



**CITY OF SENECA**

**June 30, 2022**

**Financial Report**



**City of Seneca**  
**Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2022**

**Table of Contents**

<b>Independent Auditor's Report</b>	<i>i - iii</i>
<b>Management's Discussion and Analysis</b>	<i>vii - xix</i>
<b>Basic Financial Statements</b>	
<i>Government-Wide Financial Statements</i>	
<i>Statement of Net Position</i>	3
<i>Statement of Activities</i>	4
<i>Fund Financial Statements</i>	
<i>Balance Sheet - Governmental Funds</i>	5
<i>Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position</i>	6
<i>Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds</i>	7
<i>Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities</i>	8
<i>Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - General Fund</i>	9 - 12
<i>Statement of Net Position - Proprietary Funds</i>	13 - 14
<i>Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds</i>	15
<i>Statement of Cash Flows - Proprietary Funds</i>	17 - 18
<i>Notes to Financial Statements</i>	21 - 54
<i>Statement of Fiduciary Net Position - Custodial Funds</i>	56
<i>Statement of Changes in Fiduciary Net Position - Custodial Funds</i>	56
<b>Combining and Individual Fund Statements and Schedules</b>	
<i>Nonmajor Special Revenue Funds - Combining Balance Sheet</i>	59 - 60
<i>Nonmajor Special Revenue Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances</i>	61 - 62

*Schedule of Revenues, Expenditures, and Changes in Fund*

*Balances - Budget to Actual*

<i>"C" Funds</i>	63
<i>Hospitality Tax Fund</i>	64
<i>Accommodations Tax Fund</i>	65
<i>CAT Operating Grant...PT-20N711-06</i>	66
<i>OPT Contract # PT-20N711-06 - Schedule of Budgeted to Actual Costs</i>	67
<i>CARES ACT...PT-20N7CA-06</i>	68
<i>OPT Contract # PT-20N7CA-06 - Schedule of Budgeted to Actual Costs</i>	69
<i>Capital Earmark Grant...PT-9N739-01</i>	70
<i>OPT Contract # PT-9N739-01 - Schedule of Budgeted to Actual Costs</i>	71
<i>CAT Operating Grant...PT-21N711-74</i>	72
<i>OPT Contract # PT-21N711-74 - Schedule of Budgeted to Actual Costs</i>	73

*Schedules of Revenues, Expenses, and Changes in Net*

*Position - Budget to Actual*

<i>Light and Water Fund</i>	74
<i>Seneca Facilities Corp Fund</i>	75
<i>Seneca Improvements Corp Fund</i>	76

*Capital Assets Used in the Operation of Governmental Funds*

<i>Schedule by Type</i>	77
<i>Schedule by Function and Activity</i>	78

**Other Required Information**

<i>Victim Services</i>	82
<i>Schedule of the City's Proportionate Share of the Net Pension Liability</i>	
<i>South Carolina Retirement System</i>	83
<i>Schedule of City's Contributions</i>	
<i>South Carolina Retirement System</i>	84
<i>Schedule of the City's Proportionate Share of the Net Pension Liability</i>	
<i>Police Officers' Retirement System</i>	85
<i>Schedule of the City's Contributions</i>	
<i>Police Officers' Retirement System</i>	86

**Federal Financial Assistance Section**

<i>Schedule of Expenditures of Federal Awards</i>	89
<i>Report on Internal Control over Financial Reporting and on</i>	
<i>Compliance and Other Matters Based on an Audit of Financial</i>	
<i>Statements Performed In Accordance with Government Auditing Standards</i>	91-92
<i>Report on Compliance for Each Major Program and on</i>	
<i>Internal Control over Compliance Required by the Uniform Guidance</i>	93-95
<i>Schedule of Findings and Questioned Costs</i>	96
<i>Schedule of Prior Year Audit Findings</i>	97



STANCIL  
COOLEY ESTEP  
& STAMEY, LLP

*Certified Public  
Accountants*

631 ByPass 123  
P. O. Drawer 1279  
Seneca, SC 29679

(864) 882-3048  
Fax 882-7489

602-5 College Avenue  
Clemson, SC 29631

(864) 654-4945  
Fax 654-9476

[www.scescpa.com](http://www.scescpa.com)

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Opinions**

*We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Seneca, South Carolina, as of and for the year ended June 30, 2022, 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 financial statements referred above present fairly, in all respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Seneca, SC, as of June 30, 2022, 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. 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 of Seneca, SC, 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 these 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 of Seneca, SC'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.*



STANCIL  
COOLEY ESTEP  
& STAMEY, LLP

*Certified Public  
Accountants*

631 ByPass 123  
P. O. Drawer 1279  
Seneca, SC 29679

(864) 882-3048  
Fax 882-7489

602-5 College Avenue  
Clemson, SC 29631

(864) 654-4945  
Fax 654-9476

[www.scescpa.com](http://www.scescpa.com)

### **Auditor's Responsibilities for Audit of the Financial Statements**

*Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.*

*In performing an audit in accordance with generally accepted auditing standards we:*

- *Exercise professional judgement and maintain skepticism throughout the time of 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 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 of Seneca, SC'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 judgement, there are conditions or events, considered in the aggregate that raise substantial doubt about the City of Seneca, SC's ability to continue a going concern for a reasonable period of time.*

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

### **Required Supplementary Information**

*Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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*



STANCIL  
COOLEY ESTEP  
& STAMEY, LLP

*Certified Public  
Accountants*

631 ByPass 123  
P. O. Drawer 1279  
Seneca, SC 29679

(864) 882-3048  
Fax 882-7489

602-5 College Avenue  
Clemson, SC 29631

(864) 654-4945  
Fax 654-9476

[www.scescpa.com](http://www.scescpa.com)

*Standards Board, who considers it to be an essential part of financing reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with managements 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 of Seneca, SC's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects. In relation to the basic statements as a whole.*

### **Other Reporting Required by Government Auditing Standards**

*In accordance with Government Auditing Standards, we have also issued our report dated May 22, 2023, on our consideration of the City of Seneca, SC'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 of Seneca, SC'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, SC's internal control over financial reporting and compliance.*

*Stancil Cooley Estep & Stamey LLP*

Stancil, Cooley, Estep & Stamey, LLP  
Seneca, South Carolina  
May 22, 2023

***THIS PAGE INTENTIONALLY LEFT BLANK***



***MANAGEMENT'S DISCUSSION AND ANALYSIS***

***THIS PAGE INTENTIONALLY LEFT BLANK***

City of Seneca  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022

As management of the City of Seneca we offer readers of the City of Seneca's financial statements this narrative overview and analysis of the financial activities of the City of Seneca for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the City's financial statements, additional information furnished in the notes to the financial statements and the supplementary statements.

### FINANCIAL HIGHLIGHTS

- The assets of the City of Seneca exceeded its liabilities at the close of the most recent fiscal year by \$53,755,675 (net position).
- The government's total net position increased by \$4,882,352 during the fiscal year. See the Governmental-wide financial analysis section for more details.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,424,789.
- On July 1, 2005, the City issued \$12,500,000 of revenue bonds to fund capital acquisition and expansion of their utility systems infrastructures. On March 29, 2012, the City issued \$8,350,000 of revenue bonds to provide resources for future debt service payments on the July 1, 2005 bonds. On September 26, 2013, the City issued \$5,840,000 of revenue bonds to fund capital acquisition and expansion of their utility systems infrastructures. Series 2020 was issued on December 22, 2020 for the purpose of generating resources for future debt service payments of \$3,830,000 on the Series 2013 revenue bonds. During the current fiscal year the city repaid \$1,308,462, leaving an outstanding balance of \$5,894,468 at June 30, 2022. For more details see Note number eleven in the Notes to Financial Statements.
- On November 21, 2019, the Seneca Facilities Corporation issued \$5,000,000 of installment purchase revenue bonds to refinance payments on the New Market Tax Credit loans. The issuance provided funding for improvements at the Seneca Industrial Complex, as well as construction of the Public Works Facility that has begun. The expected completion of this facility is during fiscal year 2024.
- On November 5, 2020, the City issued and sold Series 2020A general obligation bonds for \$1,400,000. Series 2020B general obligation bonds were issued and sold for \$950,000. The City will begin repayment of these bonds on March 1, 2023 and intend on using FEMA reimbursement funds to payoff the outstanding principal balance in FY24.
- The City of Seneca has been able to use American Rescue Plan Funding for revenue replacement and improvements to the water and sewer infrastructure.

- On April 13, 2020, at approximately 3:00 in the morning, a tornado ripped through the City of Seneca. With estimated winds of 160 miles per hour, the tornado was categorized as an EF-3 and declared a major disaster on May 1, 2020. Due to the amount of damage created by this tragedy, the City of Seneca incurred roughly \$4 million dollars of additional costs during fiscal year 2020 and an additional \$2.6 million during fiscal year 2021. Many of these costs are eligible for federal and state reimbursement through the Federal Emergency Management Agency (FEMA) and the South Carolina Emergency Management Division (SCEMD). The city has been actively seeking reimbursement through these agencies since the tornado and anticipates being reimbursed for many tornado-related costs. Along with its citizens, the city continues to work towards recovering and rebuilding from this terrible event.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### **Government-wide financial statements**

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

The statement of net position presents information on the City of Seneca's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Seneca is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Seneca that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Seneca include general government, public safety, street, sanitation, and recreation. The business-type activities of the City of Seneca include Seneca Light and Water which handles electric distribution, sewer collection, water collections, processing and distribution and the Seneca Industrial Complex which leases building space for warehousing and manufacturing.

The government-wide financial statements include the City of Seneca's governmental activities

and business-type activities and can be found on pages 3-4 of this financial statement.

### **Fund financial statements**

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

#### ***Governmental funds***

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

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

The City of Seneca maintains two governmental type funds - a general fund and special revenue funds. Information is presented separately in the governmental fund balance sheets and in the government fund statement of revenues, expenditures, and changes in fund balances.

The City of Seneca adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found on pages 5-7 of this report.

#### ***Proprietary funds***

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

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

The basic proprietary fund financial statements can be found on pages 13-18 of this report.

### ***Fiduciary funds***

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

The basic fiduciary fund financial statements can be found on page 56 of this report.

### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-54 of this report.

### **Supplementary information**

In addition to the basic financial statements and accompanying notes, this report also presents certain other required information concerning the Victim Services. Other required information can be found on page 82 of this report.

### ***Governmental-wide financial analysis***

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Seneca, assets exceeded liabilities by \$53,755,675 at the close of the most recent fiscal year.

By far the largest portion of the City of Seneca's net position (105 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The City of Seneca uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021
Current and Other Assets	\$ 10,967,984	\$ 8,197,846	\$ 21,918,472	\$ 16,082,817	\$ 32,886,456	\$ 24,280,663
Net Capital Assets	15,716,943	16,018,920	69,791,769	70,894,695	85,508,712	86,913,615
Total Assets	\$26,684,927	\$24,216,766	\$91,710,241	\$86,977,512	\$118,395,168	\$111,194,278
Long-term Debt Outstanding	\$ 12,580,158	\$ 15,841,181	\$ 31,547,658	\$ 35,291,962	\$44,127,816	\$51,133,143
Other Liabilities	5,061,849	2,036,317	15,449,828	9,151,495	20,511,677	11,187,812
Total Liabilities	\$ 17,642,007	\$17,877,498	\$46,997,486	\$44,443,457	\$64,639,493	\$62,320,955
<b>Net Assets</b>						
Investment in Capital (net of related debt)	\$ 12,627,473	\$ 12,614,213	\$ 43,762,996	\$ 42,594,865	\$56,390,469	\$55,209,078
Restricted	3,089,470	3,404,707	3,973,315	5,069,422	7,062,785	8,474,129
Unrestricted	(6,674,023)	(9,679,652)	(3,023,556)	(5,130,232)	(9,697,579)	(14,809,884)
Total Net Position	\$ 9,042,920	\$ 6,339,268	\$44,712,755	\$42,534,055	\$53,755,675	\$ 48,873,323

At the end of the current fiscal year, the City of Seneca is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation has been true for the past several years.

***Governmental activities***

During the current fiscal year, the City of Seneca's governmental activities' net position increased by \$2,703,652. Key factors included in this increase are as follows:

- An increased cash balance of \$2,350,000 from the issuance of GO Bonds to offset the increased costs incurred from the April 13, 2020 tornado.
- The net pension liability for governmental activities decreased by \$2,684,082 from prior year.
- Depreciation expense of \$1,919,794 exceeded the change in capital assets of \$1,617,817 resulting in a deficit of \$301,977 as reported on the Statement of Activities.
- Change in City's proportionate share of net pension liability, deferred outflow, and deferred inflow increased by \$335,550, GASB 68.

The table below summarizes the changes in net position for fiscal year 2022.

Summary of Changes in Net Position

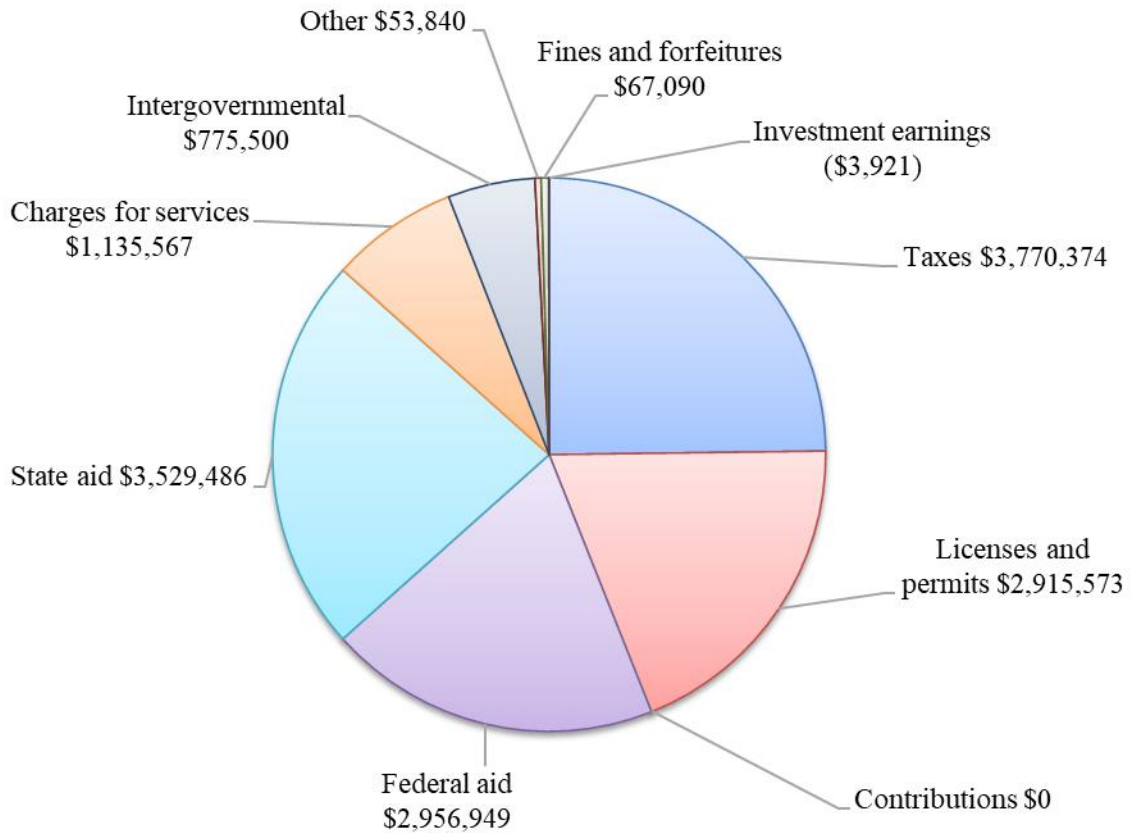
	Governmental Activities		Business-type Activities		Total	
	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021
REVENUES:						
Program Revenues:						
Charges for sales and	1,135,567	\$1,119,151	33,659,718	\$30,526,314	\$34,795,285	\$31,645,465
General revenues:						
Property taxes	3,770,374	\$3,427,913	-	-	3,770,374	3,427,913
Other revenues	2,915,573	\$2,829,613	-	-	2,915,573	2,829,613
Restricted grants	6,335,971	\$2,078,607	-	-	6,335,971	2,078,607
Grants and contributions not restricted to specific	925,964	\$999,894	-	\$39,615	925,964	1,039,509
Other/Interest/Fines	117,009	\$587,755	1,953,844	\$665,058	2,070,853	1,252,813
Total revenues	\$15,200,458	\$11,042,933	35,613,562	\$31,230,987	\$50,814,020	\$42,273,920
EXPENSES:						
General government	3,423,818	2,970,918	-	-	\$3,423,818	\$2,970,918
Public safety	6,113,345	6,275,924	-	-	6,113,345	6,275,924
Public Works	2,210,591	1,724,063	-	-	2,210,591	1,724,063
Culture and recreation	2,012,771	1,719,781	-	-	2,012,771	1,719,781
Arts, History & Culture	356,603	292,098	-	-	356,603	292,098
Depreciation	1,919,794	1,873,570	2,661,989	2,523,169	4,581,783	4,396,739
Other	1,122,274	1,234,358	2,069,134	741,056	3,191,408	1,975,414
Administration	-	-	3,960,809	4,470,870	3,960,809	4,470,870
Electric	-	-	11,066,266	11,191,011	11,066,266	11,191,011
Water	-	-	4,097,574	3,262,339	4,097,574	3,262,339
Sewer	-	-	4,273,046	2,763,165	4,273,046	2,763,165
Tornado Related	-	-	-	60,301	-	60,301
Interest on Long Term debt	-	-	643,654	706,080	643,654	706,080
Total expenses	\$17,159,196	\$16,090,712	\$28,772,472	\$25,717,991	\$45,931,668	\$41,808,703
Increase in net position before transfers	(1,958,738)	(5,047,779)	6,841,090	5,512,996	4,882,352	465,217
Transfer	4,662,390	4,722,326	(4,662,390)	(4,722,326)	-	-
Increase in net position	2,703,652	(325,453)	2,178,700	790,670	4,882,352	465,217
Beginning net position	6,339,268	6,800,007	42,534,055	42,088,174	48,873,323	48,888,181
Prior-period adjustment	-	(135,286)	-	(344,789)	-	(480,075)
Ending net position	\$9,042,920	\$6,339,268	\$44,712,755	\$42,534,055	\$53,755,675	\$48,873,323



## GOVERNMENTAL ACTIVITIES

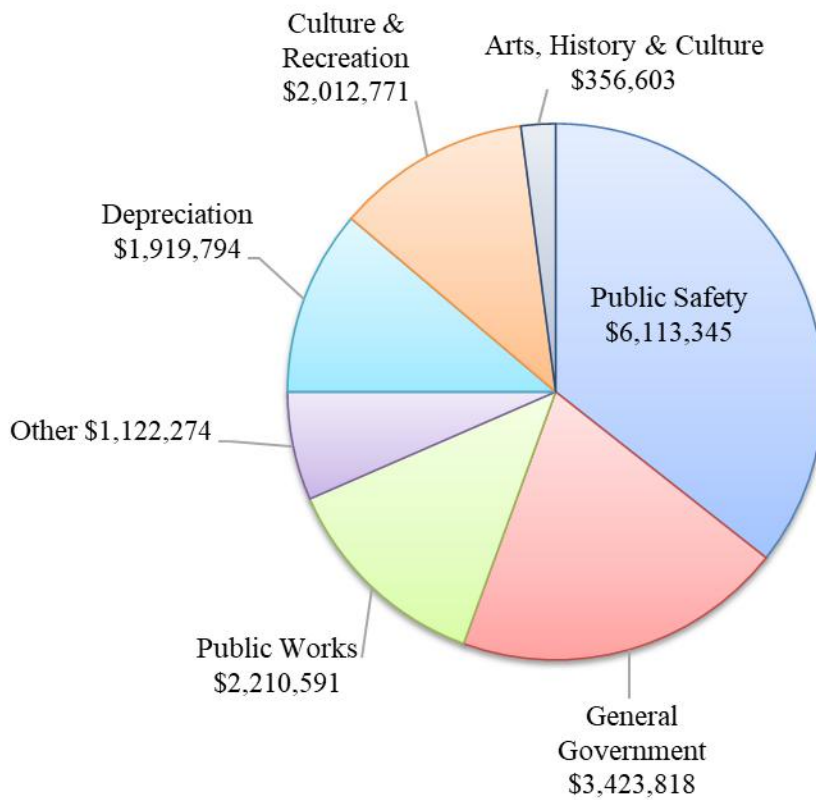
A chart is provided below which depicts the amount of revenue derived from property taxes, grants and contributions, business license and permit fees, charges for services, intergovernmental, and other revenues.

### Revenue by Source



The figure below represents the expenditures of all governmental activities. The majority of expense comes from public safety (Police and Fire Departments), the next highest expense is General government (Municipal Judge, Mayor & Council, Finance/Administration, and Planning & Development). The City of Seneca ended the year with an increase in net position of \$2,703,652. See page 6 for the key factors in this increase.

## Expenditures by Function

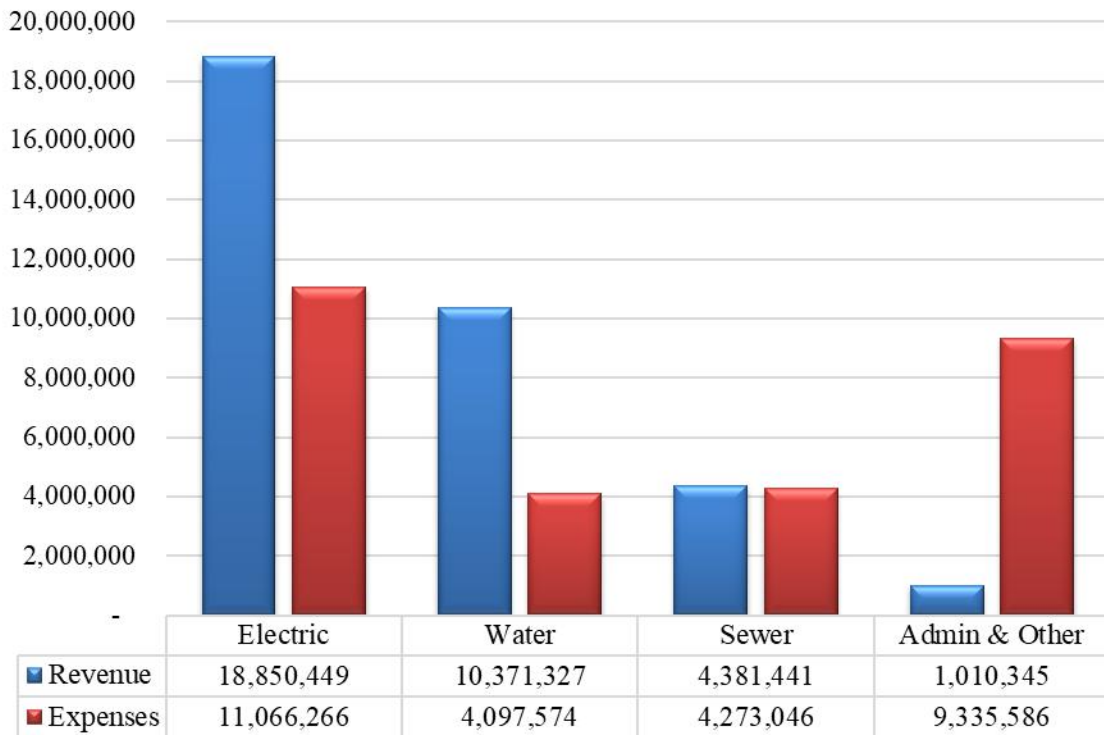


## Business-type activities

Business-type activities increased the City of Seneca’s net position by \$2,178,700. Key elements of the increase are as follows:

- Operating revenues exceed operating expenses by \$6,064,159 for Light & Water.
- Operating revenues for Seneca Facilities Corp and Seneca Improvements Corp Funds combined exceed operating expenses by \$267,147.
- Transfers to other funds of \$4,662,390.

## Expenses and Program Revenues



## **Financial Analysis of the Government's Funds**

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

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

Government unrestricted net assets at June 30, 2022 was \$(6,674,023) due to the change in accounting principle GASB 68. GASB 68 requires the City to record a pension liability of \$10,067,629 for Governmental Funds. The unrestricted net assets balance would be \$3,393,606 without the pension liability recorded. The remainder of net position is reserved to indicate that it is not available for new spending because it is comprised of investments in capital assets and restrictions for debt service.

The general fund is the chief operating fund of the City of Seneca. At the end of the current fiscal year, unassigned fund balance of the general fund is \$3,424,789, while total assets were \$4,436,970. In addition, the city has \$15,716,943 in general fixed assets net of depreciation. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

### **Proprietary funds**

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

Unrestricted Net Position of the Light and Water Fund at fiscal year end was \$(4,524,698). The Seneca Facilities Corporation Fund handles the activity at the Industrial Facility on Shiloh Road. The Restricted Net Position of the Seneca Facilities Corporation Fund at fiscal year end was \$1,502,903. The Seneca Improvements Corporation Fund aids with economic business establishment and retention for the City of Seneca. The Unrestricted Net Position of the Seneca Improvements Corporation Fund at fiscal year end was \$1,363,198.

### **General Fund Budgetary Highlights**

The actual operational revenues exceeded budget by \$1,200,602 while the actual expenditures, including capital outlay, exceed the budgeted expenditures by \$1,742,065. Overall, General Fund expenditures exceeded revenues by \$818,360. The following is a brief summary of some of the variances.

- Total property taxes revenue exceeded budget by \$2,316, total licenses and permits revenue exceeded budget by \$161,823, and total intergovernmental revenue exceeded budget by \$65,231.

- Total actual capital outlay exceeded department budget by \$1,099,830; however, this was due to the budgeted use of American Rescue Plan funding for revenue replacement to purchase essential capital for public safety, public works, recreation and arts, and history and culture. These expenditures were offset with a transfer in from the ARPA fund.
- Capital outlay for public safety is comprised of the new police department building and the purchase of vehicles to keep the fleet properly equipped and operational. The vehicles purchased through ARPA as revenue replacement was \$213,170.
- Capital outlay for recreation consists of numerous improvements to the dugouts, infields and outfields, Shaver complex, Gignilliat building, Kellett field and many other crucial improvements needed for the expanding the youth programs in Seneca. These improvements totaled roughly \$481,335.
- Kellett demolition is now complete and in place of the building is recreation fields used for various sporting activities for the youth. The cost of the Kellett field improvements was \$185,659.
- Capital outlay for public works consists of various capital equipment purchases totaling \$267,190 for the street department, \$45,000 for sanitation and \$36,475 for motor pool. Of these purchases, \$104,294 was a new paver that was paid for from ARPA funding as revenue replacement and \$104,222 was paid for through the capital leases.

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

### **Capital Assets**

The City of Seneca’s investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to \$85,508,712 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, furniture and fixtures, equipment and vehicles, electrical system, water system, sewer system and construction in progress.

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

- Construction in Progress for Light & Water decreased \$2,051,341 because of the completion of improvements to the infrastructure for electrical, sewer and water.
- Construction in Progress decreased for Seneca Improvements Corporation by \$540,900 due to the completion of the projects at the Kimbrell’s & Harper’s buildings.
- Construction in Progress for Seneca Facilities Corporation decreased by \$1,551,765 because property upgrades at the Seneca Industrial Complex were completed. The new public works building is still under construction.
- Construction in Progress increased in Governmental Activities because of ongoing projects at the Recreation Center, Museums and the new police building.
- The total decrease in the City of Seneca’s net capital assets for the current fiscal year was \$1,404,903 coming from a decrease of \$301,977 for Governmental Activities and a decrease of \$1,102,926 for Business-type Activities.

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

	Governmental Activities		Business-type Activities		Total	
	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021
Land	1,327,312	1,327,312	1,283,498	1,283,498	2,610,810	2,610,810
Building and system	3,757,082	4,068,605	15,955,131	15,207,536	19,712,213	19,276,141
Improvement other than Building	4,363,104	4,911,930	49,145,075	47,245,770	53,508,179	52,157,700
Machinery and equipment	2,660,568	2,748,865	617,525	746,235	3,278,093	3,495,100
Vehicles	2,316,067	2,469,075	956,527	1,206,650	3,272,594	3,675,725
Construction in Progress	1,292,810	493,133	1,834,013	5,205,006	3,126,823	5,698,139
Total	<u>\$15,716,943</u>	<u>16,018,920</u>	<u>\$69,791,769</u>	<u>\$70,894,695</u>	<u>\$85,508,712</u>	<u>\$86,913,615</u>

Additional information on the City of Seneca's capital assets can be found in note 6 in the Notes to Financial Statements beginning on page 32.

### **Economic Factors and Next Year's Budgets and Rates**

The City of Seneca is located in Oconee County and is becoming a hub for businesses in the South Carolina Upstate, and the neighboring portions of Georgia and North Carolina.

On April 13, 2020, at approximately 3:00 in the morning, a tornado ripped through the City of Seneca. With estimated winds of 160 miles per hour, the tornado was categorized as an EF-3 and declared a major disaster on May 1, 2020. Due to the amount of damage created by this tragedy, the City of Seneca, along with its citizens continue to work towards recovering and rebuilding from this terrible event.

In fiscal year 2022, 20.64 residential acres and 40.65 commercial acres were annexed into the City of Seneca. Growth inside the city is also shown by the number of housing starts and building permits issued. In fiscal year 2022, 46 single family houses were started and the value of residential permits issued was \$18,690,017.

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

As an indicator of economic growth the total property market value within the City of Seneca, increased by 3.94% percent from \$803,913,652 in 2021 to \$835,600,494 in 2022.

## **Request for Information**

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

***BASIC FINANCIAL STATEMENTS***



***THIS PAGE INTENTIONALLY LEFT BLANK***

City of Seneca  
Statement of Net Position  
June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash	\$ 7,224,350	\$ 3,185,568	\$ 10,409,918
Investments	96,747	101,098	197,845
Receivables			
Property taxes	111,920	-	111,920
Accounts	760,584	5,115,967	5,876,551
Lease	-	4,937,828	4,937,828
Other	-	3,066	3,066
Prepaid expenses	63,752	27,392	91,144
Internal balances	(122,706)	122,706	-
Due from other governments	814,845	-	814,845
Inventory	36,022	1,985,399	2,021,421
Capital assets held for resale	-	-	-
Restricted cash	33,192	4,991,784	5,024,976
Capital assets:			
Land and construction in progress	2,620,122	3,117,511	5,737,633
Other capital assets, net of depreciation	13,096,821	66,674,258	79,771,079
<b>Total assets</b>	<b>\$ 24,735,649</b>	<b>\$ 90,262,577</b>	<b>\$ 114,998,226</b>
<b>Deferred outflow of resources</b>			
Deferred bond gain	\$ -	\$ 238,640	\$ 238,640
Deferred pension charges	1,949,278	1,209,024	3,158,302
<b>Total deferred outflow of resources</b>	<b>\$ 1,949,278</b>	<b>\$ 1,447,664</b>	<b>\$ 3,396,942</b>
<b>Liabilities</b>			
Accounts payable	\$ 649,684	\$ 817,188	\$ 1,466,872
Accrued expenses	312,286	1,223,615	1,535,901
Compensated absences payable	514,307	422,814	937,121
Due to customers	-	1,670,552	1,670,552
Due to other Government Agencies	631,173	-	631,173
Interest payable	-	137,269	137,269
Unearned revenue	73,072	6,877,165	6,950,237
Noncurrent liabilities, net:			
Due within one year	576,941	2,848,566	3,425,507
Due in more than one year	2,512,529	24,363,255	26,875,784
Net pension liability	10,067,629	7,184,403	17,252,032
<b>Total liabilities</b>	<b>\$ 15,337,621</b>	<b>\$ 45,544,827</b>	<b>\$ 60,882,448</b>
<b>Deferred inflow of resources</b>			
Deferred pension credits	\$ 2,304,386	\$ 1,452,659	\$ 3,757,045
<b>Net position</b>			
Invested in capital assets, net of debt	\$ 12,627,473	\$ 43,762,996	\$ 56,390,469
Restricted for:			
Debt Service	3,089,470	3,973,315	7,062,785
Unrestricted	(6,674,023)	(3,023,556)	(9,697,579)
<b>Total net position</b>	<b>\$ 9,042,920</b>	<b>\$ 44,712,755</b>	<b>\$ 53,755,675</b>

See Notes to Financial Statements

City of Seneca  
Statement of Activities  
For the Year Ended June 30, 2022

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
<b>Primary government:</b>							
<b>Governmental activities</b>							
General government	\$ 3,423,818	\$ -	\$ -	\$ -	\$ (3,423,818)	\$ -	\$ (3,423,818)
Public safety	6,113,345	-	-	-	(6,113,345)	-	(6,113,345)
Public works	2,210,591	1,135,567	-	-	(1,075,024)	-	(1,075,024)
Cultural & recreation	2,012,771	-	-	-	(2,012,771)	-	(2,012,771)
Arts, History & Culture	356,603	-	-	-	(356,603)	-	(356,603)
Depreciation	1,919,794	-	-	-	(1,919,794)	-	(1,919,794)
Project administration	1,091,606	-	-	-	(1,091,606)	-	(1,091,606)
Other	30,668	-	-	-	(30,668)	-	(30,668)
<b>Total governmental activities</b>	<b>\$ 17,159,196</b>	<b>\$ 1,135,567</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (16,023,629)</b>	<b>\$ -</b>	<b>\$ (16,023,629)</b>
<b>Business-type activities</b>							
Electric	\$ 11,066,266	\$ 18,850,449	\$ -	\$ -	\$ -	\$ 7,784,183	\$ 7,784,183
Water	4,097,574	10,371,327	-	-	-	6,273,753	6,273,753
Sewer	4,273,046	4,381,441	-	-	-	108,395	108,395
Admin	3,960,809	-	-	-	-	(3,960,809)	(3,960,809)
Other	2,069,134	56,501	-	-	-	(2,012,633)	(2,012,633)
Interest	643,654	-	-	-	-	(643,654)	(643,654)
Depreciation	2,661,989	-	-	-	-	(2,661,989)	(2,661,989)
	-	-	-	-	-	-	-
<b>Total business activities</b>	<b>\$ 28,772,472</b>	<b>\$ 33,659,718</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,887,246</b>	<b>\$ 4,887,246</b>
<b>Total primary government</b>	<b>\$ 45,931,668</b>	<b>\$ 34,795,285</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (16,023,629)</b>	<b>\$ 4,887,246</b>	<b>\$ (11,136,383)</b>
<b>General revenues:</b>							
Taxes					\$ 3,770,374	\$ -	\$ 3,770,374
Fines / forfeitures					67,090	-	67,090
Licenses & permits					2,915,573	-	2,915,573
Federal aid					2,956,949	-	2,956,949
State aid					3,529,486	-	3,529,486
County aid					775,500	-	775,500
Investment earnings (loss)					(3,921)	127,254	123,333
Other					249,592	1,000,000	1,249,592
Lease income					-	800,406	800,406
Loss on sale of fixed assets					(280,459)	-	(280,459)
Insurance recovery					84,707	26,184	110,891
Transfers					4,662,390	(4,662,390)	-
<b>Total general revenues and transfers</b>					<b>\$ 18,727,281</b>	<b>\$ (2,708,546)</b>	<b>\$ 16,018,735</b>
<b>Change in net position</b>					<b>\$ 2,703,652</b>	<b>\$ 2,178,700</b>	<b>\$ 4,882,352</b>
<b>Net position - beginning of year</b>					<b>\$ 6,339,268</b>	<b>\$ 42,534,055</b>	<b>\$ 48,873,323</b>
<b>Net position - end of year</b>					<b>\$ 9,042,920</b>	<b>\$ 44,712,755</b>	<b>\$ 53,755,675</b>

See Notes to Financial Statements

City of Seneca  
Balance Sheet - Governmental Funds  
June 30, 2022

	<b>Governmental Fund Types</b>		
	<b>General</b>	<b>Total Non-Major Funds</b>	<b>Total</b>
<b>Assets</b>			
Cash	\$ 3,022,849	\$ 4,201,501	\$ 7,224,350
Investments	96,747	-	96,747
Receivables (net of allowances)			
Property taxes	111,920	-	111,920
Accounts	257,643	502,941	760,584
Prepaid expenses	63,752	-	63,752
Restricted cash	33,192	-	33,192
Due from other funds	631,172	-	631,172
Due from other governments	183,673	-	183,673
Inventory	36,022	-	36,022
<b>Total assets</b>	<b>\$ 4,436,970</b>	<b>\$ 4,704,442</b>	<b>\$ 9,141,412</b>
<b>Liabilities</b>			
Accounts payable	\$ 428,890	\$ 220,794	\$ 649,684
Accrued expenses	312,286	-	312,286
Due to other funds	-	753,879	753,879
Unearned revenue	73,072	-	73,072
<b>Total liabilities</b>	<b>\$ 814,248</b>	<b>\$ 974,673</b>	<b>\$ 1,788,921</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - Property taxes	\$ 98,158	\$ -	\$ 98,158
<b>Fund balances</b>			
<b>Nonspendable:</b>			
Inventory	\$ 36,023	\$ -	\$ 36,023
Prepaid expenses	63,752	-	63,752
Unassigned	3,424,789	3,729,769	7,154,558
<b>Total fund balances</b>	<b>\$ 3,524,564</b>	<b>\$ 3,729,769</b>	<b>\$ 7,254,333</b>
<b>Total liabilities, deferred outflows and inflows of resources and fund balances</b>	<b>\$ 4,436,970</b>	<b>\$ 4,704,442</b>	<b>\$ 9,141,412</b>

See Notes to Financial Statements

**City of Seneca**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2022**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 7,254,333**

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

*Some property taxes receivable are not available to pay for current period expenditures and are deferred in the funds* *98,158*

*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 \$40,833,315 and the accumulated depreciation is \$25,116,372.* *15,716,943*

*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.* *(10,422,737)*

*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:*

<i>Capital leases</i>	<i>(739,470)</i>	
<i>Bonds payable</i>	<i>(2,350,000)</i>	
<i>Compensated absences</i>	<i>(514,307)</i>	
		<b>\$ (3,603,777)</b>

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ 9,042,920**

City of Seneca  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2022

	Governmental Fund Types		
	General	Total Non-Major Funds	Total
<b>Revenues</b>			
Taxes	\$ 2,642,316	\$ 1,123,025	\$ 3,765,341
Licenses and permits	2,915,573	-	2,915,573
Federal aid	56,767	2,900,182	2,956,949
State aid	245,964	3,283,522	3,529,486
County aid	680,000	95,500	775,500
Charges for services	1,135,567	-	1,135,567
Fines and forfeitures	67,090	-	67,090
Investment earnings (loss)	(4,020)	99	(3,921)
Contributions	-	32,880	32,880
Other revenues	54,458	40,482	94,940
<b>Total revenues</b>	<b>\$ 7,793,715</b>	<b>\$ 7,475,690</b>	<b>\$ 15,269,405</b>
<b>Expenditures</b>			
<b>Current operating</b>			
General government	\$ 1,716,198	\$ -	\$ 1,716,198
Public safety	6,304,146	-	6,304,146
Public works	1,913,894	666,789	2,580,683
Project administration	-	1,091,606	1,091,606
Culture and recreation	1,480,843	567,876	2,048,719
Arts, History & Culture	350,093	-	350,093
Non-department	1,747,096	32,027	1,779,123
<b>Capital outlay</b>			
General government	24,975	70,033	95,008
Public safety	576,805	-	576,805
Public works	362,363	-	362,363
Culture and recreation	742,632	-	742,632
Arts, History & Culture	109,219	-	109,219
Non-department	65,318	-	65,318
Benefits	-	30,668	30,668
<b>Total expenditures</b>	<b>\$ 15,393,582</b>	<b>\$ 2,458,999</b>	<b>\$ 17,852,581</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ (7,599,867)</b>	<b>\$ 5,016,691</b>	<b>\$ (2,583,176)</b>
<b>Other financing sources</b>			
Insurance recovery	\$ 84,707	\$ -	\$ 84,707
Miscellaneous	121,772	-	121,772
Interfund transfers, net	6,497,456	(1,835,065)	4,662,391
Proceeds from sale of fixed assets	77,572	-	77,572
<b>Total other financing sources</b>	<b>\$ 6,781,507</b>	<b>\$ (1,835,065)</b>	<b>\$ 4,946,442</b>
<b>Net change in fund balances</b>	<b>\$ (818,360)</b>	<b>\$ 3,181,626</b>	<b>\$ 2,363,266</b>
<b>Fund balances, beginning</b>	<b>4,342,924</b>	<b>548,143</b>	<b>4,891,067</b>
<b>Fund balances, ending</b>	<b>\$ 3,524,564</b>	<b>\$ 3,729,769</b>	<b>\$ 7,254,333</b>

See Notes to Financial Statements

**City of Seneca**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended June 30, 2022**

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

<b>Net change in fund balances - total governmental funds</b>	<b>\$</b>	<b>2,363,266</b>
<i>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</i>		335,550
<i>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds</i>		5,032
<i>Governmental funds report capital outlays as expenditures...however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the change in capital assets exceeded the change in accumulated depreciation.</i>		
<i>Change in capital assets</i>	\$	1,617,817
<i>Depreciation</i>		<u>(1,919,794)</u>
<i>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.</i>		(13,456)
<i>Repayment of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position.</i>		<u>315,237</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u><u>2,703,652</u></u></b>

See Notes to Financial Statements

**City of Seneca  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget to Actual  
For the Year Ended June 30, 2022**

<b>Revenues</b>	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Budget Variance</b>
<b>Property taxes</b>			
<b>Real property</b>	\$ 2,250,000	\$ 2,193,436	\$ (56,564)
<b>Vehicles</b>	230,000	267,499	37,499
<b>Other</b>	160,000	181,381	21,381
<b>Total property taxes</b>	<b>\$ 2,640,000</b>	<b>\$ 2,642,316</b>	<b>\$ 2,316</b>
<b>Licenses and permits</b>			
<b>Business licenses</b>	\$ 2,400,000	\$ 2,552,739	\$ 152,739
<b>Franchise fees</b>	78,000	74,654	(3,346)
<b>Building permits</b>	85,750	116,764	31,014
<b>Miscellaneous permits</b>	40,000	42,002	2,002
<b>Natural gas authority</b>	150,000	129,414	(20,586)
<b>Total licenses and permits</b>	<b>\$ 2,753,750</b>	<b>\$ 2,915,573</b>	<b>\$ 161,823</b>
<b>Intergovernmental</b>			
<b>County revenue sharing</b>	\$ 680,500	\$ 680,000	\$ (500)
<b>Federal grant revenue</b>	-	56,767	56,767
<b>State government shared revenue</b>	212,000	217,382	5,382
<b>SC housing authority</b>	22,000	17,597	(4,403)
<b>State grants / SCMIT</b>	3,000	10,985	7,985
<b>Total intergovernmental</b>	<b>\$ 917,500</b>	<b>\$ 982,731</b>	<b>\$ 65,231</b>

*continued*

See Notes to Financial Statements



**City of Seneca  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget to Actual  
For the Year Ended June 30, 2022**

*continued*

<b>Revenues</b>	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Budget Variance</b>
<b>Charges for services</b>			
<b>Garbage fees</b>	<b>\$ 1,100,000</b>	<b>\$ 1,135,567</b>	<b>\$ 35,567</b>
<b>Fines and forfeitures</b>			
<b>Municipal court fines</b>	<b>\$ 70,000</b>	<b>\$ 56,533</b>	<b>\$ (13,467)</b>
<b>Victims assistance fines</b>	<b>12,500</b>	<b>10,557</b>	<b>(1,943)</b>
<b>Total fines and forfeitures</b>	<b>\$ 82,500</b>	<b>\$ 67,090</b>	<b>\$ (15,410)</b>
<b>Investment earnings (loss)</b>	<b>\$ -</b>	<b>\$ (4,020)</b>	<b>\$ (4,020)</b>
<b>Other</b>			
<b>Recreation fees / sports / other</b>	<b>\$ 59,000</b>	<b>\$ 90,390</b>	<b>\$ 31,390</b>
<b>Total other</b>	<b>\$ 59,000</b>	<b>\$ 90,390</b>	<b>\$ 31,390</b>
<b>Total revenues</b>	<b>\$ 7,552,750</b>	<b>\$ 7,829,647</b>	<b>\$ 276,897</b>

*continued*

See Notes to Financial Statements

**City of Seneca  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget to Actual  
For the Year Ended June 30, 2022**

*continued*

<b>Expenditures</b>	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Budget Variance</b>
<b>Current operating</b>			
<b>General government</b>			
Municipal judge	\$ 252,232	\$ 284,200	\$ (31,968)
Mayor and council	215,692	198,807	16,885
Finance / administration	754,617	810,891	(56,274)
Planning and development	509,854	421,715	88,139
<b>Total general government</b>	<b>\$ 1,732,395</b>	<b>\$ 1,715,613</b>	<b>\$ 16,782</b>
<b>Public safety</b>			
Police department	\$ 3,608,457	\$ 3,884,965	\$ (276,508)
Fire department	2,105,121	2,419,177	(314,056)
<b>Total public safety</b>	<b>\$ 5,713,578</b>	<b>\$ 6,304,142</b>	<b>\$ (590,564)</b>
<b>Public works</b>			
Street department	\$ 841,910	\$ 916,766	\$ (74,856)
Sanitation department	449,794	502,102	(52,308)
Motor pool	462,229	495,026	(32,797)
<b>Total public works</b>	<b>\$ 1,753,933</b>	<b>\$ 1,913,894</b>	<b>\$ (159,961)</b>
<b>Culture and recreation</b>	<b>\$ 1,374,294</b>	<b>\$ 1,480,843</b>	<b>\$ (106,549)</b>
<b>Arts, History &amp; Culture</b>	<b>\$ 296,924</b>	<b>\$ 350,093</b>	<b>\$ (53,169)</b>
<b>Non-department</b>	<b>\$ 1,721,425</b>	<b>\$ 1,747,096</b>	<b>\$ (25,671)</b>

*continued*

See Notes to Financial Statements

**City of Seneca  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget to Actual  
For the Year Ended June 30, 2022**

*continued*

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Budget Variance</b>
<b>Capital outlay</b>			
General government	\$ 20,000	\$ 25,564	\$ (5,564)
Public safety	201,071	576,805	(375,734)
Public works	81,500	362,363	(280,863)
Culture / recreation	429,500	742,632	(313,132)
Arts, History & Culture	50,000	109,219	(59,219)
Non-department	-	65,318	(65,318)
	<b>\$ 782,071</b>	<b>\$ 1,881,901</b>	<b>\$ (1,099,830)</b>
<b>Total capital outlay</b>			
	<b>\$ 13,374,620</b>	<b>\$ 15,393,582</b>	<b>\$ (2,018,962)</b>
<b>Total expenditures</b>			
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ (5,821,870)</b>	<b>\$ (7,563,935)</b>	<b>\$ (1,742,065)</b>
<b>Other Financing Sources</b>			
Interfund transfers, net	\$ 5,153,218	\$ 6,497,456	\$ 1,344,238
Insurance recovery	-	84,707	\$ 84,707
Proceeds from sale of fixed assets	-	77,572	77,572
Miscellaneous	668,652	85,840	(582,812)
	<b>\$ 5,821,870</b>	<b>\$ 6,745,575</b>	<b>\$ 923,705</b>
<b>Total other financing sources</b>			
	<b>\$ -</b>	<b>\$ (818,360)</b>	<b>\$ (818,360)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>			
<b>Fund balances, beginning</b>	<b>4,342,924</b>	<b>4,342,924</b>	<b>-</b>
<b>Fund balances, ending</b>	<b>\$ 4,342,924</b>	<b>\$ 3,524,564</b>	<b>\$ (818,360)</b>

See Notes to Financial Statements

**City of Seneca  
Statement of Net Position  
Proprietary Funds  
June 30, 2022**

	<u>Light &amp; Water Fund</u>	<u>Seneca Facilities Corp Fund</u>	<u>Seneca Improvements Corp Fund</u>	<u>Total</u>
<b>Assets</b>				
<b>Current assets</b>				
Cash	\$ 2,176,127	\$ 707,875	\$ 301,566	\$ 3,185,568
Restricted cash	2,470,412	1,502,903	1,018,469	4,991,784
Investments	101,098	-	-	101,098
Receivables:				
Accounts receivable	5,039,676	76,291	-	5,115,967
Other receivables	3,066	-	-	3,066
Lease receivable, current	-	821,039	51,101	872,140
Prepaid expenses	27,392	-	-	27,392
Due from other funds	346,449	-	-	346,449
Inventory	1,985,399	-	-	1,985,399
<b>Total current assets</b>	<b>\$ 12,149,619</b>	<b>\$ 3,108,108</b>	<b>\$ 1,371,136</b>	<b>\$ 16,628,863</b>
<b>Noncurrent assets</b>				
Lease receivable	\$ -	\$ 3,501,280	\$ 564,408	\$ 4,065,688
Land	1,042,910	240,588	-	1,283,498
Buildings	15,320,907	3,228,416	189,054	18,738,377
Improvements	82,046,920	3,731,583	484,257	86,262,760
Equipment	7,069,172	6,000	-	7,075,172
Vehicles	4,656,275	-	-	4,656,275
Construction in progress	1,789,071	44,942	-	1,834,013
Less, accumulated depreciation	(48,829,397)	(1,209,757)	(19,172)	(50,058,326)
<b>Total noncurrent assets</b>	<b>\$ 63,095,858</b>	<b>\$ 9,543,052</b>	<b>\$ 1,218,547</b>	<b>\$ 73,857,457</b>
<b>Total assets</b>	<b>\$ 75,245,477</b>	<b>\$ 12,651,160</b>	<b>\$ 2,589,683</b>	<b>\$ 90,486,320</b>
<b>Deferred outflow of resources</b>				
Deferred bond gain, net	\$ 238,640	\$ -	\$ -	\$ 238,640
Deferred pension charges	1,209,024	-	-	1,209,024
<b>Total deferred outflow of resources</b>	<b>\$ 1,447,664</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,447,664</b>

*continued*

**City of Seneca**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	<u>Light &amp; Water Fund</u>	<u>Seneca Facilities Corp Fund</u>	<u>Seneca Improvements Corp Fund</u>	<u>Total</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 811,276	\$ 5,912	\$ -	\$ 817,188
Accrued expenses	1,223,615	-	-	1,223,615
Compensated absences	422,814	-	-	422,814
Capital lease payable, current	251,679	-	-	251,679
State revolving fund loan, current	921,838	-	-	921,838
Bonds payable, current	1,295,049	380,000	-	1,675,049
Customer deposits	1,129,037	-	-	1,129,037
Deferred revenue	2,551,908	4,322,319	2,938	6,877,165
Interest payable	95,702	41,567	-	137,269
Due to customers	541,515	-	-	541,515
Due to other funds	-	218,743	5,000	223,743
<b>Total current liabilities</b>	<b>\$ 9,244,433</b>	<b>\$ 4,968,541</b>	<b>\$ 7,938</b>	<b>\$ 14,220,912</b>
<b>Long-term liabilities</b>				
Capital lease payable	\$ 1,710,664	\$ -	\$ -	\$ 1,710,664
State revolving fund loans	13,211,063	-	-	13,211,063
Bonds payable	4,599,419	3,965,000	-	8,564,419
Line of credit	-	-	877,109	877,109
Net pension liability	7,184,403	-	-	7,184,403
<b>Total long-term liabilities</b>	<b>\$ 26,705,549</b>	<b>\$ 3,965,000</b>	<b>\$ 877,109</b>	<b>\$ 31,547,658</b>
<b>Total liabilities</b>	<b>\$ 35,949,982</b>	<b>\$ 8,933,541</b>	<b>\$ 885,047</b>	<b>\$ 45,768,570</b>
<b>Deferred inflow of resources</b>				
Deferred pension credits	\$ 1,452,659	\$ -	\$ -	\$ 1,452,659
<b>Net position</b>				
Invested in capital assets, net of related debt	\$ 41,344,786	\$ 2,076,772	\$ 341,438	\$ 43,762,996
Restricted for:				
Debt service	2,470,412	1,502,903	-	3,973,315
Generation savings	-	-	-	-
Unrestricted	(4,524,698)	137,944	1,363,198	(3,023,556)
<b>Total net position</b>	<b>\$ 39,290,500</b>	<b>\$ 3,717,619</b>	<b>\$ 1,704,636</b>	<b>\$ 44,712,755</b>

See Notes to Financial Statements

**City of Seneca**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<u>Light &amp; Water Fund</u>	<u>Seneca Facilities Corp Fund</u>	<u>Seneca Improvements Corp Fund</u>	<u>Total</u>
<b>Operating revenues</b>				
<b>Charges for services</b>				
<b>Electric</b>	\$ 18,850,449	\$ -	\$ -	\$ 18,850,449
<b>Water</b>	10,371,327	-	-	10,371,327
<b>Sewer</b>	4,381,441	-	-	4,381,441
<b>Lease income</b>	-	800,406	-	800,406
<b>Other</b>	56,501	-	-	56,501
	<u>\$ 33,659,718</u>	<u>\$ 800,406</u>	<u>\$ -</u>	<u>\$ 34,460,124</u>
<b>Total operating revenues</b>				
<b>Operating expenses</b>				
<b>Light &amp; water administration</b>	\$ 2,038,486	\$ -	\$ -	\$ 2,038,486
<b>I &amp; I department</b>	119,643	-	-	119,643
<b>Billing department</b>	1,040,520	-	-	1,040,520
<b>Engineering department</b>	762,160	-	-	762,160
<b>Electrical department</b>	3,394,894	-	-	3,394,894
<b>Water department</b>	1,947,235	-	-	1,947,235
<b>Sewer department</b>	4,273,046	-	-	4,273,046
<b>Water plant</b>	2,150,339	-	-	2,150,339
<b>Electrical generation / purchase</b>	7,671,372	-	-	7,671,372
<b>Maintenance</b>	834,008	-	-	834,008
<b>Depreciation</b>	2,514,016	134,352	13,621	2,661,989
<b>Program expenses</b>	-	-	154,498	154,498
<b>Facilities operations</b>	849,840	203,994	26,794	1,080,628
	<u>\$ 27,595,559</u>	<u>\$ 338,346</u>	<u>\$ 194,913</u>	<u>\$ 28,128,818</u>
<b>Total operating expenses</b>				
<b>Operating income (loss)</b>	\$ 6,064,159	\$ 462,060	\$ (194,913)	\$ 6,331,306
<b>Non-operating revenues (expenses)</b>				
<b>Investment income (loss)</b>	\$ (11,381)	\$ 116,140	\$ 22,495	\$ 127,254
<b>Interest expense</b>	(484,578)	(126,472)	(32,604)	(643,654)
<b>Insurance recovery</b>	26,184	-	-	26,184
<b>Other financing sources (uses)</b>				
<b>Interfund transfers in (out)</b>	\$ (4,649,581)	\$ (12,809)	\$ -	\$ (4,662,390)
<b>Other</b>	1,000,000	-	-	1,000,000
	<u>\$ (4,119,356)</u>	<u>\$ (23,141)</u>	<u>\$ (10,109)</u>	<u>\$ (4,152,606)</u>
<b>Total</b>				
<b>Net income (loss)</b>	\$ 1,944,803	\$ 438,919	\$ (205,022)	\$ 2,178,700
<b>Net position, beginning</b>	\$ 37,345,697	\$ 3,278,700	\$ 1,909,658	\$ 42,534,055
<b>Net position, ending</b>	<u>\$ 39,290,500</u>	<u>\$ 3,717,619</u>	<u>\$ 1,704,636</u>	<u>\$ 44,712,755</u>

See Notes to Financial Statements

***THIS PAGE INTENTIONALLY LEFT BLANK***

**City of Seneca**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<u>Light &amp; Water Fund</u>	<u>Seneca Facilities Corp Fund</u>	<u>Seneca Improvements Corp Fund</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>				
Receipts from customers and users	\$ 33,563,929	\$ 843,727	\$ 61,404	\$ 34,469,060
Payments to suppliers / goods and services	(18,026,406)	(390,725)	(159,520)	(18,576,651)
Payments to / for employees	(7,628,585)	-	-	(7,628,585)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 7,908,938</b>	<b>\$ 453,002</b>	<b>\$ (98,116)</b>	<b>\$ 8,263,824</b>
<b>Cash flows from non-capital financing activities:</b>				
Interfund transfers, net	\$ (4,649,581)	\$ (12,809)	\$ -	\$ (4,662,390)
<b>Total cash flows from non-capital financing activities</b>	<b>\$ (4,649,581)</b>	<b>\$ (12,809)</b>	<b>\$ -</b>	<b>\$ (4,662,390)</b>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets, net	\$ (1,339,387)	\$ (98,129)	\$ (101,384)	\$ (1,538,900)
Other	1,000,000	-	-	1,000,000
Principal paid on capital debt	(1,359,741)	(370,000)	-	(1,729,741)
Interest paid on capital debt	(484,578)	(126,472)	(32,604)	(643,654)
<b>Total cash flows from capital and related financing activities</b>	<b>\$ (2,183,706)</b>	<b>\$ (594,601)</b>	<b>\$ (133,988)</b>	<b>\$ (2,912,295)</b>
<b>Cash flows from investing activities:</b>				
Insurance Recovery	26,184	-	-	26,184
Interest income	(11,381)	116,140	22,495	127,254
<b>Total cash flows from investing activities</b>	<b>\$ 14,803</b>	<b>\$ 116,140</b>	<b>\$ 22,495</b>	<b>\$ 153,438</b>
<b>Net increase (decrease) in cash</b>	<b>\$ 1,090,454</b>	<b>\$ (38,268)</b>	<b>\$ (254,599)</b>	<b>\$ 842,577</b>
Cash, beginning	3,556,085	2,249,046	1,574,634	7,379,765
<b>Cash, ending</b>	<b>\$ 4,646,539</b>	<b>\$ 2,210,778</b>	<b>\$ 1,320,035</b>	<b>\$ 8,222,342</b>

*continued*



**City of Seneca**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

*continued*

	<u>Light &amp; Water Fund</u>	<u>Seneca Facilities Corp Fund</u>	<u>Seneca Improvements Corp Fund</u>	<u>Total</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income	\$ 6,064,159	\$ 462,060	\$ (194,913)	\$ 6,331,306
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>				
Depreciation	2,514,016	134,352	13,621	2,661,989
<b>Changes in assets (increase), decrease:</b>				
Accounts receivable	(522,475)	(24,164)	-	(546,639)
Other receivable	(3,627)	67,485	-	63,858
Lease receivable	-	(4,322,319)	58,466	(4,263,853)
Health care fund receivable	117,979	-	-	117,979
Due from other funds	113,185	-	-	113,185
Prepaid expenses	(9,795)	-	-	(9,795)
Inventory	(628,778)	-	-	(628,778)
Deferred bond gain	79,650	-	-	79,650
Deferred pension charges	182,464	-	-	182,464
<b>Changes in liabilities increase, (decrease):</b>				
Accounts payable	134,839	(18,340)	-	116,499
Accrued expenses	141,860	(3,540)	-	138,320
Customer deposits	30,840	-	-	30,840
Deferred revenue	281,494	4,322,319	2,938	4,606,751
Compensated absences payable	67,727	-	-	67,727
Line of Credit	-	-	21,772	21,772
Pension liability	(1,988,920)	-	-	(1,988,920)
Due to other funds	-	(164,851)	-	(164,851)
Deferred pension credits	1,334,320	-	-	1,334,320
<b>Total adjustments</b>	<u>\$ 1,844,779</u>	<u>\$ (9,058)</u>	<u>\$ 96,797</u>	<u>\$ 1,932,518</u>
<b>Net cash provided(used) by operating activities</b>	<u>\$ 7,908,938</u>	<u>\$ 453,002</u>	<u>\$ (98,116)</u>	<u>\$ 8,263,824</u>

See Notes to Financial Statements

***NOTES TO FINANCIAL STATEMENTS***

***THIS PAGE INTENTIONALLY LEFT BLANK***

**City of Seneca**  
**Notes to Financial Statements**  
**June 30, 2022**

**1. Summary of significant accounting policies**

**A. Reporting entity**

The **City of Seneca** was incorporated in 1874 by a public act passed by the South Carolina General Assembly and later certified in 1902 under Article II Chapter XLIX of the Code of 1902. Currently the City operates under a mayor/council form of government with an appointed City administrator and an elected mayor and eight council members.

The City of Seneca is comprised of the various departments of the general fund, the special revenue funds (which administer the various grant projects), the enterprise funds (light and water and Seneca facilities corp fund), and the custodial funds. Seneca facilities corp fund is a blended component unit. There are no discretely presented component units included in this financial statement. No entities are excluded that would make the financial statement misleading.

**B. Government-wide and fund financial statements**

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and, grants or contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and custodial funds, even though the custodial funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **C. Measurement focus, basis of accounting, and financial statement presentation**

*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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.*

*Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if collected within 60 days of the fiscal year end. Expenditures are recorded when a liability is incurred.*

*Property taxes, franchise taxes, licenses, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other governmental fund revenue items are considered to be measurable and available when received by the government.*

*Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are followed in both the government-wide and proprietary funds financial statements to the extent that those standards do not conflict with or contradict, guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments for quasi-external type transactions between the government's light and water fund and the general government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. The City recognizes these transactions as interfund transfers and reports them as an other financing source / use.*

*The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.*

*Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, all taxes are general revenues.*

*Proprietary funds (light and water and Seneca facilities corp funds) distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's primary ongoing operations. The principal operating revenues of the light and water fund are charges to customers for electric, water and sewer services. Impact and tap fees are reported as operating revenues. Operating expenses for the light and water fund include the costs of utility purchases and services, administrative expenses and asset depreciation. The principal operating revenue of the Seneca facilities corp fund is lease income. Operating expenses include administrative expenses and asset depreciation. All revenues and expenses not meeting this definition are reported as nonoperating.*

*The City reports deferred revenue arising from funds received prior to its legal claim to them. The revenues are recognized in subsequent periods when the City has legal claim to those resources.*

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

#### **D. Fund Types**

*Due to legal requirements and the diverse nature of the operations of a city, there must be a separation of transactions by class or nature of activity. The accounts of a city are organized on the basis of funds or account groups, each of which is a separate, independent accounting entity.*

*The operations of each fund are recorded in a separate, self-balancing set of accounts showing its assets, liabilities, fund balance, and revenues and expenditures. The types of funds maintained by the City of Seneca are as follows:*

#### **Governmental Funds**

**General Fund** -- the general operating fund of the City. It is used to account for all financial resources except for those required to be accounted for in other funds.

**Special Revenue Funds** -- used to account for the proceeds of specific revenues that are restricted for specific expenditures other than special assessments, expendable trusts, or major capital projects.

### **Proprietary Funds**

**Enterprise Funds** -- accounts for charges to users for electricity, water and sewer services, lease income and the cost of operations of the utility systems and facilities. Depreciation is recorded in these funds.

### **Fiduciary Funds**

**Custodial Funds** -- accounts for assets held in a trustee capacity. Assets of this funds are reported at fair value.

### **E. Blended component unit**

*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. Information regarding separate financial statements of Seneca Facilities Corporation may be obtained by contacting Mr. Josh Riches at the City of Seneca, PO Box 4773, Seneca, SC 29679-4773.*

*Seneca Improvements Corporation is a nonprofit public benefit corporation formed on September 6, 2016 for the purpose of aiding and assisting the City in economic business establishment and retention. The corporation acquired property at 106 N Walnut Street for future development. 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. Information regarding separate financial statements of Seneca Improvements Corporation may be obtained by contacting Mr. Josh Riches at the City of Seneca, PO Box 4773, Seneca, SC 29679-4773.*

## **F. Pensions**

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

## **G. Fair Value**

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

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

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

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



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

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

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

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

## **2. Budgetary information**

*Annual budgets and supplementary budget appropriations are adopted by ordinance by the City Council providing for operations and capital expenditures of the City. The budget is prepared by function and activity within an individual fund. All budgets are required to have two readings before being enacted into law. There were no budgetary amendments during the fiscal year.*

*The special revenue funds receiving grant entitlements are mandated by project budgets that may extend over several accounting periods. Therefore, budget control is exercised by project. Such grants having budget periods that encompass more than one accounting period of the City are treated as legal non-appropriated budgets. Budgets for the general, special revenue, and enterprise funds are adopted on a basis consistent with generally accepted accounting principles. Annual budgetary appropriations lapse at year-end.*

## **3. Compensated absences**

*Amounts of vested accumulated leave time (vacation and compensatory time) are recorded as a compensated absence liability in the government-wide financial statements. Vested leave time of proprietary funds is recorded as an expense and a liability as the benefits accrue. Amounts of governmental funds vested leave time are not recorded in the general fund until they mature and are due.*

#### **4. Inventories**

*The inventory of the light and water fund (proprietary fund type) consists of expendable supplies and construction materials, which are accounted for in a perpetual inventory system. The inventory is valued at the lower of average cost or market value and is recorded as an expense as consumed.*

#### **5. Cash and investments**

##### Cash and Cash Equivalents

*The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.*

##### Investments

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

- a. Obligations of the United States and agencies thereof the principal and interest of which are fully guaranteed by the United States.*
- b. General obligations of the State of South Carolina or any of its political units.*
- c. Savings and loan associations to the extent that the same is insured by and agency of the federal government.*
- d. Certificates of deposit and funds in deposit accounts with banking institutions provided that such certificates and funds in deposit accounts 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 funds in deposit accounts so secured, including interest; provided, however, such collateral shall not be required to the extent the same are issued by an agency of the federal government.*

*The City's cash investment objectives are preservation of capital, liquidity, and yield. The City reports its cash and investments at fair value. The City currently or in the past year has used the following investments:*

- Obligations of the United States Government and agencies associated with the United States.*
- Certificates of Deposit ("CD") are bond-type investments issued by a bank when a person or company deposit 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. Money removed before maturity is usually subject to a penalty.

- Money Market funds are savings type investments where interest is paid.

*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.*

*Concentration of credit risk – 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. Sound financial management dictates that the City limit its exposure to credit risk and, therefore, the City holds various investment instruments provided by multiple issuers.*

*Custodial credit risk, deposits – In the case of deposits, there is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2022, \$12,257,113 of the City’s bank balance of \$14,613,524 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.*

*Custodial credit risk, 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 in the possession of an outside party. Of the investments of \$197,845 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 the financial institutions holding municipal deposits. Investments are recorded at cost or fair value depending on the nature and term of the investment.*

*The following is an analysis of investments held at June 30, 2022:*

<u>Investment</u>		<u>Carrying amount</u>	<u>Market value</u>
State Investment Pool	Level 1	\$ 11,337	\$ 11,337
US Government Agencies	Level 1	186,508	186,508
		<u>\$ 197,845</u>	<u>\$ 197,845</u>

## 6. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements prospectively. Capital assets for general governmental purposes are acquired through expenditures from the general fund and the special revenue funds. The City's policy is to capitalize purchases of \$5,000 and above.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest cost, net of interest income, incurred during the construction phase is included as construction-period interest as an integral part of the cost of construction. The City qualifies as a phase 3 government for reporting major general infrastructure fixed assets and elects to record such assets prospectively.

Capital assets are recorded at cost (fair market value if donated) and depreciated using the straight-line method with estimated useful lives between five and forty years as follows:

<i>Type of asset</i>	<i>Estimated life</i>
<i>Buildings</i>	<i>40</i>
<i>Building improvements</i>	<i>20-40</i>
<i>Furniture and fixtures</i>	<i>7-10</i>
<i>Equipment / vehicles</i>	<i>5-10</i>
<i>Utility systems</i>	<i>40</i>
<i>Paving/streets</i>	<i>10-20</i>

Capital asset activity for the current year ended June 30, 2022 was as follows:

**Governmental Activities**

<b>Capital assets, not depreciated</b>	<b>Beginning</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending</b>
Land	\$ 1,327,312	\$ -	\$ -	\$ 1,327,312
Construction in progress	493,133	1,227,323	427,646	1,292,810
<b>Total not depreciated</b>	<b>\$ 1,820,445</b>	<b>\$ 1,227,323</b>	<b>\$ 427,646</b>	<b>\$ 2,620,122</b>
<b>Capital assets, depreciated</b>				
Buildings	\$ 8,998,768	\$ 146,766	\$ 345,170	\$ 8,800,364
Improvements	13,979,117	30,933	-	14,010,050
Equipment	4,962,693	402,874	62,997	5,302,570
Vehicles	9,925,488	595,599	420,878	10,100,209
<b>Total depreciated</b>	<b>\$ 37,866,066</b>	<b>\$ 1,176,172</b>	<b>\$ 829,045</b>	<b>\$ 38,213,193</b>
<b>Less accumulated depreciation for:</b>				
	<b>Beginning</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending</b>
Buildings	\$ 4,930,163	\$ 218,900	\$ 105,781	\$ 5,043,282
Improvements	9,067,187	579,759	-	9,646,946
Equipment	2,213,828	428,174	-	2,642,002
Vehicles	7,456,413	692,961	365,232	7,784,142
<b>Total depreciation</b>	<b>\$ 23,667,591</b>	<b>\$ 1,919,794</b>	<b>\$ 471,013</b>	<b>\$ 25,116,372</b>
<b>Total depreciable assets, net</b>	<b>\$ 14,198,475</b>	<b>\$ (743,622)</b>	<b>\$ 358,032</b>	<b>\$ 13,096,821</b>
<b>Total governmental activities capital assets, net</b>	<b>\$ 16,018,920</b>	<b>\$ 483,701</b>	<b>\$ 785,678</b>	<b>\$ 15,716,943</b>

## Business-Type Activities

<b>Capital assets, not depreciated</b>	<b>Beginning</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending</b>
Land	\$ 1,283,498	\$ -	\$ -	\$ 1,283,498
Construction in progress	5,205,006	773,012	4,144,005	1,834,013
<b>Total not depreciated</b>	<b>\$ 6,488,504</b>	<b>\$ 773,012</b>	<b>\$ 4,144,005</b>	<b>\$ 3,117,511</b>
<b>Capital assets, depreciated</b>				
Buildings	\$ 17,544,109	\$ 1,194,268	\$ -	\$ 18,738,377
Improvements	82,579,959	3,682,801	-	86,262,760
Equipment	7,070,868	67,301	62,997	7,075,172
Vehicles	4,607,593	73,700	25,018	4,656,275
<b>Total depreciated</b>	<b>\$ 111,802,529</b>	<b>\$ 5,018,070</b>	<b>\$ 88,015</b>	<b>\$ 116,732,584</b>
<b>Less accumulated depreciation for:</b>	<b>Beginning</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending</b>
Buildings	\$ 2,336,573	\$ 446,673	\$ -	\$ 2,783,246
Improvements	35,334,189	1,783,496	-	37,117,685
Equipment	6,324,633	196,011	62,997	6,457,647
Vehicles	3,400,943	323,823	25,018	3,699,748
<b>Total depreciation</b>	<b>\$ 47,396,338</b>	<b>\$ 2,750,003</b>	<b>\$ 88,015</b>	<b>\$ 50,058,326</b>
<b>Total depreciable assets, net</b>	<b>\$ 64,406,191</b>	<b>\$ 2,268,067</b>	<b>\$ -</b>	<b>\$ 66,674,258</b>
<b>Total business-type activities capital assets, net</b>	<b>\$ 70,894,695</b>	<b>\$ 3,041,079</b>	<b>\$ 4,144,005</b>	<b>\$ 69,791,769</b>

### Depreciation expense of the primary government as follows:

<b>Governmental activities</b>	
General government	\$ 891,576
Public safety	301,053
Public works	547,108
Culture & recreation	180,057
<b>Total depreciation expense – governmental activities</b>	<b>\$ 1,919,794</b>
<b>Business-type activities</b>	
Electric	\$ 797,178
Water	1,053,375
Sewer	346,907
Administration	552,543
<b>Total depreciation expense – business-type activities</b>	<b>\$ 2,750,003</b>

## 7. Property taxes

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. The property tax calendar is as follows:

Levy	On September 30th on all real and personal property (except vehicles) based on the assessment of the preceding December 31 <sup>st</sup>
Tax due	On or before January 15 <sup>th</sup>
Penalty	3% after January 15th 7% additional after February 1 <sup>st</sup>
Delinquent	Liens are filed upon execution after March 16th 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, 2022 represent uncollected tax levies less allowance for doubtful accounts as follows:

	<u>Receivable</u>	<u>Allowance</u>
General fund	\$111,920	\$3,360

## 8. 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 the applicable allowances for uncollectible accounts, are as follows:

Receivable	<u>General</u>	<u>Business Activity</u>	<u>Nonmajor</u>	<u>Total</u>
Taxes	\$ 111,920	\$ -	\$ -	\$ 111,920
Accounts	261,003	5,115,967	502,941	5,879,911
Intergovernmental	631,172	346,449	-	977,621
Other	183,673	3,066	-	186,739
Gross receivables	<u>\$ 1,187,768</u>	<u>\$ 5,465,482</u>	<u>\$ 502,941</u>	<u>\$ 7,156,191</u>
Less allowance	3,360	-	-	3,360
Net receivables	<u>\$ 1,184,408</u>	<u>\$ 5,465,482</u>	<u>\$ 502,941</u>	<u>\$ 7,152,831</u>

## **9. Deferred outflows/inflows of resources**

*In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the unamortized bond/loan costs in the proprietary funds.*

*In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.*

## **10. Interfund transactions**

*During the course of 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 the 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.*



Interfund transfers for the year, in the aggregate, were as follows:

<b>Fund</b>	<b>Transfers in</b>	<b>Transfers out</b>	<b>Transfers - net</b>
General fund	\$ 6,837,652	\$ 340,196	\$ 6,497,456
Light & water fund	401,817	5,051,398	(4,649,581)
Seneca facilities	150,003	162,812	(12,809)
Nonmajor governmental funds	190,192	2,025,258	(1,835,066)
<b>Total transfers</b>	<b>\$ 7,579,664</b>	<b>\$ 7,579,664</b>	<b>\$ -</b>

As of June 30, 2022, interfund receivables and payables that resulted from interfund transactions were as follows:

<b>Fund</b>	<b>Due from other funds</b>	<b>Due to other funds</b>
General fund	\$ 631,172	\$ -
Light & water fund	346,449	-
Seneca facilities corp fund	-	218,743
Seneca improvements corp	-	5,000
Nonmajor governmental funds	-	753,878
<b>Totals</b>	<b>\$ 977,621</b>	<b>\$ 977,621</b>

## 11. Long-term obligations

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

### Revenue Bonds

The City issued revenue bonds in its business-type activities where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds (gross) outstanding at June 30, 2022 are as follows:

<b>Purpose</b>	<b>Interest Rate</b>	<b>Balance</b>	<b>Current Portion</b>
2012 Combined Utility System	2.28%	\$ 2,610,000	\$ 850,000
2020 Combined Utility System (2013 Refinanced)	1.63%	3,284,468	445,049
2019 Installment Purchase Revenue Bond (New Market Tax Credit Refinance)	2.87%	4,345,000	380,000
<b>Total</b>		<b>\$ 10,239,468</b>	<b>\$ 1,675,049</b>

### Advance Refunding

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

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

<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Debt svc</u>	<u>Calendar yr debt svc</u>
08/01/22	850,000	2.28	29,754	879,754	909,508
02/01/23	-		20,064	20,064	
08/01/23	870,000	2.28	20,064	890,064	910,128
02/01/24	-		10,146	10,146	
08/01/24	890,000	2.28	10,146	900,146	910,292
Totals	<u>\$ 2,610,000</u>		<u>\$ 90,174</u>	<u>\$ 2,700,174</u>	

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

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

<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Debt svc</u>	<u>Calendar yr debt svc</u>
08/01/22	445,049	1.63	26,768	471,817	498,585
02/01/23	-		23,141	23,141	
08/01/23	455,154	1.63	23,141	478,295	501,436
02/01/24	-		19,432	19,432	
08/01/24	460,016	1.63	19,432	479,448	498,880
02/01/25	-		15,683	15,683	
08/01/25	469,683	1.63	15,683	485,366	501,049
02/01/26	-		11,855	11,855	
08/01/26	479,098	1.63	11,855	490,953	502,808
02/01/27	-		7,950	7,950	
08/01/27	483,257	1.63	7,950	491,207	499,157
02/01/28	-		4,012	4,012	
08/01/28	492,211	1.63	4,012	496,223	500,235
<b>Totals</b>	<b>\$ 3,284,468</b>		<b>\$ 190,914</b>	<b>\$ 3,475,382</b>	

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 the 2019 installment purchase revenue bond debt service for future periods.

<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Debt svc</u>	<u>Calendar yr debt svc</u>
09/01/22	380,000	2.87	62,351	442,351	504,702
03/01/23	-		56,898	56,898	
09/01/23	395,000	2.87	56,898	451,898	508,796
03/01/24	-		51,230	51,230	
09/01/24	400,000	2.87	51,230	451,230	502,459
03/01/25	-		45,490	45,490	
09/01/25	415,000	2.87	45,490	460,490	505,979
03/01/26	-		39,534	39,534	
09/01/26	425,000	2.87	39,534	464,534	504,069
03/01/27	-		33,436	33,436	
09/01/27	440,000	2.87	33,436	473,436	506,871
03/01/28	-		27,122	27,122	
09/01/28	455,000	2.87	27,122	482,122	509,243
03/01/29	-		20,592	20,592	
09/01/29	465,000	2.87	20,592	485,592	506,185
03/01/30	-		13,920	13,920	
09/01/30	480,000	2.87	13,920	493,920	507,839
03/01/31	-		7,032	7,032	
09/01/31	490,000	2.87	7,032	497,032	504,063
<b>Totals</b>	<b>\$ 4,345,000</b>		<b>\$ 652,859</b>	<b>\$ 4,997,859</b>	

### 2007 State Revolving Fund Loan

The City authorized 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 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup> and November 1<sup>st</sup>.

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

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt svc</u>	<u>Calendar yr debt svc</u>
2023	109,808	16,174	125,982	125,982
2024	112,299	13,683	125,982	125,982
2025	114,848	11,134	125,982	125,982
2026	117,454	8,528	125,982	125,982
2027	120,119	5,863	125,982	125,982
2028	122,844	3,138	125,982	125,982
2029	62,465	529	62,994	-
Totals	<u>\$ 759,837</u>	<u>\$ 59,049</u>	<u>\$ 818,886</u>	

### 2014 State Revolving Fund Loan

On March 10, 2014 the City entered into a loan agreement with the South Carolina Water Quality Revolving Fund Authority in the amount of \$11,528,750 for water system improvements and meter 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 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup>, and November 1<sup>st</sup> of each year.

### 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 1.90% 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 1<sup>st</sup>, June 1<sup>st</sup>, September 1<sup>st</sup>, and December 1<sup>st</sup> of each year.

2020 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 1 and September 1 of each year, commencing March 1, 2021. Annual payments of principal will be paid on March 1 of each year until March 1, 2028. The following table provides the Series 2020A debt service for future periods.

<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Debt svc</u>	<u>Calendar yr debt svc</u>
09/01/22	-		11,900	11,900	
03/01/23	225,000	1.70	11,900	236,900	246,888
09/01/23	-		9,988	9,988	
03/01/24	225,000	1.70	9,988	234,988	243,063
09/01/24	-		8,075	8,075	
03/01/25	230,000	1.70	8,075	238,075	244,195
09/01/25	-		6,120	6,120	
03/01/26	235,000	1.70	6,120	241,120	245,243
09/01/26	-		4,123	4,123	
03/01/27	240,000	1.70	4,123	244,123	246,206
09/01/27	-		2,083	2,083	
03/01/28	245,000	1.70	2,083	247,083	247,083
Totals	<u>\$ 1,400,000</u>		<u>\$ 84,578</u>	<u>\$ 1,484,578</u>	

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 1 and September 1 of each year, commencing March 1, 2021. Annual payments of principal will be paid on March 1 of each year until March 1, 2028. The following table provides the Series 2020B debt service for future periods.

<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Debt svc</u>	<u>Calendar yr debt svc</u>
09/01/22			8,075	8,075	
03/01/23	150,000	1.70	8,075	158,075	164,875
09/01/23			6,800	6,800	
03/01/24	155,000	1.70	6,800	161,800	167,283
09/01/24			5,483	5,483	
03/01/25	155,000	1.70	5,483	160,483	164,648
09/01/25			4,165	4,165	
03/01/26	160,000	1.70	4,165	164,165	166,970
09/01/26			2,805	2,805	
03/01/27	165,000	1.70	2,805	167,805	169,208
09/01/27			1,403	1,403	
03/01/28	165,000	1.70	1,403	166,403	166,403
Totals	<u>\$ 950,000</u>		<u>\$ 57,462</u>	<u>\$ 1,007,462</u>	

Capital leases - lessee

The City has several lease agreements which qualify as capital leases for accounting purposes. Following are the assets leased under capital leases:

**Equipment**

*Governmental activities:*

<i>Fire trucks</i>	\$	517,924
<i>Mini excavator</i>		60,300
<i>Wheel loader</i>		93,800
<i>Hook truck</i>		120,005
<i>Fire safety equipment</i>		219,696
<i>Garbage trucks</i>		546,534
<i>Miscellaneous vehicles</i>		201,937
<i>Kubota tractor and equipment</i>		54,829
	\$	<u>1,760,196</u>

*Business-type activities:*

<i>Sewer trucks</i>		446,660
<i>Pressure washer</i>		58,300
<i>Work trucks</i>		109,150
<i>Dump truck</i>		109,240
<i>Bucket trucks</i>		761,236
<i>Equipment</i>		1,102,503
	\$	<u>2,586,639</u>

The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2022.

**Fiscal year ending**

	<u>Lease payments</u>	
<i>06/30/2023</i>	\$	578,511
<i>06/30/2024</i>		578,511
<i>06/30/2025</i>		470,977
<i>06/30/2026</i>		470,977
<i>06/30/2027</i>		470,977
<i>Thereafter</i>		346,503
<i>Total minimum lease payments</i>	\$	2,916,456
<i>Less interest portion</i>		<u>(214,642)</u>
<i>Present value of future minimum lease payments</i>	\$	<u>2,701,814</u>

Long-term liability activity for the year ended June 30, 2022, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<i>Governmental activities:</i>					
Capital leases	\$ 1,054,707	\$ -	\$ (315,237)	\$ 739,470	\$ 201,941
General obligation bonds	2,350,000	-	-	2,350,000	375,000
<i>Governmental activity long term liabilities</i>	<u>\$ 3,404,707</u>	<u>\$ -</u>	<u>\$ (315,237)</u>	<u>\$ 3,089,470</u>	<u>\$ 576,941</u>
<i>Business-type activities:</i>					
Revenue bonds payable	\$ 11,917,930	\$ -	\$ (1,678,462)	\$ 10,239,468	\$ 1,675,049
Deferred amount on refunding	(327,728)	-	89,088	(238,640)	-
Total bonds payable	\$ 11,590,202	\$ -	\$ (1,589,374)	\$ 10,000,828	\$ 1,675,049
SRF loan	\$ 15,023,930	\$ -	\$ (891,029)	\$ 14,132,901	\$ 921,838
Capital lease	\$ 1,122,593	\$ 1,100,000	\$ (260,250)	\$ 1,962,343	\$ 251,679
<i>Business-type activity long-term liabilities</i>	<u>\$ 27,736,725</u>	<u>\$ 1,100,000</u>	<u>\$ (2,740,653)</u>	<u>\$ 26,096,072</u>	<u>\$ 2,848,566</u>

Additional information regarding long-term debt may be obtained by contacting Mr. Josh Riches at the City of Seneca, PO Box 4773, Seneca, SC 29679-4773.

## 12. Segment information

The City of Seneca maintains three enterprise funds (light and water, Seneca Facilities Corp fund and Seneca Improvements Corp fund). Segment information for the year ended June 30, 2022 is as follows:

	<u>Light &amp; water fund</u>	<u>Seneca facilities corp fund</u>	<u>Seneca improvements corp</u>	<u>Total enterprise funds</u>
Operating revenues	\$ 33,659,718	\$ 800,406	\$ -	\$ 34,460,124
Depreciation	2,514,016	134,352	13,621	2,661,989
Operating income(loss)	6,064,159	462,060	(194,913)	6,331,306
Change in net position	1,944,803	438,919	(205,022)	2,178,700
Net position	39,290,500	3,717,619	1,704,636	44,712,755

## 13. Fund balance

In accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions ("GASB 54"), the City classifies governmental fund balances as follows:

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

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

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

***Assigned*** – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date.

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

#### **14. Net position**

*Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by City Council or through external restrictions imposed by creditors, grantors, or laws or regulations of other governmental entities.*



## **15. State Retirement Plans**

*The City participates in the State of South Carolina's retirement plans. The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as 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 a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.*

### *Plan Description*

*The South Carolina Retirement System (SCRS), a cost-sharing multiple employer defined pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and*

*its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.*

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

### *Plan Membership*

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

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

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

## *Plan Benefits*

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

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

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

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

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

### *Plan Contributions*

*Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain the amortization period for the refinancing of the unfunded actuarial accrued liability (UAAL) or a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, rates were increased to a capped rate of 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 by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go in effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.*

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

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

	SCRS Rates			PORS Rates		
	2020	2021	2022	2020	2021	2022
Employer Rate:						
Retirement	15.41%	15.41%	16.41%	17.84%	17.84%	18.84%
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%
	15.56%	15.56%	16.56%	18.24%	18.24%	19.24%
Employee Rate	9.00%	9.00%	9.00%	9.75%	9.75%	9.75%

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

Year Ended June 30,	SCRS		PORS	
	Required	Contributions % Contributed	Required	Contributions % Contributed
2022	\$ 1,216,484	100%	\$ 547,588	100%
2021	1,024,501	100%	495,460	100%
2020	1,074,509	100%	507,590	100%

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly (State) funded 1 percent of the SCRS and PORS contribution increases for the year ended June 30, 2022. The State's budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (non-employer contributing entity) for the year ended June 30, 2021 (measurement date) to the City were approximately \$88,416.

The City recognized contributions from the State of approximately \$88,416 for the year ended June 30, 2022. These contributions are recognized as intergovernmental revenues and pension expenditures in the City's governmental fund financial statements.

Eligible Payrolls of the City covered under the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Payroll		PORS Payroll		Total Payroll
2022	\$ 7,345,920	\$ 2,846,092	\$ 10,192,012		
2021	6,584,197	2,716,209	9,300,406		
2020	6,905,582	2,782,839	9,688,421		

## Actuarial Assumptions and Methods

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

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

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 2021.

	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 adjustments	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 ("2016 PRSC"), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP project for the year 2020.

Assumptions used in the determination of the June 30, 2021, TPL are as follows.

<i>Former job class</i>	<i>Males</i>	<i>Females</i>
<i>Educators</i>	<i>2020 PRSC Males multiplied by 95%</i>	<i>2020 PRSC Females multiplied by 94%</i>
<i>General employees and members of the General Assembly</i>	<i>2020 PRSC Males multiplied by 97%</i>	<i>2020 PRSC-- Females multiplied by 107%</i>
<i>Public safety and Firefighters</i>	<i>2020 PRSC Males multiplied by 127%</i>	<i>2020 PRSC Females multiplied by 107%</i>

### *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, 2021 measurement date, for the SCRS and PORS are presented in the following table:*

<i>System</i>	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Employers' Net Pension Liability (Asset)</i>	<i>Plan Fiduciary Net Position as a Percentage of the Total Pension</i>
<i>SCRS</i>	<i>\$ 55,131,579,363</i>	<i>\$ 33,490,305,970</i>	<i>\$ 21,641,273,393</i>	<i>60.7%</i>
<i>PORS</i>	<i>\$ 8,684,586,488</i>	<i>\$ 6,111,672,064</i>	<i>\$ 2,572,914,424</i>	<i>70.4%</i>

*The total pension liability is calculated by the Systems' 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 2021 fiscal year. The long-term expected rate of return is produced by weighing the expected future real rates of return by the target allocation percentage and adding expected inflation and is*

summarized in the table below. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

<i>Allocation/Exposure</i>	<i>Policy Target</i>	<i>Expected Arithmetic Real Rate of Return</i>	<i>Long Term Expected Portfolio Real Rate of Return</i>
<b>Public Equity</b>	46.0%	6.87%	3.16%
<b>Bonds</b>	26.0%	0.27%	0.07%
<b>Private Equity</b>	9.0%	9.68%	0.87%
<b>Private Debt</b>	7.0%	5.47%	0.39%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
<b>Total Expected Return</b>	<b>100.0%</b>		<b>5.18%</b>
<b>Inflation for Actuarial Purposes</b>			<b>2.25%</b>
			<b>7.43%</b>

#### Discount Rate

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

#### Sensitivity Analysis

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

<i>System</i>	<i>1% Decrease (6.00%)</i>	<i>Current Discount Rate (7.00%)</i>	<i>1% Increase (8.00%)</i>
<i>City's proportionate share of the net pension liability of the SCRS</i>	\$ 16,509,954	\$ 12,604,216	\$ 9,357,740
<i>City's proportionate share of the net pension liability of the PORS</i>	\$ 6,743,387	\$ 4,647,816	\$ 2,931,223



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

At June 30, 2022, the City reported a liability of \$17,252,032 for its proportionate share of the net pension liabilities for the SCRS plan \$12,604,216 and PORS plan \$4,647,816. The net pension liabilities were measured as of June 30, 2021, and the total pension liabilities for the plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report of July 1, 2020 that was projected forward to the measurement date. The 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 projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At June 30, 2021, the City's SCRS proportion was 0.058242 percent, which was an decrease of 0.003656 percent from its proportion measured as of June 30, 2020. At June 30, 2021, the City's PORS proportion was 0.180644 percent, which was an decrease of 0.003571 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense on its government-wide financial statements of \$956,385 consisting of \$563,707 for SCRS and \$392,678 for the PORS. At June 30, 2022, the City reported deferred outflows or resources and deferred inflows of resources related to pension from the following sources:

<i>Description</i>	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
<b>SCRS</b>		
<i>Differences between expected and actual experience</i>	\$ 214,698	\$ 17,011
<i>Changes in Assumptions</i>	689,913	-
<i>Net Difference between projected and actual earnings on Pension plan investments</i>	-	1,830,928
<i>Deferred amounts from changes in proportionate share and Differences between employer contributions &amp; proportionate Share of total plan employer contributions</i>	-	700,586
<i>City's contributions subsequent to the measurement date</i>	1,216,484	-
<b>Total SCRS</b>	<b>\$ 2,121,095</b>	<b>\$ 2,548,525</b>
<b>PORS</b>		
<i>Differences between expected and actual experience</i>	\$ 158,115	\$ 14,475
<i>Changes in Assumptions</i>	331,504	-
<i>Net Difference between projected and actual earnings on pension plan investments</i>	-	1,042,020
<i>Deferred amounts from changes in proportionate share and Differences between employer contributions &amp; proportionate Share of total plan employer contributions</i>	-	152,025
<i>City's contributions subsequent to the measurement date</i>	547,588	-
<b>Total PORS</b>	<b>\$ 1,037,207</b>	<b>\$ 1,208,520</b>
<b>Total SCRS and PORS</b>	<b>\$ 3,158,302</b>	<b>\$ 3,757,045</b>

The \$1,216,484 and \$547,588 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, 2022. 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,	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
2022	\$ (331,019)	\$ (142,878)	\$ (473,897)
2023	(269,391)	(86,756)	(356,147)
2024	(358,395)	(117,356)	(475,751)
2025	(685,109)	(371,912)	(1,057,021)
Total	<u>\$ (1,643,914)</u>	<u>\$ (718,902)</u>	<u>\$ (2,362,816)</u>

#### Plans' Fiduciary Net Position

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

#### Payable to Plans

The City reported a payable of approximately \$208,000 to the PEBA as of June 30, 2022, representing required employer and employee contributions for the month of June 2022 for SCRS and PORS. This amount is included in the Employer Retirement Payable on the financial statements and was paid in July 2022.

### 16. Restricted assets

The City recognizes unspent proceeds of enterprise fund revenue bonds and resources set aside for debt amortization and construction projects as restricted assets.

The bond principal and interest accounts are escrow accounts for current maturities of bond principal and interest. Account balances at June 30, 2022 are as follows:

Debt service (Governmental-Type Activities)	\$ 3,089,470
Debt service (Business-Type Activities)	3,973,315
Total restricted assets	<u>\$ 7,062,785</u>

**17. Excess of Expenditures over appropriations**

The amounts of any excess of governmental expenditures over appropriations at the legal level of control are as follows: Does not include capital outlay.

<b>General Fund</b>	<b>Expenditures</b>	<b>Appropriations</b>	<b>Excess</b>
Public safety	\$ 6,304,142	\$ 5,713,578	\$ 590,564
Public works	1,913,894	1,753,933	159,961
Arts, History & Culture	350,093	296,924	53,169
Recreation	1,480,843	1,374,294	106,549

**18. Public transit**

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 provides bus service to citizens without charge. Funding for the operations of the transit system was through a grant agreement with the South Carolina Department of Transportation (SCDOT).

In accordance with the grant agreement, funding consisted of the following for fiscal year ending June 30, 2022:

<b><u>Funding</u></b>	
Federal (FTA)	\$ 776,131
State (SCDOT)	147,022
County	60,000
Local match	190,192
<b>Total funding</b>	<b>\$ 1,173,345</b>

**19. Lease agreement – Seneca Facilities Corporation**

Lease terms

On August 30, 2012 the City entered into a lease agreement with Seneca Facilities Corporation for the lease of the property at 320 Shiloh Road through September 1, 2027. Annual lease payments in the amount of \$500,000 are due August 30th of each year. If at any time following the date of the lease agreement a portion of the

property is leased directly by Seneca Facilities Corporation to a tenant, the amount of the annual rent actually paid to Seneca Facilities by the tenant.

In accordance with the lease agreement, the City entered into a facilities management agreement with Seneca Facilities Corporation for the management of the property at 320 Shiloh Road. Seneca Facilities Corporation is required to pay a management fee in the amount of \$111,667 to the City on June 30<sup>th</sup> of each of the years until June 30, 2032.

**20. Capital lease – lessor**

On June 17, 2020, Seneca Improvements Corporation entered into a capital lease 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 lease 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.

Total development costs however totaled \$985,361. Using the Corporation’s incremental borrowing rate of 3.25%, the present value of the minimum lease payments equals \$746,446 resulting in a \$238,915 loss. See below for a schedule of the minimum lease payments to be received.

<u>Fiscal year ending</u>	<u>Lease payments</u>
06/30/2021	\$ 75,000
06/30/2022	75,000
06/30/2023	75,000
06/30/2024	75,000
06/30/2025	75,000
06/30/2026	75,000
Thereafter	450,000
Total minimum lease payments	\$ 900,000
Less interest portion	(153,554)
Present value of future minimum lease payments	<u>\$ 746,446</u>

**21. Construction commitments**

The City has construction commitments totaling \$1,231,5634 at June 30, 2022.

## **22. Risk management**

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

## **23. Lease Accounting Standards**

*New ASU codification for leases where an operating lease agreement dictates if the structure of the lease should qualify as a capital lease. Under such classification a lease would be recorded as a "right of use" asset and a corresponding "lease liability" debt.*

*During the current year the City had additional capital capital leases per the lease agreements of \$ 1,050,550, but had no material operating leases that would require reclassification.*

***THIS PAGE INTENTIONALLY LEFT BLANK***

**City of Seneca**  
**Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2022**

	<u>Firemen's Fund</u>	<u>Tornado Relief Fund</u>	<u>Municipal Court Escrow Account</u>	<u>Narcotics Seizure Account</u>	<u>Total Custodial Funds</u>
<b>Assets</b>					
Cash / investments	\$ 95,998	\$ -	\$ 4,043	\$ 2,027	\$ 102,068
<b>Liabilities</b>	-	-	-	-	-
<b>Net position</b>	<u>\$ 95,998</u>	<u>\$ -</u>	<u>\$ 4,043</u>	<u>\$ 2,027</u>	<u>\$ 102,068</u>

See Notes to Financial Statements



**City of Seneca**  
**Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Year Ended June 30, 2022**

	<u>Firemen's Fund</u>	<u>Tornado Relief Fund</u>	<u>Municipal Court Escrow Account</u>	<u>Narcotics Seizure Account</u>	<u>Total Custodial Funds</u>
<b>Additions</b>					
Contributions	\$ 39,644	\$ -	\$ 3,729	7,979.00	\$ 51,352
Investment earnings	150	-	-	3	\$ 153
<b>Total additions</b>	\$ 39,794	\$ -	\$ 3,729	\$ 7,982	\$ 51,505
<b>Reductions</b>					
Benefits	20,867	10,175	4,179	6,746.00	\$ 41,967
<b>Change in net position</b>	\$ 18,927	\$ (10,175)	\$ (450)	\$ 1,236	\$ 9,538
<b>Net position, beginning</b>	77,071	10,175	4,493	791	\$ 92,530
<b>Net position, ending</b>	<u>\$ 95,998</u>	<u>\$ -</u>	<u>\$ 4,043</u>	<u>\$ 2,027</u>	<u>\$ 102,068</u>

See Notes to Financial Statements

***THIS PAGE INTENTIONALLY LEFT BLANK***



***COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES***

City of Seneca  
 Nonmajor Special Revenue Funds  
 Combining Balance Sheet  
 June 30, 2022

	<u>"C"</u> <u>Funds</u>	<u>Hospitality</u> <u>Tax</u>	<u>Accommodations</u> <u>Tax</u>	<u>CAT Operating</u> <u>PT-20N711-06</u>	<u>CARES ACT</u> <u>PT-20N7CA-06</u>	<u>Capital Earmark</u> <u>PT-9N739-01</u>	<u>American Rescue</u> <u>Plan Act</u>
<b>Assets</b>							
Cash	\$ -	\$ 223,639	\$ (30,861)	\$ 371,774	\$ (49,342)	\$ 292,000	\$ 1,074,346
Receivables							
Notes / accounts / other	-	471	44,087	69,991	53,355	8,000	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 224,110</u>	<u>\$ 13,226</u>	<u>\$ 441,765</u>	<u>\$ 4,013</u>	<u>\$ 300,000</u>	<u>\$ 1,074,346</u>
<b>Liabilities and fund balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ 21,914	\$ 13,226	\$ -	\$ 4,013	\$ -	\$ 31,789
Due to other funds	-	122,707	-	-	-	-	631,172
<b>Total liabilities</b>	<u>\$ -</u>	<u>\$ 144,621</u>	<u>\$ 13,226</u>	<u>\$ -</u>	<u>\$ 4,013</u>	<u>\$ -</u>	<u>\$ 662,961</u>
<b>Fund balances</b>	<u>-</u>	<u>79,489</u>	<u>-</u>	<u>441,765</u>	<u>-</u>	<u>300,000</u>	<u>411,385</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 224,110</u>	<u>\$ 13,226</u>	<u>\$ 441,765</u>	<u>\$ 4,013</u>	<u>\$ 300,000</u>	<u>\$ 1,074,346</u>

continued

See Notes to Financial Statements

City of Seneca  
 Nonmajor Special Revenue Funds  
 Combining Balance Sheet  
 June 30, 2022

	<u>Policeman's Fund</u>	<u>Museum Account</u>	<u>CAT Operating PT- 21N711-74</u>	<u>Downtown Seneca improvements</u>	<u>Narcotics Operating Account</u>	<u>County ARPA Funds</u>	<u>TOTAL</u>
<b>Assets</b>							
Cash	\$ 563	\$ 12,667	\$ (160,496)	\$ 2,462,646	\$ 31,065	\$ (26,500)	\$ 4,201,501
Receivables							
Notes / accounts	-	-	291,537	-	-	35,500	502,941
<b>Total assets</b>	<u>\$ 563</u>	<u>\$ 12,667</u>	<u>\$ 131,041</u>	<u>\$ 2,462,646</u>	<u>\$ 31,065</u>	<u>\$ 9,000</u>	<u>\$ 4,704,442</u>
<b>Liabilities and fund balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ 131,007	\$ 9,845	\$ -	\$ 9,000	\$ 220,794
Due to other funds	-	-	-	-	-	-	753,879
<b>Total liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,007</u>	<u>\$ 9,845</u>	<u>\$ -</u>	<u>\$ 9,000</u>	<u>\$ 974,673</u>
<b>Fund balances</b>	<u>563</u>	<u>12,667</u>	<u>34</u>	<u>2,452,801</u>	<u>31,065</u>	<u>-</u>	<u>3,729,769</u>
<b>Total liabilities and fund balances</b>	<u>\$ 563</u>	<u>\$ 12,667</u>	<u>\$ 131,041</u>	<u>\$ 2,462,646</u>	<u>\$ 31,065</u>	<u>\$ 9,000</u>	<u>\$ 4,704,442</u>

See Notes to Financial Statements

**City of Seneca**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances**  
**Fiscal Year Ended June 30, 2022**

	<u>"C"</u> <u>Funds</u>	<u>Hospitality</u> <u>Tax</u>	<u>Accommodations</u> <u>Tax</u>	<u>CAT Operating</u> <u>PT-20N711-06</u>	<u>CARES ACT</u> <u>PT-20N7CA-06</u>	<u>Capital Earmark</u> <u>PT-9N739-01</u>	<u>CAT Operating</u> <u>PT-21N711-74</u>
<b>Revenues</b>							
Taxes	\$ -	\$ 991,270	\$ 131,755	\$ -	\$ -	\$ -	\$ -
Federal aid	-	-	-	274,569	214,210	56,000	231,352
State aid	636,500	-	-	86,837	-	-	60,185
County aid	-	-	-	60,000	-	-	-
Investment earnings	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-
Other revenue	-	39,386	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 636,500</b>	<b>\$ 1,030,656</b>	<b>\$ 131,755</b>	<b>\$ 421,406</b>	<b>\$ 214,210</b>	<b>\$ 56,000</b>	<b>\$ 291,537</b>
<b>Expenditures</b>							
<b>Current operating</b>							
Public works	\$ 636,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	567,876	-	-	-	-	-
Project administration	-	-	-	450,074	214,215	-	379,022
Capital outlay	-	-	-	-	-	70,000	-
Other	-	-	32,027	-	-	-	-
Benefits	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 636,500</b>	<b>\$ 567,876</b>	<b>\$ 32,027</b>	<b>\$ 450,074</b>	<b>\$ 214,215</b>	<b>\$ 70,000</b>	<b>\$ 379,022</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ -</b>	<b>\$ 462,780</b>	<b>\$ 99,728</b>	<b>\$ (28,668)</b>	<b>\$ (5)</b>	<b>\$ (14,000)</b>	<b>\$ (87,485)</b>
<b>Other financing sources (uses)</b>							
Transfers in (out)	\$ -	\$ (207,600)	\$ (99,728)	\$ 88,668	\$ 5	\$ 14,000	\$ 87,519
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ 255,180</b>	<b>\$ -</b>	<b>\$ 60,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34</b>
<b>Fund balances, beginning</b>	<b>-</b>	<b>(175,691)</b>	<b>-</b>	<b>381,765</b>	<b>-</b>	<b>300,000</b>	<b>-</b>
<b>Fund balances, ending</b>	<b>\$ -</b>	<b>\$ 79,489</b>	<b>\$ -</b>	<b>\$ 441,765</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ 34</b>

*continued*

See Notes to Financial Statements

**City of Seneca  
Nonmajor Special Revenue Funds  
Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Fiscal Year Ended June 30, 2022**

	<u>Policeman's Fund</u>	<u>Museum Account</u>	<u>American Rescue Plan</u>	<u>County ARPA funds</u>	<u>Operating Account</u>	<u>Downtown Seneca Improvements</u>	<u>Total</u>
<b>Revenues</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,123,025
Federal aid	-	-	2,124,051	-	-	-	2,900,182
State aid	-	-	-	-	-	2,500,000	3,283,522
County aid	-	-	-	35,500	-	-	95,500
Investment earnings	-	-	85	-	14	-	99
Contributions	13,225	13,385	-	-	6,270	-	32,880
Other revenue	-	-	-	-	-	1,096	40,482
<b>Total revenues</b>	<u>\$ 13,225</u>	<u>\$ 13,385</u>	<u>\$ 2,124,136</u>	<u>\$ 35,500</u>	<u>\$ 6,284</u>	<u>\$ 2,501,096</u>	<u>\$ 7,475,690</u>
<b>Expenditures</b>							
Current operating							
Public works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 636,500
Culture and recreation	-	-	30,289	-	-	-	598,165
Project administration	-	-	-	-	-	48,295	1,091,606
Capital outlay	-	-	33	-	-	-	70,033
Other	-	-	-	-	-	-	32,027
Benefits	13,371	14,015	-	-	3,282	-	30,668
<b>Total expenditures</b>	<u>\$ 13,371</u>	<u>\$ 14,015</u>	<u>\$ 30,322</u>	<u>\$ -</u>	<u>\$ 3,282</u>	<u>\$ 48,295</u>	<u>\$ 2,458,999</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ (146)</u>	<u>\$ (630)</u>	<u>\$ 2,093,814</u>	<u>\$ 35,500</u>	<u>\$ 3,002</u>	<u>\$ 2,452,801</u>	<u>\$ 5,016,691</u>
<b>Other financing sources (uses)</b>							
Transfers in (out)	\$ -	\$ -	\$ (1,682,429)	\$ (35,500)	\$ -	\$ -	\$ (1,835,065)
<b>Net change in fund balances</b>	<u>\$ (146)</u>	<u>\$ (630)</u>	<u>\$ 411,385</u>	<u>\$ -</u>	<u>\$ 3,002</u>	<u>\$ 2,452,801</u>	<u>\$ 3,181,626</u>
<b>Fund balances, beginning</b>	<u>709</u>	<u>13,297</u>	<u>-</u>	<u>-</u>	<u>28,063</u>	<u>-</u>	<u>548,143</u>
<b>Fund balances, ending</b>	<u><u>\$ 563</u></u>	<u><u>\$ 12,667</u></u>	<u><u>\$ 411,385</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 31,065</u></u>	<u><u>\$ 2,452,801</u></u>	<u><u>\$ 3,729,769</u></u>

See Notes to Financial Statements

**City of Seneca**  
**"C" Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget to Actual**  
**Fiscal Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
<b>State aid</b>	<b>\$ 500,000</b>	<b>\$ 636,500</b>	<b>\$ 136,500</b>
<b>Public works / paving</b>	<b>\$ 500,000</b>	<b>\$ 636,500</b>	<b>\$ (136,500)</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund balance, beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**See Notes to Financial Statements**

**City of Seneca  
Hospitality Tax Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget to Actual  
Fiscal Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
<i>Hospitality Tax</i>	\$ 650,000	\$ 900,515	\$ 250,515
<i>Local ATAX</i>	50,000	90,756	40,756
<i>Other revenue</i>	43,500	39,385	(4,115)
	<u>743,500</u>	<u>1,030,656</u>	<u>287,156</u>
<b>Total revenues</b>	<b>\$ 743,500</b>	<b>\$ 1,030,656</b>	<b>\$ 287,156</b>
<b>Expenditures</b>			
<i>Current operating</i>			
<i>Culture and recreation</i>	\$ 525,900	\$ 567,876	\$ (41,976)
<i>Intergovernmental grants</i>	10,000	-	10,000
	<u>535,900</u>	<u>567,876</u>	<u>(31,976)</u>
<b>Total expenditures</b>	<b>\$ 535,900</b>	<b>\$ 567,876</b>	<b>\$ (31,976)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 207,600</b>	<b>\$ 462,780</b>	<b>\$ 255,180</b>
<b>Other financing sources (uses)</b>			
<i>Transfers out</i>	(207,600)	(207,600)	-
	<u>(207,600)</u>	<u>(207,600)</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures</b>	<b>\$ -</b>	<b>\$ 255,180</b>	<b>\$ 255,180</b>
<b>Fund balance, beginning</b>	<b>(175,691)</b>	<b>(175,691)</b>	<b>-</b>
<b>Fund balance, ending</b>	<b><u>(175,691)</u></b>	<b><u>79,489</u></b>	<b><u>255,180</u></b>

**See Notes to Financial Statements**

**City of Seneca  
Accommodations Tax Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget to Actual  
Fiscal Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
<b>Taxes</b>	<u>\$ 100,000</u>	<u>\$ 131,755</u>	<u>\$ 31,755</u>
<b>Expenditures</b>			
<b>Other Tourism</b>	<u>\$ 22,500</u>	<u>\$ 32,027</u>	<u>\$ (9,527)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 77,500</u>	<u>\$ 99,728</u>	<u>\$ 22,228</u>
<b>Other financing sources (uses)</b>			
<b>Transfers out</b>	<u>(77,500)</u>	<u>(99,728)</u>	<u>(22,228)</u>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balance, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance, ending</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**See Notes to Financial Statements**



**City of Seneca**  
**CAT Operating Grant...PT-20N711-06**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget to Actual**  
**Fiscal Year Ended June 30, 2022**

	<u>Budget</u>	<u>Current</u>	<u>Prior</u>	<u>Total</u>	<u>Variance</u>
<b>Revenues</b>					
Federal aid	\$ 574,743	\$ 274,569	\$ -	\$ 274,569	\$ -300,174
State aid	142,859	86,837	-	86,837	-56,022
County aid	60,000	-	60,000	60,000	60,000
<b>Total revenues</b>	<u>\$ 777,602</u>	<u>\$ 421,406</u>	<u>\$ 60,000</u>	<u>\$ 481,406</u>	<u>\$ -296,196</u>
<b>Expenditures</b>					
Current operating					
General government					
Project administration					
Federal	\$ 686,938	\$ 450,074	\$ -	\$ 450,074	\$ 236,864
State	178,691	-	-	-	178,691
Local	183,729	-	-	-	183,729
<b>Total expenditures</b>	<u>\$ 1,049,358</u>	<u>\$ 450,074</u>	<u>\$ -</u>	<u>\$ 450,074</u>	<u>599,284</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ (271,756)</u>	<u>\$ (28,668)</u>	<u>\$ 60,000</u>	<u>\$ 31,332</u>	<u>-240,424</u>
<b>Other financing sources</b>					
Transfers in (out)	\$ 271,756	\$ 88,668	\$ -	\$ 88,668	183,088
Other	-	-	51	51	51
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 60,051</u>	<u>\$ 120,051</u>	<u>120,051</u>
<b>Fund balance, beginning</b>	<u>-</u>	<u>381,765</u>	<u>321,714</u>	<u>321,714</u>	<u>321,714</u>
<b>Fund balance, ending</b>	<u><u>\$ -</u></u>	<u><u>\$ 441,765</u></u>	<u><u>\$ 381,765</u></u>	<u><u>\$ 441,765</u></u>	<u><u>\$ 441,765</u></u>

See Notes to Financial Statements

CITY OF SENECA  
SCHEDULE OF BUDGETED TO ACTUAL COSTS  
For the Year Ended June 30, 2022

OPT Contract # Contract period:  Performance Period	PT-20N711-06										
	July 1, 2019 - June 30, 2022										
	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 21 - Jun 22	Jul 20 - Jun 21	Jul 19 - Jun 20	Jul 21 - Jun 22	Jul 20 - Jun 21	Jul 19 - Jun 20	Jul 21 - Jun 22	Jul 20 - Jun 21	Jul 19 - Jun 20		
<b>ADMINISTRATION</b>											
Other Salaries & Wages	51,242	17,150	-	23,847	-	-	2,982	4,283	-	2,980	-
Fringe Benefits	11,379	3,805	-	5,297	-	-	661	953	-	663	-
Professional & Technical Service	224,575	67,919	-	111,742	7,029	-	13,964	9,952	-	13,969	-
Materials and Supplies	2,802	579	-	502	53	-	64	1,059	-	545	-
<b>Total Administration</b>	<b>289,998</b>	<b>89,453</b>	<b>-</b>	<b>141,386</b>	<b>7,082</b>	<b>-</b>	<b>17,672</b>	<b>16,247</b>	<b>-</b>	<b>18,158</b>	<b>-</b>
<b>OPERATIONS</b>											
Professional & Technical Service	471,610	125,420	-	109,658	62,937	-	54,792	62,479	-	56,322	6
Custodial Service	8,296	1,947	-	2,094	961	-	1,030	989	-	1,275	(4)
Utilities	51,644	13,299	-	12,362	7,734	-	6,234	5,913	-	6,455	(350)
<b>Total Operations</b>	<b>531,550</b>	<b>140,666</b>	<b>-</b>	<b>124,113</b>	<b>71,632</b>	<b>-</b>	<b>62,054</b>	<b>69,381</b>	<b>-</b>	<b>64,052</b>	<b>(348)</b>
<b>CAPITAL</b>											
Spare Parts Maintenance items	-	-	-	-	-	-	-	-	-	-	-
Lease	-	-	-	-	-	-	-	-	-	-	-
Preventive Maintenance	148,799	40,091	-	78,907	8,124	-	9,863	1,950	-	9,864	-
Other Capital	5,450	4,359	-	-	-	-	-	1,091	-	-	-
Shop Equipment	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital</b>	<b>154,249</b>	<b>44,450</b>	<b>-</b>	<b>78,907</b>	<b>8,124</b>	<b>-</b>	<b>9,863</b>	<b>3,041</b>	<b>-</b>	<b>9,864</b>	<b>-</b>
<b>Total Program</b>	<b>975,797</b>	<b>274,569</b>	<b>-</b>	<b>344,406</b>	<b>86,838</b>	<b>-</b>	<b>89,589</b>	<b>88,669</b>	<b>-</b>	<b>92,074</b>	<b>(348)</b>
Approved Budget	975,797										
Federal Costs	618,975										
State Costs	176,426										
Local Costs	180,743										
<b>Budget Balance</b>	<b>(348)</b>										

**City of Seneca**  
**Cares Act PT-20N7CA-06**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget to Actual**  
**Fiscal Year Ended June 30, 2022**

	<u>Current year</u>	<u>Prior Years</u>	<u>Total</u>
<b>Revenues</b>			
<i>Federal aid</i>	\$ 214,210	\$ 1,155,595	\$ 1,369,805
<b>Total revenues</b>	<u>\$ 214,210</u>	<u>\$ 1,155,595</u>	<u>\$ 1,369,805</u>
<b>Expenditures</b>			
<i>Current operating</i>			
<i>General government</i>			
<i>Project administration</i>			
<i>Federal</i>	\$ 214,215	\$ 155,695	\$ 1,369,910
<b>Total expenditures</b>	<u>\$ 214,215</u>	<u>\$ 155,695</u>	<u>\$ 1,369,910</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	\$ (5)	\$ (100)	\$ (105)
<b>Other financing sources</b>			
<i>Transfers in / out</i>	\$ 5	\$ 100	\$ 105
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures</b>	\$ -	\$ -	\$ -
<b>Fund balance, beginning</b>	-	-	-
<b>Fund balance, ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SENECA  
SCHEDULE OF BUDGETED TO ACTUAL COSTS  
For the Year Ended June 30, 2022

OPT Contract # Contract period:  Performance Period	PT-20N7CA-06										
	February 1, 2020 - June 30, 2022										
	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 21 - Jun 22	Jul 20 - Jun 21	Jul 19 - Jun 20	Jul 21 - Jun 22	Jul 20 - Jun 21	Jul 19 - Jun 20	Jul 21 - Jun 22	Jul 20 - Jun 21	Jul 19 - Jun 20	Jul 19 - Jun 20		
<b>ADMINISTRATION</b>											
Other Salaries & Wages	78,889	8,561	49,805	20,523	-	-	-	-	-	-	-
Fringe Benefits	17,521	1,899	11,063	4,559	-	-	-	-	-	-	-
Professional & Technical Service	420,467	27,951	290,346	102,170	-	-	-	-	-	-	-
Materials and Supplies	3,731	262	3,061	408	-	-	-	-	100	544	(644)
<b>Total Administration</b>	<b>520,608</b>	<b>38,673</b>	<b>354,275</b>	<b>127,660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>544</b>	<b>(644)</b>
<b>OPERATIONS</b>											
Professional & Technical Service	653,973	82,582	409,896	161,395	-	-	-	-	-	-	100
Custodial Service	15,530	4,053	7,970	3,607	-	-	-	-	-	-	(100)
Utilities	87,707	13,934	53,760	20,013	-	-	-	-	-	-	-
<b>Total Operations</b>	<b>757,210</b>	<b>100,569</b>	<b>471,626</b>	<b>185,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPITAL</b>											
Spare Parts Maintenance items	-	-	-	-	-	-	-	-	-	-	-
ADP Hardware	65,715	42,843	22,872	-	-	-	-	-	-	-	0
Preventive Maintenance	397,018	29,554	301,548	65,916	-	-	-	-	-	-	-
Other Capital Items	5,758	225	5,274	259	-	-	-	-	-	-	-
Shop Equipment	2,346	2,346	-	-	-	-	-	-	-	-	(0)
<b>Total Capital</b>	<b>470,837</b>	<b>74,968</b>	<b>329,694</b>	<b>66,175</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>
<b>Total Program</b>	<b>1,748,655</b>	<b>214,210</b>	<b>1,155,595</b>	<b>378,851</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>544</b>	<b>(644)</b>
Approved Budget	1,748,655										
Federal Costs	1,748,655										
State Costs	-										
Local Costs	644										
<b>Budget Balance</b>	<b>(644)</b>										

**City of Seneca**  
**Capital Earmark Grant....PT-9N739-01**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget to Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2022**

	<u>Current Year</u>	<u>Prior Periods</u>	<u>Total to Date</u>	<u>Project Authorization</u>	<u>Budget Balance</u>
<b>Revenues</b>					
Federal aid	\$ 56,000	\$ 1,348,741	\$ 1,404,741	\$ 1,450,000	\$ 45,259
County aid	-	300,000	300,000	300,000	-
<b>Total revenues</b>	<u>\$ 56,000</u>	<u>\$ 1,648,741</u>	<u>\$ 1,704,741</u>	<u>\$ 1,750,000</u>	<u>\$ 45,259</u>
<b>Expenditures</b>					
Capital outlay	<u>\$ 70,000</u>	<u>\$ 1,763,011</u>	<u>\$ 1,833,011</u>	<u>\$ 1,950,000</u>	<u>\$ 116,989</u>
<b>Total expenditures</b>	<u>\$ 70,000</u>	<u>\$ 1,763,011</u>	<u>\$ 1,833,011</u>	<u>\$ 1,950,000</u>	<u>\$ 116,989</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ (14,000)</u>	<u>\$ (114,270)</u>	<u>\$ (128,270)</u>	<u>\$ (200,000)</u>	<u>\$ -71,730</u>
<b>Other financing sources</b>					
Transfers in	<u>14,000</u>	<u>414,270</u>	<u>428,270</u>	<u>500,000</u>	<u>71,730</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>
<b>Fund balance, beginning</b>	<u>300,000</u>	<u>300,000</u>			
<b>Fund balance, ending</b>	<u>\$ 300,000</u>	<u>\$ 300,000</u>			

**Note:**

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

See Notes to Financial Statements

CITY OF SENECA  
SCHEDULE OF BUDGETED TO ACTUAL COSTS  
For the Year Ended June 30, 2020

OPT Contract # Contract period:		PT-9N739-01												Total Program
		July 1, 2019 - June 30, 2022												
Performance Period	Total Budget	Section 5311				SMTF				Local				Variance
		Current	Prior Period	Prior Period	Prior Period	Current	Prior Period	Prior Period	Prior Period	Current	Prior Period	Prior Period	Prior Period	
		Jul 21 - Jun 22	Jul 20 - Jun 21	Jul 19 - Jun 20	Jul 18 - Jun 19	Jul 21 - Jun 22	Jul 20 - Jun 21	Jul 19 - Jun 20	Jul 18 - Jun 19	Jul 21 - Jun 22	Jul 20 - Jun 21	Jul 19 - Jun 20	Jul 18 - Jun 19	
CAPITAL														
	Spare Parts Maintenance items	-	-	-	-	-	-	-	-	-	-	-	-	-
	Lease	-	-	-	-	-	-	-	-	-	-	-	-	-
	ADA New Buses - 85%	1,600,000	-	-	1,168,437	-	-	-	-	-	-	389,340	-	42,223
	Technical Assistance/Contractual	95,000	56,000	-	2,705	-	-	-	-	14,000	-	676	-	21,619
	Shop Equipment	255,000	-	1,685	175,682	232	-	-	-	-	421	23,807	26	53,147
	<b>Total Capital</b>	<b>1,950,000</b>	<b>56,000</b>	<b>1,685</b>	<b>1,346,824</b>	<b>232</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,000</b>	<b>421</b>	<b>413,823</b>	<b>26</b>	<b>116,989</b>
	<b>Total Program</b>	<b>1,950,000</b>	<b>56,000</b>	<b>1,685</b>	<b>1,346,824</b>	<b>232</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,000</b>	<b>421</b>	<b>413,823</b>	<b>26</b>	<b>116,989</b>
	Approved Budget	1,950,000												
	Federal Costs	1,404,741												
	State Costs	-												
	Local Costs	<u>428,270</u>												
	Budget Balance	116,989												

**City of Seneca**  
**CAT Operating Grant PT-20N711-74**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget to Actual**  
**Fiscal Year Ended June 30, 2022**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Budget Variance</u>
<b>CAT Operating Grant PT-20N711-74</b>			
<b>Revenues</b>			
Federal aid	\$ 574,743	\$ 231,352	\$ (343,391)
State aid	142,859	60,185	(82,674)
<b>Total revenues</b>	<u>\$ 717,602</u>	<u>\$ 291,537</u>	<u>\$ (426,065)</u>
<b>Expenditures</b>			
Current operating			
General government			
Project administration			
Federal	\$ 574,743	\$ 231,335	\$ 343,408
State	142,859	60,177	82,682
Local	114,694	87,511	27,183
<b>Total expenditures</b>	<u>\$ 832,296</u>	<u>\$ 379,022</u>	<u>\$ 453,274</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ (114,694)</u>	<u>\$ (87,485)</u>	<u>\$ 27,209</u>
<b>Other financing sources (uses)</b>			
Transfers in (out)	<u>114,694</u>	<u>87,519</u>	<u>27,175</u>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 34</u>	<u>\$ 34</u>
<b>Fund balance, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance, ending</b>	<u><u>\$ -</u></u>	<u><u>\$ 34</u></u>	<u><u>\$ 34</u></u>

**Note: \$34 variance occurred in May 2022 due to submitting an invoice for reimbursement rounded up and not the true paid amount. Error will be corrected in the reimbursement for July 2022.**

CITY OF SENECA  
SCHEDULE OF BUDGETED TO ACTUAL COSTS  
For the Year Ended June 30, 2022

OPT Contract # Contract period:	PT-21N711-74							Total Program Variance
	July 1, 2020 - June 30, 2023							
	Total Budget	Section 5311		SMTF		Local		
		Current	Prior Period	Current	Prior Period	Current	Prior Period	
Performance Period	Jul 21 - Jun 22	Jul 20 - Jun 21	Jul 21 - Jun 22	Jul 20 - Jun 21	Jul 21 - Jun 22	Jul 20 - Jun 21		
<b>ADMINISTRATION</b>								
Other Salaries & Wages	76,828	17,133	-	-	-	4,285	-	55,410
Fringe Benefits	16,030	3,802	-	475	-	477	-	11,276
Professional & Technical Service	150,000	57,429	-	397	-	13,959	-	78,215
Materials and Supplies	4,400	420	-	-	-	996	-	2,984
Total Administration	247,258	78,784	-	872	-	19,717	-	147,885
<b>OPERATIONS</b>								
Professional & Technical Service	500,000	106,047	-	53,024	-	53,025	-	287,904
Custodial Service	8,500	4,238	-	2,118	-	2,117	-	27
Utilities	70,000	8,348	-	4,171	-	4,176	-	53,305
Total Operations	578,500	118,633	-	59,313	-	59,318	-	341,236
<b>CAPITAL</b>								
Spare Parts Maintenance items	-	-	-	-	-	-	-	-
Lease	-	-	-	-	-	-	-	-
Preventive Maintenance	115,000	33,935	-	-	-	8,485	-	72,580
Miscellaneous Equipment	-	-	-	-	-	-	-	-
Shop Equipment	-	-	-	-	-	-	-	-
Total Capital	115,000	33,935	-	-	-	8,485	-	72,580
Total Program	940,758	231,352	-	60,185	-	87,520	-	561,701
Approved Budget	940,758							
Federal Costs	231,352							
State Costs	60,185							
Local Costs	87,520							
Budget Balance	561,701							



**City of Seneca**  
**Light & Water Fund**  
**Schedule of Revenues, Expenses, and Changes in Net Position**  
**Budget to Actual**  
**Fiscal Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Operating revenues</b>			
<b>Charges for services</b>			
Electric receipts	\$ 17,908,000	\$ 18,850,449	\$ 942,449
Water receipts	11,460,400	10,371,327	(1,089,073)
Sewer receipts	4,622,000	4,381,441	(240,559)
Other revenues	885,100	56,501	(828,599)
<b>Total operating revenues</b>	<u>\$ 34,875,500</u>	<u>\$ 33,659,718</u>	<u>\$ (1,215,782)</u>
<b>Operating expenses</b>			
Light & water administration (505)	\$ 1,341,868	\$ 2,038,486	\$ (696,618)
I & I department (506)	164,158	119,643	44,515
Billing department (507)	944,003	1,040,520	(96,517)
Engineering department (508)	759,126	762,160	(3,034)
Electrical department (509)	4,174,105	3,394,894	779,211
Water department (510)	2,016,348	1,947,235	69,113
Sewer department (511)	4,223,878	4,273,046	(49,168)
Water plant (512)	1,879,977	2,150,339	(270,362)
Electrical generation/purchase (513)	7,996,354	7,671,372	324,982
Maintenance (514)	770,176	834,008	(63,832)
Non-departmental (515)	3,605,507	849,840	2,755,667
Depreciation	2,000,000	2,514,016	(514,016)
<b>Total operating expenses</b>	<u>\$ 29,875,500</u>	<u>\$ 27,595,559</u>	<u>\$ 2,279,941</u>
<b>Operating income (loss)</b>	<u>\$ 5,000,000</u>	<u>\$ 6,064,159</u>	<u>\$ 1,064,159</u>
<b>Non-operating transactions</b>			
Investment income (loss)	\$ -	\$ (11,381)	\$ (11,381)
Interest expense	-	(484,578)	(484,578)
Insurance recovery	-	26,184	26,184
Other	-	1,000,000	1,000,000
<b>Other financing sources (uses)</b>			
Interfund transfers in (out)	<u>\$ (5,000,000)</u>	<u>\$ (4,649,581)</u>	<u>\$ 350,419</u>
<b>Net income (loss)</b>	<u>\$ -</u>	<u>\$ 1,944,803</u>	<u>\$ 1,944,803</u>
<b>Net position, beginning</b>	<u>\$ 37,345,697</u>	<u>\$ 37,345,697</u>	<u>\$ -</u>
<b>Net position, ending</b>	<u>\$ 37,345,697</u>	<u>\$ 39,290,500</u>	<u>\$ 1,944,803</u>

See Notes to Financial Statements

**City of Seneca**  
**Seneca Facilities Corp Fund**  
**Schedule of Revenues, Expenses, and Changes in Net Position**  
**Budget to Actual**  
**Fiscal Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Operating revenues</b>			
<b>Charges for services</b>			
Lease income	\$ 915,490	\$ 800,406	\$ (115,084)
<b>Total operating revenues</b>	<u>\$ 915,490</u>	<u>\$ 800,406</u>	<u>\$ (115,084)</u>
<b>Operating expenses</b>			
Facilities operations	\$ 344,600	\$ 203,994	\$ 140,606
Depreciation	150,000	134,352	15,648
<b>Total operating expenses</b>	<u>\$ 494,600</u>	<u>\$ 338,346</u>	<u>\$ 156,254</u>
<b>Operating income (loss)</b>	\$ 420,890	\$ 462,060	\$ 41,170
<b>Non-operating revenues (expenses)</b>			
Investment income	\$ -	\$ 116,140	\$ 116,140
Interest expense	(500,011)	(126,472)	373,539
<b>Other financing sources (uses)</b>			
Interfund transfers in (out)	\$ 38,336	\$ (12,809)	\$ (51,145)
<b>Net income (loss)</b>	\$ (40,785)	\$ 438,919	\$ 479,704
<b>Net position, beginning</b>	<u>\$ 3,278,700</u>	<u>\$ 3,278,700</u>	<u>\$ -</u>
<b>Net position, ending</b>	<u>\$ 3,237,915</u>	<u>\$ 3,717,619</u>	<u>\$ 479,704</u>

See Notes to Financial Statements

**City of Seneca**  
**Seneca Improvements Corp Fund**  
**Schedule of Revenues, Expenses, and Changes in Net Position**  
**Budget to Actual**  
**Fiscal Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Operating revenues</b>			
<b>Charges for services</b>			
Downtown programs	\$ 75,000	\$ -	\$ (75,000)
Interest income	-	22,495	22,495
	<u>75,000</u>	<u>22,495</u>	<u>(52,505)</u>
<b>Total operating revenues</b>	<u>\$ 75,000</u>	<u>\$ 22,495</u>	<u>\$ (52,505)</u>
<b>Operating expenses</b>			
Program expenses	\$ 37,400	\$ 154,498	\$ (117,098)
Operating costs	7,600	26,794	(19,194)
Depreciation	-	13,621	(13,621)
	<u>45,000</u>	<u>194,913</u>	<u>(149,913)</u>
<b>Total operating expenses</b>	<u>\$ 45,000</u>	<u>\$ 194,913</u>	<u>\$ (149,913)</u>
<b>Operating income (loss)</b>	<u>\$ 30,000</u>	<u>\$ (172,418)</u>	<u>\$ (202,418)</u>
<b>Non-operating transactions</b>			
Interest expense	\$ 30,000	\$ 32,604	\$ (2,604)
<b>Net income (loss)</b>	<u>\$ -</u>	<u>\$ (205,022)</u>	<u>\$ (205,022)</u>
<b>Net position, beginning</b>	<u>\$ 1,909,658</u>	<u>\$ 1,909,658</u>	<u>\$ -</u>
<b>Net position, ending</b>	<u><u>\$ 1,909,658</u></u>	<u><u>\$ 1,704,636</u></u>	<u><u>\$ (205,022)</u></u>

**See Notes to Financial Statements**

**City of Seneca  
Capital Assets Used in the Operation  
of Governmental Funds  
Schedule by Type  
June 30, 2022**

**Governmental funds capital assets**

<b>Land</b>	<b>\$</b>	<b>1,327,312</b>
<b>Buildings</b>		<b>8,800,364</b>
<b>Improvements</b>		<b>14,010,050</b>
<b>Equipment</b>		<b>5,302,570</b>
<b>Vehicles</b>		<b>10,100,209</b>
<b>Construction in progress</b>		<b>1,292,810</b>
<b>Total</b>	<b>\$</b>	<b>40,833,315</b>
<b>Less, accumulated depreciation</b>		<b>(25,116,372)</b>
<b>Investment in capital assets</b>	<b>\$</b>	<b>15,716,943</b>

**See Notes to Financial Statements**

City of Seneca  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule by Function & Activity  
 June 30, 2022

<u>Function &amp; activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Machinery &amp; equipment</u>	<u>Vehicles</u>	<u>Construction in progress</u>	<u>Total</u>
<b>General government</b>							
Municipal judge	\$ -	\$ -	\$ -	\$ 108,168	\$ -	\$ -	\$ 108,168
Finance / administration	173,787	1,843,144	480,639	331,656	55,980	-	2,885,206
Planning & development	37,497	463,271	2,855,773	2,603,168	3,931,780	-	9,891,489
<b>Total general government</b>	<u>\$ 211,284</u>	<u>\$ 2,306,415</u>	<u>\$ 3,336,412</u>	<u>\$ 3,042,992</u>	<u>\$ 3,987,760</u>	<u>\$ -</u>	<u>\$ 12,884,863</u>
<b>Public safety</b>							
Police department	\$ 20,000	\$ 649,393	\$ 672,260	\$ 311,884	\$ 1,423,690	\$ 80,903	\$ 3,158,130
Fire department	16,709	1,430,900	-	460,033	2,203,037	-	4,110,679
<b>Total public safety</b>	<u>\$ 36,709</u>	<u>\$ 2,080,293</u>	<u>\$ 672,260</u>	<u>\$ 771,917</u>	<u>\$ 3,626,727</u>	<u>\$ 80,903</u>	<u>\$ 7,268,809</u>
<b>Public works</b>							
Street department	\$ 2,000	\$ 50,000	\$ 7,898,111	\$ 814,547	\$ 701,701	\$ -	\$ 9,466,359
Sanitation department	1,000	232,460	-	347,074	1,468,205	-	2,048,739
Motor pool	2,000	-	88,192	66,443	96,544	-	253,179
<b>Total public works</b>	<u>\$ 5,000</u>	<u>\$ 282,460</u>	<u>\$ 7,986,303</u>	<u>\$ 1,228,064</u>	<u>\$ 2,266,450</u>	<u>\$ -</u>	<u>\$ 11,768,277</u>
<b>Recreation</b>	<u>\$ 926,158</u>	<u>\$ 4,131,196</u>	<u>\$ 890,908</u>	<u>\$ 259,597</u>	<u>\$ 219,272</u>	<u>\$ 690,781</u>	<u>\$ 7,117,912</u>
<b>Other</b>	<u>\$ 148,161</u>	<u>\$ -</u>	<u>\$ 1,124,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 521,126</u>	<u>\$ 1,793,454</u>
<b>Total governmental funds capital assets</b>	<u>\$ 1,327,312</u>	<u>\$ 8,800,364</u>	<u>\$ 14,010,050</u>	<u>\$ 5,302,570</u>	<u>\$ 10,100,209</u>	<u>\$ 1,292,810</u>	<u>\$ 40,833,315</u>
<b>Less accumulated depreciation</b>							<u>\$ (25,116,372)</u>
<b>Net governmental funds capital assets</b>							<u>\$ 15,716,943</u>

See Notes to Financial Statements

***THIS PAGE INTENTIONALLY LEFT BLANK***

***OTHER REQUIRED INFORMATION***

***THIS PAGE INTENTIONALLY LEFT BLANK***



CITY OF SENECA  
 UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)  
 For The Year Ended June 30, 2022

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
<b>Court Fines and Assessments:</b>				
Court fines and assessments collected			\$ 144,472.00	\$ 144,472.00
Court fines and assessments remitted to State Treasurer			\$ (77,383.00)	\$ (77,383.00)
<b>Total Court Fines and Assessments retained</b>	\$ -	\$ -	\$ 67,089.00	\$ 67,089.00
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained			\$ 3,739.00	\$ 3,739.00
Assessments retained			\$ 6,818.00	\$ 6,818.00
<b>Total Surcharges and Assessments retained for victim services</b>	\$ -	\$ -	\$ 10,557.00	\$ 10,557.00

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance			
<b>Victim Service Revenue:</b>			
Victim Service Fines Retained by City/County Treasurer			\$ -
Victim Service Assessments Retained by City/County Treasurer	\$ 6,818.00		\$ 6,818.00
Victim Service Surcharges Retained by City/County Treasurer	\$ 3,739.00		\$ 3,739.00
Interest Earned			\$ -
Grant Funds Received			
Grant from:			\$ -
General Funds Transferred to Victim Service Fund			\$ -
<b>Contribution Received from Victim Service Contracts:</b>			
(1) Town of			\$ -
(2) Town of			\$ -
(3) City of			\$ -
<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>	\$ 10,557.00	\$ -	\$ 10,557.00
<b>Expenditures for Victim Service Program:</b>			
Salaries and Benefits	\$ 10,557.00		\$ 10,557.00
Operating Expenditures			\$ -
<b>Victim Service Contract(s):</b>			
(1) Entity's Name			\$ -
(2) Entity's Name			\$ -
<b>Victim Service Donation(s):</b>			
(1) Domestic Violence Shelter:			\$ -
(2) Rape Crisis Center:			\$ -
(3) Other local direct crime victims service agency:			\$ -
Transferred to General Fund			\$ -
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	\$ 10,557.00	\$ -	\$ 10,557.00
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	\$ -		\$ -
Less: Prior Year Fund Deficit Repayment			\$ -
<b>Carryforward Funds – End of Year</b>	\$ -	\$ -	\$ -

**City of Seneca**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**  
**South Carolina Retirement System**  
**Last Ten Fiscal Years\*\***

	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>
<i>City's proportion of the net pension liability</i>	0.058242%	0.061898%	0.062199%	0.062642%	0.063860%	0.060788%	0.059549%	0.062022%
<i>City's proportion of the net pension liability</i>	\$12,604,216	\$15,816,074	\$14,202,714	\$14,036,125	\$14,291,720	\$12,984,227	\$11,293,755	\$10,678,132
<i>City's covered-employee payroll</i>	\$6,584,197	\$6,905,582	\$6,568,093	\$6,500,262	\$6,406,079	\$5,939,939	\$5,530,013	\$5,630,795
<i>City's proportionate share of the net pension liability as a percentage of its covered-employee payroll</i>	191.43%	229.03%	216.23%	215.93%	223.10%	218.59%	204.23%	189.64%
<i>Plan fiduciary net position as a percentage of the total pension liability</i>	60.70%	50.70%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%

**Notes to schedule:**

*Only the last eight fiscal years are present because ten year data is not yet available.*

**\*\*The amounts presented were determined as of 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, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
<i>Contractually required contribution</i>	\$ 1,216,484	\$ 1,024,501	\$ 1,074,509	\$ 956,314	\$ 881,435	\$ 740,543	\$ 656,957	\$ 602,771
<i>Contributions in relation to the contractually required contribution:</i>	\$ 1,216,484	\$ 1,024,501	1,074,509	956,314	881,435	740,543	656,957	602,771
<i>Contribution deficiency (Excess)</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>City of Seneca covered-employee payroll</i>	\$ 7,345,920	\$ 6,584,197	\$ 6,905,582	\$ 6,568,093	\$ 6,500,262	\$ 6,406,079	\$ 5,939,939	\$ 8,250,779
<i>Contributions as a percentage of covered-employee payroll</i>	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	7.31%

**Notes to Schedule:**  
**Only the last eight fiscal years are present because ten year data is not yet available.**

**City of Seneca**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**  
**Police Officers' Retirement System**  
**Last Ten Fiscal Years\*\***

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

**Notes to Schedule:**

*Only the last eight fiscal years are present because ten year data is not yet available.*

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

**City of Seneca**  
**Schedule of the City's Contributions**  
**Police Officers' Retirement System**  
**Last Ten Fiscal Years**

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

**Notes to Schedule:**

*Only the last eight fiscal years are present because ten year data is not yet available.*

***FEDERAL FINANCIAL ASSISTANCE  
SECTION***

***THIS PAGE INTENTIONALLY LEFT BLANK***

**City of Seneca**  
**Schedule of Expenditures of Federal Awards**  
**Fiscal Year Ended June 30,2022**

<b>Federal Grantor/Pass-Through Grantor /Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Grantor's Number</b>	<b>Total Expenditures</b>
<b>US Department of Transportation</b>			
<i>Passed through SC Dept. of Transportation</i>			
<i>CARES Act Transit Funding Phase I (Section 5311)</i>	20.509	PT-20N7CA-06	\$ 214,210
<i>Formula Grants for Rural Areas</i>	20.509	PT-20N711-06	274,569
<i>Formula Grants for Rural Areas</i>	20.509	PT-21N711-74	231,352
<b>Total 20.509</b>			<b>720,131</b>
 <i>Bus and Bus Facilities Formula Grant</i>	 20.526	 PT-9N739-01	 56,000
<b>Total US Department of Transportation</b>			<b>776,131</b>
<b>US Department of Housing and Urban Development</b>			
<i>Passed through SC Department of Commerce</i>			
<i>Community Development Block Grants</i>	14.228	4-CE-19-011	56,767
<b>US Department of the Treasury</b>			
<i>Direct Program:</i>			
<i>COVID-19 State and Local Fiscal Relief Fund</i>	*** 21.027	N/A	1,682,804
<i>Passed through Oconee County, South Carolina</i>			
<i>COVID-19 State and Local Fiscal Relief Fund</i>	*** 21.027	N/A	35,500
<b>Total 21.027</b>			<b>1,718,304</b>
<b>US Department of Homeland Security</b>			
<i>Passed through S.C. Adjutant General's Office</i>			
<i>Disaster Grants - Public Assistance (Presidentially Declared Disasters)</i>	97.036	FEMA 4479 - PW 0071	4,952
<i>Disaster Grants - Public Assistance (Presidentially Declared Disasters)</i>	97.036	FEMA 4542 - PW 0035	13,205
<b>Total 97.036</b>			<b>18,157</b>
<b>Total Federal Assistance Expended</b>			<b>\$ 2,569,359</b>

**\*\*\* Major Programs**

*There were no expenditures to subrecipients for the year ended June 30, 2022*

**Note 1. Basis of Presentation**

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

**Note 2. Indirect Cost Rate**

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



***THIS PAGE INTENTIONALLY LEFT BLANK***



STANCIL  
COOLEY ESTEP  
& STAMEY, LLP

*Certified Public  
Accountants*

631 ByPass 123  
P. O. Drawer 1279  
Seneca, SC 29679

(864) 882-3048  
Fax 882-7489

602-5 College Avenue  
Clemson, SC 29631

(864) 654-4945  
Fax 654-9476

[www.scescpa.com](http://www.scescpa.com)

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

*To the Honorable Mayor and Members of the City Council  
City of 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Seneca, South Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Seneca, South Carolina's basic financial statements, and have issued our report thereon dated May 22, 2023.*

**Internal Control over Financial Reporting**

*In planning and performing our audit of the financial statements, we considered the City of Seneca, South Carolina'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 of Seneca, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Seneca, South Carolina's internal control.*

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

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



STANCIL  
COOLEY ESTEP  
& STAMEY, LLP

*Certified Public  
Accountants*

631 ByPass 123  
P. O. Drawer 1279  
Seneca, SC 29679

(864) 882-3048  
Fax 882-7489

602-5 College Avenue  
Clemson, SC 29631

(864) 654-4945  
Fax 654-9476

[www.scescpa.com](http://www.scescpa.com)

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Seneca, South Carolina'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

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

Stancil Cooley Estep & Stamey LLP

Seneca, South Carolina

May 22, 2023



STANCIL  
COOLEY ESTEP  
& STAMEY, LLP

*Certified Public  
Accountants*

631 ByPass 123  
P. O. Drawer 1279  
Seneca, SC 29679

(864) 882-3048  
Fax 882-7489

602-5 College Avenue  
Clemson, SC 29631

(864) 654-4945  
Fax 654-9476

[www.scescpa.com](http://www.scescpa.com)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

*To the Honorable Mayor and Members of the City Council  
City of 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 compliance with the types of compliance requirements identified as subject to audit in the **OMB Compliance Supplement** that could have a direct and material effect on each of the City of Seneca, South Carolina's major federal programs for the year ended June 30, 2022. The City of Seneca, South Carolina'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 of Seneca, South Carolina 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, 2022.*

**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; 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 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 of Seneca, South Carolina 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 of*



STANCIL  
COOLEY ESTEP  
& STAMEY, LLP

*Certified Public  
Accountants*

631 ByPass 123  
P. O. Drawer 1279  
Seneca, SC 29679

(864) 882-3048  
Fax 882-7489

602-5 College Avenue  
Clemson, SC 29631

(864) 654-4945  
Fax 654-9476

[www.scescpa.com](http://www.scescpa.com)

Seneca, South Carolina'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 of Seneca, South Carolina's federal programs.*

### **Auditor's Responsibilities for the Audit of Compliance**

*Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Seneca, South Carolina'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 generally accepted auditing standards, **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 the 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 of Seneca, South Carolina's compliance with the requirements of each major federal program as a whole.*

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

- *Exercise professional judgement 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 including examining, on a test basis, evidence regarding the City of Seneca, South Carolina's compliance with the compliance requirements referred to above and performing such procedures as we considered necessary in the circumstances.*
- *Obtain an understanding of the City of Seneca, South Carolina'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 of Seneca, South Carolina's internal control over compliance. Accordingly, no such opinion is expressed.*



STANCIL  
COOLEY ESTEP  
& STAMEY, LLP

*Certified Public  
Accountants*

631 ByPass 123  
P. O. Drawer 1279  
Seneca, SC 29679

(864) 882-3048  
Fax 882-7489

602-5 College Avenue  
Clemson, SC 29631

(864) 654-4945  
Fax 654-9476

www.scescpa.com

*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*

### **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 the audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.*

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

*This 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.*

Stancil Cooley Estep & Stamey, LLP

Seneca, South Carolina

May 22, 2023

**CITY OF SENECA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2022**

**A. SUMMARY OF AUDIT RESULTS**

*The auditor's report expresses an unmodified opinion on the financial statements of the City of Seneca.*

*No material weaknesses and no significant deficiencies relating to the audit of the financial statements are reported in the "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".*

*No instances of noncompliance material to the financial statements of the City of Seneca were disclosed during the audit.*

*No material weaknesses or significant deficiencies relating to the audit of the major federal award programs are reported in the "Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance".*

*The auditor's report on compliance for the major federal award programs for the City of Seneca expresses an unmodified opinion on all major federal programs.*

*There are no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) reported in this Schedule.*

*The programs tested as major include:*

- *COVID-19: State and Local Fiscal Relief Fund – CFDA #21.027*

*The threshold for distinguishing Types A and B programs was \$750,000.*

*The City of Seneca qualified as a low-risk auditee.*

**B. FINDINGS.....FINANCIAL STATEMENTS AUDIT.....NONE**

**C. FINDINGS AND QUESTIONED COSTS.....MAJOR FEDERAL AWARD PROGRAMS AUDIT.....NONE**

**CITY OF SENECA  
SCHEDULE OF SUMMARY OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2022**

***No prior year audit findings.***