



CITY OF SENECA

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

CITY OF SENECA, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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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 16, 2025

Mayor and Governing Body
City of Seneca
Seneca, South Carolina

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the City of Seneca for the fiscal year ended June 30, 2025. Preparation of this report is required by state law for all general-purpose local governments and must be presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The report is intended to provide elected officials, residents, and stakeholders with a transparent, comprehensive overview of the City's financial position, operating results, and long-term fiscal outlook.

Management assumes full responsibility for the completeness and reliability of the information presented in this document. To meet this responsibility, the City maintains a system of internal controls designed to ensure accurate financial reporting, safeguard City assets, and support compliance with applicable laws and regulations. These controls are structured to provide reasonable, rather than absolute, assurance of financial statement accuracy due to cost-benefit considerations.

The City receives federal awards that require a Single Audit under the Uniform Guidance. Accordingly, the independent audit includes additional reports on internal control and compliance specific to federal programs. Management's Discussion and Analysis (MD&A), located in the Financial Section, provides a narrative overview of the City's financial activities and should be read in conjunction with this letter.

Municipal Government

The City of Seneca, chartered in 1873 and incorporated in 1874, is located in Oconee County in the foothills of the Blue Ridge Mountains and has grown into a thriving municipality. Seneca 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. 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.

Seneca continues to experience strong residential and commercial growth. The City's population now exceeds 8,700 residents, and its geographic footprint expanded again in FY25 through the annexation of roughly 113 acres, approximately 51 acres of commercial property and 62 acres of residential property, reflecting increased interest in developing within City limits. This growth has reinforced the City's long-term financial stability and strengthened demand for public services and community amenities.

Local Economy

Seneca's local economy remains robust, supported by its proximity to Clemson University, the Greenville-Spartanburg metro area, and the recreational amenities surrounding Lakes Keowee, Jocassee, and Hartwell. The combination of higher education, advanced manufacturing, and tourism continues to support employment stability and attract new investment.

Development momentum is further reinforced by increases in both residential construction and commercial redevelopment, particularly in downtown Seneca. The City continues to strategically partner with state agencies, private developers, and regional stakeholders to promote sustainable growth, improve economic opportunity, and enhance the overall quality of life for residents.

Financial Highlights

The City's financial position strengthened in FY25, with total net position increasing to \$92.2 million, a year-over-year improvement of approximately \$8.07 million. Despite rising service demands and capital investments, the City maintained fiscal discipline while continuing to reinvest in essential infrastructure and community amenities.

Governmental activities experienced a modest decrease in net position of \$1.18 million, reflecting higher operating costs, public safety investments, and capital project spending. Governmental funds ended the year with combined fund balances of \$23.6 million. The General Fund closed FY25 with a fund balance of \$3.77 million, a decrease of \$661,473, largely attributable to capital outlay and increased public safety expenditures.

Business-type activities reported an increase in net position of \$9.25 million, led by strong operational results in the Light & Water Fund. Operating income totaled \$8.1 million, supported by stable electric, water, and sewer demand. Capital contributions of \$6.19 million, including FEMA reimbursements and grant awards, also contributed to the increase.

Capital assets totaled \$102.69 million at year-end, reflecting continued investment in public buildings, utility infrastructure, and community amenities. Major FY25 capital activity included:

- Progress on the elevated water tank and related distribution improvements
- Construction and completion of the Public Works and Police facilities
- Continued infrastructure upgrades to support growth and annexation
- Ongoing development of the Performing Arts Center and Amphitheater

These projects align with the City's Comprehensive Plan adopted in January 2023, which provides long-range guidance for infrastructure, land-use planning, economic development, and quality-of-life initiatives.

Long-term debt decreased by \$3.09 million in FY25, reducing the City's total bonded debt to \$17.62 million. All general obligation debt remains well within statutory limits, and the City's strong financial position continues to support favorable borrowing capacity.

Major Initiatives

Elevated Water Tank – The City continued significant progress on the construction of a new elevated water tank designed to enhance storage capacity, improve system reliability, and support long-term economic development. This project represents a critical investment in the City's utility infrastructure, providing additional stabilization for peak demand periods and improving fire flow protection for both residential and commercial areas. During FY25, substantial completion activities included site grading, foundation work, installation of structural steel components, and initiation of tank bowl assembly. The project also includes upgrades to surrounding distribution lines to optimize system performance. Once completed, the elevated tank will provide millions of gallons of additional storage, supporting continued growth, improving resilience, and strengthening Seneca's ability to meet future water service needs.

Downtown Revitalization – 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 have 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 construction of the new facility is underway.

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 are 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, 2025, 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 opinion on the basic financial statements, as well as the combining and individual fund statements and schedules, is presented. 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") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Seneca for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This marked the first time the City had received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

The preparation of the Annual Comprehensive Financial Report reflects the professionalism and dedication of the Finance Department and the cooperation of every City department. We extend our appreciation to Mauldin & Jenkins, LLC, for their professional audit services. Finally, we express sincere gratitude to the Mayor and Council for their leadership, guidance and commitment to transparent and responsible financial management.

Respectfully submitted,



T. Scott Moulder
City Administrator



Danielle Smith
Finance Director

CITY OF SENECA
LIST OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2025

Mayor

Daniel W. Alexander

Mayor Pro-Tem

Ronnie O'Kelley

Council Members

Lakesha Benson

Dana Moore

Scott Durham

Denise Rozman

Ernest E. Riley

Joel Ward

WC Honeycutt Jr.

City Administrator

T. Scott Moulder

Assistant City Administrator

Josh Riches

Ryan Thomas

City Attorney

Bo Bowman

Department Directors

Chief Municipal Judge

Katie Cox

Finance Director

Danielle Smith

Planning & Development Director

Xavier Baugess

Police Chief

Casey Bowling

Fire Chief

Richie Caudill

Public Works Director

Ernest Beck

Recreation Director

Cedric Gleaton

Beautification Director

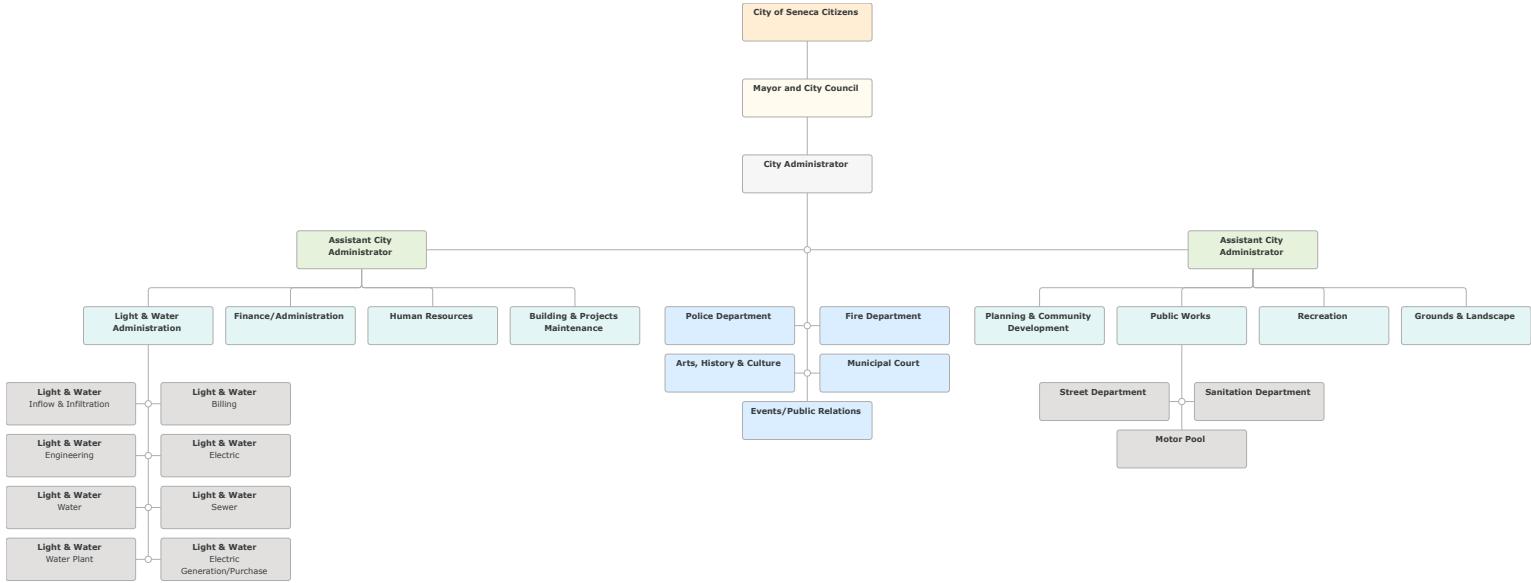
Casey Alexander

Arts, History & Culture Director

Shelby Henderson

Director of Utilities

Robert Faires





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Seneca
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Monell

Executive Director/CEO

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

Opinions

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

In our opinion, the accompanying financial statements 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 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 – SCOT 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 16, 2025, 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 16, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF SENECA, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

As management of the City of Seneca, South Carolina, (the “City”), we present this narrative overview and analysis of the City’s financial activities for the fiscal year ended June 30, 2025. We encourage readers to consider the information provided here in conjunction with the City’s financial statements, as well as the additional detail included in the accompanying notes to the financial statements and supplementary information.

Financial Highlights

- The City’s assets and deferred outflow of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year, resulting in a total net position of \$92,224,860. Overall, the government’s net position increased by \$8,068,640 during the year. This change reflects a \$9.2 million increase in net position for the business-type activities, which more than offset the \$1.2 million decrease reported for the governmental activities.
- Business-type activities generated a \$9.2 million increase in net position, supported by the utility operating income of \$8.1 million and \$6.2 million in capital contributions which is primarily FEMA reimbursement and water system grant funding.
- Governmental activities reported a \$1.18 million decrease in net position, attributable to higher public safety and recreation service costs, capital outlay levels exceeding annual depreciation, and project-related spending. Despite this decline, the City maintained strong reserves across governmental funds.
- Total governmental fund balances decreased by \$2.0 million, ending the year at \$23.6 million, driven largely by Downtown Seneca Improvements project expenditures and General Fund capital outlay. The General Fund alone experienced a \$661,473 decrease, primarily connected to capital spending and departmental operating demands.
- The City continued its commitment to long-term capital investment, with more than \$1.9 million of governmental capital outlays and over \$7.0 million in utility capital improvements during FY25.

Overview of the Financial Statements

This discussion and analysis is intended to provide an introduction to the City of Seneca’s basic financial statements and to offer readers an overview of the financial activities for the fiscal year. The City basic financial statements are presented in three main components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the

financial statements. Together, these components provide a comprehensive view of the City's financial position and results of operations.

The report also includes required supplementary information, which further explains and supports the data presented in the basic financial statements, as well as other supplementary schedules that provide additional detail on specific funds, programs, or financial activities.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad, long-term overview of the City of Seneca's financial position and operations, much like a private-sector business. These statements consolidate all governmental and business-type activities to present the financial results of the Primary Government as a whole. The government-wide financial statements include two distinct statements: the Statement of Net Position and the Statement of Activities, described below.

The Statement of Net Position presents information on the City's assets, liabilities, and the resulting position, which represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Over time, changes in net position can serve as a key indicator of whether the City's overall financial condition is improving or deteriorating. This statement combines both the short-term financial resources of the governmental funds and the long-term capital assets and obligations of the City, providing a comprehensive snapshot of financial health at fiscal year-end.

The Statement of Activities reports how the City's net position changed during the fiscal year. All changes in net position are recognized when the underlying event occurs, regardless of the timing of related cash flows. As a result, the statement includes revenues that may not be collected until future periods (such as property taxes) and expenses that do not require immediate cash outlays (such as compensated absences).

Both government-wide statements distinguish between the City's governmental activities – services primarily supported by taxes and intergovernmental revenues – and its business-type activities, which are financed largely through user fees and charges.

- Governmental activities include:
 - General government
 - Public safety
 - Public works
 - Recreation
 - Arts, history & culture
- Business-type activities include:
 - Seneca Light & Water, which provides electric distributions, water treatment and distribution, and sewer collection services
 - Seneca Facilities Corporation Fund, which manages the leasing of warehouse and

- manufacturing space
- Seneca Improvements Corporation Fund, which supports the development and revitalization of the downtown area

Together, these statements provide a consolidated, full-accrual basis perspective that helps readers understand the City's financial performance and long-term financial position.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been set aside for specific activities or objectives. The City of Seneca uses fund accounting to demonstrate compliance with finance-related legal requirements and ensure that public resources are used as intended. The City's funds fall into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are reported using the modified accrual basis of accounting, which focuses on near-term inflows and outflows of spendable resources and on the balances of such resources available at fiscal year-end. This presentation is helpful for evaluating the City's short-term financing needs and fiscal capacity.

Although governmental funds present a narrower focus than the government-wide statements, it is useful to compare the governmental fund information with the corresponding governmental activities in the government-wide statements. Reconciliations are provided to help readers understand the long-term effects of the City's short-term financial decisions.

The City of Seneca maintains two primary governmental fund types:

- General Fund
- Special Revenue Funds, which include Local Hospitality, State Accommodations Tax, Transit, C-Funds, American Rescue Plan Act, Policeman's Fund, Museum Account, and Narcotics Operating.

Information for the General Fund and the Downtown Seneca Improvements Fund is presented separately in the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances, as these funds are considered major funds. All other governmental funds are aggregated into a single nonmajor column. Detailed information for each nonmajor fund is provided in the Combining and Individual Fund Statements and Schedules. Budgetary comparison statements are also presented for these funds to demonstrate legal compliance.

Proprietary Funds

The City maintains three proprietary funds: Light & Water, Seneca Facilities Corporation, and Seneca Improvements Corporation. These funds account for activities in which the City charges customers for services – mirroring business-type activities reported in the government-wide statements.

Proprietary funds statements offer more detailed financial information for each enterprise operation. Both the Light & Water Fund and the Seneca Facilities Corporation Fund are reported as major funds due to their financial significance, while the Seneca Improvements Corporation Fund is reported as a nonmajor proprietary fund.

Fiduciary Funds

Fiduciary funds account for resources held by the City on behalf of external parties. Because resources are not available to support the City's own programs, fiduciary funds are excluded from the government-wide financial statements. The accounting for fiduciary funds follows the accrual basis, similar to proprietary fund accounting.

Notes to the Financial Statements

The notes to the financial statements provide additional information that enhances the understanding of the data presented in the government-wide and fund financial statements. These notes offer detailed explanations of key accounting policies, descriptions of significant financial activities, and disclosures regarding the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance / net position, commitments, and contingencies. Together, the notes are an integral part of the financial statements and should be read in conjunction with the accompanying statements for a complete picture of the City's financial condition.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information that enhances the reader's understanding of the City's financial activities. The City adopts an annual budget for the General Fund, its major governmental fund, as required by state statutes. A budgetary comparison schedule for the General Fund is provided to demonstrate compliance with the legally adopted budget.

The City participates in the State of South Carolina sponsored the SCRS and PORS pension plans, both cost-sharing multi-employer defined benefit pension plans. Required supplementary schedules related to this plan are presented in accordance with generally accepted accounting principles (GAAP).

Following the required supplementary information, the report includes supplementary schedules, such as:

- Combining and individual fund financial statements
- Budgetary schedules for the City's governmental and proprietary funds
- A schedule of fines, assessments, and surcharges
- Schedules of budget-to-actual costs submitted to the South Carolina Department of Transportation

These materials offer additional detail and transparency related to the City's financial management and program activities.

Government-Wide Financial Analysis

The government-wide financial statements provide a comprehensive view of the City's financial position and operations by presenting both governmental and business-type activities on the full accrual basis of accounting. This section analyzes the City's overall financial condition, including changes in assets, liabilities, and net position from FY24 to FY25.

At the end of FY25, the City's combined net position totaled \$92,224,860, an increase of \$8,068,640 from the prior year's ending net position of \$84,156,221. This growth reflects strong performance in the business-type activities that more than offset a decline in governmental activities, which indicates that the City's financial position strengthened during the year.

City of Seneca's Net Position

	Governmental Activities		Business-type Activities		Total	
	2024-2025	2023-2024	2024-2025	2023-2024	2024-2025	2023-2024
Assets						
Current and Other Assets	\$ 30,197,658	\$ 27,885,210	\$ 17,272,418	\$ 13,920,234	\$ 47,470,076	\$ 41,805,444
Capital Assets, Net	18,918,934	19,070,836	83,792,802	79,769,311	102,711,736	98,840,147
Total Assets	49,116,592	46,956,046	101,065,220	93,689,545	150,181,812	140,645,591
Deferred Outflows of Resources						
	2,342,162	1,990,201	1,502,144	1,505,647	3,844,306	3,495,848
Long-term Debt Outstanding	2,135,620	2,796,940	15,011,481	17,108,016	17,147,101	19,904,956
Net Pension Liability	10,487,514	11,217,977	8,332,367	9,058,540	18,819,881	20,276,517
Other Liabilities	7,958,506	3,606,759	12,523,337	11,136,039	20,481,843	14,742,798
Total Liabilities	20,581,640	17,621,676	35,867,185	37,302,595	56,448,825	54,924,271
Deferred Inflows of Resources						
	996,910	263,519	4,355,523	4,797,428	5,352,433	5,060,947
Net Position						
Net Investment in Capital Assets	16,021,432	15,553,089	66,701,493	59,765,013	82,722,925	75,318,102
Restricted	19,763,718	21,048,843	488,908	1,596,108	20,252,626	22,644,951
Unrestricted	(5,904,945)	(5,540,879)	(4,845,745)	(8,265,952)	(10,750,690)	(13,806,831)
Total Net Position	\$ 29,880,205	\$ 31,061,052	\$ 62,344,655	\$ 53,095,169	\$ 92,224,860	\$ 84,156,221

The City's total assets and deferred outflows of resources increased from the prior year, while liabilities and deferred inflows remained manageable. The City's largest asset remains its investment in capital assets, which supports essential services such as public safety, public works, electric distribution, and water and sewer utilities. Unrestricted net position remains negative, influenced primarily by long-term pension obligations and enterprise fund debt; however, the City maintains strong investment in capital assets and adequate fund reserves to meet ongoing operational and capital requirements.

Governmental Activities

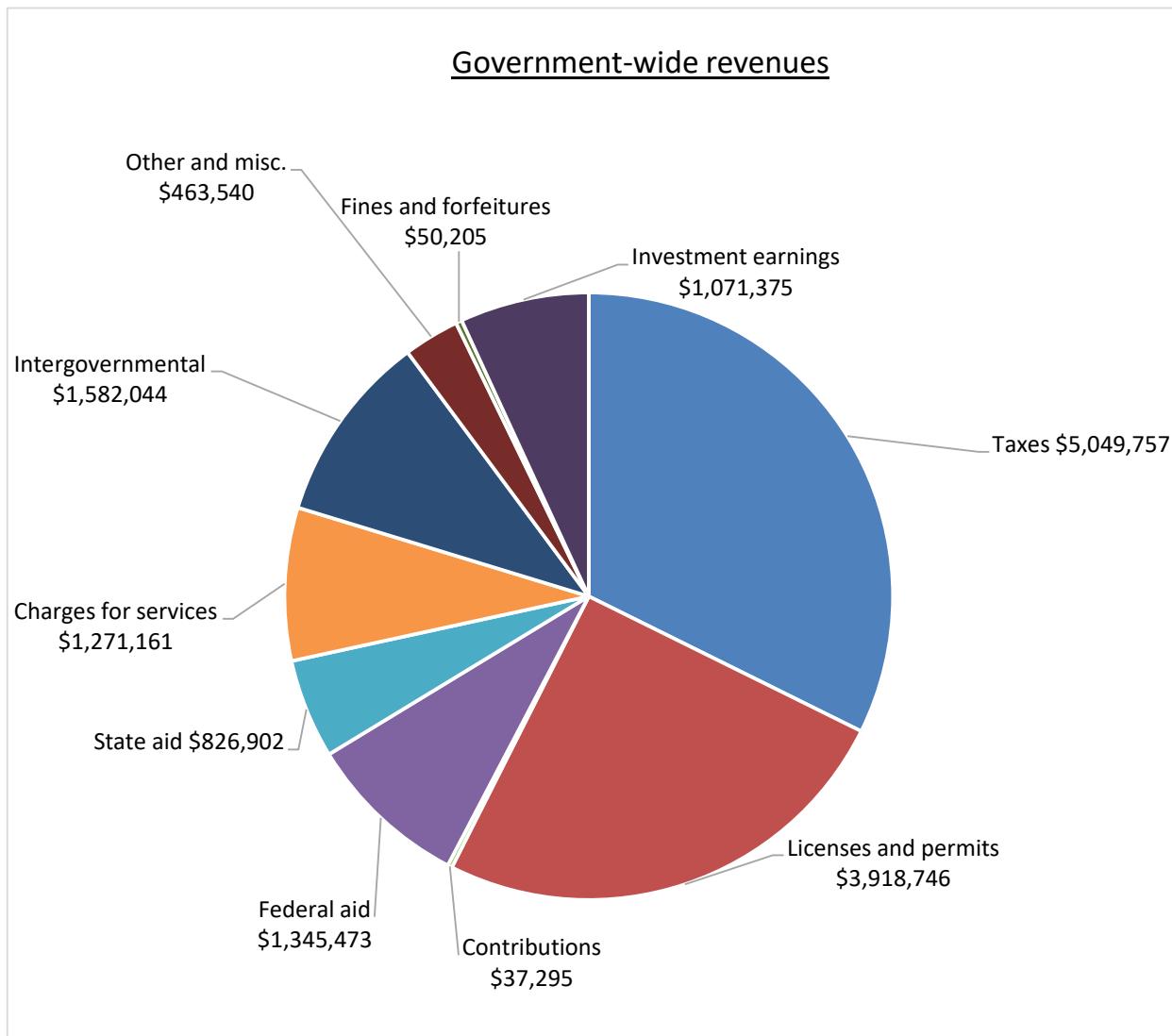
Governmental activities experienced a modest decline in net position due to higher operating costs, increased public safety expenditures, and significant capital outlays for infrastructure and community projects. These increases in spending exceeded the related program revenues generated.

Key elements of the governmental activities results include:

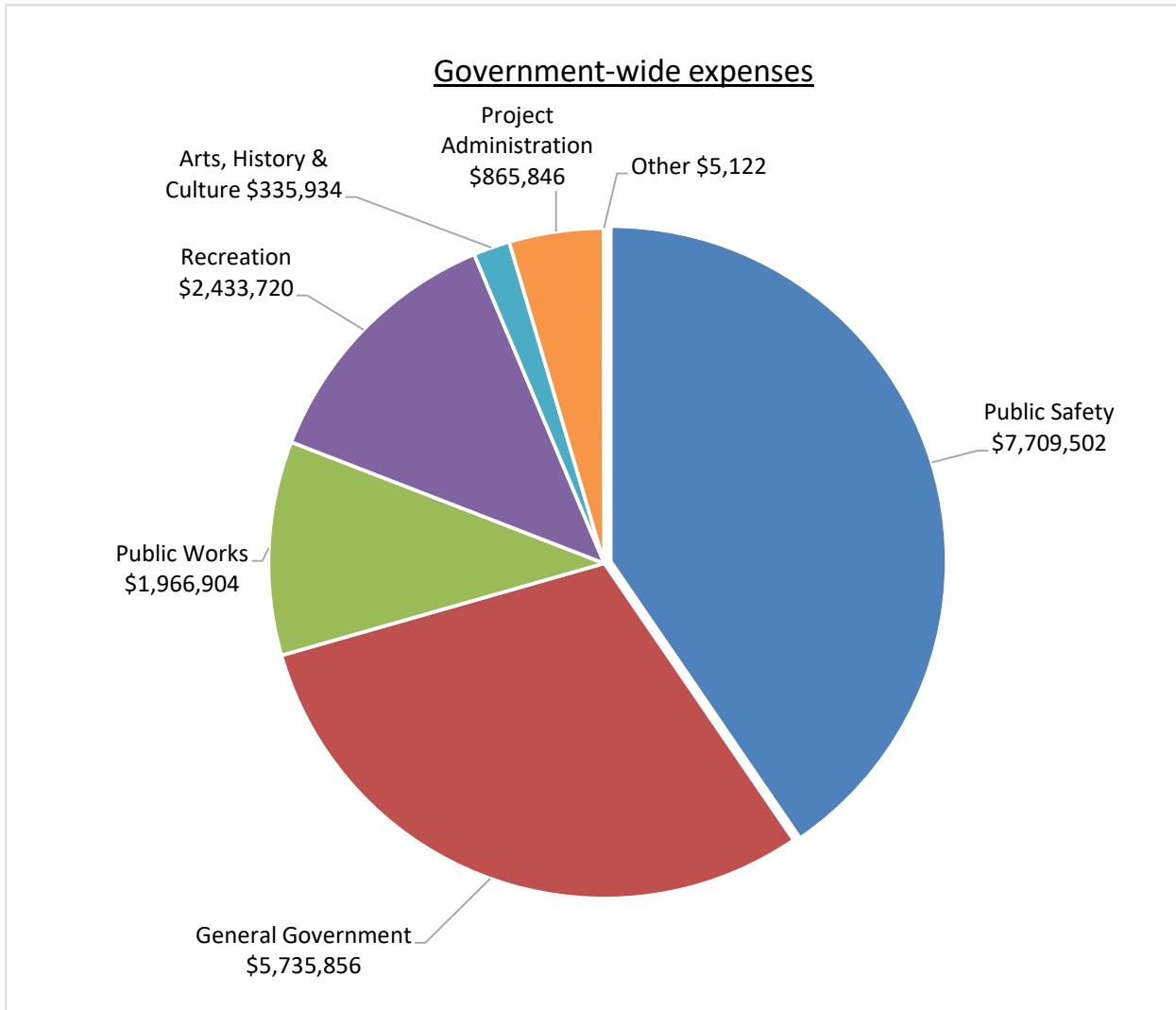
- Total program expenses of governmental activities exceeded program revenues by \$10.8 million, requiring support from general revenues such as property taxes, state aid, and transfers.
- Public Safety continued to be the largest governmental expense category, accounting for more than one-third of governmental expenses.
- Capital outlays exceeded annual depreciation, reflecting continued investment in City facilities and equipment.
- The General Fund experienced a decrease of \$661,473, while Downtown Seneca Improvements Fund decreased by \$1.27 million due to project expenditures.

Despite the decrease in net position, the City maintained strong governmental fund balances and continued its commitment to long-term capital improvement.

Government-wide revenues total a diverse mix of funding sources, with the largest share coming from taxes, which generate \$5.05 million. Licenses and permits represent the second-largest revenue stream at \$3.92 million, reflecting strong development and regulatory activity. Additional significant revenues include intergovernmental funding (\$1.58 million), federal aid (\$1.35 million), charges for services (\$1.27 million), and investment earnings (\$1.07 million). Smaller sources such as state aid (\$827,000), other and miscellaneous revenues (\$459,000), fines and forfeitures (\$50,000), and contributions (\$37,000) provide supplemental support. Overall, the City relies primarily on tax revenues and permits, complemented by a balanced mix of intergovernmental assistance, service charges, and investment income.



In FY25, the City's budget totals \$19.0 million, with the largest allocations supporting Public Safety (\$7.7 million) and General Government (\$5.7 million). Additional funding is directed to Recreation (\$2.4 million), Public Works (\$2.0 million), and Arts, History & Culture (\$336,000). Project Administration accounts for \$866,000, while the Other category remains minimal. Overall, the FY25 budget reflects continued emphasis on core public services, operational support, and community programs.



Additional details are provided in the government-wide financial statements and accompanying notes.

The table below summarizes the changes in net position for fiscal year 2025.

City of Seneca's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024-2025	2023-2024	2024-2025	2023-2024	2024-2025	2023-2024
REVENUES:						
Program Revenues:						
Charges for sales and services	5,240,113	4,800,207	42,656,869	39,376,516	\$47,896,982	\$44,176,723
Operating grants & contributions	3,050,701	18,422,413	-	-	-	-
General revenues:						
Property taxes	5,049,757	4,516,387	-	-	5,049,757	4,516,387
Other revenues	369,571	434,740	-	-	369,571	434,740
Sale of fixed assets	-	37,675	5,911	35,127	5,911	72,802
Other miscellaneous	131,263	52,032	103,079	13,957	234,342	65,989
Grants and contributions not restricted to specific programs	703,718	247,890	5,954,991	-	6,658,709	247,890
Investment earnings	1,071,375	659,400	235,343	188,893	1,306,718	848,293
Total revenues	15,616,499	\$29,170,744	48,956,193	\$39,614,493	\$61,521,991	\$50,362,824
EXPENSES:						
General government	5,735,856	4,834,962	-	-	\$5,735,856	\$4,834,962
Public safety	7,709,502	6,786,445	-	-	7,709,502	6,786,445
Public Works	1,966,904	3,066,151	-	-	1,966,904	3,066,151
Recreation	2,433,720	2,464,965	-	-	2,433,720	2,464,965
Arts, History & Culture	335,934	292,436	-	-	335,934	292,436
Project Administration	865,846	1,003,299	-	-	865,846	1,003,299
Other Light & Water	5,122	75,607	2,220,574	1,484,949	2,225,696	1,560,556
Administration	-	-	4,696,844	4,584,840	4,696,844	4,584,840
Electric	-	-	14,149,144	13,170,937	14,149,144	13,170,937
Water	-	-	6,211,424	5,532,759	6,211,424	5,532,759
Seneca Facilities Corporation	-	-	695,632	514,441	695,632	514,441
Seneca Improvements Corporation	-	-	2,652,922	123,075	2,652,922	123,075
Sewer	-	-	6,447,766	5,943,292	6,447,766	5,943,292
Interest on Long Term debt	-	-	376,862	505,072	376,862	505,072
Total expenses	19,052,883	18,523,865	37,451,168	\$31,859,365	\$56,504,051	\$50,383,230
Increase in net position before transfers	(3,436,385)	10,646,879	11,505,025	7,755,128	8,068,640	18,402,007
Transfer	2,255,538	3,174,993	(2,255,538)	(3,174,993)	-	-
Change in net position	(1,180,847)	13,821,872	9,249,488	4,580,134	8,068,641	18,402,006
Beginning net position	31,061,052	17,239,181	53,095,169	48,515,035	84,156,221	65,754,216
Prior-period adjustment	-	-	-	-	-	-
Ending net position	\$29,880,205	\$31,061,052	\$62,344,656	\$53,095,169	\$92,224,860	\$84,156,221

Business-Type Activities

Business-type activities reported substantial increase in net position, largely attributable to the performance of the Seneca Light & Water Fund, which continues to serve as a major financial driver for the City's enterprise operations.

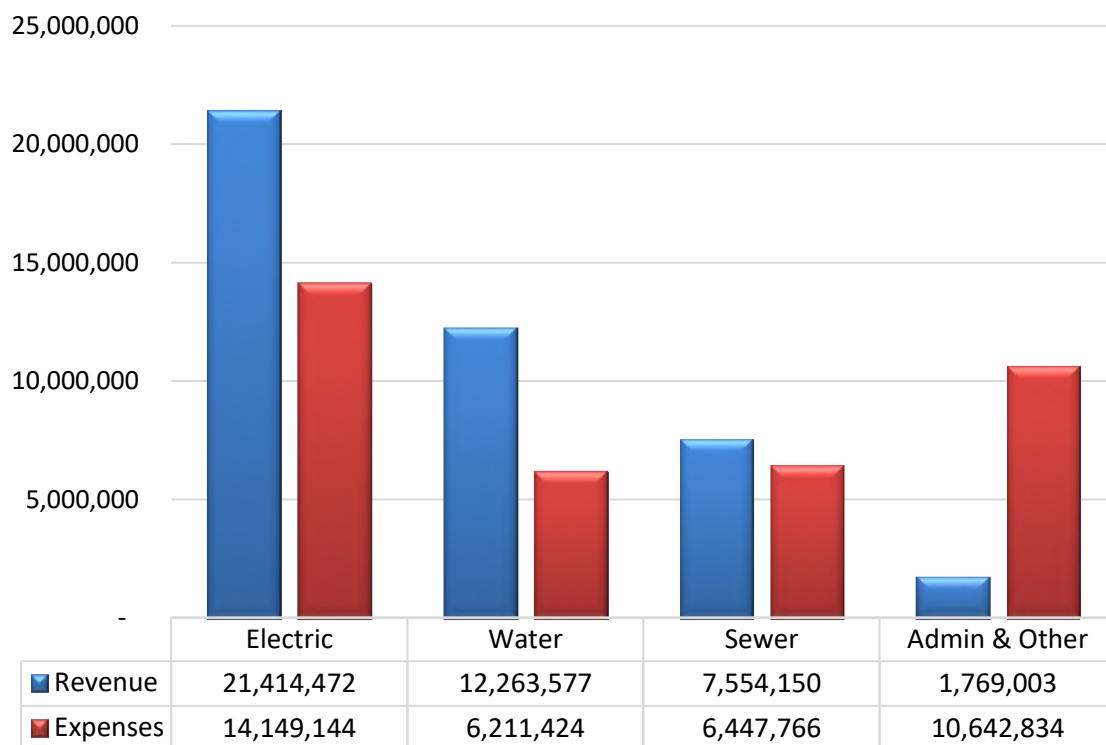
Key contributors to the \$9.2 million increase include:

- Operating income of \$8 million generated primarily by electric, water, and sewer services.
- Capital contributions totaling \$6.2 million, including FEMA reimbursement revenue and grant funding for water system improvements.

- Offsetting these increases were transfers out of \$2.5 million to support governmental functions.

The continued strength of business-type activities improves the City's capacity to reinvest in utility infrastructure and maintain financial flexibility.

Expenses and Program Revenues



Governmental Funds Financial Analysis

The focus of the City'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's short-term financing requirements and fiscal capacity. At the end of FY25, the City's governmental funds reported combined ending fund balances of \$23,588,223, a decrease of \$1,965,265 from the prior year. This change reflects higher capital spending, ongoing project expenditures, and operational demands in several key service areas.

The General Fund, the City's primary operating fund, ended FY25 with a fund balance of \$3,774,725, a decrease of \$661,473 from FY24.

Key factors contributing to this decrease include:

- Higher public safety expenditures, particularly within police and fire operations.
- Capital outlay spending of \$922,975 across multiple departments.
- Increased operating costs in public works, sanitation, and non-departmental functions.

General Fund revenues exceeded the final budget by \$1.49 million, driven by higher-than-expected business licenses, permit revenues, and recreation fees. However, expenditures exceeded budget primarily due to capital outlays and public safety costs.

Downtown Seneca Improvements Fund, a special revenue that is a major fund, experienced a decrease of \$1,267,047, ending the year with a fund balance of \$18,779,386. This decrease is due to costs associated with project expenditures and continues to hold significant restricted resources dedicated to capital investment in the downtown area.

At year-end, total governmental fund balances of \$23.6 million were classified as follows:

- Nonspendable: \$178,709 (inventory & prepaid items)
- Restricted: \$19,763,718 (special projects and grant-funded activities)
- Unassigned: \$3,645,796 (available for general operations)

The high level of restricted fund balance reflects strategic long-term investments in downtown improvements and other special projects.

Although governmental fund balances decreased in FY25 due to ongoing capital investment and departmental cost pressures, the City's stable financial position is a result of controlled spending, economic development, and targeted capital investment helps ensure long-term governmental financial stability.

Business-Type Activities Financial Analysis

Business-type activities show significant financial improvement in FY25, increasing the City's total business-type net position by \$9,249,487, ending at \$62,344,655. Operating revenues totaled \$42.7 million, compared to operating expenses of \$34.6 million, resulting in operating income across all enterprise funds.

The Seneca Light & Water Fund continues to be the City's most significant enterprise operation and the largest contributor to the increase in business-type net position. The fund generated operating income of \$8.1, supported by stable customer demand across electric, water, and sewer services, with operating revenues totaling \$41.8 million and operating expenses at \$33.7 million. Light & Water also received \$5.9 million in capital contributions in utility grants. After accounting for transfers out of \$5.6 million to support governmental activities, the Light & Water Fund reported a net increase in net position of \$9,013,167, ending the fiscal year with a total net position of \$52.27 million.

The Seneca Facilities Corporation Fund, which manages activity at the Industrial Complex on Shiloh Road, reported an increase in net position by \$148,133, ending the year with a net position of \$3,249,318. This improvement reflects stable lease revenue of \$833,569 and continued demand for industrial space, while operating expenses (less depreciation) remain controlled at \$520,832. Depreciation expense of \$174,800 and interest expense of \$92,892 contributed to overall costs, but the fund still achieved a positive operating income of \$137,937.

The Seneca Improvements Corporation Fund, which supports downtown revitalization, business establishment, and economic development initiatives, ended the fiscal year with a net position of \$6,822,147, an increase of \$88,186 over the prior year. The fund also recognized a significant non-operating loss from disposal of capital assets, approximately \$2.46 million, redevelopment transitions and property repositioning efforts. However, these impacts were offset by \$2.73 million in transfers in, which provided critical financial support for ongoing initiatives. Depreciation and facility-related expenses were modest relative to the fund's asset base, which includes substantial construction in progress tied to the construction of the Performing Arts Center.

General Fund Budgetary Highlights

In the adopted 2025 budget, the budgeted operational revenues exceeded budget by \$1.49 million, while the actual expenditures, including capital outlay, exceed the budgeted expenditures by \$1.41 million. The General Fund balance decreased by \$661,473, ending at \$3.77 million.

Revenues were driven by higher collections in:

- Business licenses - \$361,996
- Intergovernmental revenues - \$628,236
- Property taxes - \$214,144
- Recreation fees and investment earnings above expectations

Key areas overage in expenditures include:

- Capital outlay - \$680,364
 - Approximately \$400,000 of these expenditures were offset with a transfer in from the ARPA fund for revenue replacement for public safety.
- Debt service - \$459,652
- Public safety - \$224,881

For more specific details, please reference the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual in the required supplementary information section of this report.

Capital Assets

- The City of Seneca's investment in capital assets for its governmental and business-type activities total \$102,711,736 as of June 30, 2025 (net of accumulated depreciation). This investment includes land, buildings, improvements other than buildings, furniture and fixtures, equipment and vehicles, and major infrastructure systems such as the electrical, water, and sewer systems, as well as construction in progress. The City of Seneca's net capital assets increased by \$3,848,102 during the current fiscal year. This overall change reflects a decrease of \$151,901 in Governmental Activities and an increase of \$4,000,003 in Business-type Activities.

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 \$10,776,363, an increase of \$5,707,009 from the prior year. This increase reflects ongoing upgrades and improvements to the City's electrical, water and sewer infrastructure, as well as significant progress on the elevated water tank project, which accounted for \$4,703,235 of the FY25 activity.
- Construction in Progress for Seneca Improvements Corporation was \$4,827,519, a decrease of \$1,484,579 from prior year. This reduction is primarily due to the completion and disposition of the Harper's building, which was sold during the year, as well as continued progress on the Performing Arts Center and Amphitheater project.
- Construction in Progress decreased in Governmental Activities by \$5,413,591 due to the completion of several major projects, including the Public Works building, the Police building, and improvements to the Recreation facilities.

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

	Governmental Activities		Business-type Activities		Total	
	2024-2025	2023-2024	2024-2025	2023-2024	2024-2025	2023-2024
Land	1,327,313	1,327,312	1,326,097	1,294,097	2,653,410	2,621,409
Building and system	8,490,147	3,940,829	13,692,106	14,208,775	22,182,253	18,149,604
Improvement other than buildings	3,431,106	4,561,101	52,047,157	51,655,008	55,478,263	56,216,109
Machinery and equipment	3,553,837	2,487,610	602,174	451,320	4,156,011	2,938,930
Vehicles	1,531,691	1,245,098	421,001	778,661	1,952,692	2,023,759
Construction in progress	481,591	5,464,391	15,680,779	11,381,449	16,162,370	16,845,840
Right-to-use lease equipment	103,250	44,496	20,487	-	123,737	44,496
Total	<u>18,918,935</u>	<u>19,070,836</u>	<u>83,789,801</u>	<u>79,769,311</u>	<u>102,708,736</u>	<u>\$98,840,147</u>

Additional information on capital asset activity can be found in the Notes to the Financial Statements, Note 7.

Long-term Debt

As of June 30, 2025, the City had a total bond indebtedness outstanding of \$17,621,752, of which \$1,210,000 in general obligation bonds that is backed by the full faith and credit of the City but the City has not passed on that portion of debt to its citizens. The City has \$5,094,249 in revenue bonds outstanding and \$11,317,502 in state revolving fund loans outstanding. The City's total bonded debt decreased by \$3,090,214 during the fiscal year. The State of South Carolina limits the amount of non-voter approved general obligation debt that a unit of government can issue up to 8% of the total assessed value of taxable property located within that government's boundaries. The City's statutory limit at June 30, 2025, was \$2,845,698.

	City of Seneca				Total			
	Governmental		Business-type					
	2024-2025	2023-2024	2024-2025	2023-2024				
General Obligation Bonds	\$ 1,210,000	\$ 1,595,000	\$ -	\$ -	\$ 1,210,000	\$ 1,595,000		
Revenue Bonds	-	-	5,094,249	6,844,265	5,094,249	6,844,265		
Financed Purchases & Leases	1,687,503	1,922,747	717,308	947,798	2,404,811	2,870,545		
State Revolving Fund	-	-	11,317,502	12,272,701	11,317,502	12,272,701		
Total	<u>\$ 2,897,503</u>	<u>\$ 3,517,747</u>	<u>\$ 17,129,059</u>	<u>\$ 20,064,764</u>	<u>\$ 20,026,562</u>	<u>\$ 23,582,511</u>		

Additional information on the City's long-term debt can be found in the Notes to the Financial Statements, Note 8, and the Statistical Section.

Future Outlook

The management of the City of Seneca remains committed to maintaining a fiscally stable municipal government through the budget process, ongoing audit oversight, and strong internal controls. A primary focus for management and staff is to ensure that the City preserves adequate levels of liquid assets to meet cash flow needs throughout the fiscal year, aligns revenues with expenses across all funds, and delivers services in the most cost-effective manner possible.

Staff considered many factors during the preparation of the FY26 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:

- As a result of the continued growth and business development, business license revenue increased by \$388,143 compared to the prior year's budget.
- Capital needs within the Light & Water Fund decreased by approximately \$1.59 million; however, capital needs remain critical to ensure the continued delivery of reliable utility services. Despite the reduction, ongoing investment to infrastructure, equipment, and system improvements is essential to maintain service quality, support growth, and addressing aging assets. The following highlights several critical budget needs.

- Ongoing improvements to the utility system remain essential to the overall health and reliability of the utility. The FY26 budget for the electric system includes \$2.0 million in improvement costs, the same amount as in FY25.
- The energy purchased through Santee Cooper increased by \$1.7 million from prior year. This is a result of contract renewal and associated rate adjustments.
- The \$1,000,000 investment in generator controls made in FY25 is expected to generate long-term cost savings for the City by reducing the overall charges assessed by the current power provider. While costs are increasing on the provider's side, this investment should help offset a portion of those increases for the City.
- Continued improvements to the water plant allow for the reliable distribution of clean water to customers. Capital projects for the water plant increased by more than \$300,000 from FY25 to FY26.

Economic Factors

In fiscal year 2025, the City of Seneca continued to experience measurable growth. A total of 50.8 commercial acres and 62.35 residential acres were annexed into the City, contributing to the expansion of its tax base and service area. Growth within the City is also reflected in development activity. During fiscal year 2025, the City issued 93 residential new primary structure permits with a total valuation of \$30,032,322, along with 3 commercial new structure permits valued at \$16,950,000.

Seneca Light and Water continues to achieve cost savings in electricity through its peak shaving program, which utilizes five generators to produce electricity during Santee Cooper's peak usage periods, thereby reducing wholesale power costs.

As an additional indicator of economic growth, the total property market value within the City of Seneca increased by 5.97%, rising from \$991,831,863 in 2024 to \$1,051,078,439 in 2025.

Request for Information

This financial report is intended to provide a general overview of the City of Seneca's finances for all interested parties. Questions concerning the information presented in this report, or requests for additional financial details, should be directed to the Finance Director, City of Seneca, P.O. Box 4773, Seneca, SC, 29679.

BASIC FINANCIAL STATEMENTS

CITY OF SENECA, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government		
	Governmental Activities		Business-type Activities
			Total
Assets			
Cash	\$ 2,121,931	\$ 1,009,575	\$ 3,131,506
Investments	25,378,839	1,836,401	27,215,241
Receivables (net of allowance)			
Property taxes	116,044	-	116,044
Accounts	672,222	4,900,971	5,573,194
Lease	-	4,003,953	4,003,953
Financed purchase	-	442,457	442,457
Other	-	2,294,892	2,294,892
Prepaid expenses	118,762	62,824	181,586
Internal balances	1,308,166	(1,308,166)	-
Due from other governments	421,746	-	421,746
Inventory	59,947	3,540,603	3,600,550
Restricted cash	-	488,908	488,908
Capital assets:			
Land and construction in progress	1,808,904	17,006,878	18,815,781
Other capital assets, net of depreciation/amortization	<u>17,110,031</u>	<u>66,785,924</u>	<u>83,895,955</u>
Total assets	<u>\$ 49,116,592</u>	<u>\$ 101,065,219</u>	<u>\$ 150,181,811</u>
Deferred outflow of resources			
Deferred bond loss	\$ -	\$ 37,750	\$ 37,750
Deferred pension charges	<u>2,342,162</u>	<u>1,464,394</u>	<u>3,806,556</u>
Total deferred outflows of resources	<u>\$ 2,342,162</u>	<u>\$ 1,502,144</u>	<u>\$ 3,844,306</u>
Liabilities			
Accounts payable	\$ 1,189,353	\$ 2,495,538	\$ 3,684,892
Accrued expenses	296,324	1,667,967	1,964,290
Due to customers	-	3,359,316	3,359,316
Interest payable	45,478	81,351	126,829
Unearned revenue	5,035,322	2,379,883	7,415,205
Noncurrent liabilities, net:			
Due within one year	1,392,029	2,539,283	3,931,312
Due in more than one year	2,135,620	15,011,481	17,147,100
Net pension liability, due in more than one year	<u>10,487,514</u>	<u>8,332,367</u>	<u>18,819,881</u>
Total liabilities	<u>\$ 20,581,640</u>	<u>\$ 35,867,185</u>	<u>\$ 56,448,824</u>
Deferred inflow of resources			
Deferred pension credits	\$ 996,910	\$ 588,581	\$ 1,585,491
Lease receipts	-	3,766,942	3,766,942
Total liabilities	<u>\$ 996,910</u>	<u>\$ 4,355,523</u>	<u>\$ 5,352,433</u>
Net position			
Net investment in capital assets	\$ 16,021,432	\$ 66,701,493	\$ 82,722,924
Restricted for:			
Debt service	2,897,502	488,908	3,386,410
Special projects	16,866,216	-	16,866,216
Unrestricted	(5,904,945)	(4,845,745)	(10,750,690)
Total net position	<u>\$ 29,880,205</u>	<u>\$ 62,344,655</u>	<u>\$ 92,224,860</u>

CITY OF SENECA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	\$ 5,735,856	\$ 3,918,746	\$ 43,145	\$ -	\$ (1,773,965)	\$ -	\$ (1,773,965)
Public safety	7,709,502	50,205	1,300,000	178,423	(6,180,874)	-	(6,180,874)
Public works	1,966,904	1,271,161	299,044	-	(396,698)	-	(396,698)
Recreation	2,433,720	-	-	177,877	(2,255,843)	-	(2,255,843)
Arts, history & culture	335,934	-	-	4,500	(331,434)	-	(331,434)
Project administration	865,846	-	919,065	128,648	181,867	-	181,867
Other	5,122	-	-	-	(5,122)	-	(5,122)
Total governmental activities	\$ 19,052,883	\$ 5,240,113	\$ 2,561,253	\$ 489,448	\$ (10,762,070)	\$ -	\$ (10,762,070)
Business-type activities							
Electric	\$ 14,149,144	\$ 21,414,472	\$ -	\$ 5,954,991	\$ -	\$ 7,265,327	\$ 7,265,327
Water	6,211,424	12,263,577	-	-	-	12,007,145	12,007,145
Sewer	6,447,766	7,554,150	-	-	-	1,106,385	1,106,385
Admin	4,696,844	-	-	-	-	(4,696,844)	(4,696,844)
Other Light & Water	2,220,574	591,101	-	-	-	(1,629,474)	(1,629,474)
Interest	376,862	-	-	-	-	(376,862)	(376,862)
Seneca Facilities Corporation	695,632	833,569	-	-	-	137,937	137,937
Seneca Improvements Corporation	2,652,922	-	-	-	-	(2,652,922)	(2,652,922)
Total business-type activities	\$ 37,451,168	\$ 42,656,869	\$ -	\$ 5,954,991	\$ -	\$ 11,160,692	\$ 11,160,692
Total primary government	<u>\$ 56,504,052</u>	<u>\$ 47,896,981</u>	<u>\$ 2,561,253</u>	<u>\$ 6,444,439</u>	<u>\$ (10,762,070)</u>	<u>\$ 11,160,692</u>	<u>\$ 398,623</u>
General revenues:							
Property Taxes				\$ 5,049,757	\$ -	\$ 5,049,757	
State aid, not restricted for specific purposes				703,718	-	703,718	
Investment earnings				1,071,375	235,343	1,306,719	
Contributions and miscellaneous revenues				369,571	-	369,571	
Gain on sale of capital assets				-	5,911	5,911	
Other miscellaneous				131,263	103,079	234,342	
Transfers				2,255,538	(2,255,538)	-	
Total general revenues and transfers				<u>\$ 9,581,223</u>	<u>\$ (1,911,205)</u>	<u>\$ 7,670,018</u>	
Change in net position				<u>\$ (1,180,847)</u>	<u>\$ 9,249,487</u>	<u>\$ 8,068,640</u>	
Net position - beginning of year				<u>\$ 31,061,052</u>	<u>\$ 53,095,169</u>	<u>\$ 84,156,221</u>	
Net position - end of year				<u>\$ 29,880,205</u>	<u>\$ 62,344,655</u>	<u>\$ 92,224,860</u>	

CITY OF SENECA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	Downtown Seneca Improvements		Total Non-Major Funds		Total
	General	Improvements	Funds	Total	
Assets					
Cash	\$ 1,139,841	\$ 26,702	\$ 955,388	\$ 2,121,931	
Investments	5,070,640	20,308,200	-	-	25,378,839
Receivables (net of allowance)					
Property taxes	116,044	-	-	-	116,044
Accounts	195,974	-	476,249	672,222	
Prepaid expenses	68,982	-	49,780	118,762	
Restricted cash	-	-	-	-	-
Due from other funds	3,196,069	-	65,664	3,261,734	
Due from other governments	177,242	-	244,504	421,746	
Inventory	59,947	-	-	-	59,947
Total assets	<u>\$ 10,024,738</u>	<u>\$ 20,334,902</u>	<u>\$ 1,791,585</u>	<u>\$ 32,151,225</u>	
Liabilities					
Accounts payable	\$ 844,340	\$ -	\$ 345,013	\$ 1,189,353	
Accrued expenses	291,543	-	4,781	296,324	
Due to other funds	65,664	1,555,516	332,387	1,953,567	
Unearned revenue	4,960,029	-	75,293	5,035,322	
Total liabilities	<u>\$ 6,161,577</u>	<u>\$ 1,555,516</u>	<u>\$ 757,473</u>	<u>\$ 8,474,566</u>	
Deferred Inflows of Resources					
Unavailable revenue - property taxes	\$ 88,437	\$ -	\$ -	\$ 88,437	
Funds balances					
Nonspendable:					
Inventory	\$ 59,947	\$ -	\$ -	\$ 59,947	
Prepaid expenses	68,982	-	49,780	118,762	
Restricted:					
Special projects	-	18,779,386	984,332	19,763,718	
Unassigned	3,645,796	-	-	3,645,796	
Total fund balances	<u>\$ 3,774,725</u>	<u>\$ 18,779,386</u>	<u>\$ 1,034,112</u>	<u>\$ 23,588,223</u>	
Total liabilities, deferred outflows and inflows of resources and fund balances	<u>\$ 10,024,738</u>	<u>\$ 20,334,902</u>	<u>\$ 1,791,585</u>	<u>\$ 32,151,226</u>	

CITY OF SENECA, SOUTH CAROLINA
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
 JUNE 30, 2025

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 23,588,222

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. 88,437

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 \$49,249,071 and the accumulated depreciation and amortization is \$30,330,424. 18,918,934

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. (9,142,262)

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	(1,581,039)
Bonds payable	(1,210,000)
Lease liability	(106,464)
Compensated absences	<u>(630,146)</u>
	(3,527,648)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as
 and expenditure when due. (45,478)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 29,880,205

CITY OF SENECA, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Downtown		Total Non-Major		Total
	General	Seneca Improvements	Funds	Total	
Revenues					
Property taxes	\$ 3,601,900	\$ -	\$ 1,449,343	\$ 5,051,243	
License and permits	3,918,746	-	-	3,918,746	
Federal aid	333,127	-	1,012,346	1,345,473	
State aid	744,462	8,000	74,440	826,903	
County aid	1,300,000	-	282,044	1,582,044	
Charges for services	1,271,161	-	-	1,271,161	
Fines and forfeitures	50,205	-	-	50,205	
Investment earnings (loss)	169,074	902,260	42	1,071,375	
Contributions	-	-	37,295	37,295	
Other revenues	298,589	-	33,687	332,276	
Total revenues	<u>\$ 11,687,265</u>	<u>\$ 910,260</u>	<u>\$ 2,889,196</u>	<u>\$ 15,486,722</u>	
Expenditures					
Current operating					
General government	\$ 2,580,266	\$ -	\$ -	\$ 2,580,266	
Public safety	7,385,181	-	-	7,385,181	
Public works	2,068,894	-	4,000	2,072,894	
Project administration	-	-	865,846	865,846	
Recreation	1,262,633	-	1,025,395	2,288,028	
Arts, History & Culture	336,635	-	-	336,635	
Non-departmental	1,820,011	-	52,849	1,872,860	
Capital outlay					
General government	301,558	-	621,417	922,975	
Public safety	450,840	-	-	450,840	
Public works	390,137	-	-	390,137	
Recreation	113,591	-	-	113,591	
Arts, History & Culture	64,409	-	-	64,409	
Benefits	-	-	13,665	13,665	
Debt service					
Principal retirement	725,500	-	-	725,500	
Interest and fiscal charges	138,383	-	-	138,383	
Total expenditures	<u>\$ 17,638,037</u>	<u>\$ -</u>	<u>\$ 2,583,171</u>	<u>\$ 20,221,208</u>	
Excess (deficiency) of revenues over (under) expenditures	\$ (5,950,772)	\$ 910,260	\$ 306,026	\$ (4,734,486)	
Other financing sources (uses)					
Transfers in	\$ 6,388,159	\$ -	\$ 682,572	\$ 7,070,731	
Transfers out	(1,380,084)	(2,177,307)	(1,025,342)	(4,582,733)	
Insurance recovery	131,263	-	-	131,263	
Sale of fixed assets	44,703	-	-	44,703	
Issuance of financed purchase	24,981	-	-	24,981	
Issuance of lease	80,276	-	-	80,276	
Total other financing sources (uses)	<u>\$ 5,289,298</u>	<u>\$ (2,177,307)</u>	<u>\$ (342,771)</u>	<u>\$ 2,769,221</u>	
Net change in Fund Balance	\$ (661,473)	\$ (1,267,047)	\$ (36,745)	\$ (1,965,265)	
Fund balances, beginning	<u>4,436,198</u>	<u>20,046,433</u>	<u>1,070,857</u>	<u>25,553,488</u>	
Fund balances, ending	<u>\$ 3,774,725</u>	<u>\$ 18,779,386</u>	<u>\$ 1,034,112</u>	<u>\$ 23,588,223</u>	

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, 2025

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

Net change in fund balances - total governmental funds	\$ (1,965,265)
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.	349,033
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(49,363)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(1,486)
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	1,915,908
Depreciation and amortization expense	<u>(2,018,446)</u>
	(102,538)
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.	(44,675)
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	13,203
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 transaction, 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.	(105,257)
Repayment of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position.	<u>725,500</u>
Change in net position of governmental activities	<u>\$ (1,180,847)</u>

CITY OF SENECA, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Light & Water Fund	Seneca Facilitie Corp Fund	Nonmajor		Total
			Seneca Improvements Corp		
Assets					
Current assets					
Cash	\$ -	\$ 578,288	\$ 431,286	\$ 1,009,575	
Restricted cash	483,016	5,892	-	488,908	
Investments	1,836,401	-	-	1,836,401	
Receivables:					
Accounts receivable, net of allowance	4,823,131	77,840	-	4,900,971	
Other receivables	2,293,694	-	1,198	2,294,892	
Lease receivable, current	-	840,536	-	840,536	
Financed purchase receivable, current	-	-	61,531	61,531	
Prepaid expenses	49,568	13,256	-	62,824	
Due from other funds	-	-	-	-	
Inventory	3,540,603	-	-	3,540,603	
Total current assets	<u>\$ 13,026,414</u>	<u>\$ 1,515,812</u>	<u>\$ 494,016</u>	<u>\$ 15,036,242</u>	
Noncurrent assets					
Lease receivable	\$ -	\$ 3,163,417	\$ -	\$ 3,163,417	
Financed purchase receivable	-	-	380,925	380,925	
Land	1,085,510	240,588	-	1,326,097	
Buildings	15,553,367	3,228,416	189,054	18,970,836	
Improvements	89,303,920	3,731,583	1,032,754	94,068,257	
Equipment	7,620,981	6,000	-	7,626,981	
Vehicles	4,950,554	-	-	4,950,554	
Construction in progress	10,776,363	76,900	4,827,516	15,680,779	
Less, accumulated depreciation	(57,018,279)	(1,734,957)	(97,955)	(58,851,191)	
Right-to-use lease equipment	22,349	-	-	22,349	
Less, accumulated amortization	(1,862)	-	-	(1,862)	
Total noncurrent assets	<u>\$ 72,292,903</u>	<u>\$ 8,711,946</u>	<u>\$ 6,332,294</u>	<u>\$ 87,337,143</u>	
Total assets	<u>\$ 85,319,316</u>	<u>\$ 10,227,759</u>	<u>\$ 6,826,310</u>	<u>\$ 102,373,385</u>	
Deferred outflow of resources					
Deferred bond loss	\$ 37,750	\$ -	\$ -	\$ 37,750	
Deferred pension charges	1,464,394	-	-	1,464,394	
Total deferred outflow of resources	<u>\$ 1,502,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,502,144</u>	
Liabilities					
Current liabilities					
Accounts payable	\$ 2,484,367	\$ 11,171	\$ -	\$ 2,495,538	
Accrued expenses	1,667,967	-	-	1,667,967	
Compensated absences	421,705	-	-	421,705	
Financed purchases and leases payable, current	260,545	-	-	260,545	
State revolving fund loan, current	972,351	-	-	972,351	
Bonds payable, current	469,683	415,000	-	884,683	
Customer deposits	1,303,540	-	-	1,303,540	
Unearned revenue	2,375,719	-	4,164	2,379,883	
Interest payable	51,025	30,326	-	81,351	
Due to customers	2,055,775	-	-	2,055,775	
Due to other funds	1,308,166	-	-	1,308,166	
Total current liabilities	<u>\$ 13,370,842</u>	<u>\$ 456,498</u>	<u>\$ 4,164</u>	<u>\$ 13,831,503</u>	
Long-term liabilities					
Financed purchases and leases payable	\$ 456,763	\$ -	\$ -	\$ 456,763	
State revolving fund loans	10,345,151	-	-	10,345,151	
Bonds payable	1,454,567	2,755,000	-	4,209,567	
Net pension liability	8,332,367	-	-	8,332,367	
Total long-term liabilities	<u>\$ 20,588,848</u>	<u>\$ 2,755,000</u>	<u>\$ -</u>	<u>\$ 23,343,848</u>	
Total liabilities	<u>\$ 33,959,690</u>	<u>\$ 3,211,498</u>	<u>\$ 4,164</u>	<u>\$ 37,175,351</u>	
Deferred inflow of resources					
Deferred pension credits	\$ 588,581	\$ -	\$ -	\$ 588,581	
Lease receipts	-	3,766,942	-	3,766,942	
Total deferred inflow of resources	<u>\$ 588,581</u>	<u>\$ 3,766,942</u>	<u>\$ -</u>	<u>\$ 4,355,524</u>	
Net position					
Net investment in capital assets	\$ 58,371,594	\$ 2,378,530	\$ 5,951,369	\$ 66,701,493	
Restricted for:					
Debt service	483,016	5,892	-	488,908	
Special projects	-	-	-	-	
Unrestricted	(6,581,420)	864,896	870,779	(4,845,745)	
Total net position	<u>\$ 52,273,189</u>	<u>\$ 3,249,318</u>	<u>\$ 6,822,147</u>	<u>\$ 62,344,656</u>	

CITY OF SENECA, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Nonmajor				Total
	Light & Water Fund	Seneca Facilities Corp Fund	Seneca Improvements Corp Fund		
Operating revenues					
Charges for services					
Electric	\$ 21,414,472	\$ -	\$ -	\$ 21,414,472	
Water	12,263,577	-	-	12,263,577	
Sewer	7,554,150	-	-	7,554,150	
Lease income	-	833,569	-	833,569	
Other	591,101	-	-	591,101	
Total operating revenues	\$ 41,823,299	\$ 833,569	\$ -	\$ 42,656,869	
Operating expenses					
Light & water administration	\$ 1,945,893	\$ -	\$ -	\$ 1,945,893	
I&I department	145,212	-	-	145,212	
Billing department	1,262,092	-	-	1,262,092	
Engineering department	810,105	-	-	810,105	
Electrical department	3,720,259	-	-	3,720,259	
Water department	2,664,739	-	-	2,664,739	
Sewer department	5,967,219	-	-	5,967,219	
Water plant	2,452,440	-	-	2,452,440	
Electrical generation/purchase	9,577,828	-	-	9,577,828	
Maintenance	894,604	-	-	894,604	
Non-departmental	1,044,717	-	-	1,044,717	
Depreciation	2,959,391	174,800	35,403	3,169,593	
Program expenses	-	-	141,388	141,388	
Facilities operations	-	520,832	18,647	539,479	
FEMA related expenses	281,252	-	-	281,252	
Total operating expenses	\$ 33,725,753	\$ 695,632	\$ 195,437	\$ 34,616,822	
Operating income (loss)	\$ 8,097,547	\$ 137,937	\$ (195,437)	\$ 8,040,047	
Non-operating revenues (expenses)					
Investment income	\$ 104,299	\$ 115,740	\$ 15,305	\$ 235,343	
Interest expense	(283,969)	(92,892)	-	(376,862)	
Insurance recovery	103,079	-	-	103,079	
Gain (loss) on disposal	5,911	-	(2,457,485)	(2,451,574)	
Total non-operating revenues (expenses), net	\$ (70,681)	\$ 22,847	\$ (2,442,180)	\$ (2,490,013)	
Income (loss) before transfers and capital contributions	\$ 8,026,866	\$ 160,784	\$ (2,637,617)	\$ 5,550,033	
Capital contributions					
Capital contribution	\$ 264,460	\$ -	\$ -	\$ 264,460	
Capital contributions - grants	5,922,991	-	-	5,922,991	
Total capital contributions	\$ 6,187,451	\$ -	\$ -	\$ 6,187,451	
Transfers					
Transfers in	\$ 402,692	\$ 149,016	\$ 2,725,803	\$ 3,277,511	
Transfers out	(5,603,842)	(161,667)	-	(5,765,509)	
Total transfers	\$ (5,201,150)	\$ (12,651)	\$ 2,725,803	\$ (2,487,998)	
Change in net position	\$ 9,013,167	\$ 148,133	\$ 88,186	\$ 9,249,487	
Net position, beginning	\$ 43,260,022	\$ 3,101,185	\$ 6,733,961	\$ 53,095,168	
Net position, ending	\$ 52,273,189	\$ 3,249,318	\$ 6,822,147	\$ 62,344,655	

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, 2025

				Nonmajor	
	Light & Water Fund	Seneca Facilities Corp Fund	Seneca Improvements Corp Fund		Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 40,128,000	\$ 814,848	\$ 59,968		\$ 41,002,816
Payments to suppliers/goods and services	(22,313,797)	(531,626)	(1,606,936)		(24,452,359)
Payments to/f/for employees	(7,323,597)	-	-		(7,323,597)
Other receipts	103,079	-	-		103,079
Net cash provided (used) by operating activities	<u>\$ 10,593,685</u>	<u>\$ 283,222</u>	<u>\$ (1,546,968)</u>		<u>\$ 9,329,938</u>
Cash flows from non-capital financing activities:					
Interfund transfers in	\$ 402,692	\$ 149,016	\$ 2,725,803		\$ 3,277,511
Interfund transfers out	(5,603,842)	(161,667)	-		(5,765,509)
Net cash flows provided (used) by non-capital financing activities	<u>\$ (5,201,150)</u>	<u>\$ (12,651)</u>	<u>\$ 2,725,803</u>		<u>\$ (2,487,998)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets, net	\$ (7,764,129)	\$ (76,900)	\$ (2,475,847)		\$ (10,316,876)
Proceeds of sale of capital assets	5,911	-	954,444		960,355
Principal paid on capital debt	(2,556,748)	(400,000)	-		(2,956,748)
Interest paid on capital debt	(301,609)	(96,719)	-		(398,328)
Principal paid on lease obligation	(1,307)	-	-		(1,307)
Interest paid on lease obligation	(1,328)	-	-		(1,328)
Total cash flows from capital and related financing activities	<u>\$ (10,619,209)</u>	<u>\$ (573,619)</u>	<u>\$ (1,521,403)</u>		<u>\$ (12,714,231)</u>
Cash flows from investing activities:					
Capital contributions - grant	\$ 5,922,991	\$ -	\$ -		\$ 5,922,991
Investment purchases	(1,734,248)	-	-		(1,734,248)
Interest income	104,299	115,740	15,305		235,343
Total cash flows from investing activities	<u>\$ 4,293,042</u>	<u>\$ 115,740</u>	<u>\$ 15,305</u>		<u>\$ 4,424,086</u>
Net increase (decrease) in cash	<u>\$ (933,633)</u>	<u>\$ (187,309)</u>	<u>\$ (327,263)</u>		<u>\$ (1,448,205)</u>
Cash, beginning	<u>\$ 1,416,649</u>	<u>\$ 771,489</u>	<u>\$ 758,550</u>		<u>\$ 2,946,688</u>
Cash, ending	<u>\$ 483,016</u>	<u>\$ 584,180</u>	<u>\$ 431,286</u>		<u>\$ 1,498,482</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 8,097,547	\$ 137,937	\$ (195,437)		\$ 8,040,047
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	2,959,391	174,800	35,403		3,169,593
Other receipts	103,079	-	-		103,079
Changes in assets (increase), decrease:					
Accounts receivable	336,907	(1,549)	-		335,358
Other receivable	(2,196,986)	-	162		(2,196,824)
Lease receivable	-	817,946	-		817,946
Financed purchase receivable	-	-	59,566		59,566
Due from other funds	2,707	-	-		2,707
Prepaid expenses	30,487	(13,256)	-		17,231
Inventory	(186,454)	-	-		(186,454)
Deferred bond gain	22,716	-	-		22,716
Deferred pension charges	(19,213)	-	-		(19,213)
Changes to liabilities increase, (decrease):					
Accounts payable	1,593,257	2,462	-		1,595,719
Accrued expenses	116,693	-	-		116,693
Customer deposits	53,880	-	-		53,880
Unearned revenue	(79,763)	-	240		(79,523)
Compensated absences payable	(98,266)	-	-		(98,266)
Due to customers	659,430	-	-		659,430
Pension liability	(726,173)	-	-		(726,173)
Due to other funds	(468,768)	-	(1,446,901)		(1,915,669)
Deferred pension credits	393,214	-	-		393,214
Deferred inflows - lease receipts	-	(835,119)	-		(835,119)
Total adjustments	<u>\$ 2,496,138</u>	<u>\$ 145,285</u>	<u>\$ (1,351,531)</u>		<u>\$ 1,289,892</u>
Net cash provided (used) by operating activities	<u>\$ 10,593,685</u>	<u>\$ 283,222</u>	<u>\$ (1,546,968)</u>		<u>\$ 9,329,938</u>
Schedule of non-cash capital and related financing activities:					
Recognition of right-to-use asset and lease liability	22,349	-	-		22,349
Donated land recorded as capital contribution	32,000	-	-		32,000
Transfer of long-term liabilities to/from governmental activities	232,460	-	-		232,460
	<u>\$ 286,809</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 286,809</u>

CITY OF SENECA, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Custodial Funds
ASSETS	
Cash	<u>\$ 76,345</u>
Total assets	<u>76,345</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u>76,345</u>
Total net position	<u>\$ 76,345</u>

CITY OF SENECA, SOUTH CAROLINA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Funds
ADDITIONS	
Contributions	\$ 145,586
Investment earnings	12
Total additions	<u>145,597</u>
DEDUCTIONS	
Benefits	<u>155,016</u>
Total deductions	<u>155,016</u>
Change in net position	(9,418)
NET POSITION, BEGINNING OF YEAR	<u>85,764</u>
NET POSITION, END OF YEAR	<u>\$ 76,345</u>

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Located in Oconee County in the northwestern region of 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 standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the City are described below.

As required by GAAP, the City's financial statements include the financial information of its component units. The primary criterion for determining whether a legally separate entity should be included as a component unit is financial accountability. Financial accountability exists if the City:

1. Appoints a voting majority of the entity's governing body **and**
2. Is able to impose its will on the entity or there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the City.

If these criteria are not met, a legally separate entity may still be considered a component unit if it is fiscally dependent on the City and there is a potential for the entity to provide specific financial benefits to, or impose specific burdens on, the City.

To be fiscally independent, an entity must have the authority to:

- a. Adopt its without City approval or modification;
- b. Set taxes, rates, or charges without City approval; and
- c. Issue bonded debt without City approval.

A financial benefit or burden relationship exists if, for example:

- a. The City is legally entitled to the entity's resources;
- b. The City is legally obligated or has assumed an obligation to finance the entity's deficits or provide financial support; or

CITY OF SENECA, SOUTH CAROLINA

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c. The City is obligated in some manner for the entity's debt.

An entity must also be included as a component unit if exclusion would cause the City's financial statements to be misleading, even if the above conditions are not fully met.

Blended component units, although legally separate entities, are considered to be, in substance, part of the City's operations. Accordingly, their financial data are combined with the financial data of the primary government and reported in the appropriate governmental and proprietary funds. Discretely presented component units, by contrast, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

Based on the criteria described above, the City reports two blended components units. The City does not report 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

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

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 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 governmental 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 electric services.

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) present information on all the nonfiduciary activities of the City (the "primary government"). The effects of most interfund activity have been eliminated, except for interfund services provided and used between functions. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges for support.

The Statement of Activities demonstrates the extent to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those clearly associated with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted for the operational or capital requirements of a specific function or segment.

Revenues that do not qualify as program revenues, including taxes and other general revenues, are reported as general revenues. Comparing direct expenses with program revenues helps identify the extent to which each function is self-supporting or depends on the City's general revenues. Interfund services provided and used are not eliminated in the consolidation process.

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.

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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.

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 30 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

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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.

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:

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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.

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 Proprietary Funds. The City has three unbudgeted custodial funds which include the Firemen's 1% Fund, Municipal Court 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. *Departmental Requests*: By mid-March of each year, all departments and agencies submit their appropriation requests to the City Administrator and Finance team for the preparation of the annual budget. The budget is developed by fund, function, and department, and includes information on the prior year, the current year budget, and requested appropriations for the upcoming fiscal year.
2. *Budget Presentation and Adoption*: In May, 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 start of the next fiscal year. Although budgets are prepared for informational purposes, the City Council does not adopt budgets for the Seneca Facilities Corporation or the Seneca Improvements Corporation.
3. *Budget Amendments*: The City Administrator is authorized to transfer budgeted amounts within any fund as necessary to achieve the goals; however, such transfers may not increase the total appropriation of any fund. Any revisions that change total expenditures of a fund require an affirmative vote of a majority of the City Council. Budgeted expenditure appropriations lapse at year-end.
4. *Basis of Budgeting*: Budgets for the budgeted funds are legally adopted on a basis consistent with GAAP, except for the Enterprise Fund, which follows the City's budgetary basis. The year-end budgets for these funds represent the budgets adopted and subsequently amended by the City Council.

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
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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.

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.

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- 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 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 Prepays

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).

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NOTES TO THE FINANCIAL STATEMENTS
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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.

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.

Capital assets are depreciated 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

H. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation benefits and sick leave benefits. Vacation leave is accrued when earned in the government-wide and proprietary fund financial statements.

Although the government does not pay unused sick leave upon separation, accumulated sick leave is evaluated under GASB standards. A liability for sick leave is recorded to the extent it is more than likely not to be used for time off in the future. Sick leave that is not expected to be used is not accrued.

Employees terminating or retiring are paid for accumulated general leave based on their hourly rate of pay earned at the time of separation. The full compensated absences liability is reported in the government-wide financial statements, and the portion applicable to proprietary funds is also recorded in those funds. Governmental funds recognize compensated absences only when they have matured, such as upon resignation or retirement prior to fiscal year-end, and only if material.

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

I. Accrued Liabilities and Long-Term Obligations

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

In the government-wide financial and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, if material, are reported as deferred inflows or outflows and amortized over the life of the bonds using the straight-line method. Amortization is included in interest expense. Bonds payable are reported net of the related premiums and discounts. In accordance with GASB Statement No. 65, debt issuance costs (other than prepaid insurance) are recognized as expenses when incurred.

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

J. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the governmental funds Balance Sheet may report a separate financial statement element for deferred outflows of resources. A deferred outflow of resources represents a consumption of net assets that applies to future periods and therefore will be recognized as an outflow of resources (expense/expenditure) in those future periods.

The City reports two types of deferred outflows of resources:

1. *Deferred charges on refunding transactions* in the proprietary funds, representing the unamortized difference between the carrying amount of the old debt and the reacquisition price. These amounts are amortized over the remaining life of the refunded or refunding debt, in accordance with GASB Statement No. 65.
2. *Deferred pension amounts* related to the City's participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. These items, required under GASB Statement No. 68, include contributions made after the measurement date, which are recognized in the subsequent period as a reduction of the net pension liability, and other pension-related amounts that are amortized as pension expense in future periods using systematic and rational method.

In addition to liabilities, the Statement of Net Position and governmental funds Balance Sheet may also report deferred inflows of resources. A deferred inflow of resources represents an acquisition of net assets that applies to future periods and will be recognized as an inflow of resources (revenue) in those future periods.

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

The City reports three types of deferred inflows of resources:

1. *Unavailable revenue* in the governmental funds. These amounts are deferred until they become available under the modified accrual basis of accounting.
2. *Deferred pension credits* related to the City's participation in the pension plans. In accordance with GASB Statement No. 68, these amounts are amortized in a systematic and rational manner and recognized as a reduction of pension expense in future periods.
3. *Deferred lease receipts*, reported in the government-wide statements under GASB Statement No. 87, representing lease payments received before they are earned. These amounts are recognized as revenue on a straight-line basis over the term of the lease.

B. Fund Balance

In accordance with GASB Statement No. 54, the City classifies governmental fund balances into the following categories:

Nonspendable – Amounts that cannot be spent because they are either (a) not in spendable form (such as inventories, prepaid items, or long-term portions of loans and notes receivable), or (b) legally or contractually required to maintain intact (such as principal of an endowment).

Restricted – Amounts constrained to specific purposes by external parties, including (a) other governments through laws or regulations, (b) grantors, contributors, or other external agreements, (c) creditors through debt covenants or contracts, (d) laws imposed through constitutional provisions or enabling legislation.

Committed – Amounts that can be only used for specific purposes pursuant to formal action (an ordinance) taken by City Council, the government's highest level of decision-making authority, prior to the end of the reporting period. Commitments may only be changed or removed by taking the same type of formal action.

Assigned – Amounts intended to be used for specific purposes that do not meet the criteria for restricted or committed fund balance. Assignments are made before the issuance of the financial statements. The City Administrator may assign fund balance amounts only after receiving approval from City Council.

Unassigned – The residual classification for the General Fund and includes all amounts not contained in other classifications. Only the General Fund may report a positive unassigned fund balance. Other governmental funds may report a negative unassigned balance if expenditures for specific purposes exceed amounts restricted, committed, or assigned for those purposes.

The City's policy is to use restricted resources first when expenditures can be funded from either restricted or unrestricted fund balance, unless legal requirements prohibit it. When unrestricted amounts are available for use, the City generally uses committed amounts first, followed by assigned, and then unassigned amounts.

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

C. 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 into the following components:

Net Investment in Capital Assets – This category consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt used to acquire, construct, or improve those assets. Unspent debt proceeds related to capital assets are included in this component of net position.

Restricted – This category includes net position for which use is constrained by externally imposed restrictions from creditors, grantors, contributors, or laws or regulations of other governments, as well as restrictions imposed through enabling legislation.

Unrestricted – This category includes all other net position not meeting the definition of net investment in capital assets or restricted net position.

D. Use of Estimates

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

E. 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 in the governmental fund statements, which follow the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates. The net pension liability represents the excess of the total pension liability over the plans' fiduciary net position, or the City's proportionate share in the case of cost-sharing multiple-employer plan, measured as of the City's fiscal year-end.

Changes in the net pension liability are recognized as components of pension expense or as deferred outflows or inflows of resources, depending on the nature of the change. Amounts reported as deferred outflows or inflows of resources related to changes in actuarial assumptions, differences between expected and actual experience, and other inputs are amortized over the weighted-average remaining service lives of all participants in the respective plan, beginning in the period the changes are incurred.

Projected earnings on plan investments are recognized as part of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

resources and are amortized as a component of pension expense on a closed, multi-year period, beginning in the period in which the difference arises.

F. Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy for inputs used to measure fair value. The hierarchy prioritizes the use of observable inputs, giving the 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 levels of the fair value hierarchy are described as follows:

Level 1 – Inputs consist of unadjusted quoted prices for identical assets or liabilities in active markets that the City can access at the measurement date.

Level 2 – Inputs other than quoted methodology prices included in Level 1 that are observable for an asset or liability either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Observable inputs other than quoted prices (such as interest rates, yield curves, and credit spreads);
- Inputs that are derived principally from or corroborated by observable market data.

Level 3 – Unobservable inputs for the asset or liability. Fair value measurements at this level often rely on internally developed models in which significant inputs are unobservable.

The fair value measurement level for an asset or liability is based on the lowest level input that is significant to the fair value measurement. Valuation techniques are selected 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 net realizable value or reflective of future fair values. The City believes that the valuation methods used are appropriate and consistent with GAAP; however, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date. There were no significant changes in valuation techniques from the prior year.

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. LEGAL COMPLIANCE – BUDGETS

A. Excess of Expenditures over Appropriations

For the year ended June 30, 2025, the amounts of any excess of governmental expenditures over appropriations at the legal level of control are as follows:

Fund	Excess
General Fund	\$ 1,406,530
Local Hospitality Tax Fund	12,995
State Accommodations Tax Fund	15,044

The over-expenditure in the General Fund was funded by under-expenditure in other departments and transfers in from other funds. The over-expenditure in the Local Hospitality Tax Fund will be funded by available fund balance within the fund. The over-expenditure 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, 2025, \$3,191,685 of the City's bank balance of \$4,452,125 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, 2025, the City had the following investments:

Investment	Fair Value Level	Fair Value
SC Local Government Investment Pool	Not Applicable	\$ 6,705,009
Money Market Mutual Funds	Not Applicable	6,041,069
U.S. Government Treasuries	Level 1	14,469,162
		<u>\$ 27,215,240</u>

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

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 \$27,215,240, 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, 2025

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, 2025 represent uncollected tax levies less allowance for doubtful accounts as follows:

General Fund	Receivable	Allowance
	<u><u>\$ 119,633</u></u>	<u><u>\$ 3,589</u></u>

Delinquent taxes receivable is included in taxes receivable and represent 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	Seneca Improvements	Nonmajor	Total
Taxes	\$ 119,633	\$ -	\$ -	\$ -	\$ -	\$ 119,633
Accounts	195,974	5,892,557	77,840	-	476,249	6,642,620
Intergovernmental	177,242	-	-	1,198	-	178,440
Other	-	2,293,694	-	-	244,504	2,538,198
 Gross Receivables	 \$ 492,849	 \$ 8,186,251	 \$ 77,840	 \$ 1,198	 \$ 720,753	 \$ 9,478,891
Less Allowance	<u><u>3,589</u></u>	<u><u>1,069,426</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,073,015</u></u>
 Net Receivables	 <u><u>\$ 489,260</u></u>	 <u><u>\$ 7,116,825</u></u>	 <u><u>\$ 77,840</u></u>	 <u><u>\$ 1,198</u></u>	 <u><u>\$ 720,753</u></u>	 <u><u>\$ 8,405,876</u></u>

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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	\$ 6,388,159	\$ 1,380,084
Light & Water Fund	402,692	5,603,842
Seneca Improvements	2,725,803	-
Seneca Facilities	149,016	161,667
Downtown Seneca Improvements	-	2,177,307
Nonmajor Governmental Funds	<u>682,572</u>	<u>1,025,342</u>
 Total Transfers	 <u>\$ 10,348,242</u>	 <u>\$ 10,348,242</u>

A capital contribution of \$232,460 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, 2025

As of June 30, 2025, interfund receivables and payables that resulted from interfund transactions were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 3,196,069	\$ 65,664
Downtown Seneca Improvements	-	1,555,516
Light & Water Fund	-	1,308,166
Nonmajor Governmental Funds	<u>65,664</u>	<u>332.387</u>
Total	<u>\$ 3,261,733</u>	<u>\$ 3,261,733</u>

NOTE 7. Capital Assets

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

Governmental Activities

Capital Assets, Not Depreciated	Beginning	Increases	Decreases	Ending
Land	\$ 1,327,312	\$ -	\$ -	\$ 1,327,312
Construction in Progress	<u>5,464,391</u>	<u>430,791</u>	<u>5,413,591</u>	<u>481,591</u>
Total Not Depreciated	<u>\$ 6,791,703</u>	<u>\$ 430,791</u>	<u>\$ 5,413,591</u>	<u>\$ 1,808,903</u>
<hr/>				
Capital Assets, Depreciated/Amortized				
Buildings	\$ 9,432,179	\$ 4,839,338	\$ 232,460	\$ 14,039,057
Improvements	15,410,101	121,997	-	15,532,098
Equipment	5,962,180	1,422,936	-	7,385,116
Vehicles	10,044,821	434,161	134,402	10,344,580
Right-to-use lease equipment	<u>59,328</u>	<u>80,276</u>	<u>-</u>	<u>139,604</u>
Total Depreciated/Amortized	<u>\$ 40,908,609</u>	<u>\$ 6,898,708</u>	<u>\$ 366,862</u>	<u>\$ 47,440,455</u>
<hr/>				
Less Accumulated Depreciation/Amortization for:				
Buildings	\$ 5,491,351	\$ 240,657	\$ 183,097	\$ 5,548,911
Improvements	10,849,000	1,251,992	-	12,100,992
Equipment	3,474,568	356,708	-	3,831,276
Vehicles	8,799,726	147,567	134,402	8,812,891
Right-to-use lease equipment	<u>14,832</u>	<u>21,522</u>	<u>-</u>	<u>36,354</u>
Total Depreciation/Amortization	<u>\$ 28,629,477</u>	<u>\$ 2,018,446</u>	<u>\$ 317,499</u>	<u>\$ 30,330,424</u>
Total Depreciable Assets, Net	<u>\$ 12,279,132</u>	<u>\$ 4,880,262</u>	<u>\$ 49,363</u>	<u>\$ 17,110,031</u>
Total Governmental Activities				
Capital Assets, Net	<u>\$ 19,070,835</u>	<u>\$ 5,311,053</u>	<u>\$ 5,462,954</u>	<u>\$ 18,918,934</u>

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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

Business-Type Activities

Capital Assets, Not Depreciated	Beginning	Increases	Decreases	Ending
Land	\$ 1,294,097	\$ 32,000	\$ -	\$ 1,326,097
Construction in Progress	<u>11,381,449</u>	<u>8,591,032</u>	<u>4,291,702</u>	<u>15,680,779</u>
Total Not Depreciated	<u>\$ 12,675,546</u>	<u>\$ 8,623,032</u>	<u>\$ 4,291,702</u>	<u>\$ 17,006,876</u>
<hr/>				
Capital Assets, Depreciated				
Buildings	\$ 18,738,376	\$ 232,460	\$ -	\$ 18,970,836
Improvements	<u>91,772,328</u>	<u>2,295,930</u>	<u>-</u>	<u>94,068,258</u>
Equipment	<u>7,315,965</u>	<u>311,015</u>	<u>-</u>	<u>7,626,981</u>
Right-to-use lease equipment	<u>-</u>	<u>22,349</u>	<u>-</u>	<u>22,349</u>
Vehicles	<u>4,998,334</u>	<u>-</u>	<u>47,780</u>	<u>4,950,554</u>
Total Depreciated	<u>\$ 122,825,003</u>	<u>\$ 2,861,754</u>	<u>\$ 47,780</u>	<u>\$ 125,638,978</u>
<hr/>				
Less Accumulated Depreciation for:				
Buildings	\$ 4,529,601	\$ 746,129	\$ -	\$ 5,275,730
Improvements	<u>40,117,320</u>	<u>1,903,781</u>	<u>-</u>	<u>42,021,101</u>
Equipment	<u>6,864,645</u>	<u>160,162</u>	<u>-</u>	<u>7,024,807</u>
Right-to-use lease equipment	<u>-</u>	<u>1,862</u>	<u>-</u>	<u>1,862</u>
Vehicles	<u>4,219,673</u>	<u>357,661</u>	<u>47,780</u>	<u>4,529,553</u>
Total Depreciation	<u>\$ 55,731,239</u>	<u>\$ 3,169,595</u>	<u>\$ 47,780</u>	<u>\$ 58,853,053</u>
Total Depreciable Assets, Net	<u>\$ 67,093,765</u>	<u>\$ (307,841)</u>	<u>\$ -</u>	<u>\$ 66,786,925</u>
<hr/>				
Total Business-Type Activities				
Capital Assets, Net	<u>\$ 79,769,310</u>	<u>\$ 8,315,191</u>	<u>\$ 4,291,702</u>	<u>\$ 83,793,801</u>

Depreciation expense of the primary government was as follows:

Governmental activities			
General Government		\$ 833,866	
Public Safety		510,651	
Public Works		500,810	
Culture & Recreation		173,119	
Total Depreciation Expense - Governmental Activities		<u>\$ 2,018,446</u>	
Business-Type Activities			
Electric	\$ 851,057		
Water	1,094,166		
Sewer	480,547		
Administration	743,442		
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,169,593</u>		

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8. Long-Term Obligations

In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities of the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

Revenue Bonds

The City has issued revenue bonds within its business-type activities in which income derived from the related acquired or constructed assets is pledged to pay debt service. Revenue bonds outstanding at June 30, 2025, are as follows:

Purpose	Interest Rate	Balance	Current Portion
2020 Combined Utility System (2013 Refinanced)	1.63%	\$ 1,924,249	\$ 469,683
2019 Installment Purchase Revenue Bond (New Market Tax Credit Refinance)	2.87%	\$ 3,170,000	\$ 415,000
Total		\$ 5,094,249	\$ 884,683

Advance Refunding

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.

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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
Total	\$ 1,924,249	\$ 63,316	\$ 1,987,595

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.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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
2031	465,000	41,185	506,185
2031-2032	970,000	41,902	1,011,902
Total	\$ 3,170,000	\$ 374,248	\$ 3,544,248

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.

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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
Total	\$ 422,881	\$ 18,057	\$ 440,938

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 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
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	614,981	62,261	677,242
2031-2035	3,230,833	155,377	3,386,210
2036	168,615	695	169,310
Total	\$ 6,376,263	\$ 565,466	\$ 6,941,730

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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
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	300,776	61,908	362,685
2031-2035	1,592,450	220,973	1,813,423
2036-2040	1,477,450	63,959	1,541,409
Total	\$ 4,518,357	\$ 649,898	\$ 5,168,255

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, 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
2026	\$ 235,000	\$ 12,240	\$ 247,240
2027	240,000	8,245	248,245
2028	245,000	4,165	249,165
Total	\$ 720,000	\$ 24,650	\$ 744,650

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
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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
2026	\$ 160,000	\$ 8,330	\$ 168,330
2027	165,000	5,610	170,610
2028	165,000	2,805	167,805
Total	\$ 490,000	\$ 16,745	\$ 506,745

Financed Purchases and Leases Payable

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, 2025.

Fiscal Year Ending	Governmental Activities	Business-Type Activities	Total Payments
6/30/2026	\$ 439,213	\$ 281,816	\$ 721,029
6/30/2027	439,213	281,816	721,029
6/30/2028	308,905	98,147	407,052
6/30/2029	308,905	98,147	407,052
6/30/2030	218,013	3,689	221,702
Thereafter	204,762	-	204,762
Total minimum payments	\$ 1,919,012	\$ 763,616	\$ 2,682,627
Less interest portion	(231,509)	(46,308)	(277,816)
Present value of future minimum payments			\$ 2,404,811

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Financed purchases	\$ 1,877,350	\$ 24,981	\$ (321,292)	\$ 1,581,039	\$ 339,265
General obligation bonds	1,595,000	-	(385,000)	1,210,000	395,000
Lease liability	45,397	80,276	(19,209)	106,464	27,618
Net pension liability	11,217,977	95,940	(826,403)	10,487,514	-
Compensated absences	<u>585,471</u>	<u>472,634</u>	<u>(427,959)</u>	<u>630,146</u>	<u>630,146</u>
Governmental activity					
Long-term liabilities	<u><u>\$ 15,321,195</u></u>	<u><u>\$ 678,831</u></u>	<u><u>\$ (1,979,863)</u></u>	<u><u>\$ 14,015,162</u></u>	<u><u>\$ 1,392,029</u></u>
Business-type activities:					
Revenue bonds payable	\$ 6,844,265	\$ -	\$ (1,750,015)	\$ 5,094,249	\$ 884,683
SRF loans	12,272,701	-	(955,199)	11,317,502	972,351
Financed purchases	947,798	-	(251,533)	696,265	257,336
Lease liability	-	22,349	(1,307)	21,043	3,479
Net pension liability	9,058,540	170,420	(896,593)	8,332,367	-
Compensated absences	<u>519,971</u>	<u>323,817</u>	<u>(422,084)</u>	<u>421,705</u>	<u>421,705</u>
Business-type activity					
Long-term liabilities	<u><u>\$ 29,643,275</u></u>	<u><u>\$ 494,237</u></u>	<u><u>\$ (4,275,424)</u></u>	<u><u>\$ 25,862,089</u></u>	<u><u>\$ 2,536,074</u></u>

NOTE 9. Other Information

A. Risk Management

The City is exposed to various risks of loss common to municipal operations, including tort liability, theft or damage of public assets, errors and omissions, employee injuries, and losses resulting from natural disasters. To mitigate these risks, the City obtains public-entity insurance coverage through the South Carolina Municipal Insurance and Risk Financing Fund (SCMIRF), along with supplemental commercial insurance policies as needed.

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

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

PEBA issues an Annual Comprehensive Financial Report ("ACFR") containing financial statements and required supplementary information for the 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 first elected to the South Carolina General Assembly at or after the general election in November 2012.

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, 2025

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 first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a class Three member.

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

Plan Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of laws. PEBA does not have the authority to establish or amend 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 below.

SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years 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,

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respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

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

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

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

Plan Contributions

Actuarial valuations 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-

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year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

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

	SCRS Rates			PORS Rates		
	2023	2024	2025	2023	2024	2025
Employer Rate:						
Employer Class Two	17.41%	18.41%	18.41%	19.84%	20.84%	20.84%
Employer Class Three	17.41%	18.41%	18.41%	19.84%	20.84%	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%
	17.56%	18.56%	18.56%	20.24%	21.24%	21.24%
Employee Rate Class Two	9.00%	9.00%	9.00%	9.75%	9.75%	9.75%
Employee Rate Class Three	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
2025	\$ 1,573,428	100%	\$ 795,634	100%
2024	1,505,615	100%	694,286	100%
2023	1,362,103	100%	633,088	100%

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study must be completed at least once in each five-year period. The GASB Statement No. 67 valuation report prepared as of June 30, 2024, is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023, and will be used for future valuations.

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

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Company (GRS) and are based on an actuarial valuation performed as of July 1, 2023. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year-end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 2024.

	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, 2024, 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, 2024, 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	\$ 61,369,806,968	\$ 37,919,492,371	\$ 23,450,314,597	61.8%
PORS	\$ 10,177,904,231	\$ 7,178,118,865	\$ 2,999,785,366	70.5%

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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 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 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private Equity*	9.0%	9.60%	0.86%
Private Debt*	7.0%	6.90%	0.43%
Real Assets	12.0%		
Real Estate*	9.0%	4.30%	0.39%
Infrastructure*	3.0%	7.30%	0.22%
Total Expected Return*	100.0%		5.49%
Inflation for Actuarial Purposes			2.25%
Expected Rate of Return			7.74%

* RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.

** Portable Alpha Strategies, which utilize Hedge Funds and are not included in the Policy Target, will be capped at 15% of total assets.

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NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

Discount Rate

The discount rate used to measure the total pension liability was 7 percent. 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, the 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.

Sensitivity Analysis

The following table presents the sensitivity of the City's proportionate share of net pension liability calculated using the discount rate of 7 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability of the SCRS	\$ 17,946,316	\$ 13,848,673	\$ 10,075,069
City's proportionate share of the net pension liability of the PORS	\$ 7,202,328	\$ 4,971,208	\$ 3,143,804

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

At June 30, 2025, the City reported a liability of \$18,819,881 for its proportionate share of the net pension liabilities for the SCRS plan \$13,848,673 and PORS plan \$4,971,208. The net pension liabilities were measured as of June 30, 2024, 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, 2023 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, 2024, the City's SCRS proportion was 0.059055 percent, which was a decrease of 0.002296 percent from its proportion measured as of June 30, 2023. At June 30, 2024, the City's PORS proportion was 0.165719 percent, which was a decrease of 0.013096 percent from its proportion measured as of June 30, 2023.

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For the year ended June 30, 2025, the City recognized pension expense of \$1,668,334 consisting of \$1,178,329 for SCRS and \$490,005 for PORS. At June 30, 2025, 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	\$ 455,116	\$ 17,187
Changes in Assumptions	244,150	-
Net Difference between projected and actual earnings on Pension plan investments	-	533,593
Deferred amounts from changes in proportionate share and Differences between employer contributions and proportionate Share of total plan employer contributions	162,232	427,462
City's contributions subsequent to the measurement date	1,573,428	-
Total SCRS	<u>\$ 2,434,926</u>	<u>\$ 978,242</u>
PORS		
Differences between expected and actual experience	\$ 466,861	\$ 28,501
Changes in Assumptions	108,232	-
Net Difference between projected and actual earnings on Pension plan investments	-	278,705
Deferred amounts from changes in proportionate share and Differences between employer contributions and proportionate Share of total plan employer contributions	-	300,043
City's contributions subsequent to the measurement date	795,634	-
Total PORS	<u>\$ 1,370,727</u>	<u>\$ 607,249</u>
Total SCRS and PORS	<u><u>\$ 3,805,653</u></u>	<u><u>\$ 1,585,491</u></u>

The \$1,573,428 and \$795,634 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, 2026. 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
2026	\$ (198,811)	\$ (141,082)	\$ (339,893)
2027	330,908	219,992	550,900
2028	(107,715)	(37,377)	(145,092)
2029	(140,223)	(73,689)	(213,912)
Total	<u><u>\$ (115,841)</u></u>	<u><u>\$ (32,156)</u></u>	<u><u>\$ (147,997)</u></u>

CITY OF SENECA, SOUTH CAROLINA

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JUNE 30, 2025

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

As of June 30, 2025, the City reported a payable of approximately \$271,102 to the South Carolina Public Employee Benefit Authority (PEBA). This amount represents the employer and employee contributions due for the month of June 2025 for both South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS). The payable is reported within Employer Retirement Payable on the City's financial statements and was remitted in July 2025.

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, 2025:

<u>Funding</u>	
Federal (FTA)	\$ 530,898
State (SCDOT)	55,040
Local match	266,908
Total funding	<u><u>\$ 852,846</u></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's roof. The original contract price was \$1,014,749; however, subsequent change orders increased the contract

CITY OF SENECA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

sum to \$20,066,722. Within the contract change orders, Hogan will be constructing a performing arts center. As of June 30, 2025, total costs incurred for the project amounted to \$2,610,659. Funding for this project is being provided through state-issued grant funds.

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. Approved projects outstanding as of June 30, 2025 include phase II of the construction of the Faith Log Cabin and Normandy Shores sewer relocation.

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 water system improvements which services the Port Santorini subdivision which was completed in FY25. As of June 30, 2025, there are no outstanding commitments for the approved projects.

Highway 130 Elevated Water Tank: On April 24, 2023, City of Seneca received a SC Infrastructure Investment Program Community Impact grant from the South Carolina Rural Infrastructure Authority. The funding was made possible by State and Local Fiscal Recovery Funds received through the American Rescue Plan Act which provides resources for investments in long term capital improvements that will strengthen critical services. \$6,995,475 was granted for the Highway 130 Elevated Water Tank project and below includes commitments that are outstanding as of June 30, 2025.

On November 25, 2024, Seneca Light & Water entered a construction contract with Landmark Structures for the construction of a 1,000,000-gallon elevated storage tank, approximately 840 linear footages of 12-inch waterline and associated site work and appurtenances. The original contract sum was \$5,361,000 and as of June 30, 2025, the total cost incurred for the project was \$2,381,104.

Seneca Light & Water entered a construction contract on December 16, 2024, with HDH Construction Group for the construction of approximately 10,200 linear footages of 12-inch waterline and associated site work and appurtenances, and abandonment of existing waterlines. The original contract sum was \$1,497,825 and as of June 30, 2025, the total cost incurred for the project was \$1,439,182.

On April 9, 2025, Seneca Light & Water entered a construction contract with HDH Construction for the amount of \$1,476,231 for the construction of a triplex packaged booster pump station and block pump house building, connection to existing water system and associated site work and appurtenances. The total cost incurred for the project was \$130,380.71 at June 30, 2025.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025, the present value of the minimum payments equals \$442,456. See below for a schedule of the minimum payments to be received.

Fiscal year ending	Financed purchase payments
6/30/2026	\$ 75,000
6/30/2027	75,000
6/30/2028	75,000
6/30/2029	75,000
6/30/2030	75,000
6/30/2031	75,000
Thereafter	41,883
Total minimum payments	\$ 491,883
Less interest portion	(49,427)
Present value of future minimum payments	<u>\$ 442,456</u>

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 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.

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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 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 to increase 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, 2025, the present value of the minimum lease payments equals \$1,896,295. See below for a schedule of the minimum lease payments to be received.

Fiscal Year ending	Lease Payments
6/30/2026	\$ 390,390
6/30/2027	390,390
6/30/2028	408,282
6/30/2029	409,910
6/30/2030	409,910
6/30/2031	34,159
Total Minimum Lease Payments	<hr/> \$ 2,043,041
Less Interest Portion	(146,746)
Present Value of Future Minimum Lease Payments	<hr/> \$ 1,896,295

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.

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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, 2025, the present value of the minimum lease payments equals \$2,107,658. See below for a schedule of the minimum lease payments to be received.

Fiscal Year Ending	Lease Payments
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	\$ 2,209,729
Less Interest Portion	(102,071)
Present Value of Future Minimum Lease Payments	<u>\$ 2,107,658</u>

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, 2025

	Original & Final		Budget Variance
	Budget	Actual	
Revenues			
Property taxes			
Real property	\$ 2,902,756	\$ 3,020,278	\$ 117,522
Vehicles	300,000	373,299	73,299
Watercraft	35,000	40,867	5,867
Other	150,000	167,456	17,456
Total property taxes	<u>3,387,756</u>	<u>3,601,900</u>	<u>214,144</u>
Licenses and permits			
Business licenses	2,965,000	3,326,006	361,006
Franchise fees	72,000	69,352	(2,648)
Building permits	300,500	329,040	28,540
Miscellaneous permits	50,000	51,093	1,093
Natural gas authority	160,000	143,255	(16,745)
Total licenses and permits	<u>3,547,500</u>	<u>3,918,746</u>	<u>371,246</u>
Intergovernmental			
County revenue sharing	1,400,000	1,300,000	(100,000)
State grant revenue	-	415,664	415,664
Federal grant revenue	-	333,127	333,127
State government shared revenue	233,500	246,008	12,508
SC housing authority	17,500	28,562	11,062
State grants/SCMIT	98,353	54,229	(44,124)
Total intergovernmental	<u>1,749,353</u>	<u>2,377,589</u>	<u>628,236</u>
Charges for services			
Garbage fees	<u>1,201,647</u>	<u>1,271,161</u>	<u>69,514</u>
Fines and forfeitures			
Municipal court fines	55,000	42,201	(12,799)
Victims assistance fines	8,000	8,004	4
Total fines and forfeitures	<u>63,000</u>	<u>50,205</u>	<u>(12,795)</u>
Investment earnings	<u>-</u>	<u>169,074</u>	<u>169,074</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, 2025

	Original & Final Budget	Actual	Budget Variance
Other			
Recreation fees/sports	149,500	200,554	51,054
Contributions & donations	-	-	-
Miscellaneous income	95,000	98,035	3,035
Total other	<u>244,500</u>	<u>298,589</u>	<u>54,089</u>
Total revenues	<u>10,193,756</u>	<u>11,687,265</u>	<u>1,493,509</u>
Expenditures			
Current operating			
General government			
Municipal judge	271,398	247,851	23,547
Mayor and council	221,991	223,296	(1,305)
Finance/adminstration	852,281	1,005,898	(153,617)
Planning and development	457,803	438,672	19,131
Beautification	720,720	664,549	56,171
Total general government	<u>2,524,193</u>	<u>2,580,266</u>	<u>(56,073)</u>
Public safety			
Police department	4,328,528	4,279,055	49,473
Fire department	<u>2,831,772</u>	<u>3,106,126</u>	<u>(274,354)</u>
Total public safety	<u>7,160,301</u>	<u>7,385,181</u>	<u>(224,881)</u>
Public works			
Street department	1,011,526	893,951	117,575
Sanitation department	622,040	636,335	(14,295)
Motor Pool	539,087	538,608	479
Total public works	<u>2,172,653</u>	<u>2,068,894</u>	<u>103,759</u>
Recreation	<u>1,266,207</u>	<u>1,262,633</u>	<u>3,574</u>
Arts, history & culture	<u>384,633</u>	<u>336,635</u>	<u>47,998</u>
Non-departmental	<u>1,679,119</u>	<u>1,820,011</u>	<u>(140,892)</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, 2025

	Original & Final Budget	Actual	Budget Variance
Capital outlay			
General government	192,725	301,558	(108,833)
Public safety	116,446	450,840	(334,394)
Public works	146,000	390,137	(244,137)
Recreation	140,000	113,591	26,409
Arts, history & culture	45,000	64,409	(19,409)
Total capital outlay	<u>640,171</u>	<u>1,320,535</u>	<u>(680,364)</u>
Debt service			
Principal retirements	265,848	725,500	(459,652)
Interest and fiscal charges	138,383	138,383	-
Total debt service	<u>404,231</u>	<u>863,883</u>	<u>(459,652)</u>
Total expenditures	<u>16,231,508</u>	<u>17,638,037</u>	<u>(1,406,530)</u>
Excess (deficiency) of revenues over (under) expenditures	(6,037,751)	(5,950,772)	86,979
Other financing sources (uses)			
Transfers in	6,186,767	6,388,159	201,392
Transfers out	(149,016)	(1,380,084)	(1,231,068)
Insurance recovery	-	131,263	131,263
Sale of capital assets	-	44,703	44,703
Issuance of financed purchase	-	24,981	24,981
Issuance of lease	-	80,276	80,276
Total other financing sources (uses)	<u>6,037,751</u>	<u>5,289,298</u>	<u>(748,453)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(661,473)	(661,473)
Fund balance, beginning	<u>4,436,198</u>	<u>4,436,198</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,436,198</u>	<u>\$ 3,774,725</u>	<u>\$ (661,473)</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, 2025	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
City's proportion of the net pension liability	0.059055%	0.061351%	0.061691%	0.058242%	0.061898%	0.062199%	0.062642%	0.063860%	0.060788%	0.059549%
City's proportion of the net pension liability	\$ 13,848,673	\$ 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
City's covered payroll	\$ 8,111,103	\$ 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
City's proportionate share of the net pension liability as a percentage of its covered payroll	170.74%	191.23%	203.58%	191.43%	229.03%	216.24%	215.93%	223.10%	218.59%	204.23%
Plan fiduciary net position as a percentage of the total pension liability	61.80%	58.60%	57.10%	60.70%	50.70%	54.40%	54.10%	53.34%	52.91%	56.99%

**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 2025	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
Contractually required contribution	\$ 1,573,428	\$ 1,505,615	\$ 1,362,103	\$ 1,216,484	\$ 1,024,501	\$ 1,074,509	\$ 956,314	\$ 881,435	\$ 740,543	\$ 656,957
Contribution in relation to the contractually required contribution: Contribution deficiency (Excess)	<u>1,573,428</u>	<u>1,505,615</u>	<u>1,362,103</u>	<u>1,216,484</u>	<u>1,024,501</u>	<u>1,074,509</u>	<u>956,314</u>	<u>881,435</u>	<u>740,543</u>	<u>656,957</u>
<u>City of Seneca covered payroll</u>	<u>\$ 8,477,520</u>	<u>\$ 8,111,103</u>	<u>\$ 7,756,849</u>	<u>\$ 7,345,920</u>	<u>\$ 6,584,197</u>	<u>\$ 6,906,582</u>	<u>\$ 6,568,093</u>	<u>\$ 6,500,262</u>	<u>\$ 6,406,079</u>	<u>\$ 5,939,939</u>
Contributions as a percentage of covered payroll	18.56%	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%

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, 2025	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
City's proportion of the net pension liability	0.165719%	0.178815%	0.179799%	0.180644%	0.184215%	0.184934%	0.188615%	0.207800%	0.216460%	0.212240%
City's proportion of the net pension liability	\$ 4,971,208	\$ 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
City's covered 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
City's proportionate share of the net pension liability as a percentage of its covered payroll	152.08%	174.02%	189.46%	171.11%	219.52%	197.59%	204.71%	203.43%	202.94%	172.42%
Plan fiduciary net position as a percentage of the total pension liability	70.50%	67.80%	66.40%	70.40%	58.80%	62.70%	61.73%	60.94%	60.44%	64.57%

**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, 2025	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
Contractually required contribution	\$ 795,634	\$ 694,286	\$ 633,088	\$ 547,588	\$ 495,460	\$ 507,590	\$ 462,444	\$ 423,979	\$ 398,484	\$ 371,732
Contribution in relation to the contractually required contribution:	795,634	694,286	633,088	547,588	495,460	507,590	462,444	423,979	398,484	371,732
Contribution deficiency (Excess)	<u>\$ -</u>									
City of Seneca covered payroll	\$ 3,745,921	\$ 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
Contributions as a percentage of covered payroll	21.24%	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF SENECA, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2025

	"C" Funds	Hospitality Tax	Accommodations Tax	American Rescue Plan Act	County ARPA Funds	Grant Fund
Assets						
Cash	\$ -	\$ 155,908	\$ -	\$ 157,739	\$ -	\$ -
Prepads	- -	49,780	- -	- -	- -	- -
Receivables						
Due from general fund	- -	- -	- -	- -	- -	65,664
Notes/accounts	<u>17,000</u>	<u>623</u>	<u>54,068</u>	<u>-</u>	<u>244,504</u>	<u>2,400</u>
Total assets	<u>17,000</u>	<u>206,311</u>	<u>54,068</u>	<u>157,739</u>	<u>244,504</u>	<u>68,064</u>
Liabilities and fund balances						
Liabilities						
Accounts payable	2,500	72,854	16,220	82,448	9,693	22,836
Due to other funds	14,500	- -	37,848	- -	234,811	45,228
Unearned Revenue	- -	410	- -	74,883	- -	- -
Total liabilities	<u>17,000</u>	<u>73,264</u>	<u>54,068</u>	<u>157,331</u>	<u>244,504</u>	<u>68,064</u>
Fund balances						
Nonspendable						
Prepads	- -	49,780	- -	- -	- -	- -
Restricted						
Public Safety	- -	- -	- -	- -	- -	- -
Culture and recreation	- -	83,267	- -	- -	- -	- -
Project administration	- -	- -	- -	408	- -	- -
Total fund balances	<u>- -</u>	<u>133,047</u>	<u>- -</u>	<u>408</u>	<u>- -</u>	<u>- -</u>
Total liabilities and fund balances	<u>\$ 17,000</u>	<u>\$ 206,311</u>	<u>\$ 54,068</u>	<u>\$ 157,739</u>	<u>\$ 244,504</u>	<u>\$ 68,064</u>

CITY OF SENECA, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2025

	Transit Fund	Policeman's Fund	Museum Account	Narcotics Operating	Fireman's Fund	Dog Park	Total
Assets							
Cash	\$ 602,880	\$ 7,619	\$ 2,195	\$ 18,084	\$ 6,824	\$ 4,140	\$ 955,388
Prepays	-	-	-	-	-	-	49,780
Receivables							
Due from general fund	-	-	-	-	-	-	65,664
Notes/accounts	<u>402,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>720,753</u>
Total assets	<u>1,005,038</u>	<u>7,619</u>	<u>2,195</u>	<u>18,084</u>	<u>6,824</u>	<u>4,140</u>	<u>1,791,585</u>
Liabilities and fund balances							
Liabilities							
Accounts payable	143,242	-	-	-	-	-	349,794
Due to other funds	-	-	-	-	-	-	332,387
Unearned Revenue	-	-	-	-	-	-	75,293
Total liabilities	<u>143,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>757,473</u>
Fund balances							
Nonspendable							
Prepays	-	-	-	-	-	-	49,780
Restricted							
Public Safety	-	7,619	-	18,084	6,824	-	32,527
Culture and recreation	-	-	2,195	-	-	-	85,462
Project administration	<u>861,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,140</u>	<u>866,344</u>
Total fund balances	<u>861,796</u>	<u>7,619</u>	<u>2,195</u>	<u>18,084</u>	<u>6,824</u>	<u>4,140</u>	<u>1,034,112</u>
Total liabilities and fund balances	<u>\$ 1,005,038</u>	<u>\$ 7,619</u>	<u>\$ 2,195</u>	<u>\$ 18,084</u>	<u>\$ 6,824</u>	<u>\$ 4,140</u>	<u>\$ 1,791,585</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, 2025

	"C" Funds	Hospitality Tax	Accommodations Tax	American Rescue Plan Act	County ARPA Funds	Grant Fund
Revenues						
Taxes	\$ -	\$ 1,249,196	\$ 200,146	\$ -	\$ -	\$ -
Federal aid	- -	- -	- -	481,448	- -	- -
State aid	17,000	- -	- -	- -	- -	2,400
County aid	- -	- -	- -	- -	282,044	- -
Investment earnings	- -	- -	- -	40	- -	- -
Contributions	- -	19,000	- -	- -	- -	- -
Other revenue	- -	33,687	- -	- -	- -	- -
Total revenues	17,000	1,301,883	200,146	481,488	282,044	2,400
Expenditures						
Current operating						
Public works	4,000	- -	- -	- -	- -	- -
Culture and recreation	- -	1,025,395	- -	- -	- -	- -
Project administration	13,000	- -	- -	- -	- -	- -
Capital outlay	- -	- -	- -	203,352	- -	418,064
Other	- -	- -	52,544	- -	- -	- -
Benefits	- -	- -	- -	- -	- -	- -
Total expenditures	17,000	1,025,395	52,544	203,352	- -	418,064
Excess (deficiency) of revenues over (under) expenditures	- -	276,488	147,602	278,136	282,044	(415,664)
Other financing sources (uses)						
Transfers in	- -	- -	- -	- -	- -	415,664
Transfers out	- -	(317,600)	(147,602)	(278,096)	(282,044)	- -
Total other financing sources (uses), net	- -	(317,600)	(147,602)	(278,096)	(282,044)	415,664
Net change in fund balances	- -	(41,112)	- -	40	- -	- -
Fund balances, beginning	- -	174,159	- -	368	- -	- -
Fund balances, ending	\$ - -	\$ 133,047	\$ - -	\$ 408	\$ - -	\$ - -

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, 2025

	Transit Fund	Policeman's Fund	Museum Account	Narcotics Operating	Fireman's Fund	Dog Park	Total
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,449,343
Federal aid	530,898	-	-	-	-	-	1,012,346
State aid	55,040	-	-	-	-	-	74,440
County aid	-	-	-	-	-	-	282,044
Investment earnings	-	-	-	1	-	-	42
Contributions	-	11,623	972	-	5,100	600	37,295
Other revenue	-	-	-	-	-	-	33,687
Total revenues	585,938	11,623	972	1	5,100	600	2,889,196
Expenditures							
Current operating							
Public works	-	-	-	-	-	-	4,000
Culture and recreation	-	-	-	-	-	-	1,025,395
Project administration	852,846	-	-	-	-	-	865,846
Capital outlay	-	-	-	-	-	-	621,417
Other	-	-	-	-	5	300	52,849
Benefits	-	10,246	1,956	976	486	-	13,665
Total expenditures	852,846	10,246	1,956	976	492	300	2,583,171
Excess (deficiency) of revenues over (under) expenditures	(266,908)	1,377	(984)	(975)	4,608	300	306,026
Other financing sources (uses)							
Transfers in	266,908	-	-	-	-	-	682,572
Transfers out	-	-	-	-	-	-	(1,025,342)
Total other financing sources (uses), net	266,908	-	-	-	-	-	(342,771)
Net change in fund balances	-	1,377	(984)	(975)	4,608	300	(36,745)
Fund balances, beginning	861,796	6,241	3,179	19,059	2,216	3,839	1,070,857
Fund balances, ending	\$ 861,796	\$ 7,619	\$ 2,195	\$ 18,084	\$ 6,824	\$ 4,140	\$ 1,034,112

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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>
Revenues			
State Aid	<u>\$ 1,656,985</u>	<u>\$ 17,000</u>	<u>\$ (1,639,985)</u>
Expenditures			
Public works/paving	1,056,985	4,000	1,052,985
LW waterline relocation	600,000	13,000	587,000
Total expenditures	<u>1,656,985</u>	<u>17,000</u>	<u>1,639,985</u>
Excess of revenues over (under) expenditures	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	<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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Hospitality Tax	\$ 1,150,000	\$ 1,121,057	\$ (28,943)
Local ATAX	130,000	128,139	(1,861)
Other revenue	50,000	52,687	2,687
Total revenues	<u>1,330,000</u>	<u>1,301,883</u>	<u>(28,117)</u>
Expenditures			
Current operating			
Culture and recreation	1,002,400	1,020,395	(17,995)
Capital outlay	-	-	-
Intergovernmental grants	10,000	5,000	5,000
Total expenditures	<u>1,012,400</u>	<u>1,025,395</u>	<u>(12,995)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>317,600</u>	<u>276,488</u>	<u>(41,112)</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	<u>-</u>	<u>(41,112)</u>	<u>(41,112)</u>
Fund balance, beginning	<u>174,159</u>	<u>174,159</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 174,159</u></u>	<u><u>\$ 133,046</u></u>	<u><u>\$ (41,112)</u></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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 150,000	\$ 200,146	\$ 50,146
Expenditures			
Other Tourism	37,500	52,544	(15,044)
Excess (deficiency) of revenues over (under) expenditures	112,500	147,602	35,102
Other financing sources (uses)			
Transfers out	(112,500)	(147,602)	(35,102)
Excess (deficiency) of revenues and other financing sources over (under) expenditures	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SENECA, SOUTH CAROLINA
 CAT OPERATING GRANT...PT-23N711-28
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Current Year</u>	<u>Prior Periods</u>	<u>Total to Date</u>	<u>Project Authorization</u>	<u>Budget Variance</u>
Revenues					
Federal aid	\$ 479,385	\$ 222,122	\$ 701,507	\$ 787,841	\$ (86,334)
State aid	55,040	103,458	158,498	158,498	-
Total revenues	<u>534,425</u>	<u>325,580</u>	<u>860,005</u>	<u>946,339</u>	<u>(86,334)</u>
Expenditures					
Project administration					
Federal	479,385	222,122	701,507	641,773	(59,734)
State	55,040	103,458	158,498	155,773	(2,725)
Local	265,653	30,977	296,630	263,163	(33,467)
Total expenditures	<u>800,078</u>	<u>356,557</u>	<u>1,156,635</u>	<u>1,060,709</u>	<u>(95,926)</u>
Excess (deficiency) of revenues over (under) expenditures	(265,653)	(30,977)	(296,630)	(114,370)	(182,260)
Other financing sources (uses)					
Transfers in (out)	<u>265,653</u>	<u>30,977</u>	<u>296,630</u>	<u>398,998</u>	<u>(102,368)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,628</u>	<u>(284,628)</u>
Fund balance, beginning	501,796	501,796			
Fund balance, ending	<u>\$ 501,796</u>	<u>\$ 501,796</u>			

Note:

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

CITY OF SENECA
SCHEDULE OF BUDGETED TO ACTUAL COSTS
For the Year Ended June 30, 2025

OPT Contract # Contract period: Performance Period	PT-23N711-28											
	Total Budget	Section 5311			SMTF			Local			Total Program Variance	
		Current	Prior Period	Prior Period	Current	Prior Period	Prior Period	Current	Prior Period	Prior Period		
Jul 24 - Jun 25 Jul 23 - Jun 24 Jul 22 - Jun 23 Jul 24 - Jun 25 Jul 23 - Jun 24 Jul 22 - Jun 23 Jul 24 - Jun 25 Jul 23 - Jun 24 Jul 22 - Jun 23												
ADMINISTRATION												
Other Salaries & Wages	25,638	-	20,510	-	-	-	-	-	5,128	-	25,638	
Fringe Benefits	5,640	-	4,512	-	-	784	-	-	344	-	5,640	
Professional & Technical Service	213,509	113,505	38,568	-	5,563	8,437	-	22,815	1,205	-	71,627	
Materials and Supplies	1,017	-	813	-	-	101	-	-	103	-	1,017	
Total Administration	245,804	113,505	64,403	-	5,563	9,322	-	22,815	6,780	-	103,922	
OPERATIONS												
Professional & Technical Service	789,586	235,994	88,387	-	40,134	77,333	-	195,861	11,051	-	317,598	
Custodial Service	11,322	2,992	1,690	-	293	1,311	-	2,701	378	-	5,336	
Other Services - Cintas	-	-	-	-	-	-	-	-	-	-	-	
Utilities	108,188	27,055	15,131	-	1,763	10,970	-	25,291	4,164	-	54,078	
Total Operations	909,096	266,041	105,208	-	42,190	89,614	-	223,853	15,593	-	377,012	
CAPITAL												
Spare Parts Maintenance items	22,783	-	18,226	-	-	2,279	-	-	2,278	-	22,783	
Lease	-	-	-	-	-	-	-	-	-	-	-	
Preventive Maintenance	167,654	99,842	34,284	-	7,287	2,244	-	18,986	6,326	-	41,539	
Miscellaneous Equipment	-	-	-	-	-	-	-	-	-	-	-	
Shop Equipment	-	-	-	-	-	-	-	-	-	-	-	
Total Capital	190,437	99,842	52,510	-	7,287	4,523	-	18,986	8,604	-	64,322	
Total Program	1,345,337	479,388	222,122	-	55,039	103,458	-	265,654	30,977	-	188,699	
Approved Budget	1,345,337											
Federal Costs	701,510											
State Costs	158,497											
Local Costs	296,631											
Budget Balance	188,699											

CITY OF SENECA, SOUTH CAROLINA
 AMERICAN RESCUE PLAN ACT GRANT...PT-24N7AR-17
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL (GAAP BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance
Revenues			
Federal aid	\$ 51,546	\$ 51,513	\$ (33)
State aid	-	-	-
Total revenues	<u>51,546</u>	<u>51,513</u>	<u>(33)</u>
Expenditures			
Current operating			
General government			
Project administration			
Federal	51,546	51,513	33
State	-	-	-
Local	1,254	1,254	-
Total expenditures	<u>52,800</u>	<u>52,767</u>	<u>33</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,254)</u>	<u>(1,254)</u>	<u>-</u>
Other financing sources (uses)			
Transfers in (out)	<u>1,254</u>	<u>1,254</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SENECA
SCHEDULE OF BUDGETED TO ACTUAL COSTS
For the Year Ended June 30, 2025

OPT Contract # Contract period: Performance Period	PT-24N7AR-17										
	July 1, 2023 - June 30, 2025										
	Total Budget	Section 5311			SMTF			Local			Total Program Variance
		Current	Prior Period	Prior Period	Current	Prior Period	Prior Period	Current	Prior Period	Prior Period	
		Jul 24 - Jun 25	Jul 23 - Jun 24	Jul 22 - Jun 23	Jul 24 - Jun 25	Jul 23 - Jun 24	Jul 22 - Jun 23	Jul 24 - Jun 25	Jul 23 - Jun 24	Jul 22 - Jun 23	
ADMINISTRATION											
Other Salaries & Wages	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	-	-	-	-	-	-	-	-	-	-	-
Professional & Technical Service	-	-	-	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-	-	-	-
Total Administration	-	-	-	-	-	-	-	-	-	-	-
OPERATIONS											
Professional & Technical Service	48,247	47,354	-	-	-	-	-	893	-	-	-
Custodial Service	528	495	-	-	-	-	-	-	-	-	33
Utilities	4,025	3,664	-	-	-	-	-	361	-	-	-
Total Operations	52,800	51,513	-	-	-	-	-	1,254	-	-	33
CAPITAL											
Spare Parts Maintenance items	-	-	-	-	-	-	-	-	-	-	-
Lease	-	-	-	-	-	-	-	-	-	-	-
Preventive Maintenance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Equipment	-	-	-	-	-	-	-	-	-	-	-
Shop Equipment	-	-	-	-	-	-	-	-	-	-	-
Total Capital	-	-	-	-	-	-	-	-	-	-	-
	Total Program	52,800	51,513	-	-	-	-	-	1,254	-	-
	Approved Budget	52,800									
	Federal Costs	51,513									
	State Costs	-									
	Local Costs	1,254									
	Budget Balance	33									

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, 2025

	Budget	Actual	Variance
Operating revenues			
Charges for services			
Electric	\$ 21,879,270	\$ 21,414,472	\$ (464,798)
Water	12,052,863	12,263,577	210,714
Sewer	7,282,000	7,554,150	272,150
Other	1,064,782	591,101	(473,681)
Total operating revenues	42,278,915	41,823,299	(455,616)
Operating expenses			
Light & water administration	1,695,585	1,945,893	(250,308)
I&I department	162,655	145,212	17,443
Billing department	1,079,863	1,262,092	(182,229)
Engineering department	911,525	810,105	101,420
Electrical department	5,669,836	3,720,259	1,949,577
Water department	2,666,164	2,664,739	1,425
Sewer department	5,953,714	5,967,219	(13,505)
Water plant	2,264,664	2,452,440	(187,776)
Electrical generation/purchase	9,639,321	9,577,828	61,493
Maintenance	918,239	894,604	23,635
Non-departmental	3,722,351	1,044,717	2,677,634
Depreciation	2,000,000	2,959,391	(959,391)
FEMA related expenses	-	281,252	(281,252)
Total operating expenses	36,683,917	33,725,753	2,958,165
Operating income (loss)	5,595,000	8,097,547	2,502,547
Non-operating revenues (expenses)			
Investment income	-	104,299	104,299
Interest expense	-	(283,969)	(283,969)
Insurance recovery	-	103,079	103,079
Gain on disposal	-	5,911	5,911
Total non-operating revenues (expenses), net	-	(70,681)	(76,592)
Income (loss) before transfers and capital contributions	5,595,000	8,026,866	2,431,866
Capital contributions			
Capital contribution	\$ -	\$ 264,460	264,460
Capital contributions - grants	-	5,922,991	5,922,991
Total capital contributions	-	6,187,451	6,187,451
Transfers			
Transfers in	-	402,692	402,692
Transfers out	(5,595,000)	(5,603,842)	(8,842)
Total transfers	(5,595,000)	(5,201,150)	393,850
Change in net position	-	9,013,167	9,013,167
Net position, beginning	43,260,022	43,260,022	-
Net position, ending	\$ 43,260,022	\$ 52,273,189	\$ 9,013,167

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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating revenues			
Charges for services			
Lease income	\$ 934,080	\$ 833,569	\$ (100,511)
Other	-	-	-
Total operating revenues	<u>934,080</u>	<u>833,569</u>	<u>(100,511)</u>
Operating expenses			
Facilities operations	837,100	520,832	316,268
Depreciation	<u>180,000</u>	<u>174,800</u>	<u>5,200</u>
Total operating expenses	<u>1,017,100</u>	<u>695,632</u>	<u>321,468</u>
Operating income (loss)	<u>(83,020)</u>	<u>137,937</u>	<u>220,957</u>
Non-operating revenues (expenses)			
Investment income	-	115,740	115,740
Interest expense	<u>(96,719)</u>	<u>(92,892)</u>	<u>3,827</u>
Total non-operating revenues (expenses), net	<u>(96,719)</u>	<u>22,847</u>	<u>119,566</u>
Income (loss) before transfers and capital contributions	<u>(179,739)</u>	<u>160,784</u>	<u>340,523</u>
Transfers			
Transfers in	149,016	149,016	-
Transfers out	<u>(161,667)</u>	<u>(161,667)</u>	<u>-</u>
Total transfers	<u>(12,651)</u>	<u>(12,651)</u>	<u>-</u>
Change in net position	<u>(192,390)</u>	<u>148,133</u>	<u>340,523</u>
Net position, beginning	<u>3,101,185</u>	<u>3,101,185</u>	<u>-</u>
Net position, ending	<u>\$ 2,908,795</u>	<u>\$ 3,249,318</u>	<u>\$ 340,523</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating revenues			
Charges for services			
Downtown programs	\$ 75,000	\$ -	\$ (75,000)
Other	173,678	-	(173,678)
Total operating revenues	<u>248,678</u>	<u>-</u>	<u>(248,678)</u>
Operating expenses			
Program expenses	387,050	141,388	245,662
Operating costs	15,000	18,647	(3,647)
Depreciation	<u>15,000</u>	<u>35,403</u>	<u>(20,403)</u>
Total operating expenses	<u>417,050</u>	<u>195,437</u>	<u>221,613</u>
Operating income (loss)	<u>(168,372)</u>	<u>(195,437)</u>	<u>(27,065)</u>
Non-operating revenues (expenses)			
Investment income	-	15,305	15,305
Loss on disposal	<u>-</u>	<u>(2,457,485)</u>	<u>(2,457,485)</u>
Total non-operating revenues (expenses), net	<u>-</u>	<u>(2,442,180)</u>	<u>(2,442,180)</u>
Income (loss) before transfers and capital contributions	<u>(168,372)</u>	<u>(2,637,617)</u>	<u>(2,469,245)</u>
Transfers			
Transfers in	<u>200,000</u>	<u>2,725,803</u>	<u>2,525,803</u>
Total transfers	<u>200,000</u>	<u>2,725,803</u>	<u>2,525,803</u>
Change in net position	31,628	88,186	56,558
Net position, beginning	<u>6,733,961</u>	<u>6,733,961</u>	<u>-</u>
Net position, ending	<u>\$ 6,765,589</u>	<u>\$ 6,822,147</u>	<u>\$ 56,558</u>

CITY OF SENECA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	Fireman's 1% Fund	Municipal Court Escrow Account	Narcotics Seizure Account	Total Custodial Funds
Assets				
Cash/investments	\$ 55,981	\$ 19,733	\$ 631	\$ 76,345
Liabilities	-	-	-	-
Net position	<u>\$ 55,981</u>	<u>\$ 19,733</u>	<u>\$ 631</u>	<u>\$ 76,345</u>

CITY OF SENECA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Fireman's 1% Fund	Municipal Court Escrow Account	Narcotics Seizure Account	Total Custodial Funds
Additions				
Contributions	\$ 37,153	\$ 108,433	\$ -	\$ 145,586
Investment Earnings	<u>12</u>	<u>-</u>	<u>-</u>	<u>12</u>
Total Additions	<u>\$ 37,165</u>	<u>\$ 108,433</u>	<u>\$ -</u>	<u>\$ 145,597</u>
Reductions				
Benefits	<u>\$ 56,309</u>	<u>\$ 98,707</u>	<u>\$ -</u>	<u>\$ 155,016</u>
Change in net position	\$ (19,144)	\$ 9,726	\$ -	\$ (9,418)
Net position, beginning	75,125	10,007	631	85,763
Net position, ending	<u>\$ 55,981</u>	<u>\$ 19,733</u>	<u>\$ 631</u>	<u>\$ 76,345</u>

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

CITY OF SENECA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2025

FOR THE STATE TREASURER'S OFFICE:

COUNTY/MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General	Magistrate	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected			\$ 106,347	\$ 106,347
Court fines and assessments remitted to State Treasurer			\$ (56,142)	\$ (56,142)
Total Court fines and Assessments retained	\$ -	\$ -	\$ 50,205	\$ 50,205
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			\$ 2,771	\$ 2,771
Assessments retained			\$ 5,232	\$ 5,232
Total Surcharges and Assessments retained for victim services	\$ -	\$ -	\$ 8,004	\$ 8,004

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC):

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
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	\$ 5,232		\$ 5,232
Victim Service Surcharges Retained by City/County Treasurer	\$ 2,771		\$ 2,771
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)	\$ 8,004	\$ -	\$ 8,004
Expenditures for Victim Service Program:	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ 8,004		\$ 8,004
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)	\$ 8,004	\$ -	\$ 8,004
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 GOVERMENTAL FUNDS
 SCHEDULE BY TYPE
 JUNE 30, 2025

Governmenal funds capital assets

Land	\$ 1,327,312
Buildings	14,039,057
Improvements	15,532,099
Equipment	7,380,112
Vehicles	10,349,583
Construction in progress	481,591
Right-to-use lease equipment	<u>139,603</u>
Total	\$ 49,249,358
Less, accumulated depreciation	<u>(30,330,424)</u>
Investment in capital assets	<u><u>\$ 18,918,934</u></u>

CITY OF SENECA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2025

Function & activity	Land	Buildings	Improvements	Machinery & equipment	Vehicles	Construction in progress	Right-to-use lease assets	Total
General government								
Municipal Judge	\$ -	\$ 2,059,912	\$ -	\$ 10,114	\$ -	\$ -	\$ -	\$ 10,114
Finance/administration	173,787		480,639	531,512	62,368	-	-	3,308,218
Planning & development	37,497	463,271	2,855,773	2,603,168	3,869,700	-	-	9,829,408
Beautification	-	75,050	111,837	60,307	90,433	7,127	-	344,754
Total general government	211,284	2,598,233	3,448,249	3,205,101	4,022,501	7,127	-	13,492,494
Public safety								
Police department	20,000	1,366,981	672,260	513,470	1,630,067	35,800	-	4,238,580
Fire department	16,709	1,498,780	-	1,679,813	2,227,117	-	-	5,422,419
Total public safety	36,709	2,865,761	672,260	2,193,283	3,857,184	35,800	-	9,660,998
Public works								
Street department	2,000	-	8,243,298	1,033,029	721,841	-	-	10,000,169
Sanitation department	1,000	-	27,600	591,962	1,438,286	-	-	2,058,847
Motor Pool	2,000	3,635,915	88,192	91,570	131,562	-	-	3,949,239
Total public works	5,000	3,635,915	8,359,090	1,716,561	2,291,689	-	-	16,008,255
Culture & Recreation	926,158	4,939,149	2,561,321	265,167	178,209	438,664	-	9,308,668
Other	148,161	-	491,179	-	-	-	139,603	778,943
Total governmental funds capital assets	1,327,312	14,039,057	15,532,099	7,380,112	10,349,583	481,591	139,603	49,249,358
Less accumulated depreciation								(30,330,424)
Net governmental funds capital assets							\$ 18,918,934	

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>
Contents	
Financial Trends	94 - 99
<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.....	100 - 103
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity.....	104 - 108
<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	109 - 110
<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.....	111 - 113
<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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment capital assets	\$ 16,218,569	\$ 14,828,498	\$ 15,772,938	\$ 14,919,382	\$ 15,334,143	\$ 12,614,213	\$ 12,627,473	\$ 14,078,608	\$ 15,553,990	\$ 16,021,432
Restricted	87,051	634,997	364,523	671,943	1,349,861	3,404,707	3,089,470	10,399,172	21,048,843	19,763,718
Unrestricted	(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)	(5,904,945)
Total governmental activities net position	<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>\$ 31,061,953</u>	<u>\$ 29,880,204</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 66,701,493
Restricted	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	488,908
Unrestricted	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)	(4,845,745)
Total business-type activities net position	<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>	<u>\$ 62,344,655</u>
Primary government										
Net investment of capital assets	\$ 45,823,062	\$ 45,270,007	\$ 45,611,888	\$ 47,900,398	\$ 51,808,799	\$ 55,209,078	\$ 56,390,469	\$ 66,884,658	\$ 75,319,003	\$ 82,722,924
Restricted	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	20,252,626
Unrestricted	(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)	(10,750,690)
Total primary government net position	<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>\$ 84,157,122</u>	<u>\$ 92,224,860</u>

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
General government	\$ 2,938,053	\$ 2,675,381	\$ 2,590,289	\$ 2,934,071	\$ 2,684,164	\$ 2,970,918	\$ 3,423,818	\$ 4,802,798	\$ 4,834,061	\$ 5,735,856
Public safety	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	7,709,502
Public works	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	1,966,904
Recreation	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	2,433,720
Arts, history & culture	-	-	-	233,424	281,732	292,098	356,603	337,267	292,436	335,934
Depreciation	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	865,846
Other	760,849	171,986	41,489	237,446	474,054	78,763	30,668	76,906	75,607	5,122
Total governmental activities expenses	\$ 15,175,239	\$ 13,755,926	\$ 13,192,170	\$ 15,121,882	\$ 15,433,410	\$ 16,090,712	\$ 17,159,196	\$ 16,817,340	\$ 18,522,965	\$ 19,052,883
Business-type activities										
Electric	\$ 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	\$ 14,149,144
Water	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	6,211,424
Sewer	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	6,447,766
Admin	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	4,696,844
Other	407,951	460,413	598,714	646,851	855,792	741,056	2,069,134	2,021,709	2,122,465	2,220,574
Interest	649,511	786,772	748,746	701,748	644,055	706,080	643,654	587,452	505,072	376,862
Seneca Facilities Corporation	-	-	-	-	-	-	-	-	-	695,632
Seneca Improvements Corporation	-	-	-	-	-	-	-	-	-	2,652,922
Depreciation	1,953,253	2,187,710	2,341,462	2,352,281	2,389,748	2,523,169	2,661,989	-	-	-
FEMA related expenses	-	-	-	-	21,404	60,301	-	-	-	-
Total business-type activites expenses	\$ 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	\$ 37,451,168
Total primary government expenses	\$ 38,973,185	\$ 39,235,617	\$ 38,983,971	\$ 41,429,789	\$ 41,608,105	\$ 41,808,703	\$ 45,931,668	\$ 46,727,828	\$ 50,382,330	\$ 56,504,052
Program revenues										
Governmental activities										
Charges for services										
Public works	\$ 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	\$ 1,271,161
Public safety	-	-	-	-	-	-	-	56,720	51,324	50,205
General government	-	-	-	-	-	-	-	3,129,916	3,566,292	3,918,746
Project administration	-	-	-	-	-	-	-	10,837,363	-	-
Operating grants & contributions	-	-	-	-	-	-	-	2,633,318	5,557,629	2,561,253
Capital grants & contributions	95,692	64,233	192,770	55,675	850	68,097	-	-	12,864,783	489,448
Total governmental activities program revenues	\$ 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	\$ 8,290,813
Business-type activties										
Charges for services										
Electric	\$ 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	\$ 21,414,472
Water	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	12,263,577
Sewer	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	7,554,150
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	591,101
Seneca Facilities Corporation	-	-	-	-	-	-	-	-	-	833,569
Seneca Improvements Corporation	-	-	-	-	-	-	-	-	-	-
Interest	626,758	-	-	-	-	-	-	-	-	-
Capital grants & contributions	-	-	-	-	-	-	-	-	-	5,954,991
Total business-type activities program revenues	\$ 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	\$ 48,611,860
Total primary government revenues	\$ 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	\$ 56,902,673

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (expense) revenue										
Governmental activities	\$ (14,092,563)	\$ (12,699,343)	\$ (11,910,066)	\$ (13,968,177)	\$ (14,325,952)	\$ (14,903,464)	\$ (16,023,629)	\$ 991,470	\$ 4,699,654	\$ (10,762,069)
Business-type activities	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	11,160,692
Total primary government	<u>\$ (7,972,217)</u>	<u>\$ (8,111,773)</u>	<u>\$ (7,438,752)</u>	<u>\$ (9,381,189)</u>	<u>\$ (6,500,635)</u>	<u>\$ (10,055,526)</u>	<u>\$ (11,136,383)</u>	<u>\$ 6,324,136</u>	<u>\$ 12,216,805</u>	<u>\$ 398,624</u>
General revenues and other changes in net position										
Governmental activities										
Taxes	\$ 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	\$ 5,049,757
Fines/forfeitures	151,132	155,514	97,866	74,913	52,172	50,927	67,090	-	-	-
Licenses & permits	2,155,462	2,428,623	2,460,093	2,690,238	2,750,967	2,829,613	2,915,573	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Federal aid	1,423,918	515,214	463,143	463,907	2,070,080	1,645,773	2,956,949	1,122,238	-	-
State aid	997,015	674,110	1,018,763	1,085,256	330,266	305,893	3,529,486	210,080	247,890	703,718
County aid	710,000	710,000	710,000	710,000	740,000	1,058,738	775,700	-	-	-
Investment earnings (loss)	24,512	(10,281)	(6,501)	51,501	53,551	(887)	(3,921)	10,118	659,400	1,071,375
Other	424,371	206,300	388,886	255,467	344,883	269,449	249,592	283,587	434,740	369,571
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	131,263
Unreimbursed lease revenue	-	-	-	-	240,000	-	-	-	-	-
Transfers	<u>3,832,230</u>	<u>3,378,996</u>	<u>6,490,691</u>	<u>4,515,015</u>	<u>4,389,048</u>	<u>4,722,326</u>	<u>4,662,390</u>	<u>1,699,902</u>	<u>3,174,993</u>	<u>2,255,538</u>
Total governmental activities	<u>\$ 12,521,744</u>	<u>\$ 10,956,423</u>	<u>\$ 14,634,181</u>	<u>\$ 12,986,977</u>	<u>\$ 14,151,133</u>	<u>\$ 14,578,011</u>	<u>\$ 18,727,481</u>	<u>\$ 7,616,092</u>	<u>\$ 9,123,118</u>	<u>\$ 9,581,223</u>
Business-type activities										
Investment earnings (loss)	\$ 115,017	\$ (35,399)	\$ (16,920)	\$ 237,388	\$ 189,307	\$ 23,545	\$ 127,254	\$ 159,296	\$ 188,893	\$ 235,343
Other	-	-	-	13	(13,536)	-	1,000,000	-	-	-
Lease income	-	-	-	-	869,635	915,490	800,406	-	-	-
Gain on sale of fixed assets	-	-	-	-	-	(63,434)	-	-	35,127	5,911
Insurance recovery	-	-	-	-	57,879	28,373	26,184	10,220	13,957	103,079
Forgiveness of debt	-	-	-	-	1,200,000	-	-	-	-	-
Loss on capital lease	-	-	-	-	-	(238,916)	-	-	-	-
Unreimbursed lease revenue	-	-	-	-	(240,000)	-	-	-	-	-
Transfers	<u>(3,832,230)</u>	<u>(3,598,995)</u>	<u>(6,490,691)</u>	<u>(4,515,015)</u>	<u>(4,389,048)</u>	<u>(4,722,326)</u>	<u>(4,662,390)</u>	<u>(1,699,902)</u>	<u>(3,174,993)</u>	<u>(2,255,538)</u>
Total business-type activities	<u>\$ (3,717,213)</u>	<u>\$ (3,634,394)</u>	<u>\$ (6,507,611)</u>	<u>\$ (4,277,614)</u>	<u>\$ (2,325,763)</u>	<u>\$ (4,057,268)</u>	<u>\$ (2,708,546)</u>	<u>\$ (1,530,387)</u>	<u>\$ (2,937,016)</u>	<u>\$ (1,911,204)</u>
Total primary government	<u>\$ 8,804,531</u>	<u>\$ 7,322,029</u>	<u>\$ 8,126,570</u>	<u>\$ 8,709,363</u>	<u>\$ 11,825,370</u>	<u>\$ 10,520,743</u>	<u>\$ 16,018,935</u>	<u>\$ 6,085,705</u>	<u>\$ 6,186,102</u>	<u>\$ 7,670,019</u>
Change in net position										
Governmental activities	\$ (1,570,819)	\$ (1,742,920)	\$ 2,724,115	\$ (981,200)	\$ (174,819)	\$ (325,453)	\$ 2,703,852	\$ 8,607,562	\$ 13,822,772	\$ (1,180,846)
Business-type activities	2,403,133	953,176	(2,036,297)	309,374	5,499,554	790,670	2,178,700	3,802,280	4,580,135	9,249,488
Total primary government	<u>\$ 832,314</u>	<u>\$ (789,744)</u>	<u>\$ 687,818</u>	<u>\$ (671,826)</u>	<u>\$ 5,324,735</u>	<u>\$ 465,217</u>	<u>\$ 4,882,552</u>	<u>\$ 12,409,842</u>	<u>\$ 18,402,907</u>	<u>\$ 8,068,642</u>

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Nonspendable	\$ 149,949	\$ 220,747	\$ (37,656)	\$ (98,116)	\$ 47,815	\$ 71,168	\$ 99,775	\$ 117,192	\$ 184,316	\$ 128,929
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(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	3,645,796
Total general fund	\$ 84,401	\$ (545,638)	\$ 1,161,089	\$ 1,562,689	\$ 1,617,334	\$ 4,342,924	\$ 3,524,564	\$ 3,064,449	\$ 4,436,198	\$ 3,774,725
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,542	\$ 68,447	\$ 49,780
Restricted	-	-	-	-	-	-	-	10,400,172	21,048,843	19,763,718
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	(44,498)	120,304	268,810	248,453	-	-	-	-	-	-
Unassigned	-	-	-	-	21,588	548,144	3,729,769	-	-	-
Total all other governmental funds	\$ (44,498)	\$ 120,304	\$ 268,810	\$ 248,453	\$ 21,588	\$ 548,144	\$ 3,729,769	\$ 10,460,714	\$ 21,117,290	\$ 19,813,498
Total all governmental funds	\$ 39,903	\$ (425,334)	\$ 1,429,899	\$ 1,811,142	\$ 1,638,922	\$ 4,891,068	\$ 7,254,333	\$ 13,525,164	\$ 25,553,488	\$ 23,588,222

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	2025
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	\$ 5,051,243
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	3,918,746
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	1,345,473
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	826,903
County aid	710,000	710,000	710,000	710,000	740,000	1,058,738	775,500	2,522,954	1,532,595	1,582,044
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	1,271,161
Fines and forfeitures	151,132	155,514	97,866	74,913	52,172	50,927	67,090	56,720	51,324	50,205
Investment earnings (loss)	24,512	(10,281)	(6,501)	51,501	53,551	(887)	(3,921)	10,118	659,400	1,071,375
Contributions	-	-	-	-	-	55,359	32,880	62,163	108,345	37,295
Other revenues	304,098	838,991	289,980	243,690	116,414	107,652	94,940	221,423	326,394	332,276
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	\$ 15,486,722
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	\$ 2,580,266
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	7,385,181
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	2,072,894
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	865,846
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	2,288,028
Arts, history and culture	-	-	-	231,278	281,412	293,167	350,093	345,764	320,307	336,635
Non-department	-	-	-	-	-	-	1,463,886	1,454,630	1,601,229	1,872,860
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	1,941,950
Debt service	160,255	17,305	127,126	104,923	254,039	295,154	315,237	-	-	-
Principal	-	-	-	-	-	-	-	653,121	656,277	725,500
Interest	-	-	-	-	-	-	-	65,568	61,037	138,383
Benefits	-	-	-	-	-	28,198	30,668	52,571	41,261	13,665
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	\$ 21,581,395	\$ 20,221,208
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	7,482,444	(4,734,486)

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	2025
Other financing sources										
Proceeds from sale of fixed assets	\$ 120,273	\$ 10,479	\$ -	\$ 11,777	\$ -	\$ 32,535	\$ 77,572	\$ 158,110	\$ 49,117	\$ 44,703
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	7,070,731
Transfers out	-	-	-	-	-	-	-	(3,355,999)	(3,644,295)	(4,582,733)
Insurance recovery	-	-	-	-	59,206	516,305	84,707	61,612	52,032	131,263
Receivable write off	-	-	-	-	(47,459)	-	-	-	-	-
Proceeds from financed purchase	-	-	-	-	729,696	-	-	-	1,175,278	24,981
Proceeds from bond issuance	-	-	-	-	-	2,350,000	-	-	-	-
Issuance of lease	-	-	-	-	-	-	-	-	59,328	80,276
Miscellaneous income	-	-	-	-	228,469	161,794	121,772	-	-	-
Total other financing sources	\$ 4,048,195	\$ 3,453,708	\$ 5,261,972	\$ 4,582,465	\$ 5,599,810	\$ 7,795,698	\$ 4,946,442	\$ 325,050	\$ 4,546,881	\$ 2,769,221
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	\$ 12,029,324	\$ (1,965,265)
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	25,553,488
Fund balances, beginning as restated	\$ -	\$ -	\$ -	\$ -	\$ 188,779	\$ (290,536)	\$ -	\$ (411,300)	\$ -	\$ -
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>\$ 25,553,488</u>	<u>\$ 23,588,223</u>
Debt service as a percentage of noncapital expenditures	1%	0%	1%	1%	2%	2%	2%	4%	4%	5%

CITY OF SENECA
ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Personal Property	Motor Vehicles	Watercraft	Total Taxable		Estimated Actual Taxable Value	Actual Assessed Value as a Percentage of Actual Taxable Value
					Assessed Value	Total Direct Tax Rate		
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	991,831,863	4.82%
2025	41,922,220	2,945,730	5,027,617	800,663	50,696,230	69.7	1,051,078,439	4.82%

Source: Oconee County Auditor's Office

CITY OF SENECA
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
2016	55.3	55.3	141.1	71.0
2017	59.3	59.3	146.3	71.0
2018	60.5	60.5	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
2025	69.7	69.7	140.0	72.0

Source: Oconee County Government

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

Taxpayer	2025				2016			
	Taxable Assessed		Percentage of Total Value		Taxable Assessed		Percentage of Total Taxable Assessed	
	value	Rank	Value		Value	Rank	Value	
CRESCENT POINTE APARTMENTS LLC	\$ 988,780	1	1.95%		SERENE HOSPITALITY LLC	\$ 476,520	1	1.38%
CLEMSON RIDGE APARTMENTS LLC	750,180	2	1.48%		CRESCENT POINTE PARTNERS OF SC	408,100	2	1.18%
NORTHLAND CABLE TELEVISION INC	535,470	3	1.06%		RESIDENCE AT PARK PLACE LLC AT	379,930	3	1.10%
SERENE HOSPITALITY LLC	478,510	4	0.94%		BELLSOUTH TELECOMMUNICATIONS I	306,470	4	0.89%
KANA KEOOEE LLC	443,850	5	0.88%		ASSESSMENT TECHNOLOGIES LTD	290,140	5	0.84%
RESIDENCE AT PARK PLACE LLC	423,410	6	0.84%		DUKE ENERGY CORPORATION	278,780	6	0.81%
AT&T MOBILITY LLC	363,280	7	0.72%		LCP CLEMSON LLC	246,000	7	0.71%
DUKE ENERGY CAROLINAS LLC	356,410	8	0.70%		INGLES MARKETS INC ATTN EASLEY	215,330	8	0.62%
SENECA 130 LLC	348,030	9	0.69%		MSD SENECA LLS	204,190	9	0.59%
NV LLC	306,590	10	0.60%		NORTHLAND CABLE TELEVISION INC	164,670	10	0.48%
	<u>\$ 4,994,510</u>		<u>9.85%</u>			<u>\$ 2,970,130</u>		<u>8.60%</u>
Total Seneca Assessed Value	<u>\$ 50,696,230</u>				Total Seneca Assessed Value	<u>\$ 34,534,121</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			Estimated Tax Collections to Date	
		Amount	Percentage of Levy	Collections in Subsequent Years	Estimated Amount	Percentage of Levy
2016	1,896,042	1,740,265	91.78%	93,076	1,833,341	96.69%
2017	2,047,873	1,900,107	92.78%	84,740	1,984,847	96.92%
2018	2,128,806	1,971,608	92.62%	90,176	2,061,784	96.85%
2019	2,308,076	2,122,570	91.96%	89,768	2,212,338	95.85%
2020	2,336,602	2,149,508	91.99%	85,272	2,234,780	95.64%
2021	2,415,051	2,275,984	94.24%	107,743	2,383,727	98.70%
2022	2,528,203	2,379,449	94.12%	111,920	2,491,369	98.54%
2023	2,783,753	2,631,085	94.52%	88,024	2,719,109	97.68%
2024	2,999,372	2,833,955	94.48%	100,917	2,934,872	97.85%
2025	3,533,527	3,295,171	93.25%	119,633	3,414,804	96.64%

Source: Oconee County Government

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	Revenue Bonds	New Market Tax Credit Loan	State Revolving Fund Loans	Financed Purchases			
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	6,844,265	-	12,272,706	947,798	23,537,021	8.35%	2,585
2025	1,210,000	1,581,039	5,094,249	-	11,317,501	696,266	19,899,055	6.57%	2,143

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
 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 **
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	0.16%	175.18
2025	1,210,000	0.12%	130.29

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, 2025

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Direct and Overlapping Debt
Debt Repaid with Property Taxes			
Oconee County School District	\$ 29,225,000	6.37%	\$ 1,860,856
Oconee County General Obligation Debt	33,943,889	6.75%	2,291,252
Subtotal, Overlapping Debt			<u>4,152,108</u>
City Direct Debt			
Total Direct and Overlapping Debt			<u>\$ 7,049,611</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
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed valuation \$ 50,696,230

Debt limit - eight percent of total assessed value 4,055,698

Debt applicable to limit:
General obligation bonds 1,210,000

Legal debt margin 2,845,698

	Fiscal Year										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Assessed value of taxable property	\$ 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	\$ 50,696,230	
Legal debt limit*	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	4,055,698	
Net debt applicable to limit	-	-	-	-	-	2,350,000	2,350,000	1,975,000	1,595,000	1,210,000	
Legal debt margin	<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>	<u>\$ 2,845,698</u>	

Total net debt applicable to the limit as a percentage of debt limit 0.00% 0.00% 0.00% 0.00% 0.00% 76.26% 72.85% 55.61% 41.68% 29.83%

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
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Combined utility revenue bonds and financed purchases										
Utility service charges	\$ 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	\$ 41,823,299
Less: operating expenses	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	30,768,223
Net available revenue	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	11,055,076
Debt Service										
Principal	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	2,556,748
Interest	460,625	598,402	480,726	433,728	551,823	406,743	484,578	455,879	418,220	301,609
Coverage	4.32	2.89	2.48	2.88	2.94	3.16	4.62	2.69	3.57	3.87
Seneca facilities installment revenue bonds										
Lease income	1,063,099	922,263	924,784	924,737	869,635	915,490	800,406	837,898	983,701	833,569
Less: operating expenses	407,952	459,136	267,010	324,953	573,757	386,281	203,994	219,232	339,241	520,832
Net available revenue	655,147	463,127	657,774	599,784	295,878	529,209	596,412	618,666	644,460	312,737
Debt Service										
Principal	-	-	-	-	-	285,000	370,000	380,000	395,000	400,000
Interest	-	-	-	-	-	139,410	126,472	115,613	108,127	96,719
Coverage	-	-	-	-	-	1.25	1.20	1.25	1.28	0.63

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
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%
2025	9,287	302,737,626	32,598	4.4%

Sources: Unemployment Rate from data.usatoday.com

Seneca, SC. Not Seasonally Adjusted

Notes: Per Capita Personal Income from United States Census Bureau

2015-2023 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	2025			2016			Percentage of Total City Population
	Employees	Rank	Percentage of Total City Population	Employer	Employees	Rank	
BorgWarner Inc	1,100	1	12.09%	Duke Energy Corp	1,500	1	18.23%
Prisma Health/Oconee Medical Center	807	2	8.87%	Oconee Medical Center	1,370	2	16.65%
Duke Energy Carolinas, LLC-Oconee Nuclear Station/World of Energy	800	3	8.79%	BorgWarner	700	3	8.51%
Schneider Electric	450	4	4.95%	Schneider Electric	600	4	7.29%
BASF Corp. (SC)	360	5	3.96%	BASF	400	5	4.86%
Greenfield Industries	300	6	3.30%	Greenfield Industries	350	6	4.25%
City of Seneca	200	7	2.20%	n/a		7	0.00%
Publix	130	8	1.43%	n/a		8	0.00%
Walmart	105	9	1.15%	n/a		9	0.00%
n/a		10	0.00%	n/a		10	0.00%
	<u>4252</u>		<u>46.73%</u>		<u>4920</u>		<u>59.80%</u>

Source: Upstate SC Alliance Research.
 Seneca largest Employers, 100+

Source: Oconee County SC, 2016 ACFR.
 Upstate SC Alliance

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

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Municipal judge	3	3	3	3	3	3	3	3	3	3
Mayor and council	0	0	0	0	0	0	0	0	0	0
Finance/administration	5	7	7	7	7	7	8	8		
Planning and development	5	5	5	5	5	5	5	5	5	5
Beautification	0	0	0	0	0	6	6	6	10	
Public safety										
Police department	47	47	47	46	46	46	45	45	45	
Fire department	29	29	29	29	29	29	32	32	32	
Public works										
Street department	12	12	12	11	11	11	11	11	11	11
Sanitation department	5	5	5	5	5	5	5	5	5	5
Motor Pool	5	5	5	6	6	6	6	6	6	6
Culture and recreation										
Recreation	11	11	11	13	9	9	9	9	9	5
Arts, history and culture	2	2	2	2	2	2	2	2	2	2
Seneca light & water										
Administration	6	7	7	6	6	6	7	7	7	7
Inflow & infiltration	2	2	2	2	2	2	2	2	2	2
Billing department	8	8	8	8	8	8	8	8	8	8
Engineering department	8	8	8	8	7	7	8	8	8	8
Electric department	11	11	11	14	14	14	14	14	14	14
Water department	12	12	12	16	16	16	16	16	16	16
Sewer department	5	5	5	10	10	10	10	10	10	10
Water plant	8	8	8	9	9	9	8	8	8	8
Electrical purch/gen	1	1	1	1	1	1	1	1	1	1
Maintenance department	7	7	7	8	8	8	8	8	8	8
Total	192	195	195	209	210	210	214	214		

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

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

Function/Program	Fiscal Year										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
General government											
Business licenses issued	228	211	202	236	254	300	347	291	361	567	
Building permits issued - residential	137	140	92	119	222	267	136	146	212	188	
Building permits issued - commercial	53	47	34	47	43	42	50	27	43	42	
Police											
General calls	17,934	16,530	16,030	15,085	15,081	15,607	16,421	15,948	14,837	12,750	
Traffic calls	6,274	5,188	3,952	3,009	3,059	3,751	3,845	3,422	2,805	3,213	
Fire											
Medical & fire calls	1,731	1,738	1,932	2,335	2,469	2,525	2,714	2,748	2,877	2,793	
Public works											
Refuse collection (tons)	n/a	n/a	6,609	6,703	6,853	7,264	7,476	7,552	7,255	7,415	
Cardboard recycled (tons)	n/a	n/a	55	42	53	35	132	131	115	101	
Recreation											
Sports registrations	n/a	n/a	n/a	n/a	n/a	827	1,522	1,809	1,820	1,761	
Facility rentals	n/a	n/a	n/a	n/a	n/a	8	11	15	16	17	
Annual events hosted	n/a	n/a	n/a	n/a	n/a	18	18	18	18	35	
Number of fields	13	13	13	13	13	13	13	13	13	13	
Number of gyms/courts	7	7	7	7	7	7	7	7	7	15	
Electric											
Residential customers	5,483	5,560	5,616	6,276	6,282	6,327	6,386	6,586	5,971	6,050	
Non-residential customers	1,993	1,993	2,059	1,486	1,477	1,552	1,584	1,526	1,341	1,360	
Total annual consumption (kW)	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	151,587,589	
Water											
New taps	172	204	310	218	121	232	340	276	500	338	
Residential customers	13,668	13,884	14,057	14,402	14,639	14,878	15,335	15,416	15,760	16,044	
Non-residential customers	1,326	1,332	1,528	1,396	1,387	1,435	1,485	1,488	1,531	1,551	
Total annual consumption (gallons)	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	1,751,262,448	2,105,696,942	
Sewer											
New taps	59	44	52	68	288	78	167	110	177	189	
Residential customers	4,764	4,846	4,930	4,948	5,025	5,120	5,206	5,316	5,499	5,667	
Non-residential customers	819	818	824	832	830	851	866	867	943	950	
Total annual sewage treatment/flow (gallons)	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	544,295,878	

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
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fire										
Fire trucks	5	5	5	5	5	5	5	5	6	6
Public works										
Collection trucks	6	6	6	7	7	7	7	7	7	7
Parks and recreation										
Acreage*	183.87	183.87	183.87	183.87	183.87	183.87	183.87	183.87	188.78	212.51
Soccer fields/Football fields	4	4	4	4	4	4	4	4	4	5
Baseball/softball fields	7	7	7	7	7	7	7	7	7	7
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	533.84	536.17	537.33	538.95	594.41	542.90	544.11	546.03	549.40	567.50
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	157.14	157.94	158.36	159.85	160.60	161.23	161.99	162.27	162.89	169.64
Number of pump stations	25	27	27	28	28	29	29	29	29	29

Source: City departments

*Acreage includes Adventure Trails Parcels previously omitted.

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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 16, 2025.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

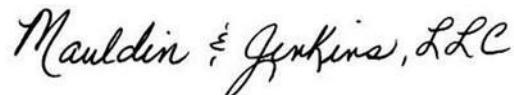
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

City of Seneca, South Carolina's Response to the Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 16, 2025

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, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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 were not identified.

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

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

Mauldin & Jenkins, LLC

Columbia, South Carolina

December 16, 2025

CITY OF SENECA, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2025

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-23N711-28	479,385
American Rescue Plan (Section 5311)	20.509	PT-24N7AR-17	<u>51,513</u>
Total US Department of Transportation			<u>530,898</u>
US Department of Housing and Urban Development			
Passed through SC Department of Commerce			
Community Development Block Grants	14.228	4-LP-24-005	2,400
Appalachian Regional Development	23.001	4-G-22-20746	<u>127,975</u>
Total US Department of Housing and Urban Development			<u>130,375</u>
US Department of the Treasury			
Direct Programs:			
COVID-19 State and Local Fiscal Relief Fund	***	21.027	N/A
			<u>481,448</u>
Passed through Oconee County, South Carolina			
COVID-19 State and Local Fiscal Relief Fund	***	21.027	N/A
			<u>282,044</u>
Passed through South Carolina Rural Infrastructure Authority			
Coronavirus State and Local Fiscal Recovery Funds	***	21.027	A-23-C176
			<u>2,239,686</u>
Total US Department of the Treasury			<u>3,003,178</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 0049	293,136
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4542 - PW 0057	3,290,793
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4542 - PW 0082	<u>34,289</u>
Total US Department of Homeland Security			<u>3,618,218</u>
Total Federal Assistance Expended			<u>\$ 7,282,669</u>

*** Major Programs

There were no expenditures to subrecipients for the year ended June 30, 2025

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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (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, 2025

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 No

Noncompliance material to financial statements noted? _____ Yes No

Federal Awards

Internal Control over major programs:

Material weaknesses identified? _____ Yes X No

Significant deficiencies? _____ Yes 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 No

Identification of major program:

Assistance Listing Number

21.027

Name of Federal Program or Cluster

U.S. Department of Treasury

Coronavirus State and Local Fiscal Recovery Fund

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

\$750,000

Auditee qualified as low-risk auditee?

Yes No

CITY OF SENECA, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION II FINANCIAL STATEMENT FINDINGS

2025-001 Procurement – Conflict of Interest

Criteria: Standard public sector internal controls and best practices, including guidance from organizations like the Government Finance Officers Association (GFOA), require the establishment of a formal written policy defining restrictions on the purchase of goods and services from Governing Body members, City employees, and their related parties. This policy is essential to maintain public trust and prevent the appearance of impropriety. Furthermore, sound internal control dictates that policies related to ethics and conflicts of interest must be centrally defined, communicated, and subject to an independent review mechanism to ensure consistent, mandatory adherence across all City departments.

Condition: The City's procurement policies do not define specific restrictions or disclosure requirements for transactions involving Governing Body members, City employees, or related entities providing goods or services to the City. Furthermore, the overall procurement implementation remains decentralized among department heads, with no centralized compliance review function for identifying and managing potential conflicts.

Context: The City currently manages its procurement process in a decentralized structure, with individual department heads responsible for implementing the general purchasing policies. During the audit, we reviewed the foundational procurement policies and controls. It was determined that the existing City code lacks a specific, formal policy that restricts or requires disclosure for purchasing goods or services from individuals closely associated with the City, such as Governing Body members, City employees, or their related entities. This gap, combined with the lack of centralized oversight, can lead to conflicts of interest and control failures.

Effect: The absence of a formal policy and centralized oversight exposes the City to significant risks, including the potential for non-competitive and excessive pricing on purchases.

Cause: The City has not formally established or documented a necessary internal control (a dedicated Conflict of Interest in Procurement policy) to address transactions with employees, or their related parties. The existing decentralized control structure is insufficient to independently identify, document, and monitor relationships between vendors and City officers, employees, or their related.

Recommendation: We recommend the City Council develop and approve a formal, comprehensive Conflict of Interest Procurement Policy. This policy should mandate clear requirements for all employees and Governing Body members to annually disclose any potential or existing financial or ownership interest in entities doing business with the City. We also recommend establishing a centralized review process, managed by the Finance Department or City Attorney, to independently verify disclosures against vendor lists and document the rationale for any approved related-party transactions.

Views or Responsible Officials and Planned Corrective Action: Management concurs with the finding. Please refer to management's corrective action plan at the end of this document.

CITY OF SENECA, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None reported.

City of Seneca - Management Response

Acknowledgment of the Finding:

Management acknowledges the auditor's finding that the City's current procurement policies do not contain a formal, comprehensive Conflict of Interest Procurement Policy, nor a centralized review mechanism to independently identify or monitor potential conflicts involving Governing Body members, City employees, or related parties.

Corrective Action:

The City is developing and implementing a formal Conflict of Interest in Procurement Policy that will define prohibited and restricted transactions, require annual disclosures from employees and Governing Body members, and establish uniform documentation and approval requirements.

Preventive Measures:

A centralized oversight function will be created within the Finance Department to independently review disclosures, compare them with vendor records, and document determinations for any related-party transactions. Mandatory training will be provided for all purchasing personnel and department heads.

Additional Corrective Action: Procurement Ordinance Update

The City will initiate the process to update the existing Procurement Ordinance to align with best practices and incorporate explicit conflict-of-interest provisions.

This update will:

- Formally embed the new Conflict of Interest in Procurement Policy into City Code.
- Establish legal authority for required disclosures, prohibited transactions, and centralized oversight.
- Strengthen City-wide enforcement by making conflict-of-interest requirements codified and mandatory.
- Ensure long-term compliance by reducing reliance on internal policies alone.