,956
Net pension liability, due in more than one year	11,217,977	9,058,540	20,276,517
Total liabilities	\$ 17,621,675	\$ 37,302,596	\$ 54,924,271
Deferred inflow of resources			
Deferred pension credits	\$ 263,519	\$ 195,367	\$ 458,886
Lease receipts	-	4,602,061	4,602,061
Total liabilities	\$ 263,519	\$ 4,797,428	\$ 5,060,947
Net position			
Net investment in capital assets	\$ 15,553,089	\$ 59,765,013	\$ 75,318,102
Restricted for:			
Debt service	3,517,747	1,422,385	4,940,131
Special projects	17,531,096	173,723	17,704,819
Unrestricted	(5,540,879)	(8,265,952)	(13,806,831)
Total net position	\$ 31,061,052	\$ 53,095,169	\$ 84,156,221

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

CITY OF SENECA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/programs	Expenses	Program revenues			Net (expense) revenue & changes in net position		
		Charges for services	Operating grants & contributions	Capital grants & contributions	Governmental activities	Business-type activities	Total
Primary government:							
Governmental activities							
General government	\$ 4,834,961	\$ 3,566,292	\$ 45,081	\$ 40,000	\$ (1,183,588)	\$ -	\$ (1,183,588)
Public safety	6,786,445	51,324	1,300,000	653,980	(4,781,142)	-	(4,781,142)
Public works	3,066,151	1,182,591	952,514	-	(931,047)	-	(931,047)
Recreation	2,464,965	-	-	15,247	(2,449,718)	-	(2,449,718)
Arts, history & culture	292,436	-	-	-	(292,436)	-	(292,436)
Project administration	1,003,299	-	3,260,035	12,155,556	14,412,291	-	14,412,291
Other	75,607	-	-	-	(75,607)	-	(75,607)
Total governmental activities	\$ 18,523,865	\$ 4,800,207	\$ 5,557,629	\$ 12,864,783	\$ 4,698,754	\$ -	\$ 4,698,754
Business-type activities							
Electric	\$ 13,170,937	\$ 19,782,783	\$ -	\$ -	\$ -	\$ 6,611,846	\$ 6,611,846
Water	5,532,759	11,111,790	-	-	-	5,579,031	5,579,031
Sewer	5,943,292	7,023,636	-	-	-	1,080,344	1,080,344
Admin	4,584,840	-	-	-	-	(4,584,840)	(4,584,840)
Other	2,122,465	1,458,307	-	-	-	(664,158)	(664,158)
Interest	505,072	-	-	-	-	(505,072)	(505,072)
Total business activities	\$ 31,859,365	\$ 39,376,516	\$ -	\$ -	\$ -	\$ 7,517,150	\$ 7,517,150
Total primary government	\$ 50,383,230	\$ 44,176,722	\$ 5,557,629	\$ 12,864,783	\$ 4,698,754	\$ 7,517,150	\$ 12,215,905
General revenues:							
Property Taxes					\$ 4,516,387	\$ -	\$ 4,516,387
State aid, not restricted for specific purposes					247,890	-	247,890
Investment earnings					659,400	188,893	848,293
Contributions and miscellaneous revenues					434,740	-	434,740
Gain on sale of capital assets					37,675	35,127	72,801
Insurance recovery					52,032	13,957	65,990
Transfers					3,174,993	(3,174,993)	-
Total general revenues and transfers					\$ 9,123,118	\$ (2,937,016)	\$ 6,186,102
Change in net position					\$ 13,821,872	\$ 4,580,134	\$ 18,402,007
Net position - beginning of year					\$ 17,239,181	\$ 48,515,035	\$ 65,754,217
Net position - end of year					\$ 31,061,052	\$ 53,095,169	\$ 84,156,221

CITY OF SENECA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Downtown Seneca Improvements	Total Non- Major Funds	Total
Assets				
Cash	\$ 1,204,398	\$ 26,675	\$ 1,600,250	\$ 2,831,322
Investments	101,566	20,405,967	-	20,507,533
Receivables (net of allowance)				
Property taxes	97,890	-	-	97,890
Accounts	234,887	-	299,235	534,121
Prepaid expenses	129,876	-	68,447	198,323
Restricted cash	24,978	-	3,839	28,818
Due from other funds	3,920,081	-	-	3,920,081
Due from other governments	114,114	-	297,520	411,634
Inventory	54,440	-	-	54,440
Total assets	<u>\$ 5,882,229</u>	<u>\$ 20,432,642</u>	<u>\$ 2,269,290</u>	<u>\$ 28,584,162</u>
Liabilities				
Accounts payable	\$ 876,743	\$ -	\$ 329,360	\$ 1,206,103
Accrued expenses	319,131	-	-	319,131
Due to other funds	-	386,209	312,743	698,952
Unearned revenue	160,235	-	556,331	716,566
Total liabilities	<u>\$ 1,356,108</u>	<u>\$ 386,209</u>	<u>\$ 1,198,434</u>	<u>\$ 2,940,751</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	\$ 89,923	\$ -	\$ -	\$ 89,923
Funds balances				
Nonspendable:				
Inventory	\$ 54,440	\$ -	\$ -	\$ 54,440
Prepaid expenses	129,876	-	68,447	198,323
Restricted:				
Special projects	-	20,046,433	1,002,410	21,048,843
Unassigned	4,251,882	-	-	4,251,882
Total fund balances	<u>\$ 4,436,198</u>	<u>\$ 20,046,433</u>	<u>\$ 1,070,857</u>	<u>\$ 25,553,488</u>
Total liabilities, deferred outflows and inflows of resources and fund balances	<u>\$ 5,882,229</u>	<u>\$ 20,432,642</u>	<u>\$ 2,269,290</u>	<u>\$ 28,584,162</u>

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

CITY OF SENECA, SOUTH CAROLINA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 25,553,488
Amounts reported for the governmental activities in the statement of net position are different because:		
Some property taxes receivable are not available to pay current period expenditures and are deferred in the funds.		89,923
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$47,700,313 and the accumulated depreciation and amortization is \$28,629,477.		19,070,835
The City's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(9,491,295)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Financed purchases	(1,877,350)	
Bonds payable	(1,595,000)	
Lease liability	(45,397)	
Compensated absences	<u>(585,471)</u>	(4,103,218)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as and expenditure when due.		<u>(58,681)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u><u>\$ 31,061,052</u></u>

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

	General	Downtown Seneca Improvements	Total Non-Major Funds	Total
Revenues				
Property taxes	\$ 3,082,085	\$ -	\$ 1,417,103	\$ 4,499,189
License and permits	3,566,292	-	-	3,566,292
Federal aid	2,443,829	-	1,441,329	3,885,157
State aid	292,971	12,008,000	951,579	13,252,550
County aid	1,300,000	-	232,595	1,532,595
Charges for services	1,182,591	-	-	1,182,591
Fines and forfeitures	51,324	-	-	51,324
Investment earnings (loss)	4,005	655,279	117	659,400
Contributions	-	-	108,345	108,345
Other revenues	291,701	-	34,693	326,394
Total revenues	\$ 12,214,799	\$ 12,663,279	\$ 4,185,761	\$ 29,063,838
Expenditures				
Current operating				
General government	\$ 2,193,132	\$ -	\$ -	\$ 2,193,132
Public safety	6,587,340	-	-	6,587,340
Public works	2,038,243	-	779,919	2,818,161
Project administration	-	-	1,003,299	1,003,299
Recreation	1,322,122	-	956,935	2,279,057
Arts, History & Culture	320,307	-	-	320,307
Non-departmental	1,514,321	-	70,658	1,584,979
Capital outlay				
General government	177,329	-	247,039	424,368
Public safety	1,883,174	-	-	1,883,174
Public works	1,511,435	-	-	1,511,435
Recreation	183,733	-	-	183,733
Arts, History & Culture	17,583	-	-	17,583
Benefits	-	-	41,261	41,261
Debt service				
Principal retirement	670,208	-	-	670,208
Interest and fiscal charges	63,357	-	-	63,357
Total expenditures	\$ 18,482,283	\$ -	\$ 3,099,111	\$ 21,581,395
Excess (deficiency) of revenues over (under) expenditures	\$ (6,267,485)	\$ 12,663,279	\$ 1,086,650	\$ 7,482,444
Other financing sources (uses)				
Transfers in	\$ 6,654,919	\$ -	\$ 200,502	\$ 6,855,421
Transfers out	(351,440)	(2,077,651)	(1,215,204)	(3,644,295)
Insurance recovery	52,032	-	-	52,032
Sale of fixed assets	49,117	-	-	49,117
Issuance of financed purchase	1,175,278	-	-	1,175,278
Issuance of lease	59,328	-	-	59,328
Total other financing sources (uses)	\$ 7,639,234	\$ (2,077,651)	\$ (1,014,702)	\$ 4,546,881
Net change in Fund Balance	\$ 1,371,749	\$ 10,585,628	\$ 71,948	\$ 12,029,324
Fund balances, beginning	3,064,450	9,460,805	998,909	13,524,164
Fund balances, ending	<u>\$ 4,436,198</u>	<u>\$ 20,046,433</u>	<u>\$ 1,070,857</u>	<u>\$ 25,553,488</u>

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

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

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ 12,029,324
Changes in the City's proportionate share of 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.		387,171
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(11,442)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		17,198
Governmental funds report capital outlays as expenditures, however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlays in the current period.		
Capital outlays	4,130,979	
Depreciation and amortization expense	<u>(2,080,659)</u>	2,050,319
Changes in compensated absences are accrued in salary expense of the various departments, the change is reflected in the liability section of the government-wide statement of net position.		(51,955)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued interest on long-term debt		(34,346)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transactions, however, has an effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(1,234,606)
Repayment of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position.		<u>670,208</u>
Change in net position of governmental activities		<u>\$ 13,821,872</u>

CITY OF SENECA, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Light & Water Fund	Seneca Facilities Corp Fund	Nonmajor	Total
			Seneca Improvements Corp Fund	
Assets				
Current assets				
Cash	\$ -	\$ 765,753	\$ 584,827	\$ 1,350,580
Restricted cash	1,416,649	5,736	173,723	1,596,108
Investments	102,153	-	-	102,153
Receivables:				
Accounts receivable, net of allowance	5,160,038	76,291	-	5,236,328
Other receivables	96,708	-	1,360	98,068
Lease receivable, current	-	817,946	-	817,946
Financed purchase receivable, current	-	-	59,566	59,566
Prepaid expenses	80,055	-	-	80,055
Due from other funds	2,707	-	-	2,707
Inventory	3,354,149	-	-	3,354,149
Total current assets	\$ 10,212,459	\$ 1,665,726	\$ 819,476	\$ 12,697,660
Noncurrent assets				
Lease receivable	\$ -	\$ 4,003,953	\$ -	\$ 4,003,953
Financed purchase receivable	-	-	442,457	442,457
Land	1,053,510	240,588	-	1,294,097
Buildings	15,320,907	3,228,416	189,054	18,738,376
Improvements	87,556,487	3,731,583	484,257	91,772,327
Equipment	7,309,965	6,000	-	7,315,965
Vehicles	4,998,334	-	-	4,998,334
Construction in progress	5,069,355	-	6,312,095	11,381,449
Less, accumulated depreciation	(54,108,530)	(1,560,157)	(62,553)	(55,731,239)
Total noncurrent assets	\$ 67,200,028	\$ 9,650,382	\$ 7,365,310	\$ 84,215,720
Total assets	\$ 77,412,487	\$ 11,316,109	\$ 8,184,786	\$ 96,913,380
Deferred outflow of resources				
Deferred bond loss	\$ 60,466	\$ -	\$ -	\$ 60,466
Deferred pension charges	1,445,181	-	-	1,445,181
Total deferred outflow of resources	\$ 1,505,647	\$ -	\$ -	\$ 1,505,647
Liabilities				
Current liabilities				
Accounts payable	\$ 891,110	\$ 8,709	\$ -	\$ 899,818
Accrued expenses	1,551,274	-	-	1,551,274
Compensated absences	519,971	-	-	519,971
Financed purchase payable, current	251,533	-	-	251,533
State revolving fund loan, current	955,199	-	-	955,199
Bonds payable, current	1,350,015	400,000	-	1,750,015
Customer deposits	1,249,660	-	-	1,249,660
Unearned revenue	2,455,482	-	3,924	2,459,406
Interest payable	68,664	34,153	-	102,817
Due to customers	1,396,345	-	-	1,396,345
Due to other funds	1,776,934	-	1,446,901	3,223,835
Total current liabilities	\$ 12,466,188	\$ 442,862	\$ 1,450,825	\$ 14,359,875
Long-term liabilities				
Financed purchase payable	\$ 696,266	\$ -	\$ -	\$ 696,266
State revolving fund loans	11,317,501	-	-	11,317,501
Bonds payable	1,924,249	3,170,000	-	5,094,249
Net pension liability	9,058,540	-	-	9,058,540
Total long-term liabilities	\$ 22,996,557	\$ 3,170,000	\$ -	\$ 26,166,557
Total liabilities	\$ 35,462,744	\$ 3,612,862	\$ 1,450,825	\$ 40,526,431
Deferred inflow of resources				
Deferred pension credits	\$ 195,367	\$ -	\$ -	\$ 195,367
Lease receipts	-	4,602,061	-	4,602,061
Total deferred inflow of resources	\$ 195,367	\$ 4,602,061	\$ -	\$ 4,797,428
Net position				
Net investment in capital assets	\$ 50,765,730	\$ 2,076,430	\$ 6,922,854	\$ 59,765,013
Restricted for:				
Debt service	1,416,649	5,736	-	1,422,385
Special projects	-	-	173,723	173,723
Unrestricted	(8,922,356)	1,019,019	(362,615)	(8,265,952)
Total net position	\$ 43,260,022	\$ 3,101,185	\$ 6,733,961	\$ 53,095,169

CITY OF SENECA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Light & Water Fund</u>	<u>Seneca Facilities Corp Fund</u>	<u>Nonmajor Seneca Improvements Corp Fund</u>	<u>Total</u>
Operating revenues				
Charges for services				
Electric	\$ 19,782,783	\$ -	\$ -	\$ 19,782,783
Water	11,111,790	-	-	11,111,790
Sewer	7,023,636	-	-	7,023,636
Lease income	-	983,701	-	983,701
Other	424,744	49,862	-	474,606
Total operating revenues	<u>\$ 38,342,952</u>	<u>\$ 1,033,563</u>	<u>\$ -</u>	<u>\$ 39,376,516</u>
Operating expenses				
Light & water administration	\$ 1,778,973	\$ -	\$ -	\$ 1,778,973
I&I department	112,524	-	-	112,524
Billing department	1,171,649	-	-	1,171,649
Engineering department	906,699	-	-	906,699
Electrical department	3,479,689	-	-	3,479,689
Water department	2,373,405	-	-	2,373,405
Sewer department	5,479,694	-	-	5,479,694
Water plant	2,057,314	-	-	2,057,314
Electrical generation/purchase	8,851,228	-	-	8,851,228
Maintenance	1,019,450	-	-	1,019,450
Non-departmental	662,388	-	-	662,388
Depreciation	2,823,762	175,200	21,690	3,020,653
Program expenses	-	-	92,604	92,604
Facilities operations	-	339,241	8,781	348,022
Total operating expenses	<u>\$ 30,716,777</u>	<u>\$ 514,441</u>	<u>\$ 123,075</u>	<u>\$ 31,354,293</u>
Operating income (loss)	<u>\$ 7,626,176</u>	<u>\$ 519,122</u>	<u>\$ (123,075)</u>	<u>\$ 8,022,223</u>
Non-operating revenues (expenses)				
Investment income	\$ 34,776	\$ 135,160	\$ 18,957	\$ 188,893
Interest expense	(400,725)	(104,348)	-	(505,072)
Insurance recovery	13,957	-	-	13,957
Gain on disposal	35,127	-	-	35,127
Total non-operating revenues (expenses), net	<u>\$ (316,865)</u>	<u>\$ 30,812</u>	<u>\$ 18,957</u>	<u>\$ (267,096)</u>
Income (loss) before transfers and capital contributions	<u>\$ 7,309,311</u>	<u>\$ 549,934</u>	<u>\$ (104,118)</u>	<u>\$ 7,755,127</u>
Capital contributions				
Capital contribution	\$ 36,133	\$ -	\$ -	\$ 36,133
Transfers				
Transfers in	\$ 320,116	\$ 150,938	\$ 2,077,651	\$ 2,548,705
Transfers out	(5,598,164)	(161,667)	-	(5,759,831)
Total transfers	<u>\$ (5,278,048)</u>	<u>\$ (10,729)</u>	<u>\$ 2,077,651</u>	<u>\$ (3,211,126)</u>
Change in net position	<u>\$ 2,067,396</u>	<u>\$ 539,205</u>	<u>\$ 1,973,533</u>	<u>\$ 4,580,134</u>
Net position, beginning	<u>\$ 41,192,626</u>	<u>\$ 2,561,981</u>	<u>\$ 4,760,429</u>	<u>\$ 48,515,035</u>
Net position, ending	<u>\$ 43,260,022</u>	<u>\$ 3,101,185</u>	<u>\$ 6,733,961</u>	<u>\$ 53,095,169</u>

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

CITY OF SENECA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Light & Water Fund	Seneca Facilities Corp Fund	Nonmajor Improvements Corp Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 39,620,152	\$ 830,585	\$ 1,498,689	41,949,425
Payments to suppliers/goods and services	(20,403,231)	(584,739)	(104,518)	(21,092,488)
Payments to/for employees	(7,080,290)	-	-	(7,080,290)
Other receipts	13,957	-	-	13,957
Net cash provided (used) by operating activities	\$ 12,150,589	\$ 245,845	\$ 1,394,171	\$ 13,790,605
Cash flows from non-capital financing activities:				
Interfund transfers in	\$ 320,116	\$ 150,938	\$ 2,077,651	\$ 2,548,705
Interfund transfers out	(5,598,164)	(161,667)	-	(5,759,831)
Total cash flows from non-capital financing activities	\$ (5,278,048)	\$ (10,729)	\$ 2,077,651	\$ (3,211,126)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets, net	\$ (3,854,852)	\$ -	\$ (3,310,976)	\$ (7,165,828)
Proceeds of sale of capital assets	36,636	-	-	36,636
Principal paid on capital debt	(2,509,378)	(395,000)	-	(2,904,378)
Interest paid on capital debt	(418,220)	(108,127)	-	(526,347)
Total cash flows from capital and related financing activities	\$ (6,745,814)	\$ (503,127)	\$ (3,310,976)	\$ (10,559,917)
Cash flows from investing activities:				
Interest income	30,470	135,160	18,957	184,587
Total cash flows from investing activities	\$ 30,470	\$ 135,160	\$ 18,957	\$ 184,587
Net increase (decrease) in cash	\$ 157,197	\$ (132,851)	\$ 179,803	\$ 204,149
Cash, beginning	1,259,452	904,340	578,748	2,742,540
Cash, ending	\$ 1,416,649	\$ 771,489	\$ 758,550	\$ 2,946,688
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 7,626,176	\$ 519,122	\$ (123,075)	\$ 8,022,223
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	2,823,762	175,200	21,690	3,020,653
Other receipts	13,957	-	-	13,957
Noncash transfers from the governmental activities	36,133	-	-	36,133
Changes in assets (increase), decrease:				
Accounts receivable	(1,254,091)	-	-	(1,254,091)
Other receivable	163,757	-	(1,360)	162,397
Lease receivable	-	780,722	-	780,722
Financed purchase receivable	-	-	57,664	57,664
Due from other funds	65,001	-	-	65,001
Prepaid expenses	(32,159)	-	-	(32,159)
Inventory	(548,894)	-	-	(548,894)
Deferred bond gain	89,088	-	-	89,088
Deferred pension charges	82,477	-	-	82,477
Changes to liabilities increase, (decrease):				
Accounts payable	230,144	(245,498)	(3,133)	(18,488)
Accrued expenses	331,714	-	-	331,714
Customer deposits	67,862	-	-	67,862
Unearned revenue	37,193	-	483	37,676
Compensated absences payable	41,766	-	-	41,766
Due to customers	609,328	-	-	609,328
Pension liability	215,745	-	-	215,745
Due to other funds	1,653,150	-	1,441,901	3,095,051
Deferred pension credits	(101,519)	-	-	(101,519)
Deferred inflows - lease receipts	-	(983,701)	-	(983,701)
Total adjustments	4,524,413	(273,277)	1,517,246	5,768,382
Net cash provided (used) by operating activities	\$ 12,150,589	\$ 245,845	\$ 1,394,171	\$ 13,790,605
Schedule of non-cash capital and related financing activities:				
Transfer of long-term liabilities to/from governmental activities	36,133	-	-	36,133
	\$ 36,133	\$ -	\$ -	\$ 36,133

CITY OF SENECA, SOUTH CAROLINA
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 June 30, 2024

	Custodial Funds
ASSETS	
Cash	\$ 85,764
Total assets	85,764
NET POSITION	
Restricted for individuals, organizations, and other governments	85,764
Total net position	\$ 85,764

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

CITY OF SENECA, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	ADDITIONS	Custodial Funds
Contributions		\$ 177,644
Investment earnings		156
Total additions		<u>177,799</u>
	DEDUCTIONS	
Benefits		<u>185,551</u>
Total deductions		<u>185,551</u>
Change in net position		(7,752)
NET POSITION, BEGINNING OF YEAR		<u>93,515</u>
NET POSITION, END OF YEAR		<u><u>\$ 85,764</u></u>

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

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Located in the state’s most northwestern county of Oconee in South Carolina, the City of Seneca was chartered in 1873 and incorporated on March 14, 1874, as Seneca City, a name derived from the indigenous Cherokee people located on the banks of the nearby Seneca River. In 1906, the Secretary of State granted a new charter and “City” was dropped from the name.

The City operates under a Mayor-Council form of government. The Council is composed of a Mayor and eight council members to be elected from the municipality at large for terms of four years each as provided in section 5-9-10 et seq., Code of Laws of South Carolina 1976. Council appoints a City Administrator who serves as the chief executive officer of the City and is responsible to the Council for the proper administration of all affairs of the municipality.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

As required by GAAP, the financial statements present the City’s financial information with its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the City both appoints a voting majority of the entity’s governing body, and either 1) the City is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the City. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the City and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the City.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the City having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the City; and (c) issue bonded debt without approval by the City. An entity has a financial benefit or burden relationship with the City if, for example, any one of the following conditions exists: (a) the City is legally entitled to or can otherwise access the entity’s resources, (b) the City is legally obligated or has otherwise assumed the obligation to finance the deficits, or provide financial support to, the entity, or (c) the City is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the City’s financial statements to be misleading.

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City. Based on the criteria above, the City has two blended component units; the City does not have any discretely presented component units.

Blended Component Unit

Seneca Facilities Corporation

Seneca Facilities Corporation ("SFC") is a blended component unit of the City. SFC is a governmental entity that was formed by the City to assist the City by: (i) aiding economically depressed, distressed or blighted areas of the City; (ii) benefiting economically disadvantaged citizens of the City, including the unemployed and underemployed; and (iii) aiding businesses to locate or remain in economically depressed, distressed or blighted areas and thereby provide job creation and training to the unemployed or underemployed in such areas which may not otherwise be available but for the assistance of the Corporation. Seneca Facilities Corporation is a nonprofit public benefit corporation formed on August 3, 2012 for the purpose of assisting the City in promoting and encouraging the retention of existing businesses and industries and the establishment of new businesses and industries in economically distressed areas of the City.

Seneca Facilities Corporation is a blended component unit of the City of Seneca in accordance with the requirements set forth in GASB Statement No. 61 "The Financial Reporting Entity: Omnibus." Seneca Facilities Corporation and the City of Seneca have substantively the same governing body, and management of the City have operational responsibility for the activities of Seneca Facilities Corporation. Seneca Facilities Corporation is a major fund and is presented as a proprietary fund in the basic financial statements.

Seneca Improvements Corporation

Seneca Improvements Corporation ("SIC") is a blended component unit of the City. SIC is a governmental entity that was formed by the City to assist the City by: (i) aiding economically depressed, distressed or blighted areas of the City; (ii) benefiting economically disadvantaged citizens of the City, including the unemployed and underemployed; and (iii) aiding businesses to locate or remain in economically depressed, distressed or blighted areas and thereby provide job creation and training to the unemployed or underemployed in such areas which may not otherwise be available but for the assistance of the Corporation. Seneca Improvements Corporation is a nonprofit public benefit corporation formed on September 6, 2016 for the purpose of aiding and assisting the City in economic business establishment and retention.

Seneca Improvements Corporation is a blended component unit of the City of Seneca in accordance with the requirements set forth in GASB Statement No. 61 "The Financial Reporting Entity: Omnibus." Seneca Improvements Corporation and the City of Seneca have substantively the same governing

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

body, and management of the City have operational responsibility for the activities of Seneca Improvements Corporation. Seneca Improvements Corporation is presented as a proprietary fund in the basic financial statements.

Major Operations

The City's major operations include police and fire protection, public works, finance and administration, planning and zoning, recreation, beautification, and arts, history and culture. In addition, the City operates enterprise activities consisting of water, sewer and electricity.

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the City (the "Primary Government"). For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these financial 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. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants or contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws the general revenues of the City. Interfund services provided and used are not eliminated in the process of consolidation.

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

The government-wide statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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. Property taxes, intergovernmental, franchise taxes, licenses, and interest associated with the current fiscal year are all considered to be measurable and susceptible to accrual and so have been recognized as revenues of the current fiscal period. For this purpose, the government considers property taxes to be available if they are received by the City within 60 days of the end of the current fiscal period. A 60-day availability period is generally used for revenue recognition for all other governmental fund revenues with the exception of certain expenditure driven grants for which a one-year availability period is used. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payments are due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

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

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

Governmental fund types are those through which most governmental functions of the City are financed. The City's expendable financial resources and related assets and liabilities (except for those accounted for in the proprietary funds and fiduciary funds) are accounted for through governmental funds. Governmental funds are accounting for using *current financial resources measurement focus and the modified accrual basis of accounting*. The City's major and non-major governmental fund types are as follows:

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

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

The *Downtown Seneca Improvements fund*, reported as a *major special revenue fund*, is used to account for monies received for the development of improving the core commercial district while amplifying impacts on the continued growth and support of commercial and residential development.

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

- Hospitality Tax Fund
- State Accommodations Tax Fund
- Transit Funds
- C-Funds

Proprietary fund types are accounted for based on the *flow of economic resources measurement focus* and use the *accrual basis of accounting*. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of proprietary funds are primarily charges for services and fees. Operating expenses for proprietary funds include the expense for providing goods and services, administrative expenses, maintenance, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types include the following funds:

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

The *Seneca Light & Water Fund*, a *major fund*, is used to account for the City's water, sewer and electric operations. This is a budgeted fund.

The *Seneca Facilities Corporation Fund*, a *major fund*, is used to account for lease revenue at the Seneca Industrial Complex.

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

The *Seneca Improvements Corporation Fund*, a nonmajor fund, is used to account for improvements to downtown areas in Seneca.

Fiduciary Fund Types include *Custodial Funds*. These funds are used to account for assets held by the City in a trustee capacity for individuals, other governments, and/or other funds and are accounted for in essentially the same manner as Propriety Funds. The City has three unbudgeted custodial funds which include the Firemen's 1% Fund, Municipal Court Escrow Account, and the Narcotics Seizure Account. The custodial funds are accounted for based on the flow of economic resources and use the accrual basis of accounting.

C. Budgetary Information

The City adheres to the following procedures in establishing its annual budgets:

1. By mid-March of each year, all departments/agencies of the government submit requests for appropriation to the City Administrator and Finance team so that a budget may be prepared. The budget is prepared by fund, function, and department, and includes information on the past year, the current year budget and requested appropriations for the next fiscal year.
2. In May of each year, the proposed budget is presented to the City Council for review. The City Council adopts an annual budget, by ordinance, for the General Fund, most Special Revenue Funds, and the Light & Water Fund prior to the beginning of the next fiscal year. Although provided with annual budgets, the City Council does not adopt budgets for the Seneca Facilities Corporation or the Seneca Improvements Corporation.
3. The City Administrator is authorized to transfer budgeted amounts within any fund as necessary to achieve the goals of the budget provided, however, that no such transfers shall be used to increase the total appropriation of any fund. Changes that alter total expenditures of any fund must be changed by an affirmative vote of a majority of City Council. Budgeted expenditure appropriations lapse at year-end.
4. The budgets for the budgeted funds are legally adopted on a basis consistent with GAAP, with the exception of the Enterprise Fund, which follows the City's budgetary basis. The budgets at the end of the year for these funds represent the budgets adopted and amended by the City Council.

D. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

The City considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and money market mutual funds to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) and other non-money market mutual funds are reported as investments.

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Investments

The City's operating cash and investment policy is designed to operate within existing statutes (which are identical for all non-fiduciary funds, fund types and component units within the State of South Carolina). The statutes of the State of South Carolina authorize the City to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States;
- (b) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations;
- (c) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government;
- (d) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

The City's cash investment objectives are preservation of capital, liquidity, and yield. To assist in achieving these objectives, the City maintains a cash and investment pool that is available for use by other funds. Investment earnings are allocated based on average cash balances. The City reports its cash and investments at fair value which is normally determined by quoted market prices. The City currently or in the past year has used the following investments:

- U.S. securities are generally treasury notes, treasury bonds, treasury bills, and related securities which are debt obligations of the U.S. government (lending money to the federal government for specified period of time). These debt obligations are backed by the "full faith and credit" of the government, and thus by its ability to raise tax revenues and print currency, U.S. Treasury securities are considered the safest of all investments.
- South Carolina Local Government Investment Pool ("Pool") investments are invested with the South Carolina Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of the city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*, investments are carried at fair value determined annually based upon (a) quoted market prices for identical or

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

- Money market mutual funds are generally open-ended funds that invest in short term debt securities (including obligations of the United States and related agencies) that generally have a weighted average maturity of 60 days or less and do not invest more than 5% in any one issuer, except for government securities and repurchase agreements.
- Certificates of deposit ("CD") are bond-type investments issued by a bank when a person or company deposits a certain amount of money for a determined amount of time. The maturity can be up to five years, and interest is paid to the holder of the CD at an agreed upon rate. Funds removed before maturity are subject to a penalty.

E. Receivables and Payables

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

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts. Trade receivables are comprised of amounts due from entities and individuals for a variety of types of fees, charges and services, including franchise fees, hospitality fees, sanitation, water, sewer, electricity, and other fees and charges.

F. Inventories and Prepaids

Inventories of materials and supplies are stated at the lower of average cost or market value and accounted for in a perpetual inventory system. The costs of inventories and prepaid items are accounted for using the consumption method (expensed when consumed).

G. Capital Assets

General capital assets are those assets not specifically related to activities reported in the Proprietary Funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the Government-Wide Statement of Net Position, but are not reported in the fund financial statements. Capital assets utilized by the Proprietary Funds are reported both in the business-type activities column of the Government-Wide Statement of Net Position and in the respective fund financial statements.

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets generally are valued at their estimated acquisition value (as estimated by the City) on the date donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The City maintains a minimum capitalization threshold of \$5,000 for all capital assets, excluding right-to-use lease assets, which have a minimum capitalization threshold of \$50,000.

Capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

Type of Asset	Estimated Life
Buildings	40 years
Building Improvements	20-40 years
Furniture and Fixtures	7-10 years
Equipment/Vehicles	5-10 years
Utility Systems	40 years
Paving/Streets	10-20 years
Right-to-use Lease Equipment	2-4 years

H. Leases

The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$50,000 or more. 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. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments: The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

I. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

Employees terminating or retiring are paid for accumulated general leave based on their hourly rate of pay earned at the time of termination or retirement. The entire compensated absence liability and expense is reported in the government-wide financial statements. The portion applicable to the proprietary funds is also recorded in the proprietary funds financial statements. The governmental funds will only recognize compensated absences liability if they have matured, for example, as a result of employee resignation or retirement prior to the fiscal year-end, if they are material.

J. Accrued Liabilities and Long-Term Obligations

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

In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds using the straight-line method. Amortization of premiums and discounts are included in interest expense. Bonds payable are reported net of the applicable bond premiums and discounts. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the Governmental Funds Balance Sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two types of deferred outflows of resources: (1) The City reports unamortized *deferred charges* on bond refunding transactions in the proprietary funds. (2) The City reports *deferred pension charges* in its Statements of Net Position in connection with its participation in South Carolina Retirement System and the South Carolina Police Officers Retirement System (the "Plans"). The *deferred pension charges* are either (a) recognized in the subsequent period as a reduction of the net

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

pension liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City currently has three types of deferred inflows of resources: (1) The City reports *unavailable revenue* only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (revenues) in the period the amounts become available. (2) The City reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the Plans. The *deferred pension credits* are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP. (3) The city reports deferred lease receipts in the statement of net position which are recognized on the straight-line basis over the term of the lease.

L. Fund Balance

In accordance with GAAP, the City classifies governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, long-term portions of loans receivable, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that are constrained through specific purposes that are internally imposed by the government through formal action (an ordinance) made by the City Council, which is the highest level of decision-making authority, before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed, such assignments are made before the report issuance date. The City Administrator has authority to assign fund balance only after approval has been given by City Council.

Unassigned – includes amounts that do not qualify to be accounted for and reported in any other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance account. In other governmental funds, if the expenditures

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The City generally uses restricted amounts first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the City generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

M. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

N. 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 differ from those estimates.

O. Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the City's fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on closed basis over multi-year period beginning with the period in which the difference occurred.

P. Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets the City can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted methodology prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any observable inputs.

The asset's and liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The City believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date. There have been no significant changes from prior year in the methodologies used to measure fair value.

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2. LEGAL COMPLIANCE – BUDGETS

A. Excess of Expenditures over Appropriations

For the year ended June 30, 2024, the amounts of any excess of governmental expenditures over appropriations at the legal level of control are as follows:

Fund	Excess
General Fund	\$ 598,738
Local Hospitality Tax Fund	101,535
State Accommodations Tax Fund	23,153

The over expenditures in the General Fund were funded by under expenditures in other departments and transfers in from other funds. The over expenditures in the Local Hospitality Tax Fund will be funded by a positive budget variance of revenues within the same fiscal year. The over expenditures in the State Accommodations Tax Fund will be funded by future revenues.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City’s deposits may not be recovered. The City does not have a formal deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2024, \$4,649,962 of the City’s bank balance of \$5,881,170 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the City’s name.

Investments

As of June 30, 2024, the City had the following investments:

Investment	Fair Value Level	Fair Value
SC Local Government Investment Pool	Not Applicable	\$ 12,475
Money Market Mutual Funds	Not Applicable	674,571
U.S. Government Treasuries	Level 1	19,922,640
		\$ 20,609,686

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Interest Rate Risk: The City manages its exposure to declines in fair values by structuring its investments such that the maturities of the investments are consistent with the liquidity requirement of the City.

Credit Risk: The City does not invest in commercial paper or bonds of corporations. Its investments are limited to obligations of the United States and agencies thereof, general obligations of the State of South Carolina or any of its political units, certificates of deposit, and repurchase agreements. The South Carolina Local Government Investment Pool fund is unrated, while the investments in U.S. Treasury and Agency securities are rated AAA by Standard and Poor's.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investment in a single issuer. This risk is mitigated by diversifying the investment so that the impact of potential losses from any one type of security or issuer will be minimized. The City's investment policy does not preclude it from investing idle funds in any one type of investment, provided that the investment is authorized by the State of South Carolina.

Custodial Credit Risk for Investments: For investments, there 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 of collateral securities that are not in the possession of an outside party. Of the investments of \$20,609,686, the City has no custodial credit risk exposure because investments in the State Investment Pool and US Government Agencies are exempt from risk categorization.

The City minimizes its exposure to custodial credit risk for deposits by review of financial statements issued by financial institutions holding municipal deposits. Investments are recorded at cost or fair value depending on the nature and term of investment.

NOTE 4. Property Taxes and Other Receivables

Property taxes, the primary source of revenue for the general fund, are collected for the City by the Oconee County tax collector. The County retains any penalties collected as compensation for this service. Motor vehicle property tax is levied and collected on a portion of taxable vehicles monthly. The real property tax calendar is as follows:

Levy	On September 30 th on all real and personal property (except vehicles) based on the assessment of the preceding December 31 st
Tax due	On or before January 15 th
Penalty	3% after January 15 th 7% additional after February 1 st

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Delinquent	Liens are filed upon execution after March 16 th with an additional 5% penalty, plus \$2
Property sales	On delinquent property held in year after year of levy
Motor vehicles	Monthly, assessed and collected in advance of the vehicle registration with the motor vehicle department

Taxes receivable in the general fund at June 30, 2024 represent uncollected tax levies less allowance for doubtful accounts as follows:

General Fund	Receivable	Allowance
	\$ 100,918	\$ 3,028

Delinquent taxes receivable is included in taxes receivable and represents past years of uncollected tax levies. Property tax revenues are recognized when due or past due and collectible within the current period or soon thereafter (defined as 60 days) to pay liabilities of the current period. Unavailable property tax revenue represents that portion of property taxes which is deemed not available to pay current expenditures.

NOTE 5. Receivables

Enterprise fund receivables consist of utility charges to customers. Unbilled services provided by the City's enterprise fund since the last billing period have been recorded as receivables at year end. Receivables as of year-end for the City's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

Receivable	General	Light & Water	Seneca Facilities	Nonmajor Enterprise	Nonmajor Governme ntal	Total
Taxes	\$ 100,917	\$ -	\$ -	\$ -	\$ -	\$ 100,917
Accounts	234,887	6,140,275	76,291	-	299,235	6,750,688
Intergovernmental	114,114	-	-	1,360	-	115,474
Other	-	96,708	-	-	297,520	394,228
Gross Receivables	\$ 449,918	\$ 6,236,983	\$ 76,291	\$ 1,360	\$ 596,755	\$ 7,361,307
Less Allowance	3,028	980,238	-	-	-	983,266
Net Receivables	\$ 446,890	\$ 5,256,745	\$ 76,291	\$ 1,360	\$ 596,755	\$ 6,378,041

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6. Interfund Transactions

During normal operations, the City has numerous transactions between funds. The primary purpose of such transactions is to transfer funds for the purpose of capital items and to record capital items purchased. Transfers among governmental fund types are presented as transfers under the caption “Other Financing Sources (Uses)” or, as residual equity transfers in the fund financial statements.

Transfers to or from the enterprise funds are recorded as operating transfers or as increases or decreases, respectively, in net position to better reflect the substance of such transfers.

Quasi-external non-exchange type transactions reflecting the revenues and the expenditures (expenses) of interfund transactions such as payments in-lieu of taxes for enterprise fund assets, utilities provided from enterprise funds to City buildings, franchise fees on enterprise fund gross revenues, overhead allocation of general fund personnel, and the like, are included in these financial statements as interfund transfers.

Majority of the amount transferred from the Light & Water Fund to the General Fund is approved by City Council during the budget process through a resolution which provides justification of the transfer. Transfers from the general fund include local match allocations into the transit nonmajor governmental fund, and the public works portion of the IPRB debt payment into the Seneca Facilities. Interfund transfers between the Downtown Seneca Improvements and Seneca Improvements are for capital transfers. ARPA nonmajor governmental fund transfers into both the General Fund and Light & Water fund are for capital transfers.

Interfund transfers for the year were as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 6,654,919	\$ 351,440
Light & Water Fund	320,116	5,598,164
Nonmajor Enterprise Funds	2,077,651	-
Seneca Facilities	150,938	161,667
Downtown Seneca Improvements	-	2,077,651
Nonmajor Governmental Funds	200,502	1,215,204
Total Transfers	\$ 9,404,126	\$ 9,404,126

A capital contribution of \$36,133 was transferred from governmental-type activities to business-type activities for the transfer of a capital asset. This is not reflected in the above transfers.

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

As of June 30, 2024, interfund receivables and payables that resulted from interfund transactions were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 3,920,080	\$ -
Light & Water Fund	2,707	1,776,934
Nonmajor Enterprise Funds	-	1,446,901
Downtown Seneca Improvements	-	386,209
Nonmajor Governmental Funds	-	312,743
	-	-
Total	\$ 3,922,787	\$ 3,922,787

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7. Capital Assets

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

Governmental Activities

Capital Assets, Not Depreciated	Beginning	Increases	Decreases	Ending
Land	\$ 1,327,312	\$ -	\$ -	\$ 1,327,312
Construction in Progress	2,095,185	3,369,206	-	5,464,391
Total Not Depreciated	\$ 3,422,497	\$ 3,369,206	\$ -	\$ 6,791,703
Capital Assets, Depreciated/Amortized				
Buildings	\$ 9,364,299	\$ 67,880	\$ -	\$ 9,432,179
Improvements	15,230,964	179,137	-	15,410,101
Equipment	5,851,976	123,379	13,176	5,962,178
Vehicles	10,104,533	332,050	391,760	10,044,823
Right-to-use lease equipment	-	59,328	-	59,328
Total Depreciated/Amortized	\$ 40,551,772	\$ 761,774	\$ 404,936	\$ 40,908,609
Less Accumulated Depreciation/Amortization for:				
Buildings	\$ 5,259,692	\$ 231,658	\$ -	\$ 5,491,350
Improvements	10,240,684	608,316	-	10,849,000
Equipment	3,047,402	440,343	13,176	3,474,569
Vehicles	8,394,534	785,509	380,318	8,799,726
Right-to-use lease equipment	-	14,832	-	14,832
Total Depreciation/Amortization	\$ 26,942,312	\$ 2,080,659	\$ 393,494	\$ 28,629,477
Total Depreciable Assets, Net	\$ 13,609,460	\$ (1,318,885)	\$ 11,442	\$ 12,279,132
Total Governmental Activities Capital Assets, Net	\$ 17,031,957	\$ 2,050,321	\$ 11,442	\$ 19,070,835

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Business-Type Activities

Capital Assets, Not Depreciated	Beginning	Increases	Decreases	Ending
Land	\$ 1,283,497	\$ 10,600	\$ -	\$ 1,294,097
Construction in Progress	<u>7,377,381</u>	<u>5,817,923</u>	<u>1,813,855</u>	<u>11,381,449</u>
Total Not Depreciated	<u>\$ 8,660,878</u>	<u>\$ 5,828,523</u>	<u>\$ 1,813,855</u>	<u>\$ 12,675,546</u>
Capital Assets, Depreciated				
Buildings	\$ 18,738,376	\$ -	\$ -	\$ 18,738,376
Improvements	88,890,124	2,882,203	-	91,772,328
Equipment	7,290,264	25,702	-	7,315,965
Vehicles	<u>4,986,671</u>	<u>243,255</u>	<u>231,592</u>	<u>4,998,334</u>
Total Depreciated	<u>\$ 119,905,435</u>	<u>\$ 3,151,160</u>	<u>\$ 231,592</u>	<u>\$ 122,825,003</u>
Less Accumulated Depreciation for:				
Buildings	\$ 3,972,376	\$ 557,225	\$ -	\$ 4,529,601
Improvements	38,278,030	1,839,290	-	40,117,320
Equipment	6,664,001	200,645	-	6,864,645
Vehicles	<u>4,026,263</u>	<u>423,493</u>	<u>230,084</u>	<u>4,219,673</u>
Total Depreciation	<u>\$ 52,940,670</u>	<u>\$ 3,020,653</u>	<u>\$ 230,084</u>	<u>\$ 55,731,239</u>
Total Depreciable Assets, Net	<u>\$ 66,964,765</u>	<u>\$ 130,507</u>	<u>\$ 1,509</u>	<u>\$ 67,093,765</u>
Total Business-Type Activities				
Capital Assets, Net	<u>\$ 75,625,643</u>	<u>\$ 5,959,030</u>	<u>\$ 1,815,364</u>	<u>\$ 79,769,310</u>

Depreciation and amortization expense of the primary government as follows:

Governmental activities	
General Government	\$ 889,736
Public Safety	394,187
Public Works	574,453
Culture & Recreation	<u>222,283</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,080,659</u>
Business-Type Activities	
Electric	\$ 840,020
Water	1,102,040
Sewer	463,599
Administration	<u>614,994</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,020,653</u>

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8. Long-Term Obligations

In the government-wide financial statements and proprietary fund type 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.

Revenue Bonds

The City issued revenue bonds in its business-type activities where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds (gross) outstanding at June 30, 2024 is as follows:

Purpose	Interest Rate	Balance	Current Portion
2012 Combined Utility System	2.28%	\$ 890,000	\$ 890,000
2020 Combined Utility System (2013 Refinanced)	1.63%	\$ 2,384,265	\$ 460,015
2019 Installment Purchase Revenue Bond (New Market Tax Credit Refinance)	2.87%	\$ 3,570,000	\$ 400,000
Total		\$ 6,844,265	\$ 1,750,015

Advance Refunding

On March 29, 2012, the City issued \$8,350,000 of Combined Utility System Refunding Revenue Bonds, Series 2012, to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$7,475,000 of the Series 2004 Combined Utility System Revenue Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the proprietary fund statement of net position. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$988,992. This amount is being amortized over the new debt's life, which is the same as the refunded debt. The transaction also resulted in an economic gain of \$482,967 and a reduction of \$581,775 in future debt service payments.

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

The following table provides the Series 2012 bond debt service for future periods.

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 890,000	\$ 10,146	\$ 900,146
Totals	<u>\$ 890,000</u>	<u>\$ 10,146</u>	<u>\$ 900,146</u>

On December 22, 2020, the City issued \$3,762,930 of Combined Utility System Refunding Revenue Bonds, Series 2020, to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$3,830,000 of the Series 2013 Combined Utility System Revenue Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the proprietary fund statement of net position. The refunding was undertaken to reduce total future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$75,500. This amount is being amortized over the new debt's life, which is the same as the refunded debt. The transaction resulted in a reduction of \$297,471 in future debt service payments.

The following table provides the Series 2020 bond debt service for future periods.

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 460,015	\$ 35,114	\$ 495,129
2026	469,683	27,537	497,220
2027	479,098	19,805	498,903
2028	483,257	11,962	495,219
2029	492,211	4,012	496,223
Totals	<u>\$ 2,384,265</u>	<u>\$ 98,430</u>	<u>\$ 2,482,695</u>

On November 21, 2019, Seneca Facilities Corporation issued installment purchase revenue bonds in the amount of \$5,000,000 for the refinancing of the new market tax credit program, a new public works building, repairs at the Seneca Industrial Facility, and the remaining would be fees for the financing package.

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

The following table provides for 2019 installment purchase revenue bond debt service for future periods.

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 400,000	\$ 102,459	\$ 502,459
2026	415,000	90,979	505,979
2027	425,000	79,069	504,069
2028	440,000	66,871	506,871
2029	455,000	54,243	509,243
2030-2032	1,435,000	83,087	1,518,087
Totals	<u>\$ 3,570,000</u>	<u>\$ 476,708</u>	<u>\$ 4,046,708</u>

2007 State Revolving Fund

The City authorizes the issuance of a utility system revenue bond from the South Carolina Drinking Water Revolving Loan Fund (SRF) for the construction of a 1,000,000 gallon storage tank and associated line work and appurtenances. The promissory note is for \$1,993,633 and bears interest at 3.5% annum for the first twelve payments, then 2.25% thereafter. Payments began February 1, 2009 and continue for 20 years. Quarterly principal and interest payments in the amount of \$31,495.56 are due February 1st, May 1st, August 1st, and November 1st.

The following table provides the SRF loan debt service for future periods.

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 114,848	\$ 11,134	\$ 125,982
2026	117,454	8,528	125,982
2027	120,119	5,863	125,982
2028	122,844	3,138	125,982
2029	62,464	528	62,992
Totals	<u>\$ 537,729</u>	<u>\$ 29,191</u>	<u>\$ 566,920</u>

2014 State Revolving Fund Loan

On March 10, 2014, the City entered into a loan agreement with the South Carolina Water Quality Revolving Fund Authority in the amount of \$11,528,750 for water system improvements and meter

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

replacements. The loan bears interest at 1.64% per annum over 20 years. Payments began November 1, 2015 and continue 20 years. Quarterly principal and interest payments in the amount of \$169,310 are due February 1st, May 1st, August 1st, and November 1st of each year.

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 566,772	\$ 110,470	\$ 677,242
2026	576,082	101,160	677,242
2027	585,555	91,687	677,242
2028	595,194	82,048	677,242
2029	605,002	72,240	677,242
2030-2034	3,178,248	207,962	3,386,210
2035-2036	836,182	10,370	846,552
Totals	\$ 6,943,035	\$ 675,937	\$ 7,618,972

2018 State Revolving Fund Loan

On June 22, 2018, the City entered into a loan agreement with the South Carolina Water Pollution Control Revolving Fund Authority in the amount of \$6,031,455 for water system improvements. The loan bears interest at 1.09% per annum over 20 years. Payments began December 1, 2019 and will continue until September 1, 2039. Quarterly principal and interest payments in the amount of \$90,800 are due March 1st, June 1st, September 1st, and December 1st of each year.

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 273,580	\$ 89,105	\$ 362,685
2026	278,815	83,870	362,685
2027	284,150	78,535	362,685
2028	289,587	73,098	362,685
2029	295,129	67,556	362,685
2030-2034	1,562,549	250,874	1,813,425
2035-2039	1,717,885	95,538	1,813,423
2040	90,242	429	90,671
Totals	\$ 4,791,937	\$ 739,007	\$ 5,530,944

General Obligation Bonds

On November 5, 2020, the City issued and sold general obligation bonds Series 2020A for \$1,400,000. This bond bears interest at 1.70% per annum payable on March 1st and September 1st of each year,

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

commencing March 1, 2021. Annual payments of principal will be paid March 1st of each year until March 1, 2028.

The following table provides the Series 2020A debt service for future periods.

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 230,000	\$ 16,150	\$ 246,150
2026	235,000	12,240	247,240
2027	240,000	8,245	248,245
2028	245,000	4,165	249,165
Totals	\$ 950,000	\$ 40,800	\$ 990,800

On November 12, 2020, the City issued and sold general obligation bonds Series 2020B for \$950,000. This bond bears interest at 1.70% per annum payable on March 1st and September 1st of each year, commencing March 1, 2021. Annual payments of principal will be paid on March 1st of each year until March 1, 2028.

The following table provides the Series 2020B debt service future periods.

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 155,000	\$ 10,965	\$ 165,965
2026	160,000	8,330	168,330
2027	165,000	5,610	170,610
2028	165,000	2,805	167,805
Totals	\$ 645,000	\$ 27,710	\$ 672,710

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Financed Purchases

The following is a schedule of the future minimum payments under the financed purchases and the present value of the net minimum payments at June 30, 2024.

<u>Fiscal Year Ending</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Payments</u>
6/30/2025	\$ 400,248	\$ 275,492	\$ 675,739
6/30/2026	400,248	275,492	675,740
6/30/2027	400,248	275,492	675,740
6/30/2028	286,190	91,823	378,014
6/30/2029	286,190	91,823	378,014
Thereafter	409,525	-	409,525
Total minimum payments	\$ 2,182,649	\$ 1,010,122	\$ 3,192,770
Less interest portion	(283,043)	(59,953)	(342,996)
Present value of future minimum payments			<u>\$ 2,849,774</u>

The table above shows the present value of net minimum payments for the fully drawn financed purchases. Ending balances for financed purchases for both governmental activities and business-type activities will not tie to the schedule of the future minimum payments because all remaining funds have not been drawn down for the capital purchases. Final draws are anticipated to be completed in FY25.

Leases

The City has entered into a noncancelable lease as the lessee for right-to-use equipment. The incremental borrowing rate is 4.15%. As of June 30, 2024, the City has \$45,397 outstanding in leases payable.

The following table provides lease debt service for future periods.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 14,515	\$ 1,735	\$ 16,250
2026	15,124	1,126	16,250
2027	15,758	492	16,250
Totals	<u>\$ 45,397</u>	<u>\$ 3,353</u>	<u>\$ 48,750</u>

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Financed purchases	\$ 978,349	\$ 1,175,278	\$ (276,277)	\$ 1,877,350	\$ 321,292
General obligation bonds	1,975,000	-	(380,000)	1,595,000	385,000
Lease liability	-	59,328	(13,931)	45,397	14,515
Net pension liability	11,504,501	1,108,182	(1,394,707)	11,217,977	-
Compensated absences	533,516	275,143	(223,188)	585,471	585,471
Governmental activity					
Long-term liabilities	<u>\$ 14,991,366</u>	<u>\$ 2,617,931</u>	<u>\$ (2,288,102)</u>	<u>\$ 15,321,195</u>	<u>\$ 1,306,277</u>
Business-type activities:					
Revenue bonds payable	\$ 8,564,419	\$ -	\$ (1,720,154)	\$ 6,844,265	\$ 1,750,015
SRF loans	13,211,058	-	(938,357)	12,272,701	955,199
Financed purchases	1,193,665	-	(245,866)	947,798	251,533
Net pension liability	8,842,795	818,887	(603,142)	9,058,540	-
Compensated absences	478,205	281,252	(239,486)	519,971	519,971
Business-type activity					
Long-term liabilities	<u>\$ 32,290,142</u>	<u>\$ 1,100,139</u>	<u>\$ (3,747,005)</u>	<u>\$ 29,643,275</u>	<u>\$ 3,476,719</u>

NOTE 9. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City is insured for these risks of loss by commercial insurance.

B. State Retirement Plans

The City participates in the State of South Carolina’s retirement plans. The South Carolina Public Employee Benefit Authority (“PEBA”), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the 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

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

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 South Carolina Retirement Systems’ Pension Trust funds. The ACFR is publicly available on the Retirement Benefits’ link on PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

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

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

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Plan Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A summary of the requirements of each system is listed 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 newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a class Three member.

PORS – To be eligible for PORS membership, an employee must be required by the terms of this 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. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

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 benefits 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 benefits terms for each system is presented here.

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 of 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.

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

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

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

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

Plan Contributions

Actuarial valuations 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 the amortization period for the refinancing 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 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS 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.

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

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

Required employer and employee contribution rates for the past three years were as follows:

	SCRS Rates			PORS Rates		
	2022	2023	2024	2022	2023	2024
Employer Rate:						
Retirement	16.41%	17.41%	18.41%	18.84%	19.84%	20.84%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Program	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
	16.56%	17.56%	18.56%	19.24%	20.24%	21.24%
Employee Rate	9.00%	9.00%	9.00%	9.75%	9.75%	9.75%

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

Year Ended June 30,	SCRS	Contributions	PORS	Contributions
	Required	% Contributed	Required	% Contributed
2024	\$ 1,505,615	100%	\$ 694,286	100%
2023	1,362,103	100%	633,088	100%
2022	1,216,484	100%	547,888	100%

Actuarial Assumptions and Methods

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

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

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

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

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return *	7.00 %	7.00 %
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Benefits adjustment	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
*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 for the year 2020.

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

Former Job Class	Males	Females
General employees and members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

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. NPL totals, as of June 30, 2023, measurement date, for the SCRS and PORS are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer’s Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension
SCRS	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%
PORS	\$ 9,450,021,576	\$ 6,405,925,370	\$ 3,044,096,206	67.8%

The total pension liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the Systems’ financial statements. The net position liability is disclosed in accordance with the requirements of GASB No. 67 in the Systems’ notes to the financial statements and required supplementary information. Liability calculations performed by the Systems’ actuary for the purpose

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

Long-term Expected Rate of Return

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

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

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity	9.0%	10.91%	0.98%
Private Debt	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.00%	6.62%	0.20%
Total Expected Return	100%		5.31%
Inflation for Actuarial Purposes			2.25%
			<u>7.56%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the funding 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, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Sensitivity Analysis

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

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability of the SCRS	\$ 19,165,926	\$ 14,833,213	\$ 11,232,012
City's proportionate share of the net pension liability of the PORS	\$ 7,678,604	\$ 5,443,304	\$ 3,612,315

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

At June 30, 2024, the City reported a liability of \$20,756,517 for its proportionate share of the net pension liabilities for the SCRS plan \$14,833,213 and PORS plan \$5,443,304. The net pension liabilities were measured as of June 30, 2023, and the total pension liabilities for the plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report of July 1, 2022 that was projected forward to the measurement date. The City's proportion of the net pension liabilities were based on a projection of the City's long-term share of contributions to the plans relative to the governmental employers, actuarially determined. At June 30, 2023, the City's SCRS proportion was 0.061351 percent, which was a decrease of 0.00034 percent from its proportion measured as of June 30, 2022. At June 30, 2023, the City's PORS proportion was 0.178815 percent, which was a decrease of 0.000984 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$2,010,465 consisting of \$1,418,629 for SCRS and \$591,836 for PORS. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 257,530	\$ 41,135
Changes in Assumptions	227,265	-
Net Difference between projected and actual earnings on Pension plan investments	-	20,303
Deferred amounts from changes in proportionate share and Differences between employer contributions and proportionate Share of total plan employer contributions	376,050	258,472
City's contributions subsequent to the measurement date	1,505,615	-
Total SCRS	\$ 2,366,460	\$ 319,910

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

PORS

Differences between expected and actual experience	\$	256,167	\$	67,104
Changes in Assumptions		118,469		-
Net Difference between projected and actual earnings on Pension plan investments		-		9,342
Deferred amounts from changes in proportionate share and Differences between employer contributions and proportionate Share of total plan employer contributions		-		62,530
City's contributions subsequent to the measurement date		694,286		-
Total PORS		\$ 1,068,922		\$ 138,976
Total SCRS and PORS		\$ 3,435,382		\$ 458,886

The \$1,505,615 and \$694,286 that were reported as deferred outflows of resources related to the City's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will be recognized in pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2025	\$ 263,748	\$ 114,290	\$ 378,038
2026	(135,250)	(130,859)	(266,109)
2027	421,137	257,922	679,059
2028	(8,700)	(5,693)	(14,393)
Total	\$ 540,935	\$ 235,660	\$ 776,595

Plans' Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued ACFR containing financial statements and required supplementary information. The ACFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Payable to Plans

The City reported a payable of approximately \$262,075 to the PEBA as of June 30, 2024, representing required employer and employee contributions for the month of June 2024 for SCRS and PORS. This amount is included in the Employer Retirement Payable on the financial statements and was paid in July 2024.

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

C. Commitments

The City receives financial assistance from numerous federal, state and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies.

Clemson Area Transit Service: The City began operations of a City-wide public transit service affiliated with the City of Clemson and the Clemson Area Transit (CAT) in 2007. The Clemson Area Transit is a public service provided fare-free. Funding for the operations of the transit system relies on yearly grant agreements between the City of Seneca and the South Carolina Department of Transportation (SCDOT). Within the agreements federal, state and local obligations are defined, along with the required scope of required services, and the coverage period.

In accordance with the grant agreements, funding consisted of the following for fiscal year ending June 30, 2024:

Funding	
Federal (FTA)	\$ 584,546
State (SCDOT)	171,660
County	60,000
Local match	200,502
Total funding	<u>\$ 1,016,708</u>

Performing Arts Center: On May 1, 2024, the City of Seneca entered into a construction agreement with Hogan Construction Group for the demolition of the Kimbrell's building located at 221 Main Street, as well as the abatement of all asbestos containing material on the main building roof. The original contract price was \$1,014,749 but change orders were submitted which increased the contract sum to \$1,109,257. The total cost incurred for the project as of June 30, 2024 is \$908,467. Funding for this project is through grant funding issued from the state.

Coronavirus State and Local Fiscal Recovery: In March 2020, the World Health Organization classified the coronavirus outbreak as a pandemic, based on the rapid increase in exposure globally. In October 2022, the City received \$2,124,051 from the Coronavirus State and Local Fiscal Recovery Funds in the second and final tranche of funds from the US Treasury. The City will utilize these funds as revenue replacement in General Fund revenue and infrastructure projects for water and sewer for the Seneca Light & Water utility, all of which is in accordance with the allowable federal funding requirements.

Local Coronavirus Fiscal Recovery: Oconee County Government approved an ordinance on October 5, 2021 with Seneca Light & Water for the Seneca water and wastewater infrastructure project. The total approved cost is \$3,000,000 and includes 4 separate water and sewer projects within the scope of the agreement. The original approved ordinance was amended on January 16, 2024, to include additional

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

water system improvements which services the Port Santorini subdivision. Of the approved projects, below includes commitments that are outstanding as of June 30, 2024.

Port Santorini Subdivision: On May 15, 2024, Seneca Light & Water entered into a construction agreement with Gar-Con, Inc., for the replacement of main waterlines located along Delphi Drive in the Port Santorini subdivision. The original contract price is \$335,060 and the total cost incurred for this project as of June 30, 2024 is \$89,585.

NOTE 10. Leases and Financed Purchase Receivables

Vangeli’s – Financed Purchase Receivable

On June 17, 2020, Seneca Improvements Corporation entered into a financed purchase agreement with Betty’s Café, LLC (dba Vangeli’s) for the property and improvements at 121 Main Street in Seneca. This property was deeded to the Corporation after its collapse. The agreement was for the Corporation to reconstruct the building for the use of Vangeli’s to maintain their business in town and to encourage growth in the City. The agreement consisted of monthly rental payments of \$6,250 until the total development costs of \$900,000 is repaid. A bargain purchase option of a nominal fee of \$10 will become available after the total development costs have been repaid but will expire on March 2, 2032.

Using the Corporation’s incremental borrowing rate of 3.25%, the present value of the minimum payments equals \$746,446 at inception which results in a \$238,915 loss. As of June 30, 2024, the present value of the minimum payments equals \$502,023. See below for a schedule of the minimum payments to be received.

Fiscal year ending	Financed purchase payments
6/30/2025	\$ 75,000
6/30/2026	75,000
6/30/2027	75,000
6/30/2028	75,000
6/30/2029	75,000
Thereafter	191,883
Total minimum payments	\$ 566,883
Less interest portion	(64,860)
Present value of future minimum payments	\$ 502,023

Clarios – Johnson Controls – Lease

On June 15, 2009, Seneca Facilities Corporation entered into a lease agreement with Johnson Controls Battery Group, Inc., for the rental of approximately 125,000 square feet of property located at 320

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Shiloh Road. Johnson Controls and its subsidiaries use the property for storage and distribution of products, light welding, assemblage, and office and administrative uses. The Corporation shall maintain the premises and facility, as well as, make structural repairs to the foundation, load bearing walls, floor slab, roof and any other structural member. \$24,250 per month was agreed upon for the base rent for the first, second and third lease years. The monthly rent increased by 3% for the fourth and fifth lease years.

On August 30, 2012, an amendment to the original lease was implemented to extend the lease agreement by three years. The base rent for the fourth lease year remained at \$24,977 per month and then was increased to \$25,727 per month for the fifth, sixth, seventh, and eighth lease years.

On August 1, 2017, a second amendment to the lease agreement was applied increasing the available leasing square footage by 143,000 square feet, along with options to extend the term of the lease for consecutive three-year periods. The agreed upon base rent amounts to \$30,983 per month. Additional improvements by the Corporation were updated to include updates and improvements to the restrooms, common areas, floors and fans, along with the installation of eight loading docks and the resurfacing and restriping of parking areas.

On October 25, 2023, Clarios (formerly Johnson Controls) elected to extend their lease agreement with the City of Seneca. The tenant provided the notice to exercise the Extension Option for the first Extension Period of three (3) years. The base rent remained at the current monthly rate of \$30,983 but will increase on 7/31/2024 to a monthly rate of \$32,533.

Using the applicable federal rates (AFR) from the IRS of 2.89%, the present value of the minimum lease payments equals \$2,359,349 at inception. As of June 30, 2024, the present value of the minimum lease payments equals \$2,225,142. See below for a schedule of the minimum lease payments to be received.

<u>Fiscal Year ending</u>	<u>Lease Payments</u>
6/30/2025	\$ 388,841
6/30/2026	390,390
6/30/2027	390,390
6/30/2028	408,282
6/30/2029	409,910
Thereafter	443,469
Total Minimum Lease Payments	<u>\$ 2,431,882</u>
Less Interest Portion	<u>(206,740)</u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 2,225,142</u></u>

CITY OF SENECA, SOUTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Borg Warner - Lease

On June 1, 2019, Seneca Facilities Corporation entered into a ten-year lease agreement with Borg Warner PDS (USA) Inc., for the rental of approximately 241,639 square feet of wet-sprinkled, 21-foot clear ceiling height industrial space located at 320 Shiloh Road. The agreed upon base rent of \$45,307.50 per month was determined by multiplying the square footage by \$2.25, rounded to the nearest ten dollars, divided by 12.

Using the interest rate expressed within the lease agreement of 2.30%, the present value of the minimum lease payments equals \$4,862,124 at inception. As of June 30, 2024, the present value of the minimum lease payments equals \$2,596,757. See below for a schedule of the minimum lease payments to be received.

Fiscal Year Ending	Lease Payments
6/30/2025	\$ 543,690
6/30/2026	543,690
6/30/2027	543,690
6/30/2028	543,690
6/30/2029	543,690
6/30/2030	34,969
Total Minimum Lease Payments	\$ 2,753,419
Less Interest Portion	(156,662)
Present Value of Future Minimum Lease Payments	\$ 2,596,757

NOTE 11. Subsequent Events

In a letter dated January 26, 2024, The City of Seneca submitted a request to the State of South Carolina for funding to be approved in the state’s fiscal year 2025 budget for a recreation project. The plan included the purchase and rehabilitation of the current publicly owned middle school that sits adjacent to the current Shaver Recreation Complex. With drastic growth in the number or programming participants, the property would become a multi-discipline recreation complex and allow for the expansion of services that can better accommodate the growing need with our youth participants. The request for financial support was approved and the grant funds of \$5,150,000 were appropriated to the City of Seneca on October 16, 2024.

On August 13, 2024, the Board of Trustees for the School District of Oconee County approved to sell the former Seneca Middle School building to the City of Seneca for \$200,000. On November 14, 2024, the City of Seneca closed on the property using the above-mentioned grant funds. The approximately 22-acre property sits adjacent to the Shaver Recreation Complex and this expansion will better accommodate the growing number of programming participants.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SENECA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original & Final Budget	Actual	Budget Variance
Revenues			
Property taxes			
Real property	\$ 2,592,000	\$ 2,560,309	\$ (31,691)
Vehicles	275,000	331,116	56,116
Watercraft	35,000	38,755	3,755
Other	150,000	151,905	1,905
Total property taxes	<u>3,052,000</u>	<u>3,082,085</u>	<u>30,085</u>
Licenses and permits			
Business licenses	2,738,623	3,068,675	330,052
Franchise fees	71,000	72,698	1,698
Building permits	85,500	212,509	127,009
Miscellaneous permits	35,000	41,474	6,474
Natural gas authority	150,000	170,936	20,936
Total licenses and permits	<u>3,080,123</u>	<u>3,566,292</u>	<u>486,169</u>
Intergovernmental			
County revenue sharing	1,350,000	1,300,000	(50,000)
Federal grant revenue	3,375,000	2,443,829	(931,172)
State government shared revenue	223,000	240,694	17,694
SC housing authority	17,500	24,858	7,358
State grants/SCMIT	-	27,419	27,419
Total intergovernmental	<u>4,965,500</u>	<u>4,036,800</u>	<u>(928,700)</u>
Charges for services			
Garbage fees	<u>1,150,000</u>	<u>1,182,591</u>	<u>32,591</u>
Fines and forfeitures			
Municipal court fines	55,000	43,209	(11,791)
Victims assistance fines	8,000	8,114	114
Total fines and forfeitures	<u>63,000</u>	<u>51,324</u>	<u>(11,676)</u>
Investment earnings	<u>-</u>	<u>4,005</u>	<u>4,005</u>

CITY OF SENECA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original & Final Budget	Actual	Budget Variance
Other			
Recreation fees/sports	79,000	169,040	90,040
Contributions & donations	1,000	-	(1,000)
Miscellaneous income	115,000	122,661	7,661
Total other	<u>195,000</u>	<u>291,701</u>	<u>96,701</u>
Total revenues	<u>12,505,623</u>	<u>12,214,799</u>	<u>(290,824)</u>
Expenditures			
Current operating			
General government			
Municipal judge	271,532	242,957	28,575
Mayor and council	211,968	206,977	4,991
Finance/administration	924,218	914,869	9,349
Planning and development	447,014	400,888	46,126
Beautification	483,826	427,442	56,384
Total general government	<u>2,338,558</u>	<u>2,193,132</u>	<u>145,426</u>
Public safety			
Police department	4,171,914	3,912,856	259,058
Fire department	3,015,529	2,674,484	341,045
Total public safety	<u>7,187,444</u>	<u>6,587,340</u>	<u>600,103</u>
Public works			
Street department	966,132	961,047	5,085
Sanitation department	633,775	572,447	61,328
Motor Pool	903,406	504,749	398,657
Total public works	<u>2,503,313</u>	<u>2,038,243</u>	<u>465,070</u>
Recreation	<u>1,379,089</u>	<u>1,322,122</u>	<u>56,967</u>
Arts, history & culture	<u>330,560</u>	<u>320,307</u>	<u>10,253</u>
Non-departmental	<u>1,470,001</u>	<u>1,514,321</u>	<u>(44,320)</u>

CITY OF SENECA, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original & Final Budget	Actual	Budget Variance
Capital outlay			
General government	42,000	177,329	(135,329)
Public safety	172,881	1,883,174	(1,710,293)
Public works	31,000	1,511,435	(1,480,435)
Recreation	100,000	183,733	(83,733)
Arts, history & culture	45,000	17,583	27,417
Total capital outlay	<u>390,881</u>	<u>3,773,255</u>	<u>(3,382,374)</u>
Debt service			
Principal retirements	2,220,343	670,208	1,550,136
Interest and fiscal charges	63,357	63,357	-
Total debt service	<u>2,283,700</u>	<u>733,564</u>	<u>1,550,136</u>
Total expenditures	<u>17,883,546</u>	<u>18,482,283</u>	<u>(598,738)</u>
Excess (deficiency) of revenues over (under) expenditures	(5,377,922)	(6,267,485)	(889,563)
Other financing sources (uses)			
Transfers in	5,869,267	6,654,919	785,652
Transfers out	(491,345)	(351,440)	139,905
Insurance recovery	-	52,032	52,032
Sale of capital assets	-	49,117	49,117
Issuance of financed purchase	-	1,175,278	1,175,278
Issuance of lease	-	59,328	59,328
Total other financing sources (uses)	<u>5,377,922</u>	<u>7,639,234</u>	<u>2,201,984</u>
Excess (deficiency) of revenues over (under) expenditures	-	1,371,749	1,312,421
Fund balance, beginning	3,064,450	3,064,450	-
Fund balance, ending	<u>\$ 3,064,450</u>	<u>\$ 4,436,198</u>	<u>\$ 1,312,421</u>

CITY OF SENECA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
City's proportion of the net pension liability	0.061351%	0.061691%	0.058242%	0.061898%	0.062199%	0.062642%	0.063860%	0.060788%	0.059549%	0.062022%
City's proportion of the net pension liability	\$ 14,833,213	\$ 14,955,161	\$ 12,604,216	\$ 15,816,074	\$ 14,202,714	\$ 14,036,125	\$ 14,291,720	\$ 12,984,227	\$ 11,293,755	\$ 10,678,132
City's covered-employee payroll	\$ 7,756,849	\$ 7,345,920	\$ 6,584,197	\$ 6,905,582	\$ 6,568,093	\$ 6,500,262	\$ 6,406,079	\$ 5,939,939	\$ 5,530,013	\$ 5,630,795
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	191.23%	203.58%	191.43%	229.03%	216.24%	215.93%	223.10%	218.59%	204.23%	189.64%
Plan fiduciary net position as a percentage of the total pension liability	58.60%	57.10%	60.70%	50.70%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%

**The amounts presented were determined as the prior fiscal year ending June 30th.

CITY OF SENECA
SCHEDULE OF THE CITY'S CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
Contractually required contribution	\$ 1,505,615	\$ 1,362,103	\$ 1,216,484	\$ 1,024,501	\$ 1,074,509	\$ 956,314	\$ 881,435	\$ 740,543	\$ 656,957	\$ 602,771
Contribution in relation to the contractually required contribution:	\$ 1,505,615	\$ 1,362,103	\$ 1,216,484	\$ 1,024,501	\$ 1,074,509	\$ 956,314	\$ 881,435	\$ 740,543	\$ 656,957	\$ 602,771
Contribution deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Seneca covered-employee payroll	\$ 8,111,103	\$ 7,756,849	\$ 7,345,920	\$ 6,584,197	\$ 6,906,582	\$ 6,568,093	\$ 6,500,262	\$ 6,406,079	\$ 5,939,939	\$ 8,250,779
Contributions as a percentage of covered-employee payroll	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	7.31%

CITY OF SENECA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE OFFICERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	June Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
City's proportion of the net pension liability	0.178815%	0.179799%	0.180644%	0.184215%	0.184934%	0.188615%	0.207800%	0.216460%	0.212240%	0.211390%
City's proportion of the net pension liability	\$ 5,443,304	\$ 5,392,135	\$ 4,647,816	\$ 6,108,961	\$ 5,300,095	\$ 5,344,477	\$ 5,692,725	\$ 5,490,453	\$ 4,625,654	\$ 4,046,851
City's covered-employee payroll	\$ 3,127,903	\$ 2,846,092	\$ 2,716,209	\$ 2,782,839	\$ 2,682,391	\$ 2,610,710	\$ 2,798,343	\$ 2,705,476	\$ 2,682,713	\$ 2,542,444
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	174.02%	189.46%	171.11%	219.52%	197.59%	204.71%	203.43%	202.94%	172.42%	159.17%
Plan fiduciary net position as a percentage of the total pension liability	67.80%	66.40%	70.40%	58.80%	62.70%	61.73%	60.94%	60.44%	64.57%	67.55%

**The amounts presented were determined as the prior fiscal year ending June 30th.

CITY OF SENECA
SCHEDULE OF THE CITY'S CONTRIBUTIONS
POLICE OFFICERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
Contractually required contribution	\$ 694,286	\$ 633,088	\$ 547,588	\$ 495,460	\$ 507,590	\$ 462,444	\$ 423,979	\$ 398,484	\$ 371,732	\$ 359,752
Contribution in relation to the contractually required contribution:	694,286	633,088	547,588	495,460	507,590	462,444	423,979	398,484	371,732	359,752
Contribution deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Seneca covered-employee payroll	\$ 3,268,765	\$ 3,127,903	\$ 2,846,092	\$ 2,716,209	\$ 2,782,839	\$ 2,682,391	\$ 2,610,710	\$ 2,798,343	\$ 2,705,476	\$ 2,682,713
Contributions as a percentage of covered-employee payroll	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%

**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

C-Funds – The C-fund is used to account for restricted grant proceeds from the South Carolina Department of Transportation (SCDOT) to fund local transportation projects and improvements to city streets.

Local Hospitality & Accommodations Tax Fund (HAT) – To account for collection of a gross proceeds tax on the sale of food and beverages within the city, as well as, to account for receipt of an accommodations tax on every person engaged or continuing in the business of furnishing accommodations to transients within the jurisdiction of the City. The revenue generated by the tax will be used exclusively for tourism-related expenditures within the City.

State Accommodations Tax Fund (ATAX) – The state ATAX fund is used to account for revenues derived from accommodations and the expenditures restricted for the use of tourism-related expenditures.

American Rescue Plan Fund – To account for restricted grant proceeds from the US Treasury to fund revenue replacement expenditures in the general fund and infrastructure projects for water and sewer.

County ARPA Funds – To account for restricted grant proceeds from Oconee County Government to fund water and wastewater infrastructure projects.

Transit/CAT Funds – The CAT/Transit fund is used to account for restricted grant proceeds for the transit system in the City.

Policeman's Fund – To account for contributions, donations, and revenues received and restricted for the police department.

Museum Account – To accumulate monies allocated to the arts, history, and culture department for various initiatives and projects.

Narcotics Operating Account – To account for monies that have been confiscated and seized by the police department and then released to the City by the courts to be used in accordance with South Carolina State laws.

Fireman's Fund – To account for contributions, donations, and revenues received and restricted for the fire department.

Dog Park Fund – To account for the activity related to the Dog Park located within the City.

CITY OF SENECA, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2024

	"C" Funds	Hospitality Tax	Accommodations Tax	American Rescue Plan Act	County ARPA Funds	Transit Fund
Assets						
Cash	\$ -	\$ 151,065	\$ -	\$ 633,041	\$ -	\$ 785,449
Prepays	-	68,447	-	-	-	-
Receivables						
Notes/accounts	-	3,441	52,904	-	297,520	242,890
Total assets	-	222,953	52,904	633,041	297,520	1,028,339
Liabilities and fund balances						
Liabilities						
Accounts payable	-	40,757	16,171	10,974	89,585	166,543
Due to other funds	-	2,707	36,733	65,368	207,935	-
Unearned Revenue	-	5,330	-	556,331	-	-
Total liabilities	-	48,794	52,904	632,673	297,520	166,543
Fund balances						
Nonspendable						
Prepays	-	68,447	-	-	-	-
Restricted						
Public Safety	-	-	-	-	-	-
Culture and recreation	-	105,712	-	-	-	-
Project administration	-	-	-	368	-	861,796
Total fund balances	-	174,159	-	368	-	861,796
Total liabilities and fund balances	\$ -	\$ 222,953	\$ 52,904	\$ 633,041	\$ 297,520	\$ 1,028,339

CITY OF SENECA, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2024

	Policeman's Fund	Museum Account	Narcotics Operating	Fireman's Fund	Dog Park	Total
Assets						
Cash	\$ 6,241	\$ 3,179	\$ 19,059	\$ 2,216	\$ 3,839	\$ 1,604,089
Prepays	-	-	-	-	-	68,447
Receivables						
Notes/accounts	-	-	-	-	-	596,755
Total assets	<u>6,241</u>	<u>3,179</u>	<u>19,059</u>	<u>2,216</u>	<u>3,839</u>	<u>2,269,290</u>
Liabilities and fund balances						
Liabilities						
Accounts payable	-	-	-	-	-	324,030
Due to other funds	-	-	-	-	-	312,743
Unearned Revenue	-	-	-	-	-	561,661
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,198,434</u>
Fund balances						
Nonspendable						
Prepays	-	-	-	-	-	68,447
Restricted						
Public Safety	6,241	-	19,059	2,216	-	27,516
Culture and recreation	-	3,179	-	-	-	108,891
Project administration	-	-	-	-	3,839	866,003
Total fund balances	<u>-</u>	<u>3,179</u>	<u>-</u>	<u>-</u>	<u>3,839</u>	<u>1,070,857</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 3,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,839</u>	<u>\$ 2,269,290</u>

CITY OF SENECA, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	"C" Funds	Hospitality Tax	Accommodations Tax	American Rescue Plan Act	County ARPA Funds	Transit Fund
Revenues						
Taxes	\$ -	\$ 1,231,595	\$ 185,509	\$ -	\$ -	\$ -
Federal aid	-	-	-	856,783	-	584,546
State aid	779,919	-	-	-	-	171,660
County aid	-	-	-	-	172,595	60,000
Investment earnings	-	-	-	111	-	-
Contributions	-	24,500	-	-	-	-
Other revenue	-	34,693	-	-	-	-
Total revenues	779,919	1,290,788	185,509	856,894	172,595	816,206
Expenditures						
Current operating						
Public works	779,919	-	-	-	-	-
Culture and recreation	-	956,935	-	-	-	-
Project administration	-	-	-	-	-	956,708
Capital outlay	-	-	-	247,039	-	-
Other	-	-	48,153	22,091	-	-
Benefits	-	-	-	-	-	-
Total expenditures	779,919	956,935	48,153	269,130	-	956,708
Excess (deficiency) of revenues over (under) expenditures	-	333,853	137,356	587,764	172,595	(140,502)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	200,502
Transfers out	-	(317,600)	(137,356)	(587,653)	(172,595)	-
Total other financing sources (uses), net	-	(317,600)	(137,356)	(587,653)	(172,595)	200,502
Net change in fund balances	-	16,253	-	111	-	60,000
Fund balances, beginning	-	157,906	-	257	-	801,796
Fund balances, ending	\$ -	\$ 174,159	\$ -	\$ 368	\$ -	\$ 861,796

CITY OF SENECA, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Policeman's Fund	Museum Account	Narcotics Operating	Fireman's Fund	Dog Park	Total
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,417,103
Federal aid	-	-	-	-	-	1,441,329
State aid	-	-	-	-	-	951,579
County aid	-	-	-	-	-	232,595
Investment earnings	-	-	5	-	-	117
Contributions	31,271	310	13,185	7,474	31,605	108,345
Other revenue	-	-	-	-	-	34,693
Total revenues	31,271	310	13,191	7,474	31,605	4,185,761
Expenditures						
Current operating						
Public works	-	-	-	-	-	779,919
Culture and recreation	-	-	-	-	-	956,935
Project administration	-	-	-	-	46,591	1,003,299
Capital outlay	-	-	-	-	-	247,039
Other	-	-	-	38	377	70,658
Benefits	27,943	2,333	5,524	5,460	-	41,261
Total expenditures	27,943	2,333	5,524	5,498	46,968	4,196,321
Excess (deficiency) of revenues over (under) expenditures	3,328	(2,023)	7,667	1,976	(15,363)	1,086,650
Other financing sources (uses)						
Transfers in	-	-	-	-	-	200,502
Transfers out	-	-	-	-	-	(1,215,204)
Total other financing sources (uses), net	-	-	-	-	-	(1,014,702)
Net change in fund balances	3,328	(2,023)	7,667	1,976	(15,363)	71,948
Fund balances, beginning	2,913	5,202	11,392	240	19,203	998,909
Fund balances, ending	\$ 6,241	\$ 3,179	\$ 19,059	\$ 2,216	\$ 3,839	\$ 1,070,857

CITY OF SENECA, SOUTH CAROLINA
 "C" FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL (GAAP BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>
Revenues			
State Aid	<u>\$ 1,450,000</u>	<u>\$ 779,919</u>	<u>\$ (670,081)</u>
Expenditures			
Public works/paving	<u>1,450,000</u>	<u>779,919</u>	<u>670,081</u>
Excess of revenues over (under) expenditures	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF SENECA, SOUTH CAROLINA
HOSPITALITY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Hospitality Tax	\$ 1,000,000	\$ 1,104,479	\$ 104,479
Local ATAX	130,000	127,115	(2,885)
Other revenue	43,000	59,193	16,193
Total revenues	<u>1,173,000</u>	<u>1,290,788</u>	<u>117,788</u>
Expenditures			
Current operating			
Culture and recreation	845,400	956,935	(111,535)
Capital outlay	-	-	-
Intergovernmental grants	10,000	-	10,000
Total expenditures	<u>855,400</u>	<u>956,935</u>	<u>(101,535)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>317,600</u>	<u>333,853</u>	<u>16,253</u>
Other financing sources (uses)			
Transfers out	<u>(317,600)</u>	<u>(317,600)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	-	16,253	16,253
Fund balance, beginning	<u>157,906</u>	<u>157,906</u>	<u>-</u>
Fund balance, ending	<u>\$ 157,906</u>	<u>\$ 174,159</u>	<u>\$ 16,253</u>

CITY OF SENECA, SOUTH CAROLINA
 ACCOMMODATIONS TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL (GAAP BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	<u>\$ 105,000</u>	<u>\$ 185,509</u>	<u>\$ 80,509</u>
Expenditures			
Other Tourism	<u>25,000</u>	<u>48,153</u>	<u>(23,153)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>80,000</u>	<u>137,356</u>	<u>57,356</u>
Other financing sources (uses)			
Transfers out	<u>(80,000)</u>	<u>(137,356)</u>	<u>(57,356)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF SENECA, SOUTH CAROLINA
CAT OPERATING GRANT...PT-22N711-23
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Federal aid	\$ 641,747	\$ 362,424	\$ (279,323)
State aid	155,773	68,202	(87,571)
County aid	60,000	60,000	-
Total revenues	<u>857,520</u>	<u>490,626</u>	<u>(366,894)</u>
Expenditures			
Current operating			
General government			
Project administration			
Federal	641,747	362,424	279,323
State	155,773	68,202	87,571
Local	323,163	169,525	153,638
Total expenditures	<u>1,120,683</u>	<u>600,151</u>	<u>520,532</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(263,163)</u>	<u>(109,525)</u>	<u>153,638</u>
Other financing sources (uses)			
Transfers in (out)	<u>263,163</u>	<u>169,525</u>	<u>93,638</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	-	60,000	60,000
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>

CITY OF SENECA, SOUTH CAROLINA
SCHEDULE OF BUDGETED TO ACTUAL COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

OPT Contract # Contract period:	PT-22N711-23							
	July 1, 2021 - June 30, 2024							
	Total Budget	Section 5311		SMTF		Local		Total Program Variance
		Current	Prior Period	Current	Prior Period	Current	Prior Period	
Performance Period	Jul 23 - Jun 24	Jul 22 - Jun 23	Jul 23 - Jun 24	Jul 22 - Jun 23	Jul 23 - Jun 24	Jul 22 - Jun 23		
ADMINISTRATION								
Other Salaries & Wages	46,020	18,037	18,779	-	-	4,511	4,693	-
Fringe Benefits	10,121	3,968	4,127	568	515	424	519	-
Professional & Technical Service	165,919	76,599	56,137	9,483	7,017	9,757	7,020	(94)
Materials and Supplies	2,774	1,008	1,211	-	-	253	302	-
Total Administration	224,834	99,612	80,254	10,051	7,532	14,945	12,534	(94)
OPERATIONS								
Professional & Technical Service	625,881	175,705	134,499	33,062	67,247	142,644	67,249	5,475
Custodial Service	8,222	1,880	2,231	149	1,000	2,116	1,232	(386)
Other Services - Cintas	-	-	-	-	-	-	-	-
Utilities	55,239	17,094	11,771	12,411	5,881	5,291	5,891	(3,100)
Total Operations	689,342	194,679	148,501	45,622	74,128	150,051	74,372	1,989
CAPITAL								
Spare Parts Maintenance items	26,321	-	21,056	-	2,633	-	2,632	-
Lease	-	-	-	-	-	-	-	-
Preventive Maintenance	122,081	68,133	29,512	12,529	3,278	4,529	4,100	-
Miscellaneous Equipment	-	-	-	-	-	-	-	-
Shop Equipment	-	-	-	-	-	-	-	-
Total Capital	148,402	68,133	50,568	12,529	5,911	4,529	6,732	-
Total Program	1,062,578	362,424	279,323	68,202	87,571	169,525	93,638	1,895
Approved Budget	1,062,578							
Federal Costs	641,747							
State Costs	155,773							
Local Costs	263,163							
Budget Balance	1,895							

CITY OF SENECA, SOUTH CAROLINA
CAT OPERATING GRANT...PT-23N711-28
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Federal aid	\$ 641,747	\$ 222,122	\$ (419,625)
State aid	155,773	103,458	(52,315)
County aid	-	-	-
Total revenues	<u>797,520</u>	<u>325,580</u>	<u>(471,940)</u>
Expenditures			
Current operating			
General government			
Project administration			
Federal	641,747	222,122	419,625
State	155,773	103,458	52,315
Local	263,163	30,977	232,186
Total expenditures	<u>1,060,683</u>	<u>356,557</u>	<u>704,126</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(263,163)</u>	<u>(30,977)</u>	<u>232,186</u>
Other financing sources (uses)			
Transfers in (out)	<u>263,163</u>	<u>30,977</u>	<u>232,186</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	-	-	-
Fund balance, beginning	<u>501,796</u>	<u>501,796</u>	<u>1,003,592</u>
Fund balance, ending	<u>\$ 501,796</u>	<u>\$ 501,796</u>	<u>\$ 1,003,592</u>

CITY OF SENECA, SOUTH CAROLINA
SCHEDULE OF BUDGETED TO ACTUAL COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	PT-23N711-28							
OPT Contract #	July 1, 2022 - June 30, 2024							
Contract period:	Section 5311		SMTF		Local		Total Program Variance	
Performance Period	Current	Prior Period	Current	Prior Period	Current	Prior Period		
	Jul 23 - Jun 24	Jul 22 - Jun 23	Jul 23 - Jun 24	Jul 22 - Jun 23	Jul 23 - Jun 24	Jul 22 - Jun 23		
ADMINISTRATION								
Other Salaries & Wages	52,096	20,510	-	-	-	5,128	-	26,458
Fringe Benefits	11,144	4,512	-	784	-	344	-	5,504
Professional & Technical Service	165,000	38,568	-	8,437	-	1,205	-	116,790
Materials and Supplies	14,700	813	-	101	-	103	-	13,683
Total Administration	242,940	64,403	-	9,322	-	6,780	-	162,435
OPERATIONS								
Professional & Technical Service	450,000	88,387	-	77,333	-	11,051	-	273,229
Custodial Service	6,000	1,690	-	1,311	-	378	-	2,621
Other Services - Cintas	-	-	-	-	-	-	-	-
Utilities	50,000	15,131	-	10,970	-	4,164	-	19,735
Total Operations	506,000	105,208	-	89,614	-	15,593	-	295,585
CAPITAL								
Spare Parts Maintenance items	154,500	18,226	-	2,279	-	2,278	-	131,717
Lease	-	-	-	-	-	-	-	-
Preventive Maintenance	120,000	34,284	-	2,244	-	6,326	-	77,146
Miscellaneous Equipment	27,200	-	-	-	-	-	-	27,200
Shop Equipment	125,000	-	-	-	-	-	-	125,000
Total Capital	426,700	52,510	-	4,523	-	8,604	-	361,063
Total Program	1,175,640	222,122	-	103,458	-	30,977	-	819,083
Approved Budget	1,175,640							
Federal Costs	222,122							
State Costs	103,458							
Local Costs	30,977							
Budget Balance	819,083							

CITY OF SENECA, SOUTH CAROLINA
CAT CAPITAL EARMARK GRANT PT-9N739-01
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Current Year</u>	<u>Prior Periods</u>	<u>Total to Date</u>	<u>Project Authorization</u>	<u>Budget Variance</u>
Revenues					
Federal aid	\$ -	\$ 1,412,741	\$ 1,412,741	\$ 1,450,000	\$ 37,259
County aid	-	300,000	300,000	300,000	-
Total revenues	<u>\$ -</u>	<u>\$ 1,712,741</u>	<u>\$ 1,712,741</u>	<u>\$ 1,750,000</u>	<u>\$ 37,259</u>
Expenditures					
Capital outlay	\$ -	\$ 1,843,011	\$ 1,843,011	\$ 1,950,000	\$ 106,988
Total expenditures	<u>\$ -</u>	<u>\$ 1,843,011</u>	<u>\$ 1,843,011</u>	<u>\$ 1,950,000</u>	<u>\$ 106,988</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (130,270)	\$ (130,270)	\$ (200,000)	\$ 69,730
Other financing sources (uses)					
Transfers in (out)	\$ -	\$ 430,270	\$ 430,270	\$ 500,000	\$ (69,730)
Net change in fund balance	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>
Fund balance, beginning	300,000	300,000			
Fund balance, ending	<u>\$ 300,000</u>	<u>\$ 300,000</u>			

Note:

1. The project is budgeted on a project duration basis and is treated as a legal nonappropriated budget.

CITY OF SENECA, SOUTH CAROLINA
LIGHT & WATER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET TO ACTUAL (GAAP BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance
Operating revenues			
Charges for services			
Electric	\$ 19,313,559	\$ 19,782,783	\$ 469,224
Water	11,180,500	11,111,790	(68,710)
Sewer	7,252,000	7,023,636	(228,364)
Other	1,064,785	424,744	(640,041)
Total operating revenues	<u>38,810,843</u>	<u>38,342,952</u>	<u>(467,892)</u>
Operating expenses			
Light & water administration	1,587,462	1,778,973	(191,511)
I&I department	168,420	112,524	55,896
Billing department	1,061,211	1,171,649	(110,438)
Engineering department	938,327	906,699	31,628
Electrical department	4,555,331	3,479,689	1,075,642
Water department	2,225,943	2,373,405	(147,462)
Sewer department	5,589,021	5,479,694	109,327
Water plant	2,198,923	2,057,314	141,609
Electrical generation/purchase	8,618,246	8,851,228	(232,982)
Maintenance	919,177	1,019,450	(100,273)
Non-departmental	3,708,784	662,388	3,046,396
Depreciation	<u>2,000,000</u>	<u>2,823,762</u>	<u>(823,762)</u>
Total operating expenses	<u>33,570,843</u>	<u>30,716,777</u>	<u>2,854,066</u>
Operating income (loss)	<u>5,240,000</u>	<u>7,626,176</u>	<u>2,386,176</u>
Non-operating revenues (expenses)			
Investment income	-	34,776	34,776
Interest expense	-	(400,725)	(400,725)
Insurance recovery	-	13,957	13,957
Gain on disposal	<u>-</u>	<u>35,127</u>	<u>35,127</u>
Total non-operating revenues (expenses), net	<u>-</u>	<u>(316,865)</u>	<u>(351,991)</u>
Income (loss) before transfers and capital contributions	<u>5,240,000</u>	<u>7,309,311</u>	<u>2,069,311</u>
Capital contributions			
Capital contribution	<u>-</u>	<u>36,133</u>	<u>36,133</u>
Transfers			
Transfers in	-	320,116	320,116
Transfers out	<u>(5,240,000)</u>	<u>(5,598,164)</u>	<u>(358,164)</u>
Total transfers	<u>(5,240,000)</u>	<u>(5,278,048)</u>	<u>(38,048)</u>
Change in net position	-	2,067,396	2,067,396
Net position, beginning	<u>41,192,626</u>	<u>41,192,626</u>	<u>-</u>
Net position, ending	<u>\$ 41,192,626</u>	<u>\$ 43,260,022</u>	<u>\$ 2,067,396</u>

CITY OF SENECA, SOUTH CAROLINA
 SENECA FACILITIES CORPORATION FUND
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 BUDGET TO ACTUAL (GAAP BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating revenues			
Charges for services			
Lease income	\$ 915,490	\$ 983,701	\$ 68,211
Other	-	49,862	49,862
Total operating revenues	<u>915,490</u>	<u>1,033,563</u>	<u>118,073</u>
Operating expenses			
Facilities operations	359,761	339,241	20,520
Depreciation	<u>150,000</u>	<u>175,200</u>	<u>(25,200)</u>
Total operating expenses	<u>509,761</u>	<u>514,441</u>	<u>(4,680)</u>
Operating income (loss)	<u>405,729</u>	<u>519,122</u>	<u>113,393</u>
Non-operating revenues (expenses)			
Investment income	-	135,160	135,160
Interest expense	<u>(108,127)</u>	<u>(104,348)</u>	<u>3,779</u>
Total non-operating revenues (expenses), net	<u>(108,127)</u>	<u>30,812</u>	<u>138,939</u>
Income (loss) before transfers and capital contributions	<u>297,602</u>	<u>549,934</u>	<u>252,332</u>
Transfers			
Transfers in	150,938	150,938	-
Transfers out	<u>(161,667)</u>	<u>(161,667)</u>	<u>-</u>
Total transfers	<u>(10,729)</u>	<u>(10,729)</u>	<u>-</u>
Change in net position	<u>286,873</u>	<u>539,205</u>	<u>252,332</u>
Net position, beginning	<u>2,561,981</u>	<u>2,561,981</u>	<u>-</u>
Net position, ending	<u>\$ 2,848,854</u>	<u>\$ 3,101,185</u>	<u>\$ 252,331</u>

CITY OF SENECA, SOUTH CAROLINA
 SENECA IMPROVEMENTS CORPORATION FUND
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 BUDGET TO ACTUAL (GAAP BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating revenues			
Charges for services			
Downtown programs	\$ 75,000	\$ -	\$ (75,000)
Total operating revenues	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Operating expenses			
Program expenses	267,500	92,604	174,896
Operating costs	8,500	8,781	(281)
Depreciation	<u>15,000</u>	<u>21,690</u>	<u>(6,690)</u>
Total operating expenses	<u>291,000</u>	<u>123,075</u>	<u>167,925</u>
Operating income (loss)	<u>(216,000)</u>	<u>(123,075)</u>	<u>92,925</u>
Non-operating revenues (expenses)			
Investment income	<u>-</u>	<u>18,957</u>	<u>18,957</u>
Total non-operating revenues (expenses), net	<u>-</u>	<u>18,957</u>	<u>18,957</u>
Income (loss) before transfers and capital contributions	<u>(216,000)</u>	<u>(104,118)</u>	<u>111,882</u>
Transfers			
Transfers in	<u>200,000</u>	<u>2,077,651</u>	<u>1,877,651</u>
Total transfers	<u>200,000</u>	<u>2,077,651</u>	<u>1,877,651</u>
Change in net position	(16,000)	1,973,533	1,989,533
Net position, beginning	<u>4,760,429</u>	<u>4,760,429</u>	<u>-</u>
Net position, ending	<u>\$ 4,744,429</u>	<u>\$ 6,733,961</u>	<u>\$ 1,989,532</u>

CUSTODIAL FUNDS

Fiduciary Funds

Fireman's 1% Fund – To account for monies granted by the General Assembly to fire departments who met certain requirements and is a one-percent tax collected on all fire insurance premiums written in the state. The fund is used by the Fire department to account for distribution of these funds and properly track their expenses separately from the city funds.

Municipal Court Escrow Account – The Municipal Court Account is used by the City of Seneca Municipal Court office to properly account fines and penalties that are collected by the court. Funds are not to be intermingled with any other city funds and are required to be tracked separately.

Narcotics Seizure Account – To account for the monies confiscated and seized by the police department which are held until released back to the owner or forfeited to the City by the courts to be used in accordance with South Carolina State laws.

CITY OF SENECA, SOUTH CAROLINA
 COMBINING STATEMENT OF FIDUCIARY NET
 POSITION CUSTODIAL FUNDS
 JUNE 30, 2024

	Fireman's 1% Fund	Municipal Court Escrow Account	Narcotics Seizure Account	Total Custodial Funds
Assets				
Cash/investments	\$ 75,125	\$ 10,007	\$ 631	\$ 85,764
Liabilities				
	-	-	-	-
Net position	<u>\$ 75,125</u>	<u>\$ 10,007</u>	<u>\$ 631</u>	<u>\$ 85,764</u>

CITY OF SENECA, SOUTH CAROLINA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET
 POSITION CUSTODIAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Fireman's 1% Fund	Municipal Court Escrow Account	Narcotics Seizure Account	Total Custodial Funds
Additions				
Contributions	\$ 49,670	\$ 127,974	\$ -	\$ 177,644
Investment Earnings	155	-	-	155
Total Additions	<u>\$ 49,825</u>	<u>\$ 127,974</u>	<u>\$ -</u>	<u>\$ 177,799</u>
Reductions				
Benefits	<u>\$ 63,348</u>	<u>\$ 120,806</u>	<u>\$ 1,397</u>	<u>\$ 185,551</u>
Change in net position	\$ (13,524)	\$ 7,168	\$ (1,397)	\$ (7,752)
Net position, beginning	88,649	2,839	2,028	93,516
Net position, ending	<u>\$ 75,125</u>	<u>\$ 10,007</u>	<u>\$ 631</u>	<u>\$ 85,763</u>

**SUPPLEMENTARY INFORMATION REQUIRED
BY THE STATE OF SOUTH CAROLINA**

CITY OF SENECA, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

FOR THE STATE TREASURER'S OFFICE:

COUNTY/MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	Sessions	Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected			\$ 108,724	\$ 108,724
Court fines and assessments remitted to State Treasurer			\$ (57,401)	\$ (57,401)
Total Court fines and Assessments retained	\$ -	\$ -	\$ 51,324	\$ 51,324
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			\$ 2,770	\$ 2,770
Assessments retained			\$ 5,344	\$ 5,344
Total Surcharges and Assessments retained for victim services	\$ -	\$ -	\$ 8,114	\$ 8,114

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC):

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year - Beginning Balance			
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer			\$ -
Victim Service Assessments Retained by City/County Treasurer	\$ 5,344		\$ 5,344
Victim Service Surcharges Retained by City/County Treasurer	\$ 2,770		\$ 2,770
Interest Earned			\$ -
Grant Funds Received			\$ -
Grant from:			\$ -
General Funds Transferred to Victim Service Contracts:			\$ -
(1) Town of			\$ -
(2) Town of			\$ -
(3) City of			\$ -
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 8,114	\$ -	\$ 8,114
Expenditures for Victim Service Program:			
Salaries and Benefits	\$ 8,114		\$ 8,114
Operating Expenditures			\$ -
Victim Service Contract(s):			
(1) Entity's Name			\$ -
(2) Entity's Name			\$ -
Victim Service Donation(s):			
(1) Domestic Violence Shelter:			\$ -
(2) Rape Crisis Center:			\$ -
(3) Other local direct crime victims service agency:			\$ -
Transferred to General Fund			\$ -
Total Expenditures from Victim Service Fund/Program(B)	\$ 8,114	\$ -	\$ 8,114
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	\$ -	\$ -	\$ -
Less: Prior Year Fund Deficit Repayment			\$ -
Carryforward Funds - End of Year	\$ -	\$ -	\$ -

OTHER INFORMATION

CITY OF SENECA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY TYPE
 JUNE 30, 2024

Governmental funds capital assets	
Land	\$ 1,327,312
Buildings	9,432,179
Improvements	15,410,102
Equipment	5,962,178
Vehicles	10,044,824
Construction in progress	5,464,391
Right-to-use lease equipment	<u>59,328</u>
Total	\$ 47,700,313
Less, accumulated depreciation/amortization	<u>(28,629,477)</u>
Investment in capital assets	<u><u>\$ 19,070,836</u></u>

CITY OF SENECA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2024

Function & activity	Land	Buildings	Improvements	Machinery & equipment	Vehicles	Construction in progress	Right-to-use lease equipment	Total
General government								
Municipal Judge	\$ -	\$ -	\$ -	\$ 10,114	\$ -	\$ -	\$ -	\$ 10,114
Finance/administration	173,787	1,859,026	480,639	441,848	32,868	79,401	-	3,067,570
Planning & development	37,497	463,271	2,855,773	2,603,168	3,913,978	-	-	9,873,686
Beautification	-	25,050	104,137	47,892	40,000	-	-	217,080
Total general government	211,284	2,347,347	3,440,549	3,103,022	3,986,846	79,401	-	13,168,450
Public safety								
Police department	20,000	649,393	672,260	440,355	1,385,796	811,601	-	3,979,407
Fire department	16,709	1,498,780	-	478,463	2,182,839	1,147,435	-	5,324,226
Total public safety	36,709	2,148,173	672,260	918,818	3,568,635	1,959,036	-	9,303,633
Public works								
Street department	2,000	50,000	8,243,298	1,010,384	687,220	-	-	9,992,902
Sanitation department	1,000	232,460	-	591,962	1,455,586	-	-	2,281,007
Motor Pool	2,000	-	88,192	91,570	131,562	3,343,793	-	3,657,118
Total public works	5,000	282,460	8,331,490	1,693,917	2,274,368	3,343,793	-	15,931,027
Culture & Recreation	926,158	4,654,199	2,474,624	246,421	214,975	82,160	59,328	8,657,863
Other	148,161	-	491,179	-	-	-	-	639,340
Total governmental funds capital assets	1,327,312	9,432,179	15,410,102	5,962,178	10,044,824	5,464,391	59,328	47,700,313
Less accumulated depreciation/amortization								(28,629,477)
Net governmental funds capital assets								\$ 19,070,837

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

	<u>Page</u>
<u>Contents</u>	
Financial Trends	93 - 98
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity.....	99 - 102
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity.....	103 - 107
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	108 - 109
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
Operating Information	110 - 112
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.

CITY OF SENECA
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment capital assets	\$ 17,265,529	\$ 16,218,569	\$ 14,828,498	\$ 15,772,938	\$ 14,919,382	\$ 15,334,143	\$ 12,614,213	\$ 12,627,473	\$ 14,078,608	\$ 15,553,089
Restricted	739,255	87,051	634,997	364,523	671,943	1,349,861	3,404,707	3,089,470	10,399,172	21,048,843
Unrestricted	(9,327,647)	(9,199,302)	(10,365,010)	(8,314,861)	(8,749,925)	(9,883,997)	(9,679,652)	(6,674,023)	(7,238,600)	(5,540,879)
Total governmental activities net positio	<u>\$ 8,677,137</u>	<u>\$ 7,106,318</u>	<u>\$ 5,098,485</u>	<u>\$ 7,822,600</u>	<u>\$ 6,841,400</u>	<u>\$ 6,800,007</u>	<u>\$ 6,339,268</u>	<u>\$ 9,042,920</u>	<u>\$ 17,239,181</u>	<u>\$ 31,061,052</u>
Business-type activities										
Net investment in capital assets	\$ 28,211,666	\$ 29,604,493	\$ 30,441,509	\$ 29,838,950	\$ 32,981,016	\$ 36,474,656	\$ 42,594,865	\$ 43,762,996	\$ 52,806,050	\$ 59,765,013
Restricted	3,621,199	3,359,310	5,134,683	5,487,123	6,825,058	6,202,081	5,069,422	3,973,315	1,264,796	1,596,108
Unrestricted	2,944,743	4,634,362	2,653,062	983,952	(3,186,675)	(588,563)	(5,130,232)	(3,023,556)	(5,555,811)	(8,265,952)
Total business-type activites net positio	<u>\$ 34,777,608</u>	<u>\$ 37,598,165</u>	<u>\$ 38,229,254</u>	<u>\$ 36,310,025</u>	<u>\$ 36,619,399</u>	<u>\$ 42,088,174</u>	<u>\$ 42,534,055</u>	<u>\$ 44,712,755</u>	<u>\$ 48,515,035</u>	<u>\$ 53,095,169</u>
Primary government										
Net investment of capital assets	\$ 45,477,195	\$ 45,823,062	\$ 45,270,007	\$ 45,611,888	\$ 47,900,398	\$ 51,808,799	\$ 55,209,078	\$ 56,390,469	\$ 66,884,658	\$ 75,318,102
Restricted	4,360,454	3,446,361	5,769,680	5,851,646	7,497,001	7,551,942	8,474,129	7,062,785	11,663,968	22,644,950
Unrestricted	(6,382,904)	(4,564,940)	(7,711,948)	(7,330,909)	(11,936,600)	(10,472,560)	(14,809,884)	(9,697,579)	(12,794,411)	(13,806,831)
Total primary government net positio	<u>\$ 43,454,745</u>	<u>\$ 44,704,483</u>	<u>\$ 43,327,739</u>	<u>\$ 44,132,625</u>	<u>\$ 43,460,799</u>	<u>\$ 48,888,181</u>	<u>\$ 48,873,323</u>	<u>\$ 53,755,675</u>	<u>\$ 65,754,216</u>	<u>\$ 84,156,221</u>

CITY OF SENECA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
General government	\$ 2,922,324	\$ 2,938,053	\$ 2,675,381	\$ 2,590,289	\$ 2,934,071	\$ 2,684,164	\$ 2,970,918	\$ 3,423,818	\$ 4,802,798	\$ 4,834,961
Public safety	5,255,627	5,826,426	5,401,131	4,889,179	5,906,088	5,754,121	6,275,924	6,113,345	6,024,274	6,786,445
Public works	2,027,531	1,914,011	1,818,224	1,745,948	1,822,986	1,570,629	1,724,063	2,210,591	1,860,213	3,066,151
Recreation	1,390,646	1,896,063	2,006,521	2,135,123	2,120,881	1,946,477	1,719,781	2,012,771	2,697,654	2,464,965
Arts, history & culture	-	-	-	-	233,424	281,732	292,098	356,603	337,267	292,436
Depreciation	1,467,595	1,839,837	1,682,683	1,790,142	1,866,986	1,882,904	1,873,570	1,919,794	-	-
Project administration	-	-	-	-	-	839,329	1,155,595	1,091,606	1,018,229	1,003,299
Other	329,758	760,849	171,986	41,489	237,446	474,054	78,763	30,668	76,906	75,607
Total governmental activities expenses	\$ 13,393,481	\$ 15,175,239	\$ 13,755,926	\$ 13,192,170	\$ 15,121,882	\$ 15,433,410	\$ 16,090,712	\$ 17,159,196	\$ 16,817,340	\$ 18,523,865
Business-type activities										
Electric	\$ 12,472,394	\$ 11,616,907	\$ 11,441,222	\$ 11,808,677	\$ 11,910,336	\$ 11,241,620	\$ 11,191,011	\$ 11,066,266	\$ 12,006,906	\$ 13,170,937
Water	3,359,731	2,952,225	3,706,357	3,631,564	3,484,251	3,441,555	3,262,339	4,097,574	5,119,481	5,532,759
Sewer	2,594,227	2,623,430	2,677,681	2,687,643	2,710,274	2,670,414	2,763,165	4,273,046	5,228,685	5,943,292
Admin	3,137,743	3,594,669	4,219,536	3,974,995	4,502,166	4,910,107	4,470,870	3,960,809	4,946,255	4,584,840
Other	321,121	407,951	460,413	598,714	646,851	855,792	741,056	2,069,134	2,021,709	2,122,465
Interest	595,447	649,511	786,772	748,746	701,748	644,055	706,080	643,654	587,452	505,072
Depreciation	1,943,632	1,953,253	2,187,710	2,341,462	2,352,281	2,389,748	2,523,169	2,661,989	-	-
Tornado-related	-	-	-	-	-	21,404	60,301	-	-	-
Total business-type activities expenses	\$ 24,424,295	\$ 23,797,946	\$ 25,479,691	\$ 25,791,801	\$ 26,307,907	\$ 26,174,695	\$ 25,717,991	\$ 28,772,472	\$ 29,910,488	\$ 31,859,365
Total primary government expense:	\$ 37,817,776	\$ 38,973,185	\$ 39,235,617	\$ 38,983,971	\$ 41,429,789	\$ 41,608,105	\$ 41,808,703	\$ 45,931,668	\$ 46,727,828	\$ 50,383,230
Program revenues										
Governmental activities										
Charges for services										
Public works	\$ 979,261	\$ 986,984	\$ 992,350	\$ 1,089,334	\$ 1,098,030	\$ 1,106,608	\$ 1,119,151	\$ 1,135,567	\$ 1,151,493	\$ 1,182,591
Public safety	-	-	-	-	-	-	-	-	56,720	51,324
General government	-	-	-	-	-	-	-	-	3,129,916	3,566,292
Project administration	-	-	-	-	-	-	-	-	10,837,363	-
Operating grants & contributions	-	-	-	-	-	-	-	-	2,633,318	5,557,629
Capital grants & contributions	155,536	95,692	64,233	192,770	55,675	850	68,097	-	-	12,864,783
Total governmental activities program revenues	\$ 1,134,797	\$ 1,082,676	\$ 1,056,583	\$ 1,282,104	\$ 1,153,705	\$ 1,107,458	\$ 1,187,248	\$ 1,135,567	\$ 17,808,810	\$ 23,222,619
Business-type activities										
Charges for services										
Electric	\$ 18,786,450	\$ 17,914,647	\$ 18,113,172	\$ 18,132,477	\$ 18,392,360	\$ 17,832,998	\$ 17,889,135	\$ 18,850,449	\$ 18,445,816	\$ 19,782,783
Water	6,683,657	6,959,335	7,326,269	7,057,113	7,921,146	8,308,740	8,482,257	10,371,327	10,380,742	11,111,790
Sewer	3,200,875	3,354,453	3,492,629	3,440,033	3,616,611	6,892,902	3,866,756	4,381,441	5,107,785	7,023,636
Admin	-	-	-	-	-	-	-	-	-	-
Other	-	1,063,099	1,135,191	1,633,492	964,778	965,372	327,781	56,501	1,308,812	1,458,307
Interest	1,193,633	626,758	-	-	-	-	-	-	-	-
Total business-type activities program revenues	\$ 29,864,615	\$ 29,918,292	\$ 30,067,261	\$ 30,263,115	\$ 30,894,895	\$ 34,000,012	\$ 30,565,929	\$ 33,659,718	\$ 35,243,154	\$ 39,376,516
Total primary government revenue:	\$ 30,999,412	\$ 31,000,968	\$ 31,123,844	\$ 31,545,219	\$ 32,048,600	\$ 35,107,470	\$ 31,753,177	\$ 34,795,285	\$ 53,051,964	\$ 62,599,135

CITY OF SENECA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (expense) revenue										
Governmental activities	\$ (12,258,684)	\$ (14,092,563)	\$ (12,699,343)	\$ (11,910,066)	\$ (13,968,177)	\$ (14,325,952)	\$ (14,903,464)	\$ (16,023,629)	\$ 991,470	\$ 4,698,754
Business-type activities	5,440,320	6,120,346	4,587,570	4,471,314	4,586,988	7,825,317	4,847,938	4,887,246	5,332,666	7,517,151
Total primary government	\$ (6,818,364)	\$ (7,972,217)	\$ (8,111,773)	\$ (7,438,752)	\$ (9,381,189)	\$ (6,500,635)	\$ (10,055,526)	\$ (11,136,383)	\$ 6,324,136	\$ 12,215,905
General revenues and other changes in net position										
Governmental activities										
Taxes	\$ 2,717,272	\$ 2,803,104	\$ 2,897,947	\$ 3,011,240	\$ 3,140,680	\$ 3,120,960	\$ 3,427,913	\$ 3,770,374	\$ 4,161,943	\$ 4,516,387
Fines/forfeitures	149,993	151,132	155,514	97,866	74,913	52,172	50,927	67,090	-	-
Licenses & permits	2,281,065	2,155,462	2,428,623	2,460,093	2,690,238	2,750,967	2,829,613	2,915,573	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Federal aid	5,156,596	1,423,918	515,214	463,143	463,907	2,070,080	1,645,773	2,956,949	1,122,238	-
State aid	854,372	997,015	674,110	1,018,763	1,085,256	330,266	305,893	3,529,486	210,080	247,890
County aid	710,000	710,000	710,000	710,000	710,000	740,000	1,058,738	775,700	-	-
Investment earnings (loss)	16,205	24,512	(10,281)	(6,501)	51,501	53,551	(887)	(3,921)	10,118	659,400
Other	195,203	424,371	206,300	388,886	255,467	344,883	269,449	249,592	283,587	434,740
Lease income	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of fixed assets	-	-	-	-	-	-	(248,039)	(280,459)	66,612	37,675
Insurance recovery	-	-	-	-	-	59,206	516,305	84,707	61,612	52,032
Unreimbursed lease revenue	-	-	-	-	-	240,000	-	-	-	-
Transfers	3,958,434	3,832,230	3,378,996	6,490,691	4,515,015	4,389,048	4,722,326	4,662,390	1,699,902	3,174,993
Total governmental activities	\$ 16,039,140	\$ 12,521,744	\$ 10,956,423	\$ 14,634,181	\$ 12,986,977	\$ 14,151,133	\$ 14,578,011	\$ 18,727,481	\$ 7,616,092	\$ 9,123,118
Business-type activities										
Investment earnings (loss)	\$ 66,833	\$ 115,017	\$ (35,399)	\$ (16,920)	\$ 237,388	\$ 189,307	\$ 23,545	\$ 127,254	\$ 159,296	\$ 188,893
Other	-	-	-	-	13	(13,536)	-	1,000,000	-	-
Lease income	-	-	-	-	-	869,635	915,490	800,406	-	-
Gain (loss) on sale of fixed assets	-	-	-	-	-	-	(63,434)	-	-	35,127
Insurance recovery	-	-	-	-	-	57,879	28,373	26,184	10,220	13,957
Forgiveness of debt	-	-	-	-	-	1,200,000	-	-	-	-
Loss on capital lease	-	-	-	-	-	-	(238,916)	-	-	-
Unreimbursed lease revenue	-	-	-	-	-	(240,000)	-	-	-	-
Transfers	(3,908,434)	(3,832,230)	(3,598,995)	(6,490,691)	(4,515,015)	(4,389,048)	(4,722,326)	(4,662,390)	(1,699,902)	(3,174,993)
Total business-type activities	\$ (3,841,601)	\$ (3,717,213)	\$ (3,634,394)	\$ (6,507,611)	\$ (4,277,614)	\$ (2,325,763)	\$ (4,057,268)	\$ (2,708,546)	\$ (1,530,387)	\$ (2,937,016)
Total primary government	\$ 12,197,539	\$ 8,804,531	\$ 7,322,029	\$ 8,126,570	\$ 8,709,363	\$ 11,825,370	\$ 10,520,743	\$ 16,018,935	\$ 6,085,705	\$ 6,186,102
Change in net position										
Governmental activities	\$ 3,780,456	\$ (1,570,819)	\$ (1,742,920)	\$ 2,724,115	\$ (981,200)	\$ (174,819)	\$ (325,453)	\$ 2,703,852	\$ 8,607,562	\$ 13,821,872
Business-type activities	1,598,719	2,403,133	953,176	(2,036,297)	309,374	5,499,554	790,670	2,178,700	3,802,280	4,580,135
Total primary government	\$ 5,379,175	\$ 832,314	\$ (789,744)	\$ 687,818	\$ (671,826)	\$ 5,324,735	\$ 465,217	\$ 4,882,552	\$ 12,409,842	\$ 18,402,007

CITY OF SENECA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Nonspendable	\$ 142,722	\$ 149,949	\$ 220,747	\$ (37,656)	\$ (98,116)	\$ 47,815	\$ 71,168	\$ 99,775	\$ 117,192	\$ 184,316
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	1,132,504	(65,548)	(766,385)	1,198,745	1,660,805	1,569,519	4,271,756	3,424,789	2,947,257	4,251,882
Total general fund	<u>\$ 1,275,226</u>	<u>\$ 84,401</u>	<u>\$ (545,638)</u>	<u>\$ 1,161,089</u>	<u>\$ 1,562,689</u>	<u>\$ 1,617,334</u>	<u>\$ 4,342,924</u>	<u>\$ 3,524,564</u>	<u>\$ 3,064,449</u>	<u>\$ 4,436,198</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,542	\$ 68,447
Restricted	-	-	-	-	-	-	-	-	10,400,172	21,048,843
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	(306,318)	(44,498)	120,304	268,810	248,453	-	-	-	-	-
Unassigned	-	-	-	-	-	21,588	548,144	3,729,769	-	-
Total all other governmental funds	<u>\$ (306,318)</u>	<u>\$ (44,498)</u>	<u>\$ 120,304</u>	<u>\$ 268,810</u>	<u>\$ 248,453</u>	<u>\$ 21,588</u>	<u>\$ 548,144</u>	<u>\$ 3,729,769</u>	<u>\$ 10,460,714</u>	<u>\$ 21,117,290</u>
Total all governmental funds	<u>\$ 968,908</u>	<u>\$ 39,903</u>	<u>\$ (425,334)</u>	<u>\$ 1,429,899</u>	<u>\$ 1,811,142</u>	<u>\$ 1,638,922</u>	<u>\$ 4,891,068</u>	<u>\$ 7,254,333</u>	<u>\$ 13,525,164</u>	<u>\$ 25,553,488</u>

CITY OF SENECA
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	Fiscal Year								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues									
Taxes	\$ 2,725,855	\$ 2,906,109	\$ 3,002,226	\$ 3,139,501	\$ 3,131,674	\$ 3,403,354	\$ 3,765,341	\$ 4,187,374	\$ 4,499,189
Licenses and permits	2,155,462	2,428,623	2,460,093	2,690,238	2,750,967	2,829,613	2,915,573	3,129,916	3,566,292
Federal aid	1,423,918	515,214	463,143	463,907	2,070,080	1,645,773	2,956,949	1,828,466	3,885,157
State aid	997,015	674,110	1,018,763	1,085,256	330,266	305,893	3,529,486	10,451,579	13,252,550
County aid	710,000	710,000	710,000	710,000	740,000	1,058,738	775,500	2,522,954	1,532,595
Other intergovernmental	-	-	-	-	-	-	-	517,000	-
Charges for services	986,984	992,350	1,089,334	1,098,030	1,106,608	1,119,151	1,135,567	1,151,493	1,182,591
Fines and forfeitures	151,132	155,514	97,866	74,913	52,172	50,927	67,090	56,720	51,324
Investment earnings (loss)	24,512	(10,281)	(6,501)	51,501	53,551	(887)	(3,921)	10,118	659,400
Contributions	-	-	-	-	-	55,359	32,880	62,163	108,345
Other revenues	304,098	838,991	289,980	243,690	116,414	107,652	94,940	221,423	326,394
Total revenues	\$ 9,478,976	\$ 9,210,630	\$ 9,124,904	\$ 9,557,036	\$ 10,351,732	\$ 10,575,573	\$ 15,269,405	\$ 24,139,206	\$ 29,063,838
Expenditures									
General government	\$ 1,774,471	\$ 1,830,615	\$ 1,686,844	\$ 1,996,903	\$ 2,388,824	\$ 2,512,577	\$ 1,716,198	\$ 2,179,096	\$ 2,193,132
Public safety	5,826,426	5,479,150	4,844,426	5,601,930	5,592,602	5,676,005	6,304,146	6,113,148	6,587,340
Public works	1,914,011	1,856,985	1,855,262	1,845,491	1,784,005	1,867,209	2,580,683	1,953,777	2,818,161
Project administration	1,003,327	839,146	764,479	760,836	839,329	1,155,595	1,091,606	1,018,229	1,003,299
Culture and recreation	1,896,063	2,015,911	2,124,956	2,070,948	1,917,062	1,616,310	2,048,719	2,527,469	2,279,057
Arts, history and culture	-	-	-	231,278	281,412	293,167	350,093	345,764	320,307
Non-department	-	-	-	-	-	-	1,463,886	1,454,630	1,584,979
Capital outlay	1,821,484	1,047,007	1,087,060	1,092,938	3,228,097	1,366,658	1,951,345	1,419,752	4,020,294
Debt service	160,255	17,305	127,126	104,923	254,039	295,154	315,237	-	-
Principal	-	-	-	-	-	-	-	653,121	670,208
Interest	-	-	-	-	-	-	-	65,568	63,357
Benefits	-	-	-	-	-	28,198	30,668	52,571	41,261
Other expenditures	60,139	43,456	41,492	53,011	27,172	17,716	-	-	-
Total expenditures	\$ 14,456,176	\$ 13,129,575	\$ 12,531,643	\$ 13,758,258	\$ 16,312,542	\$ 14,828,589	\$ 17,852,581	\$ 17,783,126	\$ 21,581,396
Excess (deficiency) of revenues over (under) expenditures	(4,977,200)	(3,918,945)	(3,406,739)	(4,201,222)	(5,960,810)	(4,253,016)	(2,583,176)	6,356,081	7,482,443

CITY OF SENECA
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	Fiscal Year								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other financing sources									
Proceeds from sale of fixed assets	\$ 120,273	\$ 10,479	\$ -	\$ 11,777	\$ -	\$ 32,535	\$ 77,572	\$ 158,110	\$ 49,117
Contributions & donations	95,692	64,233	192,770	55,675	850	12,738	-	-	-
Forgiven lease	-	-	-	-	240,000	-	-	-	-
Interfund transfers, net	3,832,230	3,378,996	5,069,202	4,515,013	4,389,048	4,722,326	4,662,391	-	-
Transfers in	-	-	-	-	-	-	-	3,461,327	6,855,421
Transfers out	-	-	-	-	-	-	-	(3,355,999)	(3,644,295)
Insurance recovery	-	-	-	-	59,206	516,305	84,707	61,612	52,032
Receivable write off	-	-	-	-	(47,459)	-	-	-	-
Proceeds from financed purchase	-	-	-	-	729,696	-	-	-	1,175,278
Proceeds from bond issuance	-	-	-	-	-	2,350,000	-	-	-
Issuance of lease	-	-	-	-	-	-	-	-	59,328
Miscellaneous income	-	-	-	-	228,469	161,794	121,772	-	-
Total other financing sources	<u>\$ 4,048,195</u>	<u>\$ 3,453,708</u>	<u>\$ 5,261,972</u>	<u>\$ 4,582,465</u>	<u>\$ 5,599,810</u>	<u>\$ 7,795,698</u>	<u>\$ 4,946,442</u>	<u>\$ 325,050</u>	<u>\$ 4,546,881</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ (929,005)	\$ (465,237)	\$ 1,855,233	\$ 381,243	\$ (361,000)	\$ 3,542,682	\$ 2,363,266	\$ 6,681,130	\$ 12,029,323
Fund balances, beginning	968,908	39,903	(425,334)	1,429,899	1,811,142	1,638,922	4,891,068	7,254,334	13,524,164
Fund balances, beginning as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,779</u>	<u>\$ (290,536)</u>	<u>\$ -</u>	<u>\$ (411,300)</u>	<u>\$ -</u>
Fund balances, ending	<u>\$ 39,903</u>	<u>\$ (425,334)</u>	<u>\$ 1,429,899</u>	<u>\$ 1,811,142</u>	<u>\$ 1,638,922</u>	<u>\$ 4,891,068</u>	<u>\$ 7,254,333</u>	<u>\$ 13,524,164</u>	<u>\$ 25,553,487</u>
Debt service as a percentage of noncapital expenditures	1%	0%	1%	1%	2%	2%	2%	4%	4%

CITY OF SENECA, SOUTH CAROLINA
 ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS

Fiscal Year	Real Property	Personal Property	Motor Vehicles	Watercraft	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Actual Assessed Value as a Percentage of Actual Taxable Value
2015	27,825,120	2,774,868	3,332,046	-	33,932,034	55.3	700,297,414	4.85%
2016	28,137,190	2,817,229	3,332,046	-	34,286,465	55.3	707,635,741	4.85%
2017	28,643,930	2,331,738	3,558,453	-	34,534,121	59.3	718,046,356	4.81%
2018	29,702,040	2,291,177	3,193,652	-	35,186,869	60.5	735,093,600	4.79%
2019	30,508,580	3,013,651	3,289,196	-	36,811,427	62.7	761,489,816	4.83%
2020	31,366,790	2,484,417	3,415,169	-	37,266,376	62.7	777,620,375	4.79%
2021	32,325,830	2,468,710	3,723,021	-	38,517,561	62.7	803,913,652	4.79%
2022	33,441,070	2,870,354	3,770,330	240,457	40,322,211	62.7	835,600,494	4.83%
2023	36,554,890	2,799,326	4,215,968	827,790	44,397,974	62.7	917,140,984	4.84%
2024	39,680,410	2,861,210	4,531,011	764,243	47,836,874	62.7	771,385,140	6.20%

Source: Oconee County Auditor's Office

CITY OF SENECA, SOUTH CAROLINA
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rate		Overlapping Rates	
	Basic Rate	Total Direct Rate	Oconee County School District	Oconee County
2015	55.3	55.3	141.1	71.0
2016	59.3	59.3	141.1	71.0
2017	60.5	60.5	146.3	71.0
2018	62.7	62.7	146.3	72.7
2019	62.7	62.7	147.5	77.4
2020	62.7	62.7	147.5	77.4
2021	62.7	62.7	147.5	77.4
2022	62.7	62.7	146.7	76.4
2023	62.7	62.7	141.6	73.4
2024	62.7	62.7	138.6	73.4

Source: Oconee County

CITY OF SENECA, SOUTH CAROLINA
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

<u>2024</u>				<u>2015</u>			
Taxpayer	Taxable Assessed value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Crescent Pointe Apartments LLC	\$ 988,780	1	2.07%	Bellsouth Telecommuncations	\$ 681,000	1	2.01%
Clemson Ridge Apartments LLC	750,180	2	1.57%	Serene Hospitality LLC	505,310	2	1.49%
Northland Cable Television Inc	548,490	3	1.15%	Crescent Pointe Partners of SC	464,580	3	1.37%
Serene Hospitality LLC	477,930	4	1.00%	Residence at Park Place LLC	379,930	4	1.12%
Kana Keowee LLC	443,850	5	0.93%	Assessment Technologies LTD	290,140	5	0.86%
Residence at Park Place LLC	423,410	6	0.89%	Deancurt Seneca LLC	246,760	6	0.73%
AT&T Mobility LLC	360,780	7	0.75%	Duke Energy Corporation	234,890	7	0.69%
Duke Energy Carolinas LLC	357,780	8	0.75%	Ingles Market Inc	215,330	8	0.63%
Seneca 130 LLC	348,030	9	0.73%	MSD Seneca LLC	204,190	9	0.60%
NV LLC	306,590	10	0.64%	OM SAI LLC	151,800	10	0.45%
	<u>\$ 5,005,820</u>		<u>10.46%</u>		<u>\$ 3,373,930</u>		<u>9.94%</u>
Total Seneca Assessed Value	<u>\$ 47,836,874</u>			Total Seneca Assessed Value	<u>\$ 33,932,034</u>		

Source: Oconee County Auditor's Office

CITY OF SENECA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Receivable June 30	Estimated Tax Collections to Date	
		Amount	Percentage of Levy		Estimated Amount	Percentage of Levy
2014	n/a	n/a	n/a	n/a	n/a	n/a
2015	n/a	n/a	n/a	n/a	n/a	n/a
2016	n/a	n/a	n/a	n/a	n/a	n/a
2017	n/a	n/a	n/a	n/a	n/a	n/a
2018	n/a	n/a	n/a	n/a	n/a	n/a
2019	n/a	n/a	n/a	n/a	n/a	n/a
2020	n/a	n/a	n/a	n/a	n/a	n/a
2021	n/a	n/a	n/a	n/a	n/a	n/a
2022	n/a	n/a	n/a	n/a	n/a	n/a
2023	n/a	n/a	n/a	n/a	n/a	n/a
2024	n/a	n/a	n/a	n/a	n/a	n/a

Note: Unable to obtain the above information.

Source: Oconee County Treasurer's Office

CITY OF SENECA
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities				Total Primary Government	Percentage of Personal Income *	Per Capita *
	General Obligation Bonds	Financed Purchases	Leases	Revenue Bonds	New Market Tax Credit Loan	State Revolving Fund Loans	Financed Purchases			
2015	\$ -	\$ 195,133	\$ -	\$ 13,149,872	\$ 5,220,000	\$ 10,178,295	\$ 161,378	\$ 28,904,678	15.03%	3,528
2016	-	34,878	-	13,155,000	5,220,000	12,129,443	506,905	31,046,226	15.90%	3,766
2017	-	572,977	-	12,035,000	5,220,000	11,936,217	900,210	30,664,404	14.98%	3,680
2018	-	445,851	-	10,885,000	5,220,000	11,332,143	641,447	28,524,441	13.14%	3,378
2019	-	818,852	-	9,710,000	5,220,000	10,717,592	429,334	26,895,778	11.57%	3,161
2020	-	1,349,861	-	13,505,000	-	15,439,015	1,409,887	31,703,763	12.55%	3,580
2021	2,350,000	1,054,707	-	11,917,930	-	15,023,930	1,122,593	31,469,160	12.34%	3,531
2022	2,350,000	739,470	-	10,239,468	-	14,132,901	1,962,343	29,424,182	10.58%	3,277
2023	1,975,000	978,349	-	8,564,419	-	13,211,064	1,193,665	25,922,497	9.26%	2,867
2024	1,595,000	1,877,252	45,397	6,844,265	-	12,272,706	947,798	23,582,418	8.36%	2,590

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

* See Demographic and Economic Statistics data

CITY OF SENECA, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

General Bonded Debt Outstanding			
Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property *	Per Capita **
2015	\$ -	0.00%	-
2016	-	0.00%	-
2017	-	0.00%	-
2018	-	0.00%	-
2019	-	0.00%	-
2020	-	0.00%	-
2021	2,350,000	0.29%	263.69
2022	2,350,000	0.28%	261.72
2023	1,975,000	0.22%	218.40
2024	1,595,000	0.21%	175.18

Notes: * See assessed value and taxable property schedule for actual taxable value of property

** See demographic and economic statistics schedule for personal income and population

CITY OF SENECA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt Repaid with Property Taxes			
Oconee County School District	\$ 23,140,000	6.73%	\$ 1,557,322
Oconee County General Obligation Debt	35,875,942	6.73%	2,414,451
Other Debt			
Oconee County - Other Debt	1,234,515	6.73%	83,083
Subtotal, Overlapping Debt			<u>4,054,856</u>
City Direct Debt			<u>3,472,252</u>
Total Direct and Overlapping Debt			<u><u>\$ 7,527,108</u></u>

Source: Oconee County and Oconee County School District

Notes: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were calculated by comparing the City's taxable assessed property value compared to the taxable assessed value for all three entities.

CITY OF SENECA, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed valuation	\$ 47,836,874
Debt limit - eight percent of total assessed value	3,826,950
Debt applicable to limit:	
General obligation bonds	<u>1,595,000</u>
Legal debt margin	<u>\$ 2,231,950</u>

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assessed value of taxable property	\$ 33,932,934	\$ 34,286,465	\$ 34,534,121	\$ 35,186,869	\$ 36,811,427	\$ 37,266,376	\$ 38,517,561	\$ 40,322,211	\$ 44,397,974	\$ 47,836,874
Legal debt limit*	2,714,635	2,742,917	2,762,730	2,814,950	2,944,914	2,981,310	3,081,405	3,225,777	3,551,838	3,826,950
Net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,350,000</u>	<u>2,350,000</u>	<u>1,975,000</u>	<u>1,595,000</u>
Legal debt margin	<u>\$ 2,714,635</u>	<u>\$ 2,742,917</u>	<u>\$ 2,762,730</u>	<u>\$ 2,814,950</u>	<u>\$ 2,944,914</u>	<u>\$ 2,981,310</u>	<u>\$ 731,405</u>	<u>\$ 875,777</u>	<u>\$ 1,576,838</u>	<u>\$ 2,231,950</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	76.26%	72.85%	55.61%	41.68%

Source: Oconee County Auditor and Oconee County Treasurer

*Calculated at eight percent of the total taxable assessed value.

Note:

Under South Carolina Constitution Article X, Section 14, 7(a), City of Seneca's outstanding general obligation debt should not exceed 8 percent of the total assessed property value.

CITY OF SENECA, SOUTH CAROLINA
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Combined utility revenue bonds and financed purchases										
Utility service charges	\$ 28,670,982	\$ 28,228,435	\$ 28,932,070	\$ 28,629,623	\$ 29,930,117	\$ 30,070,790	\$ 30,238,148	\$ 33,603,217	\$ 33,934,343	\$ 38,342,952
Less: operating expenses	21,564,095	20,787,231	22,050,606	22,434,583	22,916,767	22,451,184	22,047,338	25,081,543	26,080,549	27,893,015
Net available revenue	7,106,887	7,441,204	6,881,464	6,195,040	7,013,350	7,619,606	8,190,810	8,521,674	7,853,794	10,449,937
Debt Service										
Principal	849,961	1,261,790	1,785,428	2,012,835	2,001,662	2,039,961	2,188,369	1,359,741	2,468,565	2,509,378
Interest	407,077	460,625	598,402	480,726	433,728	551,823	406,743	484,578	455,879	418,220
Coverage	5.65	4.32	2.89	2.48	2.88	2.94	3.16	4.62	2.69	3.57
Seneca facilities installment revenue bonds										
Lease income	1,009,449	1,063,099	922,263	924,784	924,737	869,635	915,490	800,406	837,898	1,016,705
Less: operating expenses	321,121	407,952	459,136	267,010	324,953	573,757	386,281	203,994	219,232	339,241
Net available revenue	688,328	655,147	463,127	657,774	599,784	295,878	529,209	596,412	618,666	677,464
Debt Service										
Principal	-	-	-	-	-	-	285,000	370,000	380,000	395,000
Interest	-	-	-	-	-	-	139,410	126,472	115,613	108,127
Coverage	-	-	-	-	-	-	1.25	1.20	1.25	1.35

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

CITY OF SENECA, SOUTH CAROLINA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2015	8,193	192,265,131	23,467	5.7%
2016	8,244	195,316,848	23,692	4.2%
2017	8,332	204,700,576	24,568	4.1%
2018	8,445	217,028,055	25,699	3.0%
2019	8,509	232,525,443	27,327	2.1%
2020	8,856	252,528,840	28,515	3.8%
2021	8,912	255,079,264	28,622	3.0%
2022	8,979	278,016,777	30,963	2.8%
2023	9,043	279,998,409	30,963	2.9%
2024	9,105	281,918,115	30,963	4.3%

Sources: Unemployment Rate from data.usatoday.com
 Seneca, SC. Not Seasonally Adjusted

Notes: Per Capita Personal Income from United States Census Bureau
 2014-2023 Population is from United States Census Bureau
 2024 Population is projected estimate from World Population review based on recent changes

CITY OF SENECA
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

Employer	2024			Employer	2015		
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment
Prisma Health/Oconee Medical Center	1,310	1	26.41%	Duke Energy Corp	3,038	1	50.65%
Duke Energy Corp	1,300	2	26.21%	Oconee Medical Center	1,300	2	21.67%
BorgWarner	1,000	3	20.16%	BorgWarner	750	3	12.50%
Schneider Electric	600	4	12.10%	Schneider Electric	550	4	9.17%
BASF	400	5	8.06%	Greenfield Industries	360	5	6.00%
Greenfield Industries	350	6	7.06%	n/a		6	0.00%
n/a		7	0.00%	n/a		7	0.00%
n/a		8	0.00%	n/a		8	0.00%
n/a		9	0.00%	n/a		9	0.00%
n/a		10	0.00%	n/a		10	0.00%
	<u>\$ 4,960</u>		<u>100.00%</u>		<u>\$ 5,998</u>		<u>100.00%</u>

Note: Unable to confirm all principal employers.

Source: SC Appalachian Council of Governments

CITY OF SENECA, SOUTH CAROLINA
CITY FULL TIME EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
Municipal judge					3	3	3	3	3	3
Mayor and council					0	0	0	0	0	0
Finance/administration					5	7	7	7	7	7
Planning and development					5	5	5	5	5	5
Beautification					0	0	0	0	6	6
Public safety										
Police department					47	47	47	46	46	46
Fire department					29	29	29	29	29	29
Public works										
Street department					12	12	12	11	11	11
Sanitation department					5	5	5	5	5	5
Motor Pool					5	5	5	6	6	6
Culture and recreation										
Recreation					11	11	11	9	9	9
Arts, history and culture					2	2	2	2	2	2
Seneca light & water										
Administration					6	7	7	6	6	6
Inflow & infiltration					2	2	2	2	2	2
Billing department					8	8	8	8	8	8
Engineering department					8	8	8	8	7	8
Electric department					11	11	11	14	14	14
Water department					12	12	12	16	16	16
Sewer department					5	5	5	10	10	10
Water plant					8	8	8	9	9	8
Electrical purch/gen					1	1	1	1	1	1
Maintenance department					7	7	7	8	8	8
Total					192	195	195	205	210	210

Note: ** Finance/Administration staff began tracking actual full time employees in fiscal year 2019.

CITY OF SENECA, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
Business licenses issued	236	228	211	202	236	254	300	347	291	361
Building permits issued - residential	139	137	140	92	119	222	267	136	146	212
Building permits issued - commercial	37	53	47	34	47	43	42	50	27	43
Police										
General calls	18,356	17,934	16,530	16,030	15,085	15,081	15,607	16,421	15,948	14,837
Traffic calls	7,260	6,274	5,188	3,952	3,009	3,059	3,751	3,845	3,422	2,805
Fire										
Medical & fire calls	1,731	1,731	1,738	1,932	2,335	2,469	2,525	2,714	2,748	2,877
Fire inspections	172	238	180	180	279	214	344	262	223	186
Public works										
Refuse collection (tons)	n/a	n/a	n/a	6,609	6,703	6,853	7,264	7,476	7,552	7,255
Cardboard recycled (tons)	n/a	n/a	n/a	55	42	53	35	132	131	115
Recreation										
Sports registrations	n/a	n/a	n/a	n/a	n/a	n/a	827	1,522	1,809	1,820
Facility rentals	n/a	n/a	n/a	n/a	n/a	n/a	8	11	15	16
Electric										
Residential customers	5,431	5,483	5,560	5,616	6,276	6,282	6,327	6,386	6,586	5,971
Non-residential customers	1,960	1,993	1,993	2,059	1,486	1,477	1,552	1,584	1,526	1,341
Total annual consumption (kW)	148,493,052	144,199,176	149,155,529	143,780,553	145,207,556	137,374,778	139,018,354	140,030,299	139,431,953	143,251,578
Water										
New taps	162	172	204	310	218	121	232	340	276	500
Residential customers	13,467	13,668	13,884	14,057	14,402	14,639	14,878	15,335	15,416	15,760
Non-residential customers	1,282	1,326	1,332	1,528	1,396	1,387	1,435	1,485	1,488	1,568
Total annual consumption (gallons)	1,873,670,049	1,882,174,373	2,001,536,709	1,784,581,714	1,814,048,500	1,688,564,000	1,717,062,735	1,701,713,245	1,618,719,309	1,642,117,448
Sewer										
New taps	48	59	44	52	68	288	78	167	110	177
Residential customers	4,728	4,764	4,846	4,930	4,948	5,025	5,120	5,206	5,316	5,499
Non-residential customers	802	819	818	824	832	830	851	866	867	943
Total annual sewage treatment/flow (gallons)	1,390,921,830	1,625,953,444	1,446,728,348	1,606,688,567	1,508,590,464	1,542,906,449	1,643,876,531	1,593,533,451	412,840,366	498,233,648

Note: Areas without an indicator is due to change in efforts of tracking from a manual process to electronic.

Source: City departments

CITY OF SENECA, SOUTH CAROLINA
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fire										
Fire trucks	5	5	5	5	5	5	5	5	5	6
Public works										
Collection trucks	6	6	6	6	7	7	7	7	7	7
Parks and recreation										
Acreage	55.55	55.55	55.55	55.55	55.55	55.55	55.55	55.55	55.55	65.96
Soccer fields	4	4	4	4	4	4	4	4	4	7
Baseball/softball fields	9	9	9	9	9	9	9	9	9	10
Arts, history, and culture										
Historic house museum	1	1	1	1	1	1	1	1	1	1
Cultural exhibit museum	1	1	1	1	1	1	1	1	1	1
Electric										
Size of service area (sq. miles)	17	17	17	17	17	17	17	17	17	17
Number of substations	2	2	2	2	2	2	2	2	2	2
Water										
Water storage capacity (MG)	4	4	4	4	4	4	4	4	4	4
Number of pump stations	3	3	3	3	3	3	3	3	3	3
Miles of water lines	530.47	533.84	536.17	537.33	538.95	594.41	542.90	544.11	546.03	549.40
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Treatment capacity (permitted MGD)	19.40	19.40	19.40	19.40	19.40	19.40	19.40	19.40	19.40	19.40
Water booster stations	3	3	3	3	3	3	3	3	3	3
Sewer										
Miles of sewer mains	156.41	157.14	157.94	158.36	159.85	160.60	161.23	161.99	162.27	162.89
Number of pump stations	25	25	27	27	28	28	29	29	29	29

Source: City departments

COMPLIANCE SECTION



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Seneca, South Carolina** (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 30, 2024.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Columbia, South Carolina
December 30, 2024



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **City of Seneca, South Carolina's** (the "City") compliance with the types of compliance requirements described 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 June 30, 2024. 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) 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 of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibility 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 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 may exist that have not been identified.

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

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 30, 2024

CITY OF SENECA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass Through Grantor's Number	Total Expenditures
US Department of Transportation			
Passed through SC Dept. of Transportation			
Formula Grants for Rural Areas	20.509	PT-22N711-23	362,424
Formula Grants for Rural Areas	20.509	PT-23N711-28	222,122
Total 20.509			<u>584,546</u>
Total US Department of Transportation			<u>584,546</u>
US Department of the Treasury			
Direct Programs:			
COVID-19 State and Local Fiscal Relief Fund	*** 21.027	N/A	<u>860,966</u>
Passed through Oconee County, South Carolina			
COVID-19 State and Local Fiscal Relief Fund	*** 21.027	N/A	<u>172,595</u>
Total US Department of the Treasury			<u>1,033,561</u>
US Department of Homeland Security			
Passed through S.C. Adjutant General's Office			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	*** 97.036	FEMA 4542 - PW 0057	<u>2,443,829</u>
Total 97.036			<u>2,443,829</u>
Total Federal Assistance Expended			<u>\$ 4,061,935</u>

*** Major Programs
There were no expenditures to subrecipients for the year ended June 30, 2024

Note 1. Basis of Presentation
The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Seneca and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

Note 2. Indirect Cost Rate
The City has elected not to use the de minimis cost rate allowed under Uniform Guidance.

CITY OF SENECA, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

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

Significant deficiencies? ___ Yes ___X___ No

Noncompliance material to financial statements noted? ___ Yes ___X___ No

Federal Awards

Internal Control over major programs: Material weaknesses identified? ___ Yes ___X___ No

Significant deficiencies? ___ Yes ___X___ No

Type of auditor's report issued on compliance for major 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 program:

Assistance Listing Number

21.027

97.036

Name of Federal Program or Cluster

U.S. Department of Treasury

Coronavirus State and Local Fiscal Recovery Fund

U.S. Department of Homeland Security

Disaster Grants – Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ___ Yes ___X___ No

CITY OF SENECA, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION II FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV PRIOR YEAR FINDINGS AND QUESTIONED COSTS

2023-001. Segregation of Duties

Criteria: Internal controls should be in place to provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: During the fiscal year ended June 30, 2023, there was not appropriate segregation of duties among receipting, depositing, and recording of revenues and other financial cycles in the recreation department of the City. In general, we noted that individuals can receive revenue for recreation department activities with no internal controls to ensure reconciliation or deposit of those receipts.

Criteria: Resolved.

2023-002. Recognition of Revenues

Criteria: GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, states that recipients of “reimbursement-type” and “expenditure-driven” grant programs cannot qualify for resources without first incurring allowable costs under the provider’s program which effects the timing of recognition of revenues. Cash provided in advance should be reported as unearned revenues by the recipient until allowable costs have been incurred.

Condition: The City recognized revenues in the prior year for funds received for the Coronavirus State and Local Fiscal Recovery Funds, an “expenditure-driven grant,” in which allowable costs had not been incurred. These funds should have been recorded as unearned revenue.

Criteria: Resolved.