

CITY OF FLORENCE, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Prepared by:
Finance Department

CITY OF FLORENCE, SOUTH CAROLINA

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

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INTRODUCTORY SECTION



December 19, 2025

Honorable Mayor, Members of City Council, City Manager,
 and Citizens of the City of Florence, South Carolina:

State law requires that all general-purpose local governments annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. In fulfillment of this requirement and in support of the City's commitment to transparency and financial accountability, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Florence (the City) for the fiscal year ended June 30, 2025.

The ACFR is intended to provide citizens, taxpayers, creditors, oversight bodies, and other interested parties with comprehensive information regarding the City's financial position, operating results, and fiscal stewardship.

PURPOSE AND USE OF THIS LETTER

This letter of transmittal is intended to provide a high-level overview of the City of Florence, its governance structure, the organization of this report, and management's responsibility for the information presented. Detailed analysis of financial results, trends, budgetary performance, capital assets, long-term obligations, and economic factors is intentionally presented in the Management's Discussion and Analysis (MD&A), which should be read in conjunction with this letter.

MANAGEMENT RESPONSIBILITY AND INTERNAL CONTROLS

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

INDEPENDENT AUDIT AND ASSURANCE

The City's financial statements have been audited by Mauldin & Jenkins, CPAs and Advisors, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report appears as the first component of the Financial Section of this ACFR.

The independent audit of the City's financial statements was also conducted as part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. These standards require the auditor to report on internal control over financial reporting and compliance with applicable laws and regulations, with particular emphasis on programs receiving federal assistance. The reports related to the Single Audit are presented in the Federal Awards Section of this report.

REPORT STRUCTURE AND KEY REFERENCES

This ACFR is organized into three main sections:

- **Introductory Section**, which includes this transmittal letter and organizational information;
- **Financial Section**, which includes the independent auditor's report, Management's Discussion and Analysis (MD&A), the basic financial statements, and required supplementary information; and
- **Statistical Section**, which provides historical financial, demographic, and economic trend data.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A provides a detailed discussion of financial

highlights, year-to-year changes, budgetary performance, capital assets, debt activity, and economic conditions affecting the City. This letter of transmittal is intended to complement, and should be read in conjunction with, the MD&A, which immediately follows the independent auditor's report and provides detailed discussion of financial highlights, trends, and significant changes in the City's financial position and results of operations.

GOVERNMENT-WIDE AND FUND FINANCIAL REPORTING

The City's financial statements include both government-wide financial statements and fund-level financial information. The government-wide statements, prepared using the accrual basis of accounting, present the overall financial position and results of operations for the City as a whole, including capital assets and long-term obligations. The fund financial statements, prepared using the modified accrual basis for governmental funds, focus on individual funds and demonstrate fiscal accountability. Reconciliations between these two presentations are provided to assist readers in understanding the differences in measurement focus and basis of accounting.

The City's financial statements present both government-wide and fund-level information in accordance with GAAP. A full explanation of these statements, including the basis of accounting and reconciliations, is provided in the MD&A and the notes to the financial statements.

PROFILE OF THE GOVERNMENT

The City of Florence, chartered in 1890, is located in northeastern South Carolina approximately 60 miles from the Atlantic Ocean and serves as the county seat of Florence County. Florence is the largest municipality in the Pee Dee region and encompasses approximately 27 square miles, serving a population of approximately 41,000 residents. The City is empowered by state statute to levy property taxes on real and personal property and to expand its corporate boundaries through annexation when authorized by the governing body.

ORGANIZATIONAL STRUCTURE AND GOVERNANCE

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council, consisting of the Mayor and six Council members. Council members are elected through a partisan election process to staggered four-year terms, with three members elected every two years. The Mayor and three Council members are elected at large, and three members are elected by district.

The City Council is responsible for adopting ordinances, approving the annual budget, establishing policy, and appointing the City Manager, Municipal Judge, and City Attorney. The City Manager serves as the chief administrative officer and is responsible for implementing Council policies, overseeing daily operations, and appointing department directors. An organizational chart outlining the City's departmental structure is included in the Introductory Section of this report.

SERVICES PROVIDED

The City provides a full range of municipal services, including police and fire protection; construction and maintenance of streets and infrastructure; sanitation services; parks, recreation, and cultural programming; planning, zoning, and building inspections; and enterprise services including water production and distribution, wastewater collection and treatment, and stormwater management.

BUDGET PROCESS AND FINANCIAL MANAGEMENT

The annual budget serves as the foundation for the City's financial planning and control. Departmental appropriation requests are submitted to the City Manager each spring and are used to develop a proposed budget, which is presented to City Council for review. A public hearing is held prior to adoption, and the final budget must be adopted by June 30. The budget is prepared on a fund and departmental basis, and budgetary control is maintained at the fund level.

Budget-to-actual comparisons are presented within the Financial Section of this ACFR. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds.

Budget-to-actual comparisons and analysis of significant variances are presented in the Financial Section and discussed in detail in the MD&A.

LOCAL ECONOMY

The City of Florence serves as the economic and cultural hub of the Pee Dee region, strategically located between South Carolina's Piedmont and Coastal plains. Its position at the intersection of Interstates 95 and 20, along with access to a regional airport, CSX Transportation's major rail lines, Amtrak service, and several freight terminals, makes Florence a critical transportation and logistics center for the state and Southeast region. Florence continues to experience steady growth across multiple sectors including industrial, medical, educational, retail, and hospitality, driven by a diverse and resilient local economy. The City's advantageous infrastructure, autonomous rate-setting authority, and ongoing capital reinvestments position it as a leading growth corridor in northeastern South Carolina.

The City of Florence serves as the economic and cultural hub of the Pee Dee region, benefiting from a diverse economy, strong

transportation infrastructure, and continued public and private investment.

Additional information regarding economic conditions, major employers, development activity, and long-term trends is provided in the MD&A and the Statistical Section of this report.

In December 2022, AESC announced an \$810 million investment to construct a state-of-the-art electric vehicle battery facility, creating 1,170 new jobs. The company expanded its commitment in December 2023 with another \$810 million, and again in March 2024 with an additional \$1.5 billion. This cumulative \$3.12 billion investment represents 2,700 total jobs in Florence County. While construction was temporarily paused in June 2025 due to market conditions, AESC reaffirmed its commitment to invest at least \$1.6 billion and create 1,600 jobs.

Other recent developments include:

- Buc-ee's, opened in 2022, now one of the City's top 10 utility customers.
- Niagara Bottling, opened in 2020, is the City's largest water and sewer customer.
- Ruiz Foods completed a \$79 million expansion in 2020.
- Thermo Fisher Scientific and Amazon continue to expand their presence locally.

These investments reinforce Florence's standing as a regional center for advanced manufacturing and logistics.

Healthcare continues to be Florence's largest and most stable economic sector, anchored by McLeod Health and MUSC Health Florence, both serving as major referral and teaching hospitals for the Pee Dee region. The two systems are planning to open the Jean and Hugh K. Leatherman Behavioral Care Pavilion, a \$100 million state-of-the-art facility located in downtown Florence, in August 2025. With this addition, Florence will offer one of the highest concentrations of medical and behavioral health services per capita in South Carolina, further solidifying its role as a regional center for healthcare excellence.

The City also benefits from a strong educational and workforce development infrastructure, led by Francis Marion University (FMU) and Florence-Darlington Technical College (FDTC). FMU's C. Edward Floyd Medical Consortium Campus and FDTC's Southeastern Institute of Manufacturing and Technology (SiMT) contribute significantly to regional innovation, training, and research capacity.

Downtown Florence continues to thrive from sustained public and private reinvestment. The area has been designated a South Carolina Cultural District and received the Great American Main Street Award (GAMSA) in 2023, the first South Carolina community to do so since 2003.

The City of Florence is home to numerous shopping and dining venues offering an assortment of shopping malls, superstores, regional and national retail and restaurant establishments, and locally owned retail stores. Magnolia Mall, Magnolia Commons, The Plaza at Magnolia, Florence Mall, and a variety of other shops and stores throughout the city attract customers from all of Florence County as well as surrounding counties in the Pee Dee region. Of the total retail sales in the seven Pee Dee counties, more than half comes from Florence County.

The Florence Center, a joint capital venture between the City and County of Florence, opened in 1993. This multi-functional facility complements the recreational, cultural, and tourism related activities provided in Florence. The Florence Center has, since its opening, provided local residents and tourists alike a location to gather for such diverse entertainment events as indoor sporting events, concerts, circuses, rodeos, and a variety of other assorted shows. In 2018, a \$16 million, 28,000 square-foot expansion was completed at the Florence Center to provide for space needed to attract and recruit additional conferences and conventions to the facility.

Florence's proximity to Myrtle Beach and the intersection of two major interstate highways, Interstate 95 and Interstate 20, continues to drive growth in the City's hospitality and tourism economy. Numerous hotels and restaurants, including several national chains, have located near the Florence Center, Magnolia Mall, and along U.S. Highway 52, capitalizing on the City's strategic location. The Florence Center, a joint venture between the City and County, remains a premier venue for conventions, concerts, and sporting events. Recent capital investments, including the \$20 million Florence Sports Complex completed in 2023, the Dr. Eddie Floyd Tennis Center, and the Florence Soccer Complex, have further strengthened Florence's position as a regional destination for recreation and tourism. Reflecting this momentum, accommodations tax receipts increased by 5.2% in fiscal year 2025 compared to fiscal year 2024, underscoring continued expansion and visitor demand.

Retail sales across Florence County increased over 17% between 2021 and 2025, with Florence generating more than half of all retail activity within the seven-county Pee Dee region.

The City's population has grown more than 1.6% since 2021, reaching 40,950 in 2025. The Florence MSA's per-capita income has risen steadily, aligning closely with state averages, and unemployment remains comparable to South Carolina and national levels (approximately 4.5% as of mid-2025). The region's employment base is anchored by healthcare, education, government, and manufacturing, with McLeod Health and Florence School District One serving as the largest employers.

Florence continues to experience growth with expansions in healthcare, education, the arts, entertainment, shopping, and hotels. This growth, coupled with the continued downtown revitalization projects, has resulted in Florence becoming a premier and dynamic part of the state. Florence is fortunate to have a diverse economy, and economic development continues in both the City and County of Florence. Florence has been recognized nationally as a prime destination for business and industry because of its accessibility

and the availability of land suitable for industrial and commercial development.

LONG-TERM FINANCIAL PLANNING

As part of the City's planning and needs evaluation process, essential projects and initiatives to be implemented over the course of several years have been identified and incorporated into the City's capital planning model. Through such planning and evaluation, the City has created a structured approach to meeting challenges, effecting change, and achieving goals on a multi-year basis with funding incorporated into the operating and special revenue fund budgets as well as capital improvement budgets. General governmental initiatives include downtown redevelopment; neighborhood redevelopment; recreational, athletic, and other quality of life opportunities; and continued investment in public infrastructure. Funding for these endeavors, which have long-term fiscal implications, come from a variety of sources including grants, Hospitality Fee revenues, Community Development Block Grant funds, General Fund revenues, Tax Increment Financing, Installment Purchase Revenue Bonds, and other authorized financings.

The City's combined water and wastewater system is a highly regulated enterprise that requires extensive fiscal resources for long-term viability to serve the growing demands of the Florence area. To provide sufficient revenues for payment of projected costs of operation, expansion of the System, increases in debt service, and to maintain required debt service coverage ratios, the City, in 2019, contracted with an independent rate consultant to perform a comprehensive study of the operating, capital, and long-term debt service requirements. The analysis revealed that rates for the combined water and wastewater system should be revised to meet current and future financial requirements of the System. Based on the recommendations of the rate study, City Council approved an ordinance in 2020 to revise and update the City's water and wastewater rate schedules for a ten-year period beginning in fiscal year 2021 and continuing through fiscal year 2030.

In August 2023, the City Council passed an ordinance amending utility rates for fiscal years 2024 through 2028 to generate revenue for servicing the debt associated with three planned bond issues. These bond issuances are scheduled for September 2023, Spring 2025, and Fall 2026 and will support the expansion of the City's water treatment and distribution capacity, as well as wastewater collection and treatment, to accommodate the System's growing demands.

The City of Florence continues to make significant investments in its water and sewer infrastructure to support long-term growth, regulatory compliance, and system resiliency. On September 27, 2023, the City issued \$32.1 million in Combined Waterworks and Sewerage System Capital Improvement Revenue Bonds to fund initial phases of the Surface Water Treatment Plant expansion, infrastructure improvements for the AESC electric vehicle battery facility, automation of customer water meters, and ongoing system master planning. Building on these efforts, the City is planning additional infrastructure capital improvements to be funded through future bond issuances, with the next issuance planned for fiscal year 2025–2026. This bond issuance, totaling approximately \$138.9 million, is designed to expand water treatment capacity, improve regulatory compliance, and enhance operational efficiency across the City's utility system. The Surface Water Treatment Plant expansion will double the facility's capacity from 10 MGD to 20 MGD and prepare for future regulatory requirements, including PFAS limits anticipated by 2027. The Groundwater Treatment and Water Quality projects will increase system monitoring and storage capacity while improving resiliency against extreme weather events. Sewer improvements including upgrades to the Jeffries Creek Interceptor, East Florence Sewer, and Timmonsville–Florence Interceptor, will reduce inflow and infiltration, address capacity constraints, and ensure compliance with environmental standards. Collectively, these projects demonstrate the City's proactive approach to maintaining high-quality water and sewer services while supporting economic growth and regional development.

RELEVANT FINANCIAL POLICIES

The Finance Department is responsible for providing comprehensive financial management, analysis, and support services to City management and departments to promote fiscal accountability, to enhance public services, to maximize revenue collections, to contain costs, and to ensure accurate performance reporting consistent with governmental standards and regulations. Policies and procedures are developed and maintained by the Finance Department to facilitate the accomplishment of these goals and to ensure adherence to best practices in financial management and accounting.

MAJOR INITIATIVES

Major initiatives during fiscal year 2025 focused on downtown redevelopment, neighborhood revitalization, public safety enhancements, and recreational infrastructure. Financial impacts of these initiatives are reflected throughout the governmental activities discussion below.

City Projects Funded with Countywide Capital Projects Sales Tax – In November 2020, the voters of Florence County approved a referendum for a one cent capital projects sales tax and the issuance of a general obligation bond in an amount not to exceed \$120,000,000. The annual debt service on this bond will be funded by the proceeds of the capital project sales tax.

The "Capital Project Sales Tax III" program provides funding for the design, engineering, construction, and improvement of highways, roads, streets, drainage systems and/or bridges, and traffic flow improvements into and through Florence County. The funding also provides for: a) economic development, b) public safety, c) the promotion of desirable living conditions and improved recreational facilities, d) public health and safety in the event of fire, emergency, panic, and other dangers, and e) the ability to meet present and future needs of Florence County and its citizens.

The County began collecting the third Capital Project Sales Tax (CPST III) on May 1, 2021, with collections scheduled to continue through April 30, 2028. Under this program, the City of Florence was allocated \$40,000,000 for transportation-related improvements

within the city limits, including the following:

- Intersection Improvements \$ 4,100,000
- Road Resurfacing 35,900,000

During fiscal year 2025, construction activity continued on numerous CPST III-funded projects, with approximately \$3.4 million expended on intersection upgrades and roadway resurfacing at various locations throughout the City. These projects are part of the City's ongoing effort to enhance transportation safety, extend pavement life, and improve overall mobility for residents and visitors.

Downtown Redevelopment – Downtown revitalization remains a cornerstone of the City of Florence's long-term economic development strategy. Since the presentation of the Downtown Master Redevelopment Plan in 2001, the City has pursued a sustained and coordinated effort to restore downtown Florence as the cultural and economic heart of the Pee Dee. The master plan emphasized economic, physical, and management strategies supported by strong public-private partnerships. As part of this strategy, the Florence Downtown Development Corporation, formed as a 501(c)(3) nonprofit, continues to work alongside City staff, the Florence Downtown Merchants Association, and various community stakeholders to promote the ongoing renewal, vibrancy, and cultural vitality of the downtown district.

The City's vision has been reinforced through a series of policy actions that have shaped redevelopment efforts over the past two decades. In 2005, Council adopted an ordinance establishing the Downtown Overlay District and design guidelines, along with the creation of the Downtown Design Review Board. On December 18, 2006, Council enacted a Tax Increment Financing (TIF) district to support public improvements within the area. Additional incentives followed, including the Downtown Economic Development Incentive Program (2011) and supplemental redevelopment and historical building incentives adopted in 2012 and 2015. Council further expanded the district in 2017 by establishing the "Food, Artisan, and Warehouse District," along with extending the geographic boundary for related incentives.

In 2019, this framework was strengthened with the creation of the Irby Street Corridor Overlay District, an initiative designed to encourage reinvestment along the US Highway 52/Irby Street Corridor and enhance overall connectivity, pedestrian safety, and commercial viability. The district builds on the success of earlier overlay areas and continues to serve as an important redevelopment gateway into the heart of the city.

These collective efforts have contributed to statewide and national recognition. Downtown Florence is designated as an official cultural district by the South Carolina Arts Commission, reflecting its concentration of cultural assets, activities, and community engagement. In March 2023, the City received the prestigious Great American Main Street Award, the nation's top honor for comprehensive, preservation-based commercial district revitalization. Once characterized by vacant storefronts, declining investment, and the loss of historic structures, downtown Florence has been transformed into a vibrant destination offering exceptional dining, entertainment, public art, and restored architectural heritage.

During the past year, Florence experienced continued momentum through significant private and public investment that strengthens housing, revitalization, medical education, and behavioral health infrastructure, each contributing to the City's long-term economic vitality and quality of life. Notable fiscal year 2025 developments include:

- A \$10.3 million townhome and multifamily development, delivering 36 units in total. The first six townhomes are now available, with later phases under final review and construction scheduled to begin in early 2026.
- A \$3.0 million mixed-use historic renovation at 127 W. Evans Street, supported by State abandoned building tax credits and State and Federal historic rehabilitation credits. The project will provide two commercial spaces and nine short-term rental units, preserving a key historic structure while supporting tourism and downtown activity.
- Urban Square, a multi-phase, \$85 million development, began its first phase with construction of a 102-unit apartment building valued at \$22 million. Future phases will introduce additional multifamily housing, a 30,000 square-foot office building, and a new hotel: bringing new residents, businesses, and employment opportunities into the core of the city.
- Expansion of the Francis Marion University academic medicine campus through construction of the \$22.5 million C. Edward Floyd Medical Consortium Building. In partnership with MUSC and the University of South Carolina, this facility will support education and training for third- and fourth-year medical students, reinforcing Florence's role as a regional hub for medical education and workforce development.
- The opening of the MUSC Health Jean and Hugh K. Leatherman Behavioral Care Pavilion, a landmark public-private partnership and the region's first comprehensive behavioral health center. Supported by up to \$100 million in State funding and a \$5 million commitment from the City, the Pavilion provides triage, crisis stabilization, telehealth, outpatient services, and a 63-bed inpatient psychiatric unit. Construction began in 2024, and the facility opened in August 2025, significantly expanding behavioral health capacity for the Pee Dee region.

Downtown Redevelopment Financing Initiatives

In December 2006, Council established the Downtown Redevelopment District Project Area and authorized the issuance of a TIF obligation bond by December 2016 to fund public infrastructure improvements. In 2014, the City issued a TIF bond totaling approximately \$12.9 million to construct parking decks, acquire access easements, provide utilities upgrades, and improve surface parking. The bond's original maturity was set for 2026.

In July 2016, Council revised and extended the 2006 redevelopment plan, lengthening the maximum maturity of TIF obligations to 2046. This extension allowed the issuance of Special Obligation Bonds to support additional parking, street improvements, and essential infrastructure within the TIF district, as well as funding for the revitalization of three Florence School District One facilities. The Special Obligation Bonds also refunded the 2014 TIF bond.

On November 9, 2016, the City issued \$35,565,000 in Special Obligation Bonds, including approximately \$21,720,000 of taxable and tax-exempt “new money” to support downtown capital infrastructure and \$12 million dedicated to school facility redevelopment. The remaining \$13,845,000 refunded the 2014 TIF bond. These bonds carry a junior lien pledge of water and sewer revenues, though the projected impact to the utility system is expected to remain minimal.

Installment Purchase Revenue Bonds for Downtown Development

On September 8, 2020, the City issued \$26,365,000 in Installment Purchase Revenue Bonds (IPRBs). Approximately \$7,500,000 retired earlier bond anticipation notes used to acquire six acres of land downtown. The City subsequently entered into a development agreement for a 100-bed hotel, a 100-unit apartment complex, a 30,000 square foot office building, and 10 to 15 townhomes on the site. Approximately \$9,500,000 of IPRB proceeds will support construction of a 325-space parking deck central to this development. The parking deck will be completed during fiscal year 2026. Total public and private investment is projected at \$65 million. An additional \$2 million will fund the renovation of an abandoned downtown movie theater into a community event space. Approximately \$7 million of the bond proceeds were used for recreation and athletic facilities.

These investments reflect the City’s continued commitment to strengthening economic opportunities, enhancing livability, and fostering a thriving, resilient community. Downtown revitalization remains central to this vision, and the sustained progress achieved in FY 2025 underscores the importance of strategic planning, collaborative partnerships, and long-term stewardship.

Neighborhood Redevelopment – In recognition that housing and neighborhood conditions are central to the City’s current and future well-being, the City continues to pursue multiple strategies to foster and encourage neighborhood redevelopment.

City staff has worked with citizens in three focus areas to complete neighborhood action plans since February 2012 as part of its neighborhood revitalization initiative. The focus areas are North Florence, Northwest Florence, and East Florence. These areas include some of the oldest and most challenged neighborhoods surrounding the City’s downtown.

In 2014, the Florence Neighborhood Revitalization Plan was developed by the City with input from residents to preserve, connect, and bridge gateway neighborhoods to downtown Florence by restoring the vibrancy of these neighborhoods one block at a time. The Florence Neighborhood Revitalization Plan is a comprehensive plan that will serve to enhance the overall desirability of Florence as a place to live, increase the City’s regional competitiveness, set the stage for catalytic development, and build from the success within and around the City’s downtown. The initial focus of the plan includes four (4) neighborhood developments identified as the Neighborhood Revitalization Project Areas. These developments, located in North Florence, Northwest Florence, and East Florence, will improve these communities which will, in turn, serve to enhance the quality of life in the City of Florence as a whole.

As part of this process, the City committed over \$3 million to construction and incentive costs and another \$6 million to street and infrastructure improvements, including new sidewalks, curbing, pocket parks, and bike lanes. As part of the revitalization plan, the city has also created down payment and purchase incentives for qualified buyers that cover the gap between the cost and market value of the new homes.

In March 2017, the official groundbreaking of the “Vista Place” project area, the first development of the four designated redevelopment areas, was held. The Vista Place development area consists of several former vacant lots on Vista Street across from North Vista Elementary School. Each lot was developed to feature a unique, newly constructed house that will enhance this North Florence neighborhood. The construction of the first three homes was completed in February 2018. The City completed construction of two additional homes in 2019 for a total of five homes.

In fiscal year 2006 the City developed the North Pointe subdivision consisting of 27 home sites near Williams Middle School. To date the City has constructed and sold 18 homes in the subdivision with the construction to continue in fiscal year 2025.

In June 2018, the City began site work for “Old Carver Station,” a new neighborhood development that will consist of six homes in Northwest Florence. The City signed a development partnership agreement with a private investor to build the 6 homes in “Old Carver Station.” The City will provide down-payment assistance for buyers of these homes. “Old Carver Station” is located at the corner of Sumter and Alexander streets, directly across from the new R. N. Beck Childhood Education Center. Two homes were constructed and sold in 2021. The remaining four homes are currently under construction and nearing completion. Two private investors partnered with the City through a development agreement to construct two homes each.

Also in Northwest Florence, the City has completed a streetscape project on Sumter Street which includes street and infrastructure improvements, new sidewalks, curbing and drainage, and bike lanes.

In 2018, the City entered a long-term neighborhood redevelopment partnership with Greater Florence Habitat for Humanity, under which the City will convey up to three vacant lots per year for the construction of new Habitat homes in North, Northwest, and East Florence, along with up to \$25,000 in construction upgrades for each home. During fiscal year 2025, this partnership advanced with the completion and sale of one new home on Vista Street and the start of construction on a second home on Sumter Street, reflecting continued progress under the ten-year agreement.

In fiscal year 2020, the City initiated the \$270,000 Historic Pine Street Streetscapes Project in East Florence, delivering new sidewalks, curbing, landscaping, and related infrastructure improvements to support long-term reinvestment in the corridor. In fiscal year 2025, the City continued this momentum through the construction of two new homes on Pine Street, supported by the Building Florence Together (BFT) partnership, which advanced with the conveyance of two additional City owned lots for new single-family housing. Collaborative efforts with private developers also progressed across multiple project areas: two homes in Old Carver Station were completed, two additional homes in Old Carver Station are nearing completion, and two new homes on Vista Street are under construction. To further expand housing opportunities in East Florence, the City created a seven-lot subdivision at Pine and Gailliard Streets, where it is partnering with private developers and Building Florence Together to construct seven new single-family detached homes that will continue to strengthen neighborhood stability and homeownership.

Public Safety - During fiscal year 2025, the City continued to strengthen public safety through the expansion of its Flock license-plate reader camera network. Funded through nearly \$400,000 of state funds, the Florence Police Department installed 30 cameras along major corridors and key intersections between March and May. Contingent on future funding, the City intends to expand the system further to improve investigative capabilities and community Safety.

On September 9, 2020, the City issued \$6,267,000 in General Obligation Bonds. The bonds were issued for a term of 15 years, maturing on September 30, 2034, at an interest rate of 1.42%.

The proceeds of these bonds were used to construct two new fire stations – Station No. 4 and Station No. 6 – and to purchase fire apparatus for Station No. 6. The property for the current Station No. 4 was sold to a local financial institution for this institution to expand its operations. This necessitated the relocation of Station No. 4. Station No. 6 is a new station which was constructed on the west side of the City in order to service the growth in that area of the City.

During fiscal year 2025, the City continued its investment in public-safety infrastructure with the addition of two new fire engines valued at more than \$2 million to the Florence Fire Department fleet. Placed into service in January and April respectively, both pumpers align with the equipment capabilities required to sustain the department's ISO Class 1 rating, the highest possible designation for fire protection. The engines were funded through a combination of City and State funds and replace aging apparatus at Stations 5 and 6 and demonstrate continued commitment to maintaining high-quality emergency response services. Looking ahead, the City has also ordered a \$2 million ladder truck to replace a 15-year-old unit, further strengthening Florence's fire response capacity and operational readiness.

The City engages in long-term financial and capital planning to support infrastructure investment, economic development, public safety, and service sustainability. Funding strategies include a combination of operating revenues, grants, special revenue sources, and long-term financing. A comprehensive discussion of capital assets, debt administration, utility rate planning, and major initiatives is provided in the MD&A.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Florence for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, with contents which conform to GFOA program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Certificate awarded for fiscal year ended 2024 marks the twenty-seventh consecutive year the award has been received by the City of Florence. We believe that this Annual Comprehensive Financial Report conforms to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department as well as the City's independent auditors, Mauldin & Jenkins, CPAs and Advisors. Their assistance provided in the preparation of this report is sincerely appreciated.

In closing, without the guidance, leadership, and support of the City Manager, Mayor, and City Council, preparation of this report would not have been possible.

Respectfully submitted,



Glenn A. Bodenheimer
Interim Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Florence
South Carolina**

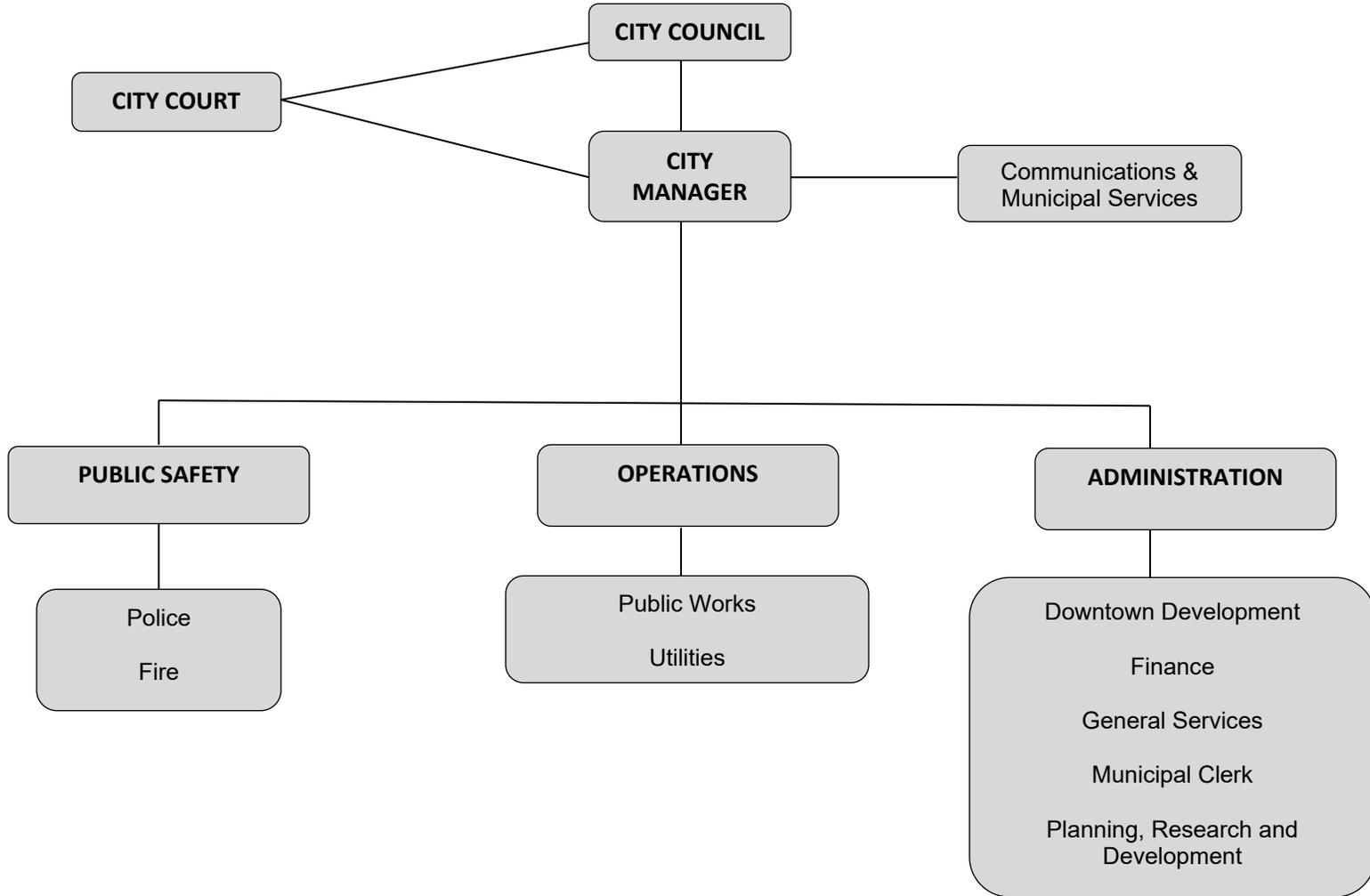
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

**CITY OF FLORENCE
ORGANIZATIONAL CHART
FY 2024-25**



**CITY OF FLORENCE, SOUTH CAROLINA
PRINCIPAL OFFICIALS
JUNE 30, 2025**

GOVERNING BODY

Lethonia Barnes, Mayor

George D. Jebaily, Mayor Pro Tempore

LaShonda NeSmith-Jackson

J. Lawrence Smith, II

Bryan A. Braddock

Zach McKay

Chaquez T. McCall

ADMINISTRATION

Scotty Davis, City Manager

James C. Moore, Assistant City Manager

Glenn A. Bodenheimer, Interim Finance Director

Jerry B. Dudley, Planning & Development Director

Allen L. Heidler, Police Chief

Michael D. Hemingway, Utility Planning and Economic Development Director

Jennifer L. Krawiec, Human Resources Director

Victoria Nash, Parks, Recreation & Sports Tourism Director

Amanda P. Pope, Marketing/Communications and Municipal Services Director

Adam T. Swindler, Public Works Director

Shannon Tanner, Fire Chief

Joshua D. Whittington, Utility Operations Director

FINANCIAL SECTION



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Building Florence Together Community Development Corporation (BFTCDC), which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for BFTCDC, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of BFTCDC were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – General Fund, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Hospitality Fund, the Schedules of the City's Proportionate Share of the Net Pension Liability, the Schedules of the City's Pension Contributions, the Schedule of Changes in the City's Net OPEB Liability, and the Schedule of the City's OPEB Contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the budgetary comparison schedules, the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and the Uniform Schedule of Court Fines, Assessments, and Surcharges, as required by the State of South Carolina (collectively the "Supplementary Information") are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Supplementary Information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

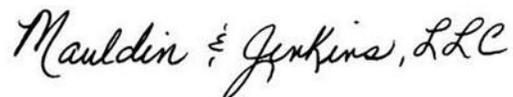
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads 'Mauldin & Jenkins, LLC'.

Columbia, South Carolina
December 19, 2025

CITY OF FLORENCE, SOUTH CAROLINA Management's Discussion and Analysis

As management of the City of Florence, South Carolina (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. This Management's Discussion and Analysis (MD&A) is intended to provide an objective, easily understandable discussion of the City's financial condition, results of operations, and significant financial trends. Readers are encouraged to consider this information in conjunction with the City's basic financial statements, which immediately follow this section, and the letter of transmittal in the preceding Introductory Section.

Financial Highlights

The following information highlights the most significant changes to the City's financial position over the last year. These highlights are intended to provide a concise summary of key financial outcomes and trends.

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$248,123,534 (*net position*). Of this amount, \$26,336,508 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$22,788,145 during the fiscal year ended June 30, 2025. This increase reflects a \$9,919,285 increase in governmental activities and a \$12,868,860 increase in business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$42,944,797, an increase of \$633,652 in comparison with the prior year. Approximately 52.6 percent of this total amount, \$22,587,854 is *available for spending* at the City's discretion (*unassigned fund balance*).
- The General Fund reported an unassigned fund balance of \$22,656,369, representing 39.3 percent of total General Fund expenditures, indicating a strong liquidity position.
- The City had \$208.3 million in bonds and notes outstanding versus \$220.7 million last year, a decrease of \$12.4 million from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. These statements provide both a long-term and short-term perspective of the City's financial position and operating results. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as *net position*. Changes in net position over time may serve as a useful indicator of whether the City's overall financial position 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*. As a result, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes and earned but unused vacation leave.

Government-wide financial statements distinguish governmental activities, those primarily supported by taxes and intergovernmental revenues, from business-type activities, which are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, community development, and culture and recreation. Business-type activities include water and sewer services and storm water services.

The government-wide financial statements include the City itself (*known as the primary government*) and one blended component unit, the City of Florence Public Facilities Corporation, which is reported in the Governmental Activities of the primary government, and one discretely presented component unit, Building Florence Together Community Development Corporation.

The government-wide financial statements can be found on pages 20-22 of this report.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with legal and contractual requirements. All City funds can be classified as governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements utilize the modified accrual basis of accounting, which focuses on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year (fund balances). This information is particularly useful in assessing the City's short-term financing needs and budgetary compliance.

Because the focus of governmental funds differs from 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 statements. 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 maintains a variety of individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Hospitality Fund which are considered major governmental funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 23-26 of this report. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the General Fund and the Hospitality Fund can be found on pages 84 and 85 of this report.

Proprietary funds

The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide statements. The City uses enterprise funds to account for its water and sewer activities and storm water operations.

Proprietary funds provide the same types of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer activities and for the storm water operations. The Water and Sewer Fund is a major fund of the City, and the Storm Water Fund is a nonmajor fund.

The basic proprietary fund financial statements can be found on pages 27-30 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's programs. The basic fiduciary fund financial statements can be found on pages 31 and 32 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 33-83 of this report.

Other supplemental information

Beyond the basic financial statements and accompanying notes, this report includes certain *required supplementary information*.

The combining statements for nonmajor governmental funds follow the required supplementary information, offering further insight into individual fund activities. Combining and individual fund statements and schedules can be found on pages 108-119 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2025, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$248,123,534.

The City's net investment in capital assets totaled \$208,080,618 and represents the largest portion of the City's net position, accounting for 83.9 percent of the total. This balance reflects the City's investment in capital assets such as land, buildings, infrastructure, and equipment, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide essential services to citizens; consequently, these assets are *not* available for future spending. Although reported net of related debt, the repayment of this debt must be funded through future revenues.

The balance of unrestricted net position, \$26,336,508, may be used to meet the City's ongoing obligations to citizens and creditors.

The City reported positive balances in all categories of net position for the government as a whole and for business-type activities. Unrestricted net position for governmental activities remains negative, primarily due to implementation of Governmental Accounting Standards Board (GASB) Statements 68 and 75 requiring the City to accrue net pension liabilities and Other Post-Employment Benefits (OPEB) liabilities in accordance with Generally Accepted Accounting Principles (GAAP).

City of Florence's Net Position

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 58,563,509	\$ 59,032,313	\$ 85,718,419	\$ 81,272,112	\$ 144,281,928	\$ 140,304,425
Capital assets	141,349,879	136,941,944	254,559,662	250,886,624	395,909,541	387,828,568
Total assets	<u>199,913,388</u>	<u>195,974,257</u>	<u>340,278,081</u>	<u>332,158,736</u>	<u>540,191,469</u>	<u>528,132,993</u>
Deferred Outflow s	<u>7,717,497</u>	<u>7,764,398</u>	<u>2,622,366</u>	<u>2,327,565</u>	<u>10,339,863</u>	<u>10,091,963</u>
Long-term liabilities	119,624,365	126,849,551	150,442,433	160,070,981	270,066,798	286,920,532
Other liabilities	15,843,117	16,947,897	11,099,923	6,458,046	26,943,040	23,405,943
Total liabilities	<u>135,467,482</u>	<u>143,797,448</u>	<u>161,542,356</u>	<u>166,529,027</u>	<u>297,009,838</u>	<u>310,326,475</u>
Deferred Inflow s	<u>4,300,903</u>	<u>1,997,992</u>	<u>1,097,057</u>	<u>565,100</u>	<u>5,397,960</u>	<u>2,563,092</u>
Net Position:						
Net investment in capital assets	62,717,631	53,705,393	145,362,987	131,704,809	208,080,618	185,410,202
Restricted	13,260,163	12,437,442	446,245	7,124,505	13,706,408	19,561,947
Unrestricted	(8,115,294)	(8,199,620)	34,451,802	28,562,860	26,336,508	20,363,240
Total net position	<u>\$ 67,862,500</u>	<u>\$ 57,943,215</u>	<u>\$ 180,261,034</u>	<u>\$ 167,392,174</u>	<u>\$ 248,123,534</u>	<u>\$ 225,335,389</u>

City of Florence's Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for services	\$ 23,427,172	\$ 22,725,955	\$ 51,113,712	\$ 45,364,818	\$ 74,540,884	\$ 68,090,773
Operating grants and contributions	639,962	3,175,367	-	-	639,962	3,175,367
Capital grants and contributions	3,900,019	1,623,964	4,126,920	5,832,000	8,026,939	7,455,964
General Revenues:						
Property taxes	15,309,458	13,109,447	-	-	15,309,458	13,109,447
Hospitality fees	6,436,056	6,120,314	-	-	6,436,056	6,120,314
Local options sales tax	4,783,406	4,646,267	-	-	4,783,406	4,646,267
Accommodations tax	1,389,897	1,270,604	-	-	1,389,897	1,270,604
Other taxes	4,767,360	4,427,261	-	-	4,767,360	4,427,261
Grants and contributions not restricted to specific programs	1,340,658	1,362,091	4,161,696	1,264,071	5,502,354	2,626,162
Other	4,700,857	3,436,328	3,470,026	3,997,183	8,170,883	7,433,511
Total Revenues	66,694,845	61,897,598	62,872,354	56,458,072	129,567,199	118,355,670
Expenses:						
General government	7,459,549	7,573,103	-	-	7,459,549	7,573,103
Public safety	20,649,723	19,686,672	-	-	20,649,723	19,686,672
Public works	13,803,140	12,348,694	-	-	13,803,140	12,348,694
Culture and recreation	8,199,772	6,451,024	-	-	8,199,772	6,451,024
Community development	3,183,196	2,324,845	-	-	3,183,196	2,324,845
Non-departmental	6,299,663	6,439,019	-	-	6,299,663	6,439,019
Interest on long-term debt	2,031,125	2,134,983	-	-	2,031,125	2,134,983
Water and sewer	-	-	44,069,255	38,842,222	44,069,255	38,842,222
Stormwater	-	-	1,083,631	1,374,041	1,083,631	1,374,041
Total Expenses	61,626,168	56,958,340	45,152,886	40,216,263	106,779,054	97,174,603
Increase in net position before transfers	5,068,677	4,939,258	17,719,468	16,241,809	22,788,145	21,181,067
Transfers	4,850,608	5,545,856	(4,850,608)	(5,545,856)	-	-
Increase in net position	9,919,285	10,485,114	12,868,860	10,695,953	22,788,145	21,181,067
Net position - beginning	57,943,215	47,458,101	167,392,174	156,696,221	225,335,389	204,154,322
Net position - ending	\$ 67,862,500	\$ 57,943,215	\$ 180,261,034	\$ 167,392,174	\$ 248,123,534	\$ 225,335,389

Governmental activities

Governmental activities increased the City's net position by \$9,919,285 during the fiscal year.

In November 2020, Florence County voters approved a countywide referendum which re-imposed an existing one-cent capital project sales tax that was due to expire in April 2021. The City was allocated \$40,000,000 for projects within the city limits. The revenues generated by "Capital Project Sales Tax III" program provided funding for the design, engineering, construction, and improvement of highways, roads, streets, drainage system and/or bridges, and traffic flow improvements into and through Florence County. During the year, Florence County reimbursed the City \$3,397,632 from Capital Project Sales Tax III revenues for eligible capital projects under construction within the City. These voter-approved revenues continue to support transportation and infrastructure improvements without reliance on additional property taxes.

On November 15, 2017, the City closed on a \$15.0 million Installment Purchase Revenue Bond (IPRB), Series 2017, to finance various recreation-related improvements. The bond was issued with a 15-year term at an interest rate of 2.99 percent and will mature on November 1, 2032. Projects funded through the Series 2017 IPRB included the construction of miscellaneous deferred capital projects, development of a sports complex, construction of community centers, upgrades to the Freedom Florence complex, and the construction of trail segments throughout the City.

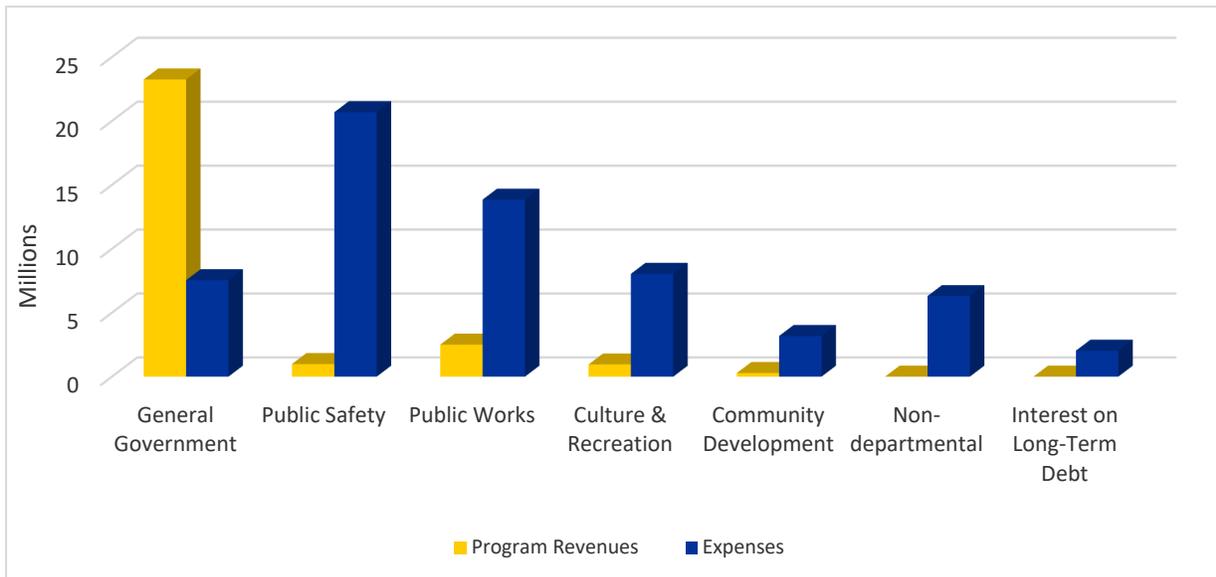
On September 9, 2020, the City, through the Public Facilities Corporation, issued Installment Purchase Revenue Bonds (IPRB), Series 2020A in the amount of \$26,365,000 and Series 2020B in the amount of \$10,970,000. Proceeds

from the Series 2020 bonds were used to refund the Series 2017 IPRB and to finance the construction of an athletic complex, including a collegiate-level baseball stadium; the refurbishment of an abandoned downtown theater; and the construction of a parking garage as part of a broader economic development initiative. The Series 2020 bonds will mature in November 2045.

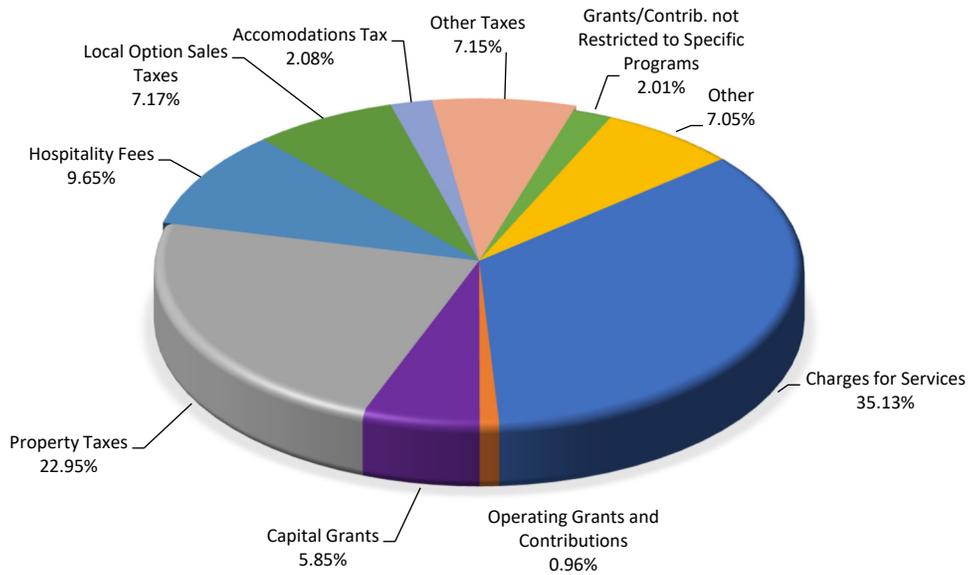
During the fiscal year, the City expended \$440,006 for continued construction of the downtown parking garage and \$961,865 for trail connectivity and recreation-related improvements throughout the City. As of June 30, 2025, cumulative expenditures on projects funded by Installment Purchase Revenue Bonds totaled \$32,777,927.

On October 21, 2021, the City entered into an equipment lease purchase agreement in the amount of \$2,875,000. The equipment consists of all lighting equipment and associated collateral, bleachers, tractors, and other equipment for the City's new athletic sports complex. The City has spent \$2,828,203 to date on the projects.

Expenses and Program Revenues – Governmental Activities



Revenue by Source – Governmental Activities



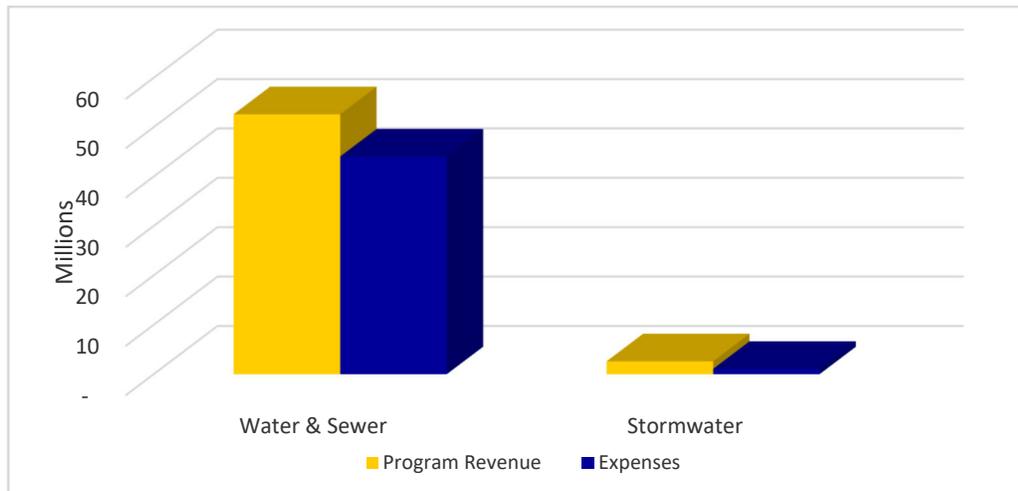
Business-type activities

Business-type activities increased the City's net position by \$12,868,860. Key elements of this increase are as follows:

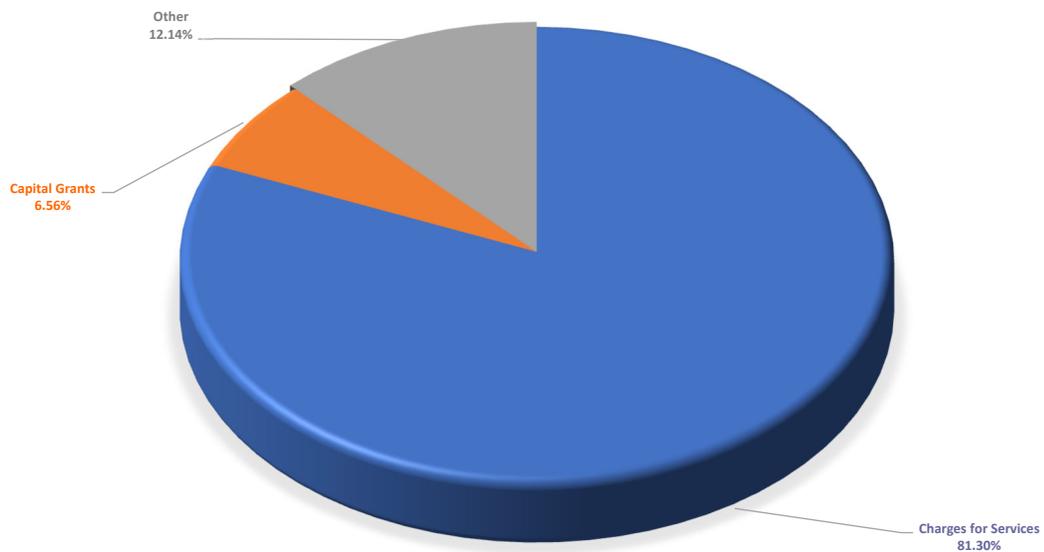
Rate Amendments – The amendment to the 10-year rate plan, adopted on August 14, 2023, emphasized the need for capacity expansions at both the surface water plant and wastewater treatment facility to accommodate projected growth. Rate increases of 9 percent for inside customers and 11 percent for outside customers, effective September 1, 2023, were implemented in accordance with the amended schedule. As a result of these rate adjustments, current use charges increased by approximately \$5.6 million, or 13.1 percent, compared to the prior year.

Investment Earnings – Investment earnings for fiscal year 2024-25 exceeded budgeted expectations by \$1,870,244. The City continues to actively manage its investment portfolio while closely monitoring monthly operating cash flows, allowing it to take advantage of favorable interest rate conditions and maximize earnings on available funds.

Expenses and Program Revenues – Business-type Activities



Revenue by Source – Business-type Activities



Financial Analysis of the City's Funds

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

Governmental funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a City's net resources available for discretionary use as it represents the portion of fund balance that has not yet been limited to use by an external party or the City itself.

At June 30, 2025, the City's governmental funds reported a combined ending fund balance of \$42,944,797, an increase of \$633,652 in comparison with the prior year. Detailed information is presented later in the MD&A. Approximately 52.6 percent of this total amount or \$22,587,854 constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form: \$2,633,856; 2) restricted for particular purposes: \$13,260,163; 3) committed for particular purposes: \$4,037,833; or 4) assigned for particular purposes: \$425,091. Additional information on the City's fund balances can be found at Note 12 of the notes to the financial statements.

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$22,656,369, while total fund balance was \$25,404,462. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 39.3 percent of total General Fund expenditures, while total fund balance represents 44.1 percent of that same amount, demonstrating strong liquidity and reserves.

During the current fiscal year, the General Fund's fund balance decreased by \$846,494, or 3.2 percent, primarily due to the planned use of excess fund balance to finance one-time capital expenditures and long-term capital projects. This decrease reflects a deliberate and strategic use of reserves rather than a structural imbalance in ongoing operations. The City maintains an unrestricted fund balance policy as recommended by the Government Finance Officers Association (GFOA). The City adopted a policy to retain a minimum unrestricted balance equal to at least 30 percent of General Fund operating revenues or expenditures. Throughout the fiscal year, the City remained in compliance with this policy.

On April 8, 2024, City Council adopted a budget amendment totaling \$6,515,000 to reappropriate excess fund balance for the purpose of funding non-recurring capital projects that span multiple fiscal years. As these projects are completed, excess fund balance is used as the financing source, resulting in a planned reduction in fund balance over time while maintaining adequate reserves.

Some of the major projects funded through this amendment include the recodification of the City's Code of Ordinances (\$75,000), the purchase of a ladder truck for the Fire Department (\$2,000,000), the purchase of a pumper truck for the Fire Department (\$1,000,000), parks and recreation improvements including the Dr. Iola Jones Park Amphitheater (\$250,000), and the replacement of aging lighting at Freedom Florence with new LED fixtures (\$1,300,000).

Because these projects were financed through the use of excess fund balance rather than current-year revenues, the General Fund experienced a corresponding decrease in fund balance during the fiscal year. This reduction reflects a deliberate and strategic use of reserves for long-term capital investment rather than a structural imbalance in ongoing operations.

During the current fiscal year, the City completed the replacement of the lighting at Freedom Florence (\$1,325,524) and took possession of the pumper truck (\$1,009,039).

The Hospitality Fund has a total fund balance of \$6,284,184, an increase of 37.2 percent.

The City maintains a TIF Debt Service Fund to receive tax revenue generated by a Tax Increment Financing (TIF) district. These funds are generated from the difference between the current assessed value of each parcel of property within the district and the 2006 assessed value of each parcel. The increase in overall assessed value in the TIF district applied to the tax millage of all taxing entities in Florence County participating in and contributing to the TIF creates the tax revenue used to repay bonds issued to construct public purpose projects within the district. As of June 30, 2025, the TIF Debt Service Fund has an ending restricted fund balance of \$881,177.

The City maintains a General Fund Debt Service Fund to manage the collection of the debt service millage and the debt service payment for the City's general obligation debt. The Debt Service millage is 4.0 mills. The entire fund balance of \$1,057,490 is restricted for the repayment of City's general obligation debt.

The City of Florence Public Facilities Corporation was established in fiscal year 2017-18 to provide for the issuance of Installment Purchase Revenue Bonds (IPRBs). This bond issue provided funds needed to complete the downtown development and recreational projects as outlined in the Base Lease agreement between the City of Florence Public Facilities Corporation and the City. During the current year ending June 30, 2025, the City of Florence Public Facilities Corporation transferred out \$1,401,871 to the General Fund for reimbursements related to downtown development and recreational projects. As of June 30, 2025, the City of Florence Public Facilities Corporation had an ending restricted fund balance of \$2,235,507.

The City received \$7,943,151 in federal grant funds from the American Rescue Plan Act (ARPA). During the current year, the City incurred expenditures and recognized revenues in the amount of \$2,471,507. The remaining funds of \$864,087 have been deferred at year end.

Proprietary funds

The City'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 water and sewer operations and the storm water operations at the end of the fiscal year amounted to \$32,095,432 and \$2,356,370 respectively, for a total unrestricted net position of \$34,451,802. The increase in net position of the water and sewer operations and the storm water operations at the end of the fiscal year amounted to \$10,953,091 and \$1,915,769, respectively. The total increase in the net position was \$12,868,860. Other factors concerning the finances of these funds have been addressed previously in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The final amended General Fund budget for the fiscal year ending June 30, 2025, totaled \$60,619,146, reflecting an increase of \$9,201,646 from the original budget of \$51,417,500. The City Council approved three amendments during the fiscal year to address timing differences, grant funding and capital needs.

The first amendment increased revenues from the Unappropriated Reserve by \$5,895,056. This adjustment was made to re-appropriate funds for projects and equipment purchases that were originally budgeted in fiscal year 2023-24 but were deferred to fiscal year 2024-25.

The second budget amendment for fiscal year 2024–25 reflects additional state funding and the re-appropriation of fund balance. The City of Florence received a one-time, non-recurring appropriation of \$1,250,000 in State General Funds through the fiscal year 2024–25 Appropriations Act (H.5100), administered by the South Carolina Department of Labor, Licensing, and Regulation. In accordance with Proviso 117.21, these funds are budgeted for the purchase of a fire engine and related equipment. The amendment also increases appropriations from Unappropriated Reserve by \$95,100 from unrestricted fund balance for grant-related expenditures not originally budgeted, and by \$849,890 to re-appropriate funds for projects and purchases not completed at the end of FY 2023–24.

The third amendment allocated an additional \$1,111,600 to fund one-time capital purchases. This funding was sourced from the excess Unassigned Fund Balance, in accordance with the City's Fund Balance Policy, to support strategic investments in infrastructure and other key expenditures.

Original Budget vs Final Budget Variances

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>	<u>Percentage</u>
Revenues				
Taxes - property	\$ 14,686,600	\$ 14,686,600	\$ -	0.00%
Penalties	12,000	12,000	-	0.00%
Licenses and Fees	17,619,300	17,619,300	-	0.00%
Intergovernmental	6,309,400	7,559,400	1,250,000	19.81%
Charges for services	3,506,400	3,506,400	-	0.00%
Fines and forfeitures	291,500	291,500	-	0.00%
Investment Earnings	550,000	550,000	-	0.00%
Miscellaneous Revenue	559,300	559,300	-	0.00%
Other Funding Sources	120,000	120,000	-	0.00%
Transfers	7,508,000	7,508,000	-	0.00%
Use of Fund Balance	255,000	8,206,646	7,951,646	3118.29%
	<u>\$ 51,417,500</u>	<u>\$ 60,619,146</u>	<u>\$ 9,201,646</u>	

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>	<u>Percentage</u>
Expenditures				
City Council	\$ 372,100	\$ 452,545	\$ 80,445	21.62%
Legal Services	194,100	196,611	2,511	1.29%
Justic and Law	722,400	708,678	(13,722)	-1.90%
City Manager	1,268,500	1,253,764	(14,736)	-1.16%
Finance	1,504,100	1,396,110	(107,990)	-7.18%
Personnel	675,500	677,305	1,805	0.27%
Community Service	684,450	648,945	(35,505)	-5.19%
Police	11,935,350	11,608,402	(326,948)	-2.74%
Fire	8,866,900	13,321,707	4,454,807	50.24%
Streets and Beautification	3,415,700	3,531,435	115,735	3.39%
Sanitation	5,185,600	6,299,184	1,113,584	21.47%
Equipment Maintenance	811,000	783,568	(27,432)	-3.38%
Parks, Recreation and Sports Tourism	5,441,850	7,616,844	2,174,994	39.97%
Urban Planning and Development	688,900	1,239,898	550,998	79.98%
Building Inspections and Permits	597,850	545,062	(52,788)	-8.83%
Debt Service	2,700,300	3,060,934	360,634	13.36%
Community Development	385,800	385,800	-	0.00%
Non-Departmental	5,967,100	6,892,354	925,254	15.51%
	<u>\$ 51,417,500</u>	<u>\$ 60,619,146</u>	<u>\$ 9,201,646</u>	

Significant Variances – Budget to Actual

Significant budget-to-actual variances were primarily attributable to timing of revenue estimates, timing of capital expenditures, personnel vacancies, and the use of excess fund balance for nonrecurring projects. Detailed explanations of these variances are provided to enhance transparency and accountability.

Property tax revenues for fiscal year 2024-25 fell short of budgeted projections by \$241,093. This shortfall primarily resulted from the City overestimating the property tax receipts expected during the fiscal year. This variance was primarily attributable to an overestimation of current-year property tax collections. Current property taxes were \$755,296 less than budgeted, reflecting slower-than-anticipated growth in assessed property values. While market conditions and development trends were expected to support higher collections, several developments scheduled for completion during the fiscal year were not finalized as of June 30, 2025, delaying their inclusion on the tax rolls.

This shortfall was partially offset by higher-than-budgeted property tax credits generated from Local Option Sales Tax (LOST) revenues. LOST credits exceeded budget by \$609,841. These credits, which reduce property tax liabilities for taxpayers, are funded through a 1 percent sales tax on transactions within the City. The increased LOST revenues reflect stronger-than-anticipated retail and consumer activity and serve as an indicator of continued economic strength within the City of Florence.

For fiscal year 2024-25, Licenses and Fees revenues exceeded budget by \$1,027,475. This was primarily due to an increase in business and insurance license revenues. The favorable variance was driven primarily by higher business license and insurance license revenues. Business and insurance license collections benefited from increased economic activity, growth in the number of operating businesses, and expansion within the insurance sector, resulting in higher policy issuances and premium volumes. Additionally, enhanced compliance efforts and improved enforcement of licensing requirements contributed to increased collections. Collectively, these factors resulted in Licenses and Fees revenues substantially outperforming budgeted expectations for fiscal year 2024-25.

Charges for Services revenues exceeded budget by \$456,789, largely due to recreation-related revenues, which were \$707,012 above projections. This increase was driven by higher participation in sports leagues, fitness programs, and community events, as well as the successful implementation of facility improvements and program expansions.

Newly renovated facilities and expanded recreational offerings led to increased membership enrollments, facility rentals, and program registrations. Investments in upgraded amenities, including improved athletic fields, new pickleball courts, additions to the rail trail system, and new recreational programming, enhanced the attractiveness of City facilities to residents and visitors alike. The resulting increase in utilization contributed significantly to the favorable revenue variance. These additional revenues will support ongoing maintenance, program development, and future enhancements to the City's recreational assets.

Building permit revenues were under budget by \$201,221. This was driven primarily by a slowdown in construction activity and new housing permits due to economic factors such as high interest rates, elevated material and labor costs as well as ongoing supply chain issues.

Miscellaneous revenues for fiscal year 2024-25 exceeded budgeted expectations by \$1,196,587, with \$416,680 of this total attributed to investment income. The City continues to actively manage its investment portfolio while closely monitoring monthly operating cash flows, allowing it to take advantage of favorable interest rate conditions and maximize earnings on available funds.

City Council expenditures were \$84,944 under budget. The primary factor was \$75,000 budgeted for professional services related to the recodification of the City Code. While the recodification process began during fiscal year 2024-25, final completion is scheduled for fiscal year 2025-26. Travel and conference expenditures were also under budget by \$25,782, reflecting a more strategic approach by Council members in attending training and conference events.

City Manager expenditures were \$114,154 under budget, with \$62,591 attributable to personnel savings resulting from temporary position vacancies during the year. Marketing and promotion expenditures were under budget by \$9,553, largely due to the timing of work associated with Cypress, the City's AI-powered chatbot. Development and implementation efforts will continue into fiscal year 2025-26.

Urban Planning and Development expenditures were \$523,776 under budget, primarily due to \$494,995 in professional services that were budgeted but not fully expended during the fiscal year. Several major planning initiatives were initiated in fiscal year 2024-25 but are scheduled for completion in fiscal year 2025-26, including:

- Approximately \$57,000 remaining on a \$200,000 housing study,
- \$226,000 for a neighborhood revitalization strategy update currently underway,
- \$86,000 remaining for the comprehensive plan update, and
- \$75,000 for the rewrite of the City's sign ordinance.

These expenditures will carry forward into the subsequent fiscal year as projects progress toward completion.

Public Safety

Police Department expenditures were \$794,725 under budget for the fiscal year. Personnel costs accounted for \$478,170 of this variance, primarily due to vacant positions throughout the year. Recruitment and retention challenges associated with a highly competitive labor market, which continues to impact law enforcement agencies statewide, contributed to these savings.

Capital outlay expenditures were \$289,135 under budget, largely attributable to delays in scheduling vehicle repairs, despite the City receiving insurance reimbursements totaling \$42,752 for accident-related damages.

Near fiscal year-end, the City adopted a budget amendment to allow staff to secure pricing for planned capital purchases related to public safety data systems, including mobile data terminals (\$25,000), laptops, and other necessary data equipment. These items had not been expended as of June 30, 2025, and the appropriations will be carried forward into fiscal year 2025–26.

In addition, \$16,000 budgeted for the replacement and training of a new K-9 was not expended as of June 30, 2025, as a new handler had not yet been selected. These costs will also be carried forward into fiscal year 2025–26.

Fire Department expenditures were \$2,606,983 under budget, largely due to \$2,265,965 in delayed capital purchases. The City budgeted for the procurement of a new ladder fire apparatus and related equipment totaling \$2,240,961 in fiscal year 2024-25. Due to manufacturing timelines, delivery was deferred and is now expected in fiscal year 2025-26.

Public Works

Streets and Beautification expenditures were \$261,380 under budget. Personnel costs were \$94,072 under budget due to vacancies during the year. Capital outlay expenditures were \$151,951 under budget, primarily related to an early purchase budget amendment adopted near the end of the fiscal year to lock in pricing amid uncertainties surrounding potential tariff impacts.

While these capital items were authorized prior to year-end, they were not received until after June 30, 2025. These purchases included:

- \$50,000 for the replacement of one pickup truck,
- \$60,000 for animal shelter facility refurbishments, including interior and exterior painting, countertop replacements, and kennel and fencing repairs (with work initiated but not completed during the fiscal year), and
- \$75,000 for the purchase of a small backhoe.

Sanitation expenditures were \$245,579 under budget. Capital outlay expenditures were \$88,206 under budget, as the replacement of three sanitation trucks came in below budgeted amounts. Additionally, gas and oil expenditures were \$94,341 under budget, reflecting favorable fuel pricing and operational efficiencies during the fiscal year. Budgeted amounts for gas and oil may have been overly aggressive due to uncertainties with pricing during the budget preparation in the previous fiscal year.

Culture and Recreation

Culture and Recreation expenditures exceeded the amended budget primarily due to higher-than-anticipated athletic program costs and the timing of capital project activity. Athletic program expenditures were \$325,628 over budget.

During the fiscal year, \$821,521 was expended for the Rail Trail Extension at Jeffries Creek and Pine Needles. This project was funded with proceeds from the Installment Purchase Revenue Bonds (IPRB), Series 2020A, and contributed to the variance between budgeted and actual expenditures.

Several Culture and Recreation capital projects approved in fiscal year 2024–25 were not completed by June 30, 2025, and will be reappropriated in fiscal year 2025–26. These projects include: (1) \$50,000 for the purchase of a replacement vehicle; (2) \$20,000 for tennis center pavilion furniture and carpet upgrades; (3) \$200,000 for the construction of three dog parks; (4) \$250,000 for the construction of the Lola Jones Amphitheater; (5) \$40,000 for tennis court resurfacing; and (6) \$100,000 for the construction of the Timrod Park Amphitheater.

Although these projects were approved in fiscal year 2024–25, the expenditures were not incurred, or the projects were not completed prior to year-end. As a result, the combination of bond-funded project activity and the deferral of several budgeted capital expenditures contributed to a net overage in Culture and Recreation expenditures for the fiscal year.

The City does not budget General Fund appropriations for its recreation and athletic league programs, including soccer, basketball, football, and similar activities. These programs are intended to be self-supporting, with participant registration fees designed to cover the direct costs associated with each program.

During fiscal year 2024–25, the City expended \$563,294 on recreation and league programs. While these expenditures were offset by corresponding program revenues, the related costs were not included in the original expenditure budget. As a result, total Culture and Recreation expenditures exceeded the budgeted amount, contributing to the reported budget variance in this function.

Non-Departmental

Non-Departmental expenditures exceeded budget by \$1,436,040, primarily due to capital outlay expenditures. The City continued construction on the Urban Square Parking Garage (\$720,063) as well as started renovations for the historic Carolina Theatre downtown (\$793,540). These projects were funded through the Series 2020A Installment Purchase Revenue Bonds, with reimbursement from the Installment Purchase Revenue Bond Capital Projects Fund.

All appropriated expenditures for projects that were not completed by the end of the fiscal year will be reappropriated in fiscal year 2025-26 through a budget amendment.

	<u>Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percentage</u>
Revenues					
Taxes - property	\$ 14,686,600	\$ 14,686,600	\$ 14,445,507	\$ (241,093)	-1.64%
Licenses and fees	17,619,300	17,619,300	18,646,775	1,027,475	5.83%
Charges for Services	3,506,400	3,506,400	3,963,189	456,789	13.03%
Miscellaneous	1,109,300	1,109,300	2,305,887	1,196,587	107.87%
Expenditures					
City Council	\$ 372,100	\$ 452,545	\$ 362,601	\$ 89,944	24.17%
City Manager	1,268,500	1,253,764	1,139,610	114,154	9.00%
Urban Planning and Development	688,900	1,239,898	716,122	523,776	76.03%
Police Department	11,935,350	11,608,402	10,813,677	794,725	6.66%
Fire	8,866,900	13,321,707	10,714,724	2,606,983	29.40%
Streets and Beautification	3,415,700	3,531,435	3,270,055	261,380	7.65%
Sanitation	5,185,600	6,299,184	6,053,605	245,579	4.74%
Culture and Recreation	5,441,850	7,616,844	7,942,472	(325,628)	-5.98%
Non-Departmental	5,967,100	6,892,354	8,328,394	(1,436,040)	-24.07%

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2025, the City's investment in capital assets for its governmental and business-type activities totaled \$395,909,541 (net of accumulated depreciation). This investment encompasses land, buildings and improvements, machinery and equipment, park facilities, infrastructure, and subscription assets. The City's total net increase in capital assets for the fiscal year was \$8,080,973, reflecting a 3.2 percent increase in governmental activities (\$4,407,935) and a 1.5 percent increase in business-type activities (\$3,673,038).

To ensure the reliability and efficiency of its fleet, the City regularly replaces aging vehicles. During the fiscal year ending June 30, 2025, vehicle acquisitions for the General Fund, Water and Sewer Utility Fund, and Storm Water Fund included:

- Sanitation Department: three new sanitation trucks (\$1,083,339), one new vehicle (\$48,345)
- Police Department: five new vehicles (\$210,500)
- Fire Department: six new vehicles, including two new pumper trucks (\$2,138,669)
- Beautification: one vehicle (\$46,703) and backhoe (\$74,921)
- Water and Sewer Enterprise Fund: two vehicles (\$105,468), one sewer vac truck (\$562,000)

Investments in building and infrastructure-related capital assets totaled \$17,062,839 during the fiscal year. These expenditures and expenses primarily included street, sidewalk, and curb improvements, as well as upgrades to water and sewer lines within the Water and Sewer Enterprise Fund. Approximately \$6.0 million was recognized as contributed capital from developer-funded infrastructure improvements.

**City of Florence's Long-term Debt
Bonds and Notes Payable**

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 6,117,000	\$ 6,721,000	\$ -	\$ -	\$ 6,117,000	\$ 6,721,000
Revenue bonds	68,391,613	71,656,945	119,894,139	127,350,085	188,285,752	199,007,030
Notes payable	-	-	13,896,654	15,000,165	13,896,654	15,000,165
Financed purchase liability	3,542,317	4,059,859	1,412,845	1,572,339	4,955,162	5,632,198
Subscription payable	125,425	160,008	-	-	125,425	160,008
Totals	<u>\$ 78,176,355</u>	<u>\$ 82,597,812</u>	<u>\$ 135,203,638</u>	<u>\$ 143,922,589</u>	<u>\$ 213,379,993</u>	<u>\$ 226,520,401</u>

At year end, the City's outstanding debt totaled \$213,379,993, representing a decrease of \$13,140,408 (6.2 percent) from the prior year. The City continues to manage its debt portfolio prudently while maintaining strong credit ratings. These strategic investments in water and sewer infrastructure underscore the City's commitment to a resilient and efficient utility system, ready for the future, while upholding responsible fiscal management. The City maintains an "AA-" rating from Standards & Poor's and an "Aa2" rating from Moody's for revenue obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8 percent of its total assessed valuation. The current debt limitation for the City in the amount of \$18,016,284 exceeds the City's outstanding general obligation debt (net of amount available in the debt service fund) of \$5,268,651 by \$12,747,633.

Additional information on the City's long-term debt can be found in Note 6 of the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

In addition to the information provided below, a number of economic factors which can be found in the statistical section of this report were considered in preparing the City's budget for the 2025-26 fiscal year:

In developing the fiscal year 2025–26 budget, the City considered current economic conditions, revenue trends, and long-term financial obligations. The adopted budget for all funds in fiscal year 2025-26 totals \$145,011,050, with the General Fund Budget accounting for \$53,148,430. This represents a 10.0 percent increase over the fiscal year 2024-25 original adopted budget for all funds of \$131,760,000. Within the General Fund, the available appropriation for fiscal year 2025-26 is \$53,148,430, which reflects a 14.0 percent decrease from the fiscal year 2024-25 final revised budget of \$60,619,146 but an increase of 3.4 percent over the fiscal year 2024-25 original adopted budget of \$51,417,500. Detailed budget amendments have been reviewed earlier in this report.

The City's operating millage rate for fiscal year 2025-26 includes a 7.5 mill increase in the operating property tax millage, bringing the total operating millage to 71.6 mills, up from 64.1 mills in the prior fiscal year. The debt service mills remain unchanged at 4.0 mills. As a result, the total millage rate for fiscal year 2025-26 is 75.6 mills.

Key components that factored into the preparation of next year's budget are listed below:

- Property tax revenues are expected to increase \$1,348,000 over the fiscal year 2024-25 budgeted amount.
- Licenses and permits are projected to increase \$474,600 over the fiscal year 2024-25 budgeted amount.
- The City continues the strategic implementation of its modified 10-year rate plan to ensure long-term financial and operational sustainability. The recent amendment to the rate plan underscores the need for capacity expansions at both the surface water plant and the wastewater treatment facility, driven by continued residential growth and major industrial investment, including the location and planned expansion of AESC's manufacturing facility in Florence. To support these critical infrastructure improvements, rate adjustments of 9 percent for inside customers and 11 percent for outside customers have been implemented in accordance with the amended schedule. These actions position the City to responsibly fund essential system upgrades while maintaining a focus on long-term reliability, regulatory compliance, and sustainable service delivery.
- The fiscal year 2025-26 budget includes a 4 percent cost-of-living adjustment (COLA) for all employees. This adjustment reflects the City's commitment to supporting employees while maintaining fiscal responsibility.

- Also included in the fiscal year 2025-26 budget is a projected 5.0 percent increase in the City's premiums for employees covered under the State Health Insurance Plan. Despite this increase, there will be no additional cost to employees, as the City's experience rating remains at zero, helping to keep the premium rate adjustment to a minimum. Additionally, a 6 percent increase is projected for the City's workers' compensation premium. These changes reflect rising costs in healthcare and insurance, which are being managed within the City's budget to maintain employee benefits and ensure adequate coverage.
- To further support the General Fund budget, the City will continue mandatory hold requirements for replacement hiring, limiting new hires to a 16-week waiting period. This measure will help balance the budget while maintaining essential services.

Requests for Information

This financial report provides a general overview of the City's finances for interested stakeholders. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the attention of the Controller, City of Florence, 324 West Evans St., Florence South Carolina, 29501-3430.

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF NET POSITION
JUNE 30, 2025**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Building Florence Together CDC
ASSETS				
Cash and cash equivalents	\$ 13,438,617	\$ 13,052,427	\$ 26,491,044	\$ 1,096,550
Investments	28,237,691	32,103,638	60,341,329	-
Taxes receivable	223,820	-	223,820	-
Accounts receivable, net of allowances	9,261,413	8,869,648	18,131,061	-
Accrued interest receivable	-	332	332	-
Leases receivable	-	62,378	62,378	-
Internal balances	(122,034)	122,034	-	-
Prepaid expenses	-	2,315	2,315	-
Inventories	514,665	2,474,467	2,989,132	-
Prepaid items	2,119,191	-	2,119,191	-
Restricted cash and cash equivalents	3,176,897	446,245	3,623,142	-
Restricted investments	1,713,249	28,584,935	30,298,184	-
Capital assets:				
Non-depreciable	35,565,525	17,210,009	52,775,534	-
Depreciable, net of accumulated depreciation	105,574,386	237,349,653	342,924,039	2,221,382
Subscription assets, net of accumulated amortization	209,968	-	209,968	-
Total assets	<u>199,913,388</u>	<u>340,278,081</u>	<u>540,191,469</u>	<u>3,317,932</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension plans	6,964,765	2,073,199	9,037,964	-
Other postemployment benefits	752,732	549,167	1,301,899	-
Total deferred outflows of resources	<u>7,717,497</u>	<u>2,622,366</u>	<u>10,339,863</u>	<u>-</u>
LIABILITIES				
Accounts payable	6,322,137	4,057,979	10,380,116	-
Retainage payable	455,893	145,725	601,618	-
Accrued interest payable	319,252	1,395,104	1,714,356	-
Accrued liabilities	1,901,870	501,115	2,402,985	-
Unearned revenues	6,843,965	5,000,000	11,843,965	-
Long-term liabilities:				
Due within one year	5,778,517	8,979,642	14,758,159	157,800
Due in more than one year	75,826,611	126,929,992	202,756,603	-
Other long-term liabilities due in more than one year:				
Net pension liability	30,374,728	11,690,099	42,064,827	-
Net other postemployment benefits liability	7,644,509	2,842,700	10,487,209	-
Total liabilities	<u>135,467,482</u>	<u>161,542,356</u>	<u>297,009,838</u>	<u>157,800</u>
DEFERRED INFLOWS OF RESOURCES				
Lease receipts	-	59,824	59,824	-
Pension plans	3,459,813	721,297	4,181,110	-
Other postemployment benefits	841,090	315,936	1,157,026	-
Total deferred inflows of resources	<u>4,300,903</u>	<u>1,097,057</u>	<u>5,397,960</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	62,717,631	145,362,987	208,080,618	-
Restricted for:				
Community development	888,122	-	888,122	3,160,132
Public safety	878,980	-	878,980	-
Capital projects	3,782,259	-	3,782,259	-
Tourism	6,653,312	-	6,653,312	-
Debt service	1,057,490	446,245	1,503,735	-
Unrestricted	(8,115,294)	34,451,802	26,336,508	-
Total net position	<u>\$ 67,862,500</u>	<u>\$ 180,261,034</u>	<u>\$ 248,123,534</u>	<u>\$ 3,160,132</u>

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

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 7,459,549	\$ 19,809,835	\$ 357,226	\$ 3,075,862
Public safety	20,649,723	162,995	-	824,157
Public works	13,803,140	2,502,430	-	-
Culture and recreation	8,199,772	951,912	-	-
Community development	3,183,196	-	282,736	-
Non-departmental	6,299,663	-	-	-
Interest on long-term debt	2,031,125	-	-	-
Total governmental activities	<u>61,626,168</u>	<u>23,427,172</u>	<u>639,962</u>	<u>3,900,019</u>
Business-type activities:				
Water and sewer	44,069,255	49,451,941	-	3,176,320
Stormwater	1,083,631	1,661,771	-	950,600
Total business-type activities	<u>45,152,886</u>	<u>51,113,712</u>	<u>-</u>	<u>4,126,920</u>
Total primary government	<u>\$ 106,779,054</u>	<u>\$ 74,540,884</u>	<u>\$ 639,962</u>	<u>\$ 8,026,939</u>
Component Unit:				
Building Florence Together CDC	\$ 216,046	\$ -	\$ 2,679,798	\$ -
General revenues:				
Property taxes				
Hospitality taxes				
Local options sales tax				
Accommodations tax				
Other taxes				
Local government distributions, not restricted for specific purposes				
Investment earnings				
Gain on sale of capital assets				
Miscellaneous revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Building Florence Together CDC
\$ 15,783,374	\$ -	\$ 15,783,374	\$ -
(19,662,571)	-	(19,662,571)	-
(11,300,710)	-	(11,300,710)	-
(7,247,860)	-	(7,247,860)	-
(2,900,460)	-	(2,900,460)	-
(6,299,663)	-	(6,299,663)	-
(2,031,125)	-	(2,031,125)	-
<u>(33,659,015)</u>	<u>-</u>	<u>(33,659,015)</u>	<u>-</u>
-	8,559,006	8,559,006	-
-	1,528,740	1,528,740	-
-	10,087,746	10,087,746	-
<u>(33,659,015)</u>	<u>10,087,746</u>	<u>(23,571,269)</u>	<u>-</u>
-	-	-	2,463,752
15,309,458	-	15,309,458	-
6,436,056	-	6,436,056	-
4,783,406	-	4,783,406	-
1,389,897	-	1,389,897	-
4,767,360	-	4,767,360	-
1,340,658	4,161,696	5,502,354	-
1,630,347	2,403,442	4,033,789	-
-	51,549	51,549	-
3,070,510	1,015,035	4,085,545	-
4,850,608	(4,850,608)	-	-
<u>43,578,300</u>	<u>2,781,114</u>	<u>46,359,414</u>	<u>-</u>
9,919,285	12,868,860	22,788,145	2,463,752
57,943,215	167,392,174	225,335,389	696,380
<u>\$ 67,862,500</u>	<u>\$ 180,261,034</u>	<u>\$ 248,123,534</u>	<u>\$ 3,160,132</u>

CITY OF FLORENCE, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	<u>General Fund</u>	<u>Hospitality Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 6,425,324	\$ 3,315,650	\$ 3,697,643	\$ 13,438,617
Taxes receivable	211,483	-	12,337	223,820
Accounts receivable	5,018,675	583,216	3,659,522	9,261,413
Due from other funds	2,205,703	-	1,397,783	3,603,486
Prepaid items	2,042,675	-	76,516	2,119,191
Inventory	147,425	-	367,240	514,665
Investments	19,704,139	3,894,170	4,639,382	28,237,691
Restricted cash and cash equivalents	-	144,638	3,032,259	3,176,897
Restricted investments	49,171	-	1,664,078	1,713,249
Total assets	<u>\$ 35,804,595</u>	<u>\$ 7,937,674</u>	<u>\$ 18,546,760</u>	<u>\$ 62,289,029</u>
LIABILITIES				
Accounts payable	\$ 2,397,318	\$ 1,653,490	\$ 2,271,329	\$ 6,322,137
Retainage payable	173,747	-	282,146	455,893
Unearned revenue	4,726,250	-	2,117,715	6,843,965
Other accrued liabilities	1,901,870	-	-	1,901,870
Due to other funds	1,106,101	-	2,619,419	3,725,520
Total liabilities	<u>10,305,286</u>	<u>1,653,490</u>	<u>7,290,609</u>	<u>19,249,385</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	94,847	-	-	94,847
Total deferred inflows of resources	<u>94,847</u>	<u>-</u>	<u>-</u>	<u>94,847</u>
FUND BALANCES				
Nonspendable	2,190,100	-	443,756	2,633,856
Restricted:				
Community development	-	-	888,122	888,122
Public safety	-	-	878,980	878,980
Capital projects	132,902	-	3,649,357	3,782,259
Tourism	-	6,284,184	369,128	6,653,312
Debt service	-	-	1,057,490	1,057,490
Committed	-	-	4,037,833	4,037,833
Assigned	425,091	-	-	425,091
Unassigned	22,656,369	-	(68,515)	22,587,854
Total fund balances	<u>25,404,462</u>	<u>6,284,184</u>	<u>11,256,151</u>	<u>42,944,797</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 35,804,595</u>	<u>\$ 7,937,674</u>	<u>\$ 18,546,760</u>	<u>\$ 62,289,029</u>

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

CITY OF FLORENCE, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances, end of year	\$	42,944,797
Capital assets, including right-to-use subscription assets, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		141,349,879
Other long term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		94,847
Deferred outflows of resources related to the recording of the net pension liability and net OPEB liability are recognized as expense over time and, therefore, are not reported in the funds.		7,717,497
Deferred inflows of resources related to the recording of the net pension liability and net OPEB liability are not due and payable in the current period and, therefore, are not reported in the funds.		(4,300,903)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	\$	(3,428,773)
Installment purchase revenue bonds		(31,430,000)
Installment purchase revenue bonds premium		(496,613)
General obligation bonds		(6,117,000)
Financed purchases payable		(3,542,317)
Subscriptions payable		(125,425)
Revenue bonds payable		(36,465,000)
Net pension liability		(30,374,728)
Net other postemployment benefits liability		(7,644,509)
Total long-term liabilities		(119,624,365)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(319,252)
Net position of governmental activities, end of year	\$	67,862,500

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

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

	<u>General Fund</u>	<u>Hospitality Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 14,453,969	\$ -	\$ 871,489	\$ 15,325,458
Licenses, permits and fees	18,646,775	6,436,056	44,432	25,127,263
Intergovernmental	8,248,637	-	8,572,665	16,821,302
Charges for services	3,963,189	-	543,124	4,506,313
Fines and forfeitures	229,652	-	-	229,652
Investment earnings	966,680	146,599	517,068	1,630,347
Miscellaneous	1,339,207	-	1,566,793	2,906,000
Total revenues	<u>47,848,109</u>	<u>6,582,655</u>	<u>12,115,571</u>	<u>66,546,335</u>
Expenditures:				
Current:				
General government	6,193,335	1,826,310	416,157	8,435,802
Public safety	19,408,287	-	660,075	20,068,362
Public works	8,725,381	-	3,343,895	12,069,276
Culture and recreation	5,491,315	-	3,935	5,495,250
Community development	385,800	-	2,128,247	2,514,047
Non-departmental	6,299,663	-	-	6,299,663
Capital outlay	7,970,749	-	1,683,508	9,654,257
Debt service:				
Principal retirement	2,321,651	569,423	1,124,000	4,015,074
Interest	847,556	252,012	1,426,213	2,525,781
Total expenditures	<u>57,643,737</u>	<u>2,647,745</u>	<u>10,786,030</u>	<u>71,077,512</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,795,628)</u>	<u>3,934,910</u>	<u>1,329,541</u>	<u>(4,531,177)</u>
Other financing sources (uses):				
Insurance settlements	164,510	-	-	164,510
Transfers in	8,768,803	862,000	394,998	10,025,801
Transfers out	(133,890)	(3,092,000)	(1,949,303)	(5,175,193)
Issuance of subscription liabilities	69,949	-	-	69,949
Sale of capital assets	79,762	-	-	79,762
Total other financing sources (uses), net	<u>8,949,134</u>	<u>(2,230,000)</u>	<u>(1,554,305)</u>	<u>5,164,829</u>
Net change in fund balances	(846,494)	1,704,910	(224,764)	633,652
Fund balances, beginning of year	<u>26,250,956</u>	<u>4,579,274</u>	<u>11,480,915</u>	<u>42,311,145</u>
Fund balances, end of year	<u>\$ 25,404,462</u>	<u>\$ 6,284,184</u>	<u>\$ 11,256,151</u>	<u>\$ 42,944,797</u>

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

CITY OF FLORENCE, SOUTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

Net change in fund balances - total governmental funds \$ 633,652

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 or amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Capital outlays	\$ 11,732,539	
Depreciation and amortization expense	<u>(6,998,089)</u>	4,734,450

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (326,515)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (16,000)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of subscription liabilities	\$ (69,949)	
Repayment of the principal of long-term debt	4,015,074	
Amortization of premium on long-term debt	<u>476,332</u>	4,421,457

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

Compensated absences	\$ (18,646)	
Accrued interest on long-term debt	18,324	
Net pension liability and related deferred outflows/inflows of resources	749,860	
Net OPEB obligation and related deferred outflows/inflows of resources	<u>(277,297)</u>	<u>472,241</u>

Change in net position of governmental activities \$ 9,919,285

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025**

	<u>Major Fund</u> <u>Water and</u> <u>Sewer Fund</u>	<u>Non-Major Fund</u> <u>Storm Water</u> <u>Utility Fund</u>	<u>Totals</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 11,437,288	\$ 1,615,139	\$ 13,052,427
Accounts receivable, net of allowances	8,425,542	444,106	8,869,648
Accrued interest receivable	332	-	332
Leases receivable	62,378	-	62,378
Investments	26,950,801	5,152,837	32,103,638
Inventory	2,474,467	-	2,474,467
Due from other funds	1,518,090	27,715	1,545,805
Prepaid expenses	2,315	-	2,315
Restricted cash and cash equivalents	150,259	295,986	446,245
Restricted investments	25,792,516	2,792,419	28,584,935
Total current assets	<u>76,813,988</u>	<u>10,328,202</u>	<u>87,142,190</u>
NONCURRENT ASSETS			
Capital assets:			
Non-depreciable	16,158,045	1,051,964	17,210,009
Depreciable, net of accumulated depreciation	231,535,781	5,813,872	237,349,653
Total noncurrent assets	<u>247,693,826</u>	<u>6,865,836</u>	<u>254,559,662</u>
Total assets	<u>324,507,814</u>	<u>17,194,038</u>	<u>341,701,852</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	1,993,212	79,987	2,073,199
Other postemployment benefits	534,083	15,084	549,167
Total deferred outflows of resources	<u>2,527,295</u>	<u>95,071</u>	<u>2,622,366</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	3,216,289	841,690	4,057,979
Retainage payable	145,725	-	145,725
Accrued interest payable	1,387,828	7,276	1,395,104
Accrued liabilities	484,682	16,433	501,115
Unearned revenue	5,000,000	-	5,000,000
Due to other funds	1,393,534	30,237	1,423,771
Current portion of compensated absences	537,433	11,351	548,784
Current portion of financed purchases payable	163,095	-	163,095
Current portion of revenue bonds payable	6,703,674	443,000	7,146,674
Current portion of notes payable	1,121,089	-	1,121,089
Total current liabilities	<u>20,153,349</u>	<u>1,349,987</u>	<u>21,503,336</u>
NONCURRENT LIABILITIES			
Compensated absences, net of current portion	157,212	-	157,212
Financed purchases payable, net of current portion	1,249,750	-	1,249,750
Revenue bonds payable, net of current portion	107,877,465	4,870,000	112,747,465
Notes payable, net of current portion	12,775,565	-	12,775,565
Net pension liability	11,239,075	451,024	11,690,099
Net other postemployment benefits liability	2,761,490	81,210	2,842,700
Total noncurrent liabilities	<u>136,060,557</u>	<u>5,402,234</u>	<u>141,462,791</u>
Total liabilities	<u>156,213,906</u>	<u>6,752,221</u>	<u>162,966,127</u>
DEFERRED INFLOWS OF RESOURCES			
Lease receipts	59,824	-	59,824
Pensions	693,468	27,829	721,297
Other postemployment benefits	307,053	8,883	315,936
Total deferred inflows of resources	<u>1,060,345</u>	<u>36,712</u>	<u>1,097,057</u>
NET POSITION			
Net investment in capital assets	137,515,167	7,847,820	145,362,987
Restricted for debt service	150,259	295,986	446,245
Unrestricted	32,095,432	2,356,370	34,451,802
Total net position	<u>\$ 169,760,858</u>	<u>\$ 10,500,176</u>	<u>\$ 180,261,034</u>

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

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Major Fund</u> <u>Water and</u> <u>Sewer Fund</u>	<u>Non-Major Fund</u> <u>Storm Water</u> <u>Utility Fund</u>	<u>Totals</u>
OPERATING REVENUE			
Current use charges	\$ 48,095,823	\$ -	\$ 48,095,823
Service fees	56,806	-	56,806
Water and sewer tap fees	1,299,312	-	1,299,312
Storm water service fees	-	1,661,771	1,661,771
Miscellaneous income	966,454	22,280	988,734
Total operating revenues	<u>50,418,395</u>	<u>1,684,051</u>	<u>52,102,446</u>
OPERATING EXPENSES			
Personnel	7,470,989	296,577	7,767,566
Employee benefits	3,132,430	(27,308)	3,105,122
Engineering	272,792	-	272,792
Utility finance	619,178	-	619,178
Wastewater treatment	5,041,846	-	5,041,846
Water production	4,418,129	-	4,418,129
Distribution operations	1,886,102	-	1,886,102
Collection operations	901,814	-	901,814
Stormwater operations	-	336,500	336,500
Non-departmental	2,028,217	-	2,028,217
Depreciation	11,243,190	380,726	11,623,916
Total operating expenses	<u>37,014,687</u>	<u>986,495</u>	<u>38,001,182</u>
Operating income	<u>13,403,708</u>	<u>697,556</u>	<u>14,101,264</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	2,130,244	273,198	2,403,442
Intergovernmental	3,961,113	200,583	4,161,696
Economic development	(3,090,456)	-	(3,090,456)
Interest expense	(3,601,776)	(97,136)	(3,698,912)
Gain on disposal of assets	36,750	14,799	51,549
Issuance costs	(362,336)	-	(362,336)
Miscellaneous	26,301	-	26,301
Total nonoperating revenues (expenses), net	<u>(900,160)</u>	<u>391,444</u>	<u>(508,716)</u>
Income before capital contributions and transfers	<u>12,503,548</u>	<u>1,089,000</u>	<u>13,592,548</u>
CAPITAL CONTRIBUTIONS	<u>3,176,320</u>	<u>950,600</u>	<u>4,126,920</u>
TRANSFERS			
Transfers out	<u>(4,726,777)</u>	<u>(123,831)</u>	<u>(4,850,608)</u>
Total transfers	<u>(4,726,777)</u>	<u>(123,831)</u>	<u>(4,850,608)</u>
Change in net position	10,953,091	1,915,769	12,868,860
Total net position, beginning of year	<u>158,807,767</u>	<u>8,584,407</u>	<u>167,392,174</u>
Total net position, end of year	<u>\$ 169,760,858</u>	<u>\$ 10,500,176</u>	<u>\$ 180,261,034</u>

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

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Major Fund</u> <u>Water and</u> <u>Sewer Fund</u>	<u>Non-Major Fund</u> <u>Storm Water</u> <u>Utility Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 53,531,424	\$ 1,750,249	\$ 55,281,673
Other receipts	26,301	278,467	304,768
Payments to suppliers	(14,623,322)	-	(14,623,322)
Payments to employees	(11,023,544)	(596,435)	(11,619,979)
Net cash provided by operating activities	<u>27,910,859</u>	<u>1,432,281</u>	<u>29,343,140</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(4,726,777)	(123,831)	(4,850,608)
Intergovernmental receipts	3,961,113	200,583	4,161,696
Economic development	(3,090,456)	-	(3,090,456)
Net cash provided by (used in) noncapital financing activities	<u>(3,856,120)</u>	<u>76,752</u>	<u>(3,779,368)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(10,819,569)	(346,873)	(11,166,442)
Proceeds from the sale of capital assets	36,750	14,799	51,549
Principal paid on financed purchases	(159,494)	-	(159,494)
Principal paid on revenue bonds	(6,225,503)	(436,000)	(6,661,503)
Principal paid on notes payable	(1,103,511)	-	(1,103,511)
Interest and agent fees paid	(4,814,467)	(97,734)	(4,912,201)
Net cash used in capital and related financing activities	<u>(23,085,794)</u>	<u>(865,808)</u>	<u>(23,951,602)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	2,130,244	273,198	2,403,442
Investment purchases	(4,132,260)	(1,821,327)	(5,953,587)
Net cash used in investing activities	<u>(2,002,016)</u>	<u>(1,548,129)</u>	<u>(3,550,145)</u>
Net change in cash	(1,033,071)	(904,904)	(1,937,975)
Cash and cash equivalents, beginning of year	12,620,618	2,816,029	15,436,647
Cash and cash equivalents, end of year	<u>\$ 11,587,547</u>	<u>\$ 1,911,125</u>	<u>\$ 13,498,672</u>
Classified as:			
Cash and cash equivalents	\$ 11,437,288	\$ 1,615,139	\$ 13,052,427
Restricted assets, cash	150,259	295,986	446,245
	<u>\$ 11,587,547</u>	<u>\$ 1,911,125</u>	<u>\$ 13,498,672</u>

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	<u>Water and</u>	<u>Storm Water</u>	
	<u>Sewer Fund</u>	<u>Utility Fund</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 13,403,708	\$ 697,556	\$ 14,101,264
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	11,243,190	380,726	11,623,916
Miscellaneous income	26,301	-	26,301
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	(1,770,503)	20,872	(1,749,631)
Decrease in leases receivable	14,557	-	14,557
Decrease in accrued interest receivable	107,098	-	107,098
Decrease in inventory	38,927	-	38,927
Decrease (increase) in due from other funds	(235,808)	45,326	(190,482)
Increase in prepaid items	(2,315)	-	(2,315)
Decrease (increase) in deferred outflow of resources	(296,247)	1,446	(294,801)
Increase (decrease) in accounts payable	(798,769)	420,013	(378,756)
Increase in accrued liabilities	72,050	1,501	73,551
Increase in unearned revenue	5,000,000	-	5,000,000
Increase in due to other funds	1,320,914	30,237	1,351,151
Increase (decrease) in compensated absences	(82,049)	767	(81,282)
Decrease in net pension liability	(593,349)	(183,851)	(777,200)
Decrease in net other postemployment benefits liability	(49,236)	(1,879)	(51,115)
Decrease in lease receipts	(16,316)	-	(16,316)
Increase in deferred inflows or resources	528,706	19,567	548,273
Net cash provided by operating activities	<u>\$ 27,910,859</u>	<u>\$ 1,432,281</u>	<u>\$ 29,343,140</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Contributions of capital assets	\$ 3,176,320	\$ 950,600	\$ 4,126,920
Retainage payable	3,563	-	3,563
Amortization of bond premiums	794,443	-	794,443
	<u>\$ 3,974,326</u>	<u>\$ 950,600</u>	<u>\$ 4,924,926</u>

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

CITY OF FLORENCE, SOUTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025**

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 847,942
Investments	53,220
Accounts receivable	6,296
Total assets	<u>907,458</u>
LIABILITIES	
Due to others	<u>220,557</u>
Total liabilities	<u>220,557</u>
FIDUCIARY NET POSITION	
Restricted for: individuals, organizations, and other governments	<u>686,901</u>
Total fiduciary net position	<u>\$ 686,901</u>

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

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

	Custodial Funds
ADDITIONS	
Program revenue - intergovernmental	\$ 116,893
Interest revenue	9,314
Total additions	126,207
DEDUCTIONS	
Payment of escrow funds	187,505
Total deductions	187,505
Change in fiduciary net position	(61,298)
Fiduciary net position, beginning of year	748,199
Fiduciary net position, end of year	\$ 686,901

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

CITY OF FLORENCE SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Chartered in 1890, the City operates under a council-manager form of government and provides the following services: public safety, streets, sanitation, culture and recreation, building inspections and permitting, codes enforcement, planning and zoning, public improvements, water and sewer, storm water, and general administrative services.

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended component unit – City of Florence Public Facilities Corporation (the “Corporation”) is a single purpose corporate entity which is prohibited from engaging in any business other than to construct, own and lease facilities to be used for essential City functions in connection with the issuance of tax-exempt certificates of participation, limited obligation bonds and installment purchase revenue bonds to finance such facilities. Since the Corporation is governed by a board of directors appointed by City Council and solely exists for the benefit of the City, then the data of the component unit are blended with the data of the City. The reported fund is the Installment Purchase Revenue Bond Capital Projects Fund.

Discretely presented component unit – Building Florence Together Community Development Corporation (BFTCDC) is responsible for promoting and developing planned redevelopment efforts of the Neighborhood Revitalization Strategy in order to increase the economic, life, growth and vitality of Florence. The BFTCDC has a significant relationship with the City. The BFTCDC is presented as a governmental fund type and does issue separate financial statements.

The City is responsible for appointing the members of the board of the Housing Authority of Florence, but the City's accountability for this organization does not extend beyond making appointments.

The City is a participant with Florence County in a joint venture to operate the Florence Center. Both the City and County contributed \$670,325 as its share of the debt-service of the Florence Center for the fiscal year ended June 30, 2025. The City also contributed funding for half of the operating deficit, marketing, and capital improvements. The City contributed total fundings of \$1,618,311 for the fiscal year ended June 30, 2025. Any additional funding shortfall is to be paid equally by the City and County. The Florence Center Commission is comprised of nine members, four appointed by the City, four appointed by the County, and one by the members of the Commission. Neither of the participating governments have any equity interest in the joint venture; therefore, no equity interest has been reflected in the financial statements. Complete financial statements for the Florence Center can be obtained from the Director at 3300 West Radio Drive, Florence, South Carolina 29501.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Changes in Net Position) report information on all non-fiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is to be reported separately from certain legally separate component units for which the primary government is financially accountable. The City reports no legally separate component units other than the above mentioned blended and discretely presented component units.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the funds have been eliminated for the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter 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. Non-major funds are summarized into a single column. The various fund categories and fund types presented in the financial statements are described below:

Governmental Fund Types

General Fund - The General Fund, a major fund, is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources other than major capital projects that are legally restricted to expenditures for specified purposes. The funds consist of Hospitality (major fund), Rollcart and Equipment Replacement, Housing Partnership, HOME Program, Community Development Block Grant, E-911, Victims Services, Drug Control, Federal Equitable Sharing, NSP Grant, Neighborhood Improvement Program, Accommodation Tax, Public Safety Grants, NSP-3, Neighborhood Redevelopment, JAG Grant, Sunday Local Option Revenue Fund, American Rescue Plan Act, Fire Trust, State Provision Fund, Veterans Park Development, Florence Area Humane Society, Palmetto Pride Grant, Brownsfield Grant, and DRO Grant – McQueen & Cedar.

Debt Service Funds - Debt Service Funds are governmental funds that are used to account for funds needed to make principal and interest payments on outstanding debt issues. The funds consist of the TIF Revenue and Debt Service and Other Debt Service Funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Capital Projects Funds – Capital Project Funds are governmental funds that are used to account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds. The funds consist of the 2016 TIF Construction Projects, Florence County Penny Tax, and the Installment Purchase Revenue Bond Capital Projects Fund.

Proprietary Fund Types

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. These funds consist of Water and Sewer Utilities (major fund) and Storm Water Utility funds.

Fiduciary Fund Types

Custodial Funds – Custodial Funds are used to account for assets held by the City as a custodian for individuals and other governments. Custodial funds are custodial in nature and use the economic resources measurement focus. These funds consist of:

Court Escrow – This fund is used to account for criminal and traffic fines being held on open court cases.

Narcotics Holding Funds – This fund is used to account for drug related funds seized inside the City on open court cases.

Eat Smart Move More – This fund is used to account for funding received to support projects that increase access to healthy foods and physical activity

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 fund and fiduciary 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Proprietary 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 a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total column. Interfund services provided and used are not eliminated. Governmental activities which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Taxpayer-assessed property taxes and other sources of funds are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time or if they are collected within 60 days of year end. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable, and their validity seems certain. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The City reports the following major government funds: *General Fund*. This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund: *Hospitality Fund*. This fund is used to account for a 2% Hospitality Fee assessed on prepared food and beverages within the City.

The City reports the following major enterprise fund: *Water and Sewer*. This fund is used to account for transactions relating to the operations of the City water and sewer system.

D. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with GAAP. Annual budgets and supplementary budget appropriations are legally adopted for the General Fund and Hospitality Fund.

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents, as reported in the Statement of Cash Flows, includes checking accounts, money market accounts and certificates of deposit with an original maturity of three months or less. The City is authorized to invest in obligations of the U. S. Treasury and U. S. Agencies and instrumentalities, repurchase agreements, certificates of deposit, and the state treasurer's investment pool.

All investments are reported at fair value. The fair value of U. S. Government securities is based on sales prices or bid-and-asked quotations on national securities exchanges or in the over-the counter market. The City owns identifiable securities and is a shareholder of a percentage of the South Carolina Local Government Investment Pool (LGIP). Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

The fair value of the City's position in the LGIP is determined using the net asset value per share practical expedient. The LGIP is not registered with the Securities Exchange Commission as an investment company. The State Treasurer is responsible for oversight of the LGIP.

F. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables and Payables (Continued)

Property tax and accounts receivables are shown net of an allowance for uncollectibles.

G. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market, using the average cost method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. Inventory in the General Fund consist of supplies held for consumption and real property held for resale for economic development or the City's neighborhood redevelopment program. Inventory in the Enterprise Fund consist of supplies held for consumption and real property held for the resale for economic development. Inventory in the Rollcart and Equipment Replacement fund consist of rollcars, and recycling bins held for future use. Certain payments made to vendors reflects costs from services applicable to future accounting periods and are recorded as prepaid expenditures in the government-wide and fund financial statements. The consumption method of accounting is used to record prepaid expenditures proportionately over the periods that the services are provided.

H. Restricted Assets

Certain proceeds of the City's Governmental Fund and Enterprise Fund lease and revenue bond debt are classified as restricted assets on the Statement of Net Position because they represent unspent proceeds of capital debt or debt service reserve funds. Unspent grant funds received in the governmental funds are also classified as restricted assets in the Statement of Net Position.

I. Subscription-Based Information Technology Arrangements (SBITAs)

The City has noncancellable SBITAs of various IT software. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of the SBITA payments made.

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain implementation and conversion costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments:

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the subscription liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities on the Statement of Net Position.

J. Capital Assets

Governmental Funds

Capital outlays are recorded as expenditures on the governmental fund financial statements and as assets on the government-wide financial statements to the extent the City's capitalization threshold of \$10,000 for equipment and site improvements, \$15,000 for buildings and building improvements and \$50,000 for infrastructure is met. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively to 1980.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Management estimates historical cost when necessary. Donated assets are valued at their acquisition value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Improvements that produce permanent benefits, such as fill and grading costs that ready land for structures and landscaping, are capitalized but not depreciated. Improvements that are considered part of a structure or that deteriorate with use or the passage of time, such as parking lots and fencing, are depreciated. Impaired capital assets are written down or off, based on the nature and extent of damage, deterioration, or other impairment.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

Proprietary Funds

Capital outlays of the proprietary funds are recorded as capital assets on both the fund basis and the government-wide basis. Capital assets are stated at cost or estimated original cost based on management estimates, net of accumulated depreciation. Donated capital assets are recorded at their acquisition value at the date of receipt. Repairs and maintenance are charged to expense when incurred. When capital assets are sold or retired, the cost of the assets and the related accumulated depreciation are eliminated, and a gain or loss is recognized.

Property, plant and equipment are depreciated using the straight-line method over the estimated useful lives:

Buildings and system	3 - 60 years
Machinery and equipment	3 - 20 years
Infrastructure	10 - 30 years

K. Unearned and Unavailable Revenues

In the government-wide financial statements, and in the governmental fund types and the proprietary fund types in the fund financial statements, certain assets are recognized in connection with a transaction before the earnings process is complete. These assets are generally offset by a corresponding liability for unearned revenue. Unearned revenue in the government-wide statements and in the fund financial statements, governmental funds, is represented by various deposits on contracts. In the fund financial statements governmental funds report certain assets that are not yet available to finance expenditures for the current fiscal period and are classified as unavailable revenue and reported as a deferred inflow of resources. Unavailable revenue in the governmental funds is primarily represented by taxes receivable and amounts due from other governments.

L. Property Taxes

The City's millage rates are set each year by the City Council as part of the annual budgeting process. Following a public hearing and two readings of a budget ordinance, the City's annual budget is adopted, and millage rate set to become effective on July 1.

Assessed values are established by the Florence County Assessor and the South Carolina Department of Revenue and were approximately \$219.3 million for the 2024 tax year. The City's property tax rate for tax year 2024 was 68.1 mills (operating 64.1, debt service 4.0). The City also has a tax increment district. Assessed values for the tax increment district were approximately \$11.6 million for the 2024 tax year. Property taxes are billed and collected by Florence County under a joint billing and collection agreement.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Property Taxes (Continued)

All property taxes, with the exception of vehicle taxes, are mailed in October of each year and are levied on the assessed value established as of the prior January 1. The lien date is December 31 of each year. These property taxes are due and payable by January 15 of each year. A 3% penalty is assessed on unpaid taxes on January 16. On February 2, unpaid taxes are assessed an additional 7% for a total of 10%. On March 17, unpaid taxes are assessed an additional 5% for a total of 15%, and additional collection costs are added. Unpaid delinquent property taxes for real property and mobile homes may be subject to collection through a public property sale by Florence County.

Vehicle property tax notices are mailed monthly and are due and payable in conjunction with vehicle registration through the South Carolina Department of Motor Vehicles. Payment of vehicle property tax is required as a condition of annual vehicle registration with the Department of Motor Vehicles.

M. Compensated Absences

The City records compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. Accumulated unpaid vacation and sick leave pay is accrued when incurred in the government-wide and proprietary financial statements. Compensated absences that are expected to be liquidated with expendable financial resources as a result of employee resignations and retirements as of the end of the fiscal year are reported as an expenditure and a fund liability of the government fund that will pay it.

N. Short-term and Long-term Obligations and Interest Expense

In the government-wide financial statements and proprietary fund financial statements, short-term debt, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position. Bond premiums and discounts, as well as bond insurance, are deferred and amortized over the term of the bonds using the straight-line method which approximates the bonds outstanding method. Bonds payable are reported net of the applicable premium or discount. Bond insurance costs are reported as deferred charges and amortized over the term of the related debt.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Short-term and Long-term Obligations and Interest Expense (Continued)

In the proprietary funds (and for the governmental funds, in the government-wide statements) the difference between the re-acquisition price (new debt) and the net carrying value of the old debt on refunded debt transactions is shown as a deferred outflow or inflow of resources and amortized as a component of interest expense using the bonds outstanding method over the shorter of the remaining life of the old debt or the life of the new debt.

O. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position and the Balance Sheet report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has four types of deferred inflows of resources: (1) The City reports *unavailable revenue – property taxes* only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (property tax revenues) in the period the amounts become available. (2) The City also reports *deferred pension credits* in its Statements of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. (3) *Deferred OPEB credits* with its defined benefit post-employment healthcare plan. These *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP. (4) The City also reports *lease receipts* in its Statement of Net Position for deferred amounts related to leases.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance and Net Position

Government-wide Statements

Equity is classified as net position and displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted Net Position** – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – Consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Statements

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds.

The classifications are as follows:

- **Nonspendable** – The nonspendable fund balance category includes amounts that cannot be spent because they are either not in spendable form, such as supplies inventories, or are legally or contractually required to be maintained intact, such as principal donated to the City to be invested and held in a permanent fund from which only the investment earnings can be spent. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.
- **Restricted** – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party to use resources created by enabling legislation only for the purposes specified by the legislation.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance and Net Position (Continued)

Fund Statements (Continued)

- **Committed** – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by an adopted ordinance of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- **Assigned** – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council. Through the budget ordinance adopted annually by City Council, the City Manager is authorized to assign fund balances.
- **Unassigned** – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Q. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (See Note 9 and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the City's fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as 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.

S. Other Post-Employment Benefits

Other Post-Employment Benefits (OPEB) cost for retiree healthcare and similar, non-pension retiree benefits, is required to be measured and disclosed using the accrual basis of accounting (see Note 10 for more information), regardless of the amount recognized as OPEB expense on the modified accrual basis of accounting. Annual OPEB cost is equal to the annual required contributions to the OPEB Plan, calculated in accordance with GASB Statement No. 75.

T. 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 that the City can access at the measurement date.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Fair Value (Continued)

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 or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used 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.

U. Tax Abatement Agreements

The City has implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires the City to disclose information for any tax abatement agreements either entered into by the City, or agreements entered into by other governments that reduce the City's tax revenues. As of June 30, 2025, the City did not have any such agreements, either entered into by the City or other governments, that exceeded the quantitative threshold for disclosure.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. The principal operating revenues for the City's proprietary funds are charges to customers in the form of fees for sales and services. Operating expenses for the proprietary funds include contractual management services, salaries and benefits, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

W. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without the requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to funds that initially paid for them are not presented on the financial statements. Interfund loans may occur between two funds. Short-term interfund loans outstanding at year-end are recorded as interfund receivables/payables and are expected to be paid within one year. Advances to/from other funds represent long-term interfund loans receivable and payable. Reimbursements result when one fund makes an expenditure on behalf of another. Reimbursements reduce expenditures in the reimbursed fund and increase those in the reimbursing fund.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device during the year for the General Fund, Hospitality Fund, and Enterprise Funds. These budgets are adopted on a basis consistent with GAAP. Legal budgets are adopted only for the General Fund, Hospitality Fund, and Enterprise Funds. Thus, the budgetary financial statements included in this report do not include non-budgeted Special Revenue Funds or Custodial Funds.
2. The City Council approves, by ordinance, total budget appropriations only. The City Manager is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total appropriations of any fund must be approved by the City Council. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (general government, capital outlay, etc.).

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

3. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
4. The budget amounts shown in the financial statements are the original amounts and the final authorized amounts as revised during the year.

Expenditures exceed appropriations in certain functions within the General Fund, Hospitality Fund, Water and Sewer Fund, and Stormwater Utility Fund.

There are a number of limitations and restrictions contained in the various bond indentures in the Enterprise Fund. The City believes it is in compliance with all significant limitations and restrictions.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2025, are summarized as follows:

Statement of Net Position:

Cash and cash equivalents	\$	26,491,044
Investments		60,341,329
Restricted cash and cash equivalents		3,623,142
Restricted investments		30,298,184

Statement of Fiduciary Net Position:

Cash and cash equivalents		847,942
Investments		53,220
	\$	121,654,861

Cash deposited with financial institutions	\$	30,962,128
Investments - US Treasury		44,949,654
Investments - Federated Hermes Fund		21,231,497
South Carolina Local Government Investment Pool		24,511,582
	\$	121,654,861

At June 30, 2025, the City's investments included demand deposits and the LGIP. The LGIP is an investment mechanism authorized by the South Carolina State Legislature and is not registered with the SEC as an investment company. There is no regulatory oversight of the pool. The pool's primary objective is to acquire maximum returns on investments by pooling available funds with funds from other political subdivisions. The total fair value of the investment pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1. Investments in the pool are stated at fair value which approximates cost.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

Credit Risk: The City's investment policy allows for investments in the LGIP. As of June 30, 2025, the underlying security ratings of the City's investment in the LGIP may be obtained from the LGIP's complete financial statements. This investment pool does not have a credit quality rating assigned.

These financial statements may be obtained by writing to the State Treasurer's Office, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211. Additionally, the City may invest in obligations of the United States, obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, Bank of Cooperatives, Federal Intermediate Credit Bank, Federal Land Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Federal Housing Administration, and Farmer's Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise issued by at least two nationally recognized credit organizations.

The City's investments of \$44,949,654 in various U.S. Treasury securities were rated AA+ by Standard and Poor's and Aaa or better by Moody's Investors Services.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2025, the City's exposure to interest rate risk and credit risk regarding its investments is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		<u>Rating</u>
		<u>Less than 1</u>	<u>1 - 5</u>	
Federated Hermes Fund	\$ 21,231,497	\$ 21,231,497	\$ -	N/A
U.S. Treasuries	44,949,654	44,949,654	-	AA+
South Carolina Local Government Investment Pool	24,511,582	24,511,582	-	N/A
Total	<u>\$ 90,692,733</u>	<u>\$ 90,692,733</u>	<u>\$ -</u>	

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

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

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value</u>
U.S. Treasuries	\$ 44,949,654	\$ -	\$ 44,949,654
Total investments measured at fair value	<u>\$ 44,949,654</u>	<u>\$ -</u>	<u>\$ 44,949,654</u>

The City's fair value measurements as of June 30, 2025, consist of its investments in U.S. Treasury securities and are valued using readily determinable fair values, meaning there is a quoted price for identical assets in an active market (level 1 inputs).

The City holds investments in certificates of deposit and a Federal Hermes Mutual Fund as of June 30, 2025, that are recorded at amortized cost and therefore are not classified in the fair value hierarchy. The LGIP does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its position in the LGIP within the fair value hierarchy.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investment in a single issuer. This risk is mitigated by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The City has no formal policy regarding concentration of credit risk.

Restricted investments of \$26,152,688 of the restricted cash and cash equivalents in the Enterprise Funds consist of unspent proceeds of revenue bonds to be used for the purchase and construction of capital assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables as of June 30, 2025, for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

<u>Governmental Activities</u>	<u>General Fund</u>	<u>Hospitality Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Activities</u>
Receivables:				
Taxes	\$ 252,611	\$ -	\$ 12,337	\$ 264,948
Accounts	5,018,675	583,216	3,671,628	9,273,519
Total receivables	5,271,286	583,216	3,683,965	9,538,467
Less allowance for uncollectible accounts	41,128	-	12,106	53,234
Net total receivables	<u>\$ 5,230,158</u>	<u>\$ 583,216</u>	<u>\$ 3,671,859</u>	<u>\$ 9,485,233</u>

<u>Business-type Activities</u>	<u>Water and Sewer Fund</u>	<u>Stormwater Utility Fund</u>	<u>Total Business-type Activities</u>
Accounts receivable	\$ 9,618,553	\$ 466,567	\$ 10,085,120
Accrued interest receivable	332	-	332
Lease receivable	62,378	-	62,378
Total receivables	9,681,263	466,567	10,147,830
Less allowance for uncollectible accounts	1,193,011	22,461	1,215,472
Net total receivables	<u>\$ 8,488,252</u>	<u>\$ 444,106</u>	<u>\$ 8,932,358</u>

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At June 30, 2025, the various components of deferred inflows and unearned revenue in the governmental funds and activities were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 94,847	\$ -
Grant drawdowns prior to meeting eligibility requirements - recreation	-	70,449
Police grants received but not yet earned	-	1,142,863
Local option sales tax receivable	-	4,766,566
American Rescue Plan Act advances	-	864,087
	<u>\$ 94,847</u>	<u>\$ 6,843,965</u>

At June 30, 2025, the Water and Sewer Fund, a business-type fund, included \$5,000,000 of unearned revenue related to grant drawdowns prior to meeting eligibility requirements.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 19,749,569	\$ 197,252	\$ (35,836)	\$ -	\$ 19,910,985
Construction in progress	13,223,336	3,814,655	(87,253)	(1,296,198)	15,654,540
Total	<u>32,972,905</u>	<u>4,011,907</u>	<u>(123,089)</u>	<u>(1,296,198)</u>	<u>35,565,525</u>
Capital assets, being depreciated/amortized:					
Buildings	45,066,564	88,964	-	-	45,155,528
Infrastructure	85,869,383	3,539,029	-	1,296,198	90,704,610
Machinery and equipment	29,655,279	4,022,690	(780,790)	-	32,897,179
Right-to-use subscription asset	366,936	69,949	(34,566)	-	402,319
Total	<u>160,958,162</u>	<u>7,720,632</u>	<u>(815,356)</u>	<u>1,296,198</u>	<u>169,159,636</u>
Less accumulated depreciation/amortization for:					
Buildings	(11,079,269)	(1,170,800)	-	-	(12,250,069)
Infrastructure	(29,861,203)	(3,435,042)	-	-	(33,296,245)
Machinery and equipment	(15,909,947)	(2,304,034)	577,364	-	(17,636,617)
Right-to-use subscription asset	(138,704)	(88,213)	34,566	-	(192,351)
Total	<u>(56,989,123)</u>	<u>(6,998,089)</u>	<u>611,930</u>	<u>-</u>	<u>(63,375,282)</u>
Total capital assets, being depreciated/amortized, net	<u>103,969,039</u>	<u>722,543</u>	<u>(203,426)</u>	<u>1,296,198</u>	<u>105,784,354</u>
Governmental activities capital assets, net	<u>\$ 136,941,944</u>	<u>\$ 4,734,450</u>	<u>\$ (326,515)</u>	<u>\$ -</u>	<u>\$ 141,349,879</u>

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 196,974
Public safety	1,273,966
Public works	2,362,236
Culture and recreation	2,495,764
Community development	669,149
	<u>6,998,089</u>
Total depreciation expense - governmental activities	<u>\$ 6,998,089</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 1,965,365	\$ -	\$ -	\$ 364,555	\$ 2,329,920
Construction in progress	14,501,319	10,224,344	(1,399,329)	(8,446,245)	14,880,089
Total	<u>16,466,684</u>	<u>10,224,344</u>	<u>(1,399,329)</u>	<u>(8,081,690)</u>	<u>17,210,009</u>
Capital assets, being depreciated:					
Buildings and system	370,521,534	4,127,180	-	8,011,468	382,660,182
Machinery and equipment	15,499,974	2,344,759	(259,171)	(139,409)	17,446,153
Total	<u>386,021,508</u>	<u>6,471,939</u>	<u>(259,171)</u>	<u>7,872,059</u>	<u>400,106,335</u>
Less accumulated depreciation for:					
Buildings and system	(141,606,236)	(10,351,400)	-	-	(151,957,636)
Machinery and equipment	(9,995,332)	(1,272,516)	259,171	209,631	(10,799,046)
Total	<u>(151,601,568)</u>	<u>(11,623,916)</u>	<u>259,171</u>	<u>209,631</u>	<u>(162,756,682)</u>
Total capital assets, being depreciated, net	<u>234,419,940</u>	<u>(5,151,977)</u>	<u>-</u>	<u>8,081,690</u>	<u>237,349,653</u>
Business-type activities capital assets, net	<u>\$ 250,886,624</u>	<u>\$ 5,072,367</u>	<u>\$ (1,399,329)</u>	<u>\$ -</u>	<u>\$ 254,559,662</u>

Depreciation and amortization expense was charged to functions/programs of the City as follows:

Business-type activities:	
Water and Sewer	\$ 11,243,190
Stormwater	<u>380,726</u>
Total depreciation expense - business-type activities	<u>\$ 11,623,916</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Tax Increment revenue bonds	\$ 34,490,000	\$ -	\$ (520,000)	\$ 33,970,000	\$ 625,000
Direct borrowing and direct placement notes:					
General obligation bonds	6,721,000	-	(604,000)	6,117,000	611,000
Hospitality revenue bonds	2,709,000	-	(214,000)	2,495,000	225,000
Installment purchase revenue bond	33,485,000	-	(2,055,000)	31,430,000	2,120,000
Bond premium	972,945	-	(476,332)	496,613	-
Total direct borrowing and direct placement notes:	43,887,945	-	(3,349,332)	40,538,613	2,956,000
Financed purchases liability	4,059,859	-	(517,542)	3,542,317	508,500
Subscription liability	160,008	69,949	(104,532)	125,425	70,346
Net pension liability	33,033,985	-	(2,659,257)	30,374,728	-
Net OPEB liability	7,807,627	-	(163,118)	7,644,509	-
Compensated absences	3,410,127	18,646	-	3,428,773	1,618,671
Governmental activities Long-term liabilities	<u>\$ 126,849,551</u>	<u>\$ 88,595</u>	<u>\$ (7,313,781)</u>	<u>\$ 119,624,365</u>	<u>\$ 5,778,517</u>
Business-type activities:					
Revenue bonds	\$ 99,365,000	\$ -	\$ (4,475,000)	\$ 94,890,000	\$ 4,930,000
Bond premium	6,523,037	-	(794,443)	5,728,594	-
Total bonds payable	105,888,037	-	(5,269,443)	100,618,594	4,930,000
Direct borrowing and direct placement notes:					
Water and Sewer SRF notes	15,000,165	-	(1,103,511)	13,896,654	1,121,089
Water and Sewer revenue bonds	15,713,048	-	(1,750,503)	13,962,545	1,773,674
Stormwater revenue bonds	5,749,000	-	(436,000)	5,313,000	443,000
Total direct borrowing and direct placement notes:	36,462,213	-	(3,290,014)	33,172,199	3,337,763
Financed purchases liability	1,572,339	-	(159,494)	1,412,845	163,095
Net pension liability	12,467,299	-	(777,200)	11,690,099	-
Net OPEB liability	2,893,815	-	(51,115)	2,842,700	-
Compensated absences	787,278	-	(81,282)	705,996	548,784
Business-type activities Long-term liabilities	<u>\$ 160,070,981</u>	<u>\$ -</u>	<u>\$ (9,628,548)</u>	<u>\$ 150,442,433</u>	<u>\$ 8,979,642</u>

The changes in compensated absences in the above tables are net changes.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Notes payable in the governmental activities are not general obligations of the City. Repayment is budgeted in the General Fund and Special Revenue Fund. For governmental activities, compensated absences, the net pension liability, and the net OPEB liability are liquidated by the General Fund and financed purchases are liquidated by the General Fund and Special Revenue Fund. General obligation bonds are direct obligations and pledge the full faith and credit of the government and are repaid by the debt service fund.

Governmental Activities

General Obligation Bonds

General obligation bonds payable from governmental activities at June 30, 2025, are as follows:

	Interest Rate	Balance at June 30, 2025
General Obligation Bonds, Series 2020	1.42%	\$ 5,652,000
General Obligation Bonds, Series 2020A refunding 2010	1.22%	465,000
		\$ 6,117,000

In September 2020, the City issued a \$6,267,000 General Obligation Bond Series 2020. The bond is for fire station projects and related equipment. The bond has a 1.42% interest rate and requires semi-annual interest payments and annual principal payments. The bonds mature September 1, 2034.

In September 2020, the City issued a \$2,220,000 General Obligation Refunding Bond, Series 2020A for refunding Series 2010 G.O. Bond. The bond has a 1.22% interest rate and requires semi-annual interest payments and annual principal payments. The bond matures on September 1, 2025.

Annual debt service requirements to maturity for the general obligation bonds as of June 30, 2025, are as follows:

	Principal	Interest	Total
Year ending June 30,			
2026	\$ 611,000	\$ 82,058	\$ 693,058
2027	619,000	73,790	692,790
2028	629,000	64,930	693,930
2029	638,000	55,934	693,934
2030	582,000	47,272	629,272
2031-2035	3,038,000	109,084	3,147,084
	\$ 6,117,000	\$ 433,068	\$ 6,550,068

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Revenue Bonds

Revenue bonds payable from governmental activities at June 30, 2025, are as follows:

	Interest Rate	Balance at June 30, 2025
Tax Increment Revenue Bond, Series 2016A	3.83%	\$ 7,455,000
Tax Increment Revenue Bond, Series 2016B	3.83%	26,515,000
Hospitality Revenue Bond, Series 2014	3.42%	2,495,000
Installment Purchase Revenue Bond, Series 2020A	2.41%	23,525,000
Installment Purchase Revenue Bond, Series 2020B	2.41%	7,905,000
		\$ 67,895,000

In November 2016, the City issued a \$9,055,000 Revenue Bond. The bond is for capital improvements in the downtown area and related issuance costs. The bond has a 3.83% interest rate and requires semi-annual interest payments and annual principal payments. This bond is secured by revenues generated by the City's tax increment financing district. The bond matures June 30, 2035.

In November 2016, the City issued a \$26,515,000 Revenue Bond. The bond is for capital improvements in the downtown area and related issuance costs. The bond has a 3.83% interest rate and requires semi-annual interest payments and annual principal payments. This bond is secured by revenues generated by the City's tax increment financing district. The bond matures June 30, 2047.

In May 2014, the City issued a \$4,605,000 Revenue Bond. The bond is for recreational facility construction. The bond has a 3.42% interest rate through June 1, 2024, and thereafter a rate to be negotiated between the City and issuer and requires semi-annual interest payments and annual principal payments. This bond is secured by the City's hospitality fee. The bond matures June 1, 2034.

In September 2020, the City through the Corporation issued a \$26,365,000 Installment Purchase Revenue Bond, Taxable Series 2020A and a \$10,970,000 Installment Purchase Revenue Bond, Series 2020B. The bonds are being used to construct, acquire or renovate certain buildings and facilities on City owned property for use by the City and to acquire and install certain equipment and refund the 2017 Installment Purchase Bond. The City leases the assets acquired with the proceeds from the installment purchase revenue bond under a Base Lease Agreement and Municipal Facilities Purchase and Occupancy Agreement. For financial reporting purposes, the City accounts for the installment purchase revenue bond as its own debt. The bonds have a 2.41% interest rate and require semi-annual interest payments and annual principal payments. These bonds are secured by certain recreation facilities owned by the City. The bond matures June 30, 2046.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Revenue Bonds (Continued)

Annual debt service requirements to maturity for the revenue bonds as of June 30, 2025, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2026	\$ 2,970,000	\$ 2,269,206	\$ 5,239,206
2027	3,132,000	2,183,524	5,315,524
2028	2,884,000	2,095,021	4,979,021
2029	3,052,000	2,003,989	5,055,989
2030	3,216,000	1,915,274	5,131,274
2031-2035	16,311,000	8,432,580	24,743,580
2036-2040	12,455,000	5,675,683	18,130,683
2041-2045	16,475,000	3,190,641	19,665,641
2046-2047	7,400,000	229,600	7,629,600
	<u>\$ 67,895,000</u>	<u>\$ 27,995,518</u>	<u>\$ 95,890,518</u>

Financed Purchases

The City has entered into financed purchase agreements to fund the purchase of vehicles and equipment for the fire and sanitation departments, and the City Center purchase and renovations.

The annual requirements to maturity for the financed purchases as of June 30, 2025, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2026	\$ 508,500	\$ 69,819	\$ 578,319
2027	451,092	60,156	511,248
2028	459,947	51,301	511,248
2029	468,978	42,270	511,248
2030	478,190	33,058	511,248
2031-2033	1,175,610	42,056	1,217,666
	<u>\$ 3,542,317</u>	<u>\$ 298,660</u>	<u>\$ 3,840,977</u>

Subscription-Based Information Technology Arrangements (SBITAs)

On November 14, 2022, the City entered into a 60-month SBITA for the use of Civic Eye-Software. An initial subscription liability and right-to-use subscription asset were recorded in the amount of \$266,869. As of June 30, 2025, the value of the subscription liability is \$108,396. The SBITA has an interest rate of 3.30%.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

On March 1, 2025, the City entered into a 16-month SBITA for the police department's use of Paladin Drones. An initial subscription liability and right-to-use subscription asset were recorded in the amount of \$69,949. As of June 30, 2025, the value of the subscription liability is \$17,029. The SBITA has an interest rate of 3.585%.

The annual requirements to amortize all subscription payables as of June 30, 2025, including interest payments, are as follows:

	Principal	Interest	Total
Year ending June 30,			
2026	\$ 70,346	\$ 4,193	\$ 74,539
2027	55,079	1,820	56,899
	\$ 125,425	\$ 6,013	\$ 131,438

Remedies for Events of Default

The City's outstanding notes and bonds from direct borrowings and direct placements related to governmental activities in the outstanding principal amount of \$40,042,000 contain the following provisions in the event of default:

The General Obligation Bonds are backed by the full faith, credit, and taxing power of the City. In the event of default, the State Treasurer shall withhold the City moneys from any state appropriation to which the City may be entitled and apply the withheld funds to payment of the principal and interest of the defaulted bonds. The bondholders may also petition the court to order the City to levy ad valorem taxes with sufficient collections to provide for the principal and interest payments. General Obligation Bonds unconditionally obligate the City to levy and collect ad valorem taxes to pay the debt service.

The Hospitality Revenue Bonds are secured by revenue generated by the City's Hospitality Tax on prepared food and beverage sales within the City. In the event of default, the bank as lender may declare all outstanding bonds in default immediately due and payable. The bank shall proceed to protect and enforce its rights and the rights of the bondholders by suits, actions, or proceedings as the bank shall deem expedient.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Remedies for Events of Default (Continued)

The Installment Purchase Revenue Bonds are secured by certain City Recreation Facilities offered as collateral to the lending bank. In the event the City does not annually appropriate installment payments to the Corporation as outlined in the Base Lease Agreement between the City and the Corporation, the City loses its rights to use the facilities specified in the Base Lease Agreement which is pledged as collateral. The bank as lender shall proceed to protect and enforce its rights by suits, actions, or proceedings as the bank shall deem expedient.

For governmental activities, compensated absences, other post-employment benefits and pension liabilities are generally liquidated by the General Fund.

Business-type Activities

The following table summarizes the City's business-type activities revenue bonds and notes payable:

	<u>Interest</u>	<u>Original</u>	<u>Date of</u>	<u>Final</u>	<u>Balance at</u>
	<u>Rate</u>	<u>Issue</u>	<u>Issuance</u>	<u>Maturity</u>	<u>June 30,</u>
					<u>2025</u>
Notes payable secured by Water and Sewer Fund revenues					
State Revolving Fund Loan, Series 2013	1.90%	\$ 10,626,372	May 2013	4/1/2034	\$ 5,315,453
State Revolving Fund Loan, Series 2013B	1.90%	3,890,000	September 2013	9/1/2034	1,945,916
State Revolving Fund Loan, Series 2014	1.00%	1,750,566	September 2014	4/1/2045	1,080,698
State Revolving Fund Loan, Series 2018A	1.00%	2,260,938	June 2018	12/1/2048	1,641,161
State Revolving Fund Loan, Series 2018B	1.00%	5,730,149	June 2018	2/1/2049	3,913,426
Total notes payable					<u>\$ 13,896,654</u>
Revenue bonds secured by Water and Sewer Fund revenues					
Series 2014	1.88%	\$ 6,004,585	Series 2014	3/28/2053	\$ 4,643,898
Series 2015	2.35%	2,702,348	Series 2015	6/1/2032	1,240,647
Series 2016	1.75%	14,405,000	Series 2016	9/1/2024	-
Series 2019	2.46%	68,590,000	Series 2019	6/30/2040	63,550,000
Series 2020	1.17%	15,252,000	Series 2020	7/1/2031	8,078,000
Series 2023	5.00%	32,100,000	Series 2023	9/1/2053	31,340,000
Total revenue bonds secured by Water and Sewer Fund revenues					<u>108,852,545</u>
Revenue bonds secured by Storm Water Utility Fund revenues					
Series 2021	1.70%	\$ 7,000,000	Series 2021	6/30/2036	5,313,000
Total revenue bonds					<u>\$ 114,165,545</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Business-type Activities (Continued)

Revenue Bonds

In November 2016, the City issued a \$14,405,000 Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2016. The bond is being used to defease certain outstanding bonds of an original issue of \$31,005,000 Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2010A. The bond has a 1.75% interest rate and requires semi-annual interest payments and annual principal payments. The bond is secured by revenues generated by the City's Water & Sewer system. The bond matures on September 1, 2024.

In October 2019, the City issued its \$68,590,000 Combined Waterworks and Sewerage System Refunding and Capital Improvement Revenue Bond, Series 2019. The bond is being used for (1) refunding of the City's Combined Waterworks and Sewerage System Refunding and Capital Improvement Revenue Bonds, Series 2010B, (2) defraying costs of acquiring automated meter reading equipment, and (3) paying incidental costs to the issuance of the Series 2019 bond. The bond has a 2.46% interest rate and requires semi-annual interest payments and annual principal payments. The bond is secured by revenues generated by the City's Water & Sewer system. The bond matures on June 30, 2040.

In September 2023, the City issued its \$32,100,000 Combined Waterworks and Sewerage System Refunding and Capital Improvement Revenue Bonds, Series 2023. The bond is for capital improvements at the City's Waterworks and Sewerage System. The bond has a 5.00% interest rate and requires semi-annual interest payments and annual principal payments. The bond is secured by revenues generated by the City's Water & Sewer system. The bond matures on September 1, 2053.

Annual debt service requirements to maturity for the revenue bonds as of June 30, 2025, are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 4,930,000	\$ 3,745,813	\$ 8,675,813
2027	5,160,000	3,493,563	8,653,563
2028	5,375,000	3,230,188	8,605,188
2029	4,255,000	2,989,438	7,244,438
2030	4,470,000	2,771,313	7,241,313
2031-2035	25,000,000	10,619,288	35,619,288
2036-2040	28,085,000	6,068,688	34,153,688
2041-2045	5,145,000	3,193,519	8,338,519
2046-2050	6,335,000	1,999,519	8,334,519
2051-2054	6,135,000	535,606	6,670,606
	<u>\$ 94,890,000</u>	<u>\$ 38,646,935</u>	<u>\$ 133,536,935</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Business-type Activities (Continued)

Direct Borrowings and Direct Placement Notes

The City's outstanding notes and bonds related to business-type activities from direct borrowings and direct placements in the outstanding principal amount of \$33,172,199 are secured by revenues generated by the City's Water & Sewer system. All bonds for the business-type activities contain the provision that in an event of default, the Trustee may declare all outstanding bonds in default immediately due and payable. The Trustee shall proceed to protect and enforce its rights and the rights of the bondholders by suits, actions, or proceedings as the Trustee shall deem expedient.

Annual debt service requirements to maturity for the direct borrowings and direct placement notes as of June 30, 2025, are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,337,763	\$ 498,097	\$ 3,835,860
2027	3,386,948	449,024	3,835,972
2028	3,437,576	399,172	3,836,748
2029	3,486,656	348,521	3,835,177
2030	3,216,198	297,091	3,513,289
2031-2035	10,038,155	873,751	10,911,906
2036-2040	2,868,744	370,709	3,239,453
2041-2045	1,496,083	240,715	1,736,798
2046-2045	1,284,242	120,923	1,405,165
2051-2054	619,834	23,370	643,204
	<u>\$ 33,172,199</u>	<u>\$ 3,621,373</u>	<u>\$ 36,793,572</u>

Financed Purchases

The City has entered into a financed purchase agreement to fund the City Center purchase and renovations. The repayment of this financed purchase has been split evenly between the governmental and business-type activities of the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Business-type Activities (Continued)

Financed Purchases (Continued)

The annual requirements to maturity for the financed purchase as of June 30, 2025, including interest payments is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2026	\$ 163,095	\$ 31,905	\$ 195,000
2027	166,778	28,222	195,000
2028	170,545	24,466	195,011
2029	174,396	20,604	195,000
2030	178,334	16,666	195,000
2031-2033	559,697	25,470	585,167
	<u>\$ 1,412,845</u>	<u>\$ 147,333</u>	<u>\$ 1,560,178</u>

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,073,614
General Fund	Water and Sewer Fund	1,106,101
General Fund	Stormwater Utility Fund	25,988
Nonmajor Governmental Funds	General Fund	1,106,101
Nonmajor Governmental Funds	Water and Sewer Fund	287,433
Nonmajor Governmental Funds	Stormwater Utility Fund	4,249
Water and Sewer Fund	Nonmajor Governmental Funds	1,518,090
Stormwater Utility Fund	Nonmajor Governmental Funds	27,715
		<u>\$ 5,149,291</u>

The remaining balances are for reimbursable expenditures and will be paid within 30 days.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Hospitality Fund	\$ 2,697,002
General Fund	Nonmajor Governmental Funds	1,554,305
General Fund	Water and Sewer Fund	4,393,665
General Fund	Stormwater Utility Fund	123,831
Hospitality Fund	General Fund	133,890
Hospitality Fund	Nonmajor Governmental Funds	394,998
Hospitality Fund	Water and Sewer Fund	333,112
Nonmajor Governmental Funds	Hospitality Fund	394,998
		<u>\$ 10,025,801</u>

Transfers are used to (1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowing to the Debt Service Fund to establish mandatory reserve accounts, and (3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grants programs.

NOTE 8. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies

The City participates in numerous state and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025, may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

Contractual Commitments

At June 30, 2025, the City had construction commitments related to various capital projects for approximately \$10,007,138.

Civic Center

On July 23, 1990, City Council approved a joint service agreement with Florence County for a Civic Center. The City appropriated \$1,618,311 for the year ended June 30, 2025, as its share of the operating, capital, and debt service costs of the Florence Center. Per the agreement, the City is annually responsible for its share of the above listed costs. The agreement will remain in effect unless it is terminated by mutual consent of each party to the agreement.

NOTE 9. PENSION PLANS

Overview

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 GAAP.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Overview (Continued)

For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the South Carolina Retirement System's Pension Trust Funds. The ACFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

Plan Description

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

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

Membership

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

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Membership (Continued)

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.

Benefits

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

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Benefits (Continued)

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.

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased and capped at 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Contributions (Continued)

Required employee contribution rates for the year ended June 30, 2025, are as follows:

South Carolina Retirement System

Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation

Required employer contribution rates for the year ended June 30, 2025, are as follows:

South Carolina Retirement System

Employee Class Two	18.56% of earnable compensation
Employee Class Three	18.56% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	21.24% of earnable compensation
Employee Class Three	21.24% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Net Pension Liability

The June 30, 2024, (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2023, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2023. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2024, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS. The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2025, (measurement date of June 30, 2024), the net pension liability amounts for the City's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>	<u>City's Proportionate Share of the Collective Net Pension Liability</u>
SCRS	\$ 61,369,806,968	\$ 37,919,492,371	\$ 23,450,314,597	61.8%	0.112251%
PORS	\$ 10,177,904,231	\$ 7,178,118,865	\$ 2,999,785,366	70.5%	0.524756%

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 be completed at least once in each five-year period. A more recent experience report on the Systems was issued for the period ending June 30, 2023, and will be used for future valuations.

The June 30, 2024 (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2023, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2023. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024.

	SCRS	PORS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
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)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below:

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public equity	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private equity	9.0%	9.60%	0.86%
Private debt	7.0%	6.90%	0.48%
Real assets	12.0%		
Real estate	9.0%	4.30%	0.39%
Infrastructure	3.0%	7.30%	0.22%
	100%		
		Total expected real return	5.49%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	7.74%

Discount Rate

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

The following table presents the sensitivity of the net pension liabilities to changes in the discount rate as of June 30, 2025 (measurement date of June 30, 2024).

Sensitivity of the Net Pension Liability to Changes in the Discount Rate				
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)	
SCRS	\$ 34,111,982	\$ 26,323,269	\$ 19,150,480	
PORS	\$ 22,806,503	\$ 15,741,558	\$ 9,955,002	

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Pension Expense

For the year ended June 30, 2025, the City recognized its proportionate share of collective pension expense of \$2,540,728 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$(147,052) for a total of \$2,393,676 for the SCRS plan. Additionally, for the year ended June 30, 2025, the City recognized its proportionate share of collective pension expense of \$1,998,051 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$(151,340) for a total of \$1,846,711 for the PORS plan. Total pension expense for both plans was \$4,240,387.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the SCRS pension plan, respectively, from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 865,076	\$ 32,669
Changes of assumptions	464,075	-
Net difference between projected and actual earnings on pension plan investments	-	1,014,243
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	81,062	577,273
Employer contributions subsequent to the measurement date	3,257,932	-
Total	\$ 4,668,145	\$ 1,624,185

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)
 At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the PORS pension plan, respectively, from the following sources:

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,478,337	\$ 90,249
Changes of assumptions	342,721	-
Net difference between projected and actual earnings on pension plan investments	-	882,533
Changes in proportion and differences between employer contributions and proportionate share of contributions	263,006	1,584,143
Employer contributions subsequent to the measurement date	<u>2,285,755</u>	<u>-</u>
Total	<u>\$ 4,369,819</u>	<u>\$ 2,556,925</u>
Totals	<u>\$ 9,037,964</u>	<u>\$ 4,181,110</u>

City contributions subsequent to the measurement date of \$3,257,932 and \$2,285,755 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows.

Year ended June 30:	SCRS	PORS
2026	\$ (525,803)	\$ (464,120)
2027	718,025	430,815
2028	(139,847)	(206,215)
2029	(266,347)	(233,341)

Deferred Compensation Plan

The City offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The plan is administered by the State of South Carolina Deferred Compensation Commission as agent for the City. The plan is available to all employees and allows them to defer a portion of their salary to future years. Participation is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergencies.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description

The City's agent multiple-employer defined benefit postemployment healthcare plan (the "Plan") provides medical and dental insurance to eligible retirees and their beneficiaries. As established by Resolution 98-05, adopted by City Council on May 11, 1998, and as amended by Resolution 2008-09, adopted by City Council on July 14, 2008, an employee becomes eligible when the employee qualifies for retirement benefits under the SCRS or PORS and meets a minimum required number of years of service with the City as defined below. Information regarding the SCRS and PORS eligibility may be obtained from the ACFR of those plans.

The contribution requirements of the City and plan members are established and amended by City Council. City Council has retained the right to unilaterally modify its payments toward retiree health care benefits. The Plan does not issue a publicly available financial report.

As of December 31, 2022, the most recent valuation date for the plan, there were 604 covered participants; 127 were retirees and their beneficiaries receiving benefits, and 477 were active participants.

The Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust (SC ORBET), an agent multiple-employer irrevocable trust investment plan administered by the Municipal Association of South Carolina. Each participating employer is responsible for determining the appropriate amount of contributions to remit to the Trust. SC ORBET issues a publicly available financial report that includes audited financial statements and required supplementary information for the Plan. A copy of the report may be obtained by writing to: Chief Financial Officer for Risk Management Services, Municipal Association of SC, P. O. Box 12109, Columbia, South Carolina 29211.

Funding Policy

The City contributes a fixed-dollar amount indexed each year by the Consumer Price Index (CPI). The current average monthly premium for coverage until age 65 is approximately \$500.38 for retirees and \$1,218.24 for retiree and spouse. The cost of coverage for pre-65 retirees is also implicitly subsidized by the City. Spouses are implicitly subsidized until age 65. All coverage ends at the death of the retiree. The current average monthly premium is approximately \$500.38 for medical and \$560.78 for medical, vision and dental for retirees after age 65.

For Retirees Before July 14, 2008

Retirees pay a percentage of the explicit portion of the benefit based on their service at retirement for their own coverage based on the table below. Spouses pay the full premium rate.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Funding Policy (Continued)

Years of Service	City's Portion of Premium
30+	0%
25 - 29	10%
20 - 24	20%
15 - 19	30%

After reaching Medicare eligibility, retirees electing the PEBA Medicare supplement pay the total medical premium cost in excess of a percentage of \$500.38 for their own coverage. Retirees electing Blue Cross Blue Shield Plan B or Plan F pay the total premium cost in excess of a percentage of the premium for Plan B with BlueCross Rx Value prescription coverage or a percentage of \$500.38, whichever is lower. The percentage for all retirees on Medicare is based on the service criteria listed in the table below. Retirees eligible for Medicare continue to pay their earned percentage described above of dental and vision premiums. Retirees are expected to pay for all future increases in the cost of medical coverage in excess of their earned percentage of \$457.78. Spouses pay the full premium rate after age 65.

Years of Service	City's Portion of Premium
30+	100%
25 - 29	90%
20 - 24	80%
15 - 19	70%

For Retirees After July 14, 2008

Before age 65, retirees who have 25 or more years of service with the City pay nothing for their own coverage and the full premium for spouse coverage. Retirees who have a minimum of 20 years of service but less than 25 years of service with the City pay 50% of the total cost (including implicit portion) for their own coverage and the full premium plus 50% of the implicit cost for spouse coverage.

After age 65, retirees who have 25 or more years of service with the City pay the total premium cost in excess of \$500.38 for their own coverage. Retirees who have a minimum of 20 years of service but less than 25 years of service with the City pay the total premium in excess of \$250.19 (half of \$500.38) for their own coverage. Retirees are expected to pay for all future increases in the cost of this coverage. Spouses pay the full premium rate after age 65.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Net OPEB Liability

The net OPEB liability of \$10,487,209 was measured as of December 31, 2024, and was determined by an actuarial valuation as of December 31, 2022.

Actuarial Assumptions and Methods

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method:	Entry Age Normal
Discount rate:	4.75%
Long-term expected rate of return on OPEB investments:	4.75%, net of investment expenses, including inflation
Healthcare cost trend rate:	Initial trend rate of 7.00% and gradually decreasing to an ultimate trend rate of 4.50% by 2033
Inflation rate:	2.25%
Salary increase:	3.00% - 11.00%
Participation rate:	100% of eligible retirees with 25+ years of experience, 20% of eligible retirees with less than 25 years of experience, and 10% of spouses

Actuarial valuations 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 during the valuation process are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

Target Allocation

The target allocation for each major asset class is summarized in the following table:

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
US Government Agency	58.00%	4.40%	2.55%
US Government MBS/CMO/CMBS	40.00%	4.90%	1.96%
Cash and short duration (Net)	2.00%	3.85%	0.08%
Total Expected Return	100.00%		4.59%

NOTES TO FINANCIAL STATEMENTS

NOTE 10. POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability was 4.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will continue based upon the current OPEB Funding Policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Beginning Balance	\$ 16,721,020	\$ 6,019,578	\$ 10,701,442
Changes for the year:			
Service cost	363,889	-	363,889
Interest	774,984	-	774,984
Difference between expected and actual experience	61,150	-	61,150
Effect of assumption changes	(120,883)	-	(120,883)
Benefit payments	(820,647)	(820,647)	-
Employer contributions	-	1,166,491	(1,166,491)
Net investment income	-	127,882	(127,882)
Administrative expenses	-	(1,000)	1,000
Net changes	258,493	472,726	(214,233)
Ending Balance	\$ 16,979,513	\$ 6,492,304	\$ 10,487,209

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.75%) or 1-percentage-point higher (5.75%) than the current discount rate:

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

		Current Discount Rate (4.75%)	
Fiscal Year	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
2025	\$ 12,673,499	\$ 10,487,209	\$ 8,661,318

NOTES TO FINANCIAL STATEMENTS

NOTE 10. POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate					
Fiscal Year	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase		
2025	\$ 9,353,333	\$ 10,487,209	\$ 11,918,226		

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB:

For the year ended June 30, 2025, the City recognized OPEB expense of \$1,002,486 as follows:

Description	
Service cost	\$ 363,889
Interest on the total OPEB liability	774,984
Expensed portion of current-period difference between expected and actual experience	8,264
Expensed portion of current-period changes in assumptions	(16,336)
Expensed portion of current-period difference between expected and actual investment earnings	33,229
Expected earnings on plan investments	(294,025)
Administrative costs	1,000
Recognition of outflow of resources	407,952
Recognition of inflow of resources	(276,471)
Total OPEB expense	\$ 1,002,486

NOTES TO FINANCIAL STATEMENTS

NOTE 10. POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB (Continued):

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 151,604	\$ 1,015,800
Changes of assumptions	183,119	141,226
Net difference between projected and actual earnings on OPEB plan investments	690,506	-
Employer contributions subsequent to the measurement date	276,670	-
Total	\$ 1,301,899	\$ 1,157,026

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2026	\$ 182,573
2027	100,826
2028	(178,378)
2029	(190,879)
2030	(19,350)
Thereafter	(26,589)
	\$ (131,797)

NOTES TO FINANCIAL STATEMENTS

NOTE 11. 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 maintains its insurance for tort liability, property, automobile fleet, boiler and machinery, and crime with the South Carolina Municipal Insurance and Risk Financing Fund (SCMIRF). Workers' compensation coverage is maintained through the South Carolina Municipal Insurance Trust (SCMIT) fund. Both the SCMIRF and SCMIT funds are self-insured pools with other municipalities in South Carolina. These programs are sponsored by and coordinated through the Municipal Association of South Carolina. The City pays an annual premium to SCMIRF and SCMIT. The City carries a \$10,000 deductible under the SCMIRF plan and a \$10,000 deductible under the SCMIT plan. Claims below these thresholds are managed by the City. The SCMIRF will reinsure through commercial companies for claims in excess of \$1 million for each insured event. If the City's losses under SCMIT exceed the annual premium, it is assessed an additional amount to fully reimburse the insurer for the losses. If the premium exceeds the losses, the City receives a refund.

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NOTES TO FINANCIAL STATEMENTS

NOTE 12. FUND BALANCE

As of June 30, 2025, fund balances are composed of the following:

	<u>General Fund</u>	<u>Hospitality Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Prepaid items	\$ 2,042,675	\$ -	\$ 76,516	\$ 2,119,191
Inventories	147,425	-	367,240	514,665
Restricted:				
Community Development:				
Housing Partnership	-	-	22,438	22,438
HOME Program	-	-	46,211	46,211
NSP Grant	-	-	25,204	25,204
NSP-3 Grant	-	-	65,244	65,244
Neighborhood Imp. Program	-	-	45,149	45,149
Veterans Park Development	-	-	3,747	3,747
American Rescue Plan Act	-	-	624,563	624,563
Palmetto Pride Grant	-	-	21,131	21,131
Community Development Block Grants	-	-	34,435	34,435
Public Safety:				
E-911	-	-	623,786	623,786
Drug Control	-	-	147,319	147,319
Federal Equitable Sharing	-	-	9,274	9,274
Public Safety Grants	-	-	81,231	81,231
Fire Trust	-	-	17,370	17,370
Capital Projects:				
TIF Revenue and Debt Services	-	-	881,177	881,177
Florence County Penny Tax	-	-	532,673	532,673
Installment Purchase Rev Bonds	-	-	2,235,507	2,235,507
General Fund Capital Projects	132,902	-	-	132,902
Tourism:				
Accommodations Tax	-	-	96,084	96,084
Sunday Local Option Fund	-	-	273,044	273,044
Hospitality	-	6,284,184	-	6,284,184
Debt Service	-	-	1,057,490	1,057,490
Committed:				
Community Development:				
Neighborhood Redevelopment	-	-	3,387,638	3,387,638
Rollcart and Equipment Replacement	-	-	650,195	650,195
Assigned:				
Downtown Redevelopment:				
Downtown Revitalization	232,652	-	-	232,652
Capital Projects:				
City Center Reserve Fund	121,221	-	-	121,221
Parks and Athletic Programs:				
Recreation Registration	6,304	-	-	6,304
Recreation Programs	59,230	-	-	59,230
Employee Assistance:				
Employee Assistance	3,103	-	-	3,103
Reserve for Employee Benefits	2,581	-	-	2,581
Unassigned	22,656,369	-	(68,515)	22,587,854
Total fund balance	<u>\$ 25,404,462</u>	<u>\$ 6,284,184</u>	<u>\$ 11,256,151</u>	<u>\$ 42,944,797</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 13. SUBSEQUENT EVENTS

On September 16, 2025, the City issued \$13,745,000 in hospitality fee revenue bonds. The bonds bear interest ranging from 4.625% to 5.250%. The bond is payable by way of semi-annual interest payments due on June 1 and December 1 of each year, with principal payments due June 1 of every year. These bonds were issued with the purpose of acquiring, constructing, furnishing and equipping various City athletic facilities that are “tourism related,” these being: (i) a new arena at the Pearl Moore Gymnasium, (ii) new football fields; and (iii) new tennis courts at the Florence Tennis Center; and (iv) to pay certain costs and expenses relating to the issuance of the Series 2025 Bonds.

On November 12, 2025, the City issued \$147,395,000 combined waterworks and sewerage system capital improvement revenue bonds. The bonds bear interest of 5.00%. The bond is payable by way of semi-annual interest payments due on March 1 and September 1 of each year, with principal payments due September 1 of every year. These bonds were issued to provide funds for (i) defraying a portion of the cost of acquiring, constructing, furnishing, and equipping certain capital improvements to the System, including but not limited to, expanding capacity at the City’s Surface Water Treatment Plant and upfitting the City’s water system to address PFAS issues, rehabilitating and upgrading the Jeffries Creek Sewer Interceptor, capital maintenance upgrades to the Sewerage System in east Florence, improvements to the Timmonsville-Florence Interceptor, and other maintenance items with respect to the System; (ii) capitalized interest on the Series 2025 Bonds if required to make payments on the Series 2025 Bonds prior to the Projects being fully completed, placed into service, and fully operational; and (iii) costs related to the financing and providing necessary reserves, if any.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes - property	\$ 14,686,600	\$ 14,686,600	\$ 14,445,507	\$ (241,093)
Penalties	12,000	12,000	8,462	(3,538)
Licenses and fees	17,619,300	17,619,300	18,646,775	1,027,475
Intergovernmental	6,309,400	7,559,400	8,248,637	689,237
Charges for services	3,506,400	3,506,400	3,963,189	456,789
Fines and forfeitures	291,500	291,500	229,652	(61,848)
Miscellaneous	1,109,300	1,109,300	2,305,887	1,196,587
Total revenues	<u>43,534,500</u>	<u>44,784,500</u>	<u>47,848,109</u>	<u>3,063,609</u>
Expenditures:				
Current:				
General government	6,707,900	7,081,653	6,193,335	888,318
Public safety	20,691,600	20,062,822	19,408,287	654,535
Public works	8,952,300	9,038,997	8,725,381	313,616
Culture and recreation	5,311,850	5,126,894	5,491,315	(364,421)
Community development	385,800	385,800	385,800	-
Non-departmental	5,967,100	6,892,354	6,299,663	592,691
Debt service:				
Principal retirement	2,700,300	3,060,934	2,321,651	739,283
Interest	-	-	847,556	(847,556)
Capital Outlay	700,650	8,969,692	7,970,749	998,943
Total expenditures	<u>51,417,500</u>	<u>60,619,146</u>	<u>57,643,737</u>	<u>2,975,409</u>
Deficiency of revenues under expenditures	<u>(7,883,000)</u>	<u>(15,834,646)</u>	<u>(9,795,628)</u>	<u>6,039,018</u>
Other financing sources (uses):				
Insurance settlements	120,000	120,000	164,510	44,510
Transfers in	7,508,000	7,508,000	8,768,803	1,260,803
Transfers out	-	-	(133,890)	(133,890)
Sale of capital assets	-	-	79,762	79,762
Issuances of subscriptions	-	-	69,949	69,949
Total other financing sources, net	<u>7,628,000</u>	<u>7,628,000</u>	<u>8,949,134</u>	<u>1,321,134</u>
Net change in fund balances	<u>(255,000)</u>	<u>(8,206,646)</u>	<u>(846,494)</u>	<u>7,360,152</u>
Fund balances, beginning of year	<u>26,250,956</u>	<u>26,250,956</u>	<u>26,250,956</u>	<u>-</u>
Fund balances, end of year	<u>\$ 25,995,956</u>	<u>\$ 18,044,310</u>	<u>\$ 25,404,462</u>	<u>\$ 7,360,152</u>

CITY OF FLORENCE, SOUTH CAROLINA

**HOSPITALITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses, permits and fees	\$ 6,570,000	\$ 6,570,000	\$ 6,436,056	\$ (133,944)
Investment earnings	49,000	49,000	146,599	97,599
Total revenues	<u>6,619,000</u>	<u>6,619,000</u>	<u>6,582,655</u>	<u>(36,345)</u>
Expenditures:				
Current:				
General government	2,240,700	2,240,700	1,826,310	414,390
Debt service:				
Principal retirement	912,300	912,300	569,423	342,877
Interest	-	-	252,012	(252,012)
Total expenditures	<u>3,153,000</u>	<u>3,153,000</u>	<u>2,647,745</u>	<u>505,255</u>
Excess of revenues over expenditures	<u>3,466,000</u>	<u>3,466,000</u>	<u>3,934,910</u>	<u>468,910</u>
Other financing sources (uses)				
Transfers in	-	-	862,000	862,000
Transfers out	(2,530,000)	(2,530,000)	(3,092,000)	(562,000)
Total other financing uses, net	<u>(2,530,000)</u>	<u>(2,530,000)</u>	<u>(2,230,000)</u>	<u>300,000</u>
Net change in fund balances	936,000	936,000	1,704,910	768,910
Fund balance, beginning of year	<u>4,579,274</u>	<u>4,579,274</u>	<u>4,579,274</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,515,274</u>	<u>\$ 5,515,274</u>	<u>\$ 6,284,184</u>	<u>\$ 768,910</u>

CITY OF FLORENCE, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SOUTH CAROLINA RETIREMENT SYSTEM**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE PLAN YEAR ENDED JUNE 30**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.11%	0.11%	0.12%	0.11%	0.11%	0.12%	0.12%	0.11%	0.11%	0.11%
City's proportionate share of the net pension liability	\$ 26,323,269	\$ 27,802,531	\$ 28,125,250	\$ 24,736,275	\$ 29,242,173	\$ 26,973,364	\$ 25,859,580	\$ 25,702,854	\$ 23,600,074	\$ 20,739,324
City's covered payroll	\$ 15,421,570	\$ 14,411,855	\$ 13,781,908	\$ 12,880,710	\$ 12,767,654	\$ 12,464,783	\$ 11,937,594	\$ 11,496,064	\$ 10,617,875	\$ 10,207,040
City's proportionate share of the net pension liability as a percentage of covered payroll	170.691%	192.914%	204.074%	192.041%	229.033%	216.397%	216.623%	223.580%	222.267%	203.186%
Plan fiduciary net position as a percentage of the total pension liability	61.8%	58.6%	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%

CITY OF FLORENCE, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE PLAN YEAR ENDED JUNE 30**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.525%	0.581%	0.608%	0.573%	0.538%	0.555%	0.567%	0.619%	0.624%	0.655%
City's proportionate share of the net pension liability	\$ 15,741,558	\$ 17,698,753	\$ 18,286,271	\$ 14,750,630	\$ 17,834,927	\$ 15,902,931	\$ 16,065,096	\$ 16,944,567	\$ 15,818,344	\$ 14,284,344
City's covered payroll	\$ 10,350,695	\$ 10,186,885	\$ 9,660,592	\$ 8,600,767	\$ 8,124,386	\$ 8,048,512	\$ 7,851,798	\$ 8,318,785	\$ 7,939,039	\$ 8,122,022
City's proportionate share of the net pension liability as a percentage of covered payroll	152.082%	173.741%	189.287%	171.504%	219.523%	197.588%	204.604%	203.690%	199.248%	175.872%
Plan fiduciary net position as a percentage of the total pension liability	70.5%	67.8%	66.4%	70.4%	58.8%	62.7%	61.7%	60.9%	60.4%	64.6%

CITY OF FLORENCE, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SOUTH CAROLINA RETIREMENT SYSTEM
SCHEDULE OF THE CITY'S CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 3,257,932	\$ 2,862,243	\$ 2,530,722	\$ 2,282,284	\$ 2,004,238	\$ 1,986,647	\$ 1,814,872	\$ 1,618,738	\$ 1,328,945	\$ 1,174,337
Contributions in relation to the statutorily required contribution	3,257,932	2,862,243	2,530,722	2,282,284	2,004,238	1,986,647	1,814,872	1,618,738	1,328,945	1,174,337
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 17,553,512	\$ 15,421,570	\$ 14,411,855	\$ 13,781,908	\$ 12,880,710	\$ 12,767,654	\$ 12,464,783	\$ 11,937,594	\$ 11,496,064	\$ 10,617,875
Contributions as a percentage of covered payroll	18.56%	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	July 1, 2022
Cost Method	Entry age normal
Asset valuation method	5-year Smoothed
Amortization method	Level % of pay
Amortization period	25 years maximum, closed
Investment rate of return	7.00%
Includes inflation at	2.25%
Projected Salary Increases	3.00% plus step-rate increases for members with less than 21 years of service
Mortality	The 2020 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale UMP from the year 2020. Male rates are multiplied by 97% for non-educators and 95% for educators. Female rates are multiplied by 107% for non-educators and 94% for educators.

CITY OF FLORENCE, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM
SCHEDULE OF THE CITY'S CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 2,285,755	\$ 2,198,488	\$ 2,061,825	\$ 1,858,698	\$ 1,568,780	\$ 1,481,888	\$ 1,387,563	\$ 1,275,132	\$ 1,184,595	\$ 1,090,824
Contributions in relation to the statutorily required contribution	2,285,755	2,198,488	2,061,825	1,858,698	1,568,780	1,481,888	1,387,563	1,275,132	1,184,595	1,090,824
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ 10,761,563	\$ 10,350,695	\$ 10,186,885	\$ 9,660,592	\$ 8,600,767	\$ 8,124,386	\$ 8,048,512	\$ 7,851,798	\$ 8,318,785	\$ 7,939,039
Covered payroll	21.24%	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%
Contributions as a percentage of covered payroll										

Notes to the Schedule:

(1) Actuarial Assumptions	July 1, 2022
Valuation Date	Entry age normal
Cost Method	5-year Smoothed
Asset valuation method	Level % of pay
Amortization method	26 years maximum, closed
Amortization period	7.00%
Investment rate of return	2.25%
Includes inflation at	3.50% plus step-rate increases for members with less than 21 years of service
Projected Salary Increases	The 2020 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale UMP from the year 2020. Male rates are multiplied by 107% and female rates are multiplied by 107%.
Mortality	

CITY OF FLORENCE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

RETIREE MEDICAL PLAN

SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS

FOR THE FISCAL YEAR ENDED JUNE 30

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 363,889	\$ 363,818	\$ 352,317	\$ 440,725	\$ 426,745	\$ 417,562	\$ 404,295	\$ 391,451
Interest	774,984	767,303	748,939	805,123	780,530	745,357	728,919	709,445
Differences between expected and actual experience	61,150	(281,761)	66,581	(1,613,455)	64,549	113,504	28,330	(156,264)
Assumption changes	(120,883)	130,789	-	(73,630)	-	338,580	-	-
Benefit payments	(820,647)	(816,288)	(746,954)	(736,355)	(771,369)	(975,322)	(659,281)	(412,920)
Net change in total pension liability	<u>258,493</u>	<u>163,861</u>	<u>420,883</u>	<u>(1,177,592)</u>	<u>500,455</u>	<u>639,681</u>	<u>502,263</u>	<u>531,712</u>
Total OPEB liability - beginning	<u>16,721,020</u>	<u>16,557,159</u>	<u>16,136,276</u>	<u>17,313,868</u>	<u>16,813,413</u>	<u>16,173,732</u>	<u>15,671,469</u>	<u>15,139,757</u>
Total OPEB liability - ending (a)	<u>\$ 16,979,513</u>	<u>\$ 16,721,020</u>	<u>\$ 16,557,159</u>	<u>\$ 16,136,276</u>	<u>\$ 17,313,868</u>	<u>\$ 16,813,413</u>	<u>\$ 16,173,732</u>	<u>\$ 15,671,469</u>
Plan fiduciary net position								
Contributions - employer	\$ 1,166,491	\$ 1,140,134	\$ 1,202,822	\$ 1,160,072	\$ 1,171,316	\$ 1,375,381	\$ 1,079,728	\$ 893,924
Net investment income	127,882	223,283	(834,631)	(132,510)	288,771	231,690	47,396	91,807
Benefit payments	(820,647)	(816,288)	(746,954)	(736,355)	(771,369)	(975,322)	(659,281)	(412,920)
Administrative expenses	(1,000)	(8,272)	(1,250)	(8,401)	(1,000)	(7,058)	-	(19,926)
Net change in plan fiduciary net position	<u>472,726</u>	<u>538,857</u>	<u>(380,013)</u>	<u>282,806</u>	<u>687,718</u>	<u>624,691</u>	<u>467,843</u>	<u>552,885</u>
Plan fiduciary net position - beginning	<u>6,019,578</u>	<u>5,480,721</u>	<u>5,860,734</u>	<u>5,577,928</u>	<u>4,890,210</u>	<u>4,265,519</u>	<u>3,797,676</u>	<u>3,244,791</u>
Plan fiduciary net position - ending (b)	<u>\$ 6,492,304</u>	<u>\$ 6,019,578</u>	<u>\$ 5,480,721</u>	<u>\$ 5,860,734</u>	<u>\$ 5,577,928</u>	<u>\$ 4,890,210</u>	<u>\$ 4,265,519</u>	<u>\$ 3,797,676</u>
City's net OPEB liability - ending (a) - (b)	<u>\$ 10,487,209</u>	<u>\$ 10,701,442</u>	<u>\$ 11,076,438</u>	<u>\$ 10,275,542</u>	<u>\$ 11,735,940</u>	<u>\$ 11,923,203</u>	<u>\$ 11,908,213</u>	<u>\$ 11,873,793</u>
Plan fiduciary net position as a percentage of the total OPEB liability	38.24%	36.00%	33.10%	36.32%	32.22%	29.09%	26.37%	24.23%
Covered payroll	\$ 23,205,516	\$ 23,205,516	\$ 19,842,630	\$ 19,842,630	\$ 18,277,122	\$ 18,277,122	\$ 16,669,414	\$ 16,669,414
Net OPEB liability as a percentage of covered payroll	45.19%	46.12%	55.82%	51.79%	64.21%	65.24%	71.44%	71.23%

Notes to the Schedule:

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

CITY OF FLORENCE, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
RETIREE MEDICAL PLAN
SCHEDULE OF THE CITY'S CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30**

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 1,127,830	\$ 1,100,543	\$ 1,156,169	\$ 1,194,019	\$ 1,162,683	\$ 1,128,213	\$ 1,077,489	\$ 951,531
Contributions in relation to the actuarially determined contribution	1,166,491	1,140,134	1,202,822	1,160,072	1,171,316	1,375,381	1,079,728	893,924
Contribution deficiency	\$ (38,661)	\$ (39,591)	\$ (46,653)	\$ 33,947	\$ (8,633)	\$ (247,168)	\$ (2,239)	\$ 57,607
Covered payroll	\$ 23,205,516	\$ 23,205,516	\$ 20,540,207	\$ 22,308,547	\$ 21,481,477	\$ 20,892,040	\$ 17,679,296	\$ 17,047,043
Contributions as a percentage of covered payroll	5.03%	4.91%	5.86%	5.20%	5.45%	6.58%	6.11%	5.24%

Notes to the Schedule:

(1) The schedule will present 10 years of information once it is accumulated.

(2) Actuarial Assumptions

Valuation Date	December 31, 2022
Measurement Date	December 31, 2024
Employer's Reporting Date	June 30, 2025
Cost Method	Entry Age Normal
Assumed Rate of Return on Investments	4.75%, net of investment expenses, including inflation
Projected Salary Increases	SCRS - 3.00% to 9.65%
(Including wage inflation of 2.25%)	PORS - 3.50% to 11.00%
Cost-of-living Adjustment	None
Health Care Cost Trends:	
Pre-Medicare	7.00% for 2023, decreasing to an ultimate rate of 4.50% by 2033
Medicare	5.25% for 2023, decreasing to an ultimate rate of 4.50% by 2029

SUPPLEMENTARY INFORMATION

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Taxes				
Property				
Current	\$ 6,440,000	\$ 6,440,000	\$ 5,684,704	\$ (755,296)
Homestead exemption	360,000	360,000	370,061	10,061
Merchants inventory	299,600	299,600	299,603	3
Property tax credits	6,990,000	6,990,000	7,599,841	609,841
PILOT - Housing Authority	220,000	220,000	120,830	(99,170)
Motor carrier - FILO	178,500	178,500	174,909	(3,591)
Delinquent taxes	198,500	198,500	195,559	(2,941)
	<u>14,686,600</u>	<u>14,686,600</u>	<u>14,445,507</u>	<u>(241,093)</u>
Penalties	12,000	12,000	8,462	(3,538)
Total taxes	<u>14,698,600</u>	<u>14,698,600</u>	<u>14,453,969</u>	<u>(244,631)</u>
Licenses and fees				
Business and professional license	12,608,300	12,608,300	13,882,395	1,274,095
Franchise fees	4,750,000	4,750,000	4,627,127	(122,873)
Delinquent business licenses	261,000	261,000	137,253	(123,747)
Total licenses and fees	<u>17,619,300</u>	<u>17,619,300</u>	<u>18,646,775</u>	<u>1,027,475</u>
Intergovernmental				
Community development	60,000	60,000	68,441	8,441
Sales tax revenue	4,800,500	4,800,500	4,669,256	(131,244)
State shared revenue	1,030,900	1,030,900	1,043,365	12,465
State A tax funds	110,000	110,000	93,245	(16,755)
Grants	170,000	1,420,000	2,102,277	682,277
FEMA reimbursements	-	-	80,053	80,053
Marketing and promotion	138,000	138,000	192,000	54,000
Total intergovernmental	<u>6,309,400</u>	<u>7,559,400</u>	<u>8,248,637</u>	<u>689,237</u>
Charges for services				
Refuse - landfill fee	1,989,000	1,989,000	2,110,447	121,447
Refuse - collection fee	550,000	550,000	391,983	(158,017)
Building permits	682,500	682,500	481,279	(201,221)
Planning and zoning fees	40,000	40,000	27,568	(12,432)
Recreation fees	244,900	244,900	951,912	707,012
Total charges for services	<u>3,506,400</u>	<u>3,506,400</u>	<u>3,963,189</u>	<u>456,789</u>
Fines and forfeitures				
Criminal fines	60,000	60,000	54,208	(5,792)
Traffic fines	215,000	215,000	166,349	(48,651)
Parking violations fines	15,000	15,000	8,950	(6,050)
Animal control fines	1,500	1,500	145	(1,355)
Total fines and forfeitures	<u>291,500</u>	<u>291,500</u>	<u>229,652</u>	<u>(61,848)</u>
Miscellaneous				
Investment income	550,000	550,000	966,680	416,680
Miscellaneous	524,300	524,300	1,186,404	662,104
Concessions	35,000	35,000	152,803	117,803
Total miscellaneous	<u>1,109,300</u>	<u>1,109,300</u>	<u>2,305,887</u>	<u>1,196,587</u>
Total revenues	<u>\$ 43,534,500</u>	<u>\$ 44,784,500</u>	<u>\$ 47,848,109</u>	<u>\$ 3,063,609</u>

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
General Government				
City Council				
Salary and wages	\$ 113,126	\$ 113,000	\$ 110,454	\$ 2,546
Retirement	20,996	20,980	19,955	1,025
Health insurance	104,588	97,680	92,102	5,578
Workers' compensation	13,136	13,274	13,273	1
Social security	8,654	7,480	6,272	1,208
Professional services	32,000	107,000	57,792	49,208
Telephone related services	6,000	6,000	5,770	230
Printing and supplies	500	500	267	233
Office supplies	1,000	1,000	642	358
Other supplies and equipment	5,500	14,560	10,860	3,700
Postage	100	75	5	70
Membership and dues	21,000	24,825	24,820	5
Travel and conferences	45,500	46,171	20,389	25,782
Total city council	372,100	452,545	362,601	89,944
Legal Services				
Salaries and wages	128,400	130,658	130,657	1
Retirement	23,800	23,286	23,285	1
Health insurance	25,400	25,854	25,854	-
Workers' compensation	1,500	1,463	1,462	1
Social security	9,800	9,650	9,650	-
Professional services	100	10	-	10
Telephone related services	1,000	1,090	1,090	-
Printing and supplies	100	100	-	100
Office supplies	2,800	2,765	1,015	1,750
Other supplies & equipment	-	500	-	500
Postage	100	100	43	57
Membership and dues	500	535	533	2
Employee training	400	500	495	5
Travel and conferences	200	100	-	100
Total legal services	194,100	196,611	194,084	2,527
Justice and Law				
Salary and wages	418,900	417,554	414,253	3,301
Retirement	77,800	74,480	74,275	205
Health insurance	119,900	106,835	106,834	1
Workers' compensation	18,700	18,898	18,897	1
Social security	32,000	30,102	30,101	1
Professional services	2,800	3,600	3,600	-
Telephone related services	8,000	8,426	8,426	-
Maintenance and service contracts	22,400	22,400	3,513	18,887
Auto operating expenses	500	1,054	1,054	-
Machine and equipment repairs	100	100	-	100
Printing and supplies	300	300	-	300
Office supplies	4,000	4,893	4,891	2
Other supplies and equipment	2,500	4,388	4,388	-
Postage	3,000	3,138	3,138	-
Gas and oil	300	394	415	(21)
Membership and dues	500	500	378	122
Employee training	1,500	1,513	1,513	-
Travel and conferences	2,200	3,103	3,103	-
Jury vouchers	7,000	7,000	6,400	600
Total justice and law	722,400	708,678	685,179	23,499

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
General Government (Continued)				
City Manager				
Salary and wages	\$ 828,500	\$ 779,603	\$ 737,182	\$ 42,421
Retirement	153,800	145,480	131,835	13,645
Health insurance	75,800	58,860	58,461	399
Workers' compensation	11,700	11,811	11,811	-
Social security	59,800	58,490	52,364	6,126
Professional services	800	10,800	-	10,800
Telephone related services	13,000	13,000	11,224	1,776
Farmers Market operations	50,800	60,935	51,653	9,282
Maintenance and service contracts	2,500	2,500	1,796	704
Auto operating expenses	500	500	41	459
Printing and supplies	500	500	97	403
Office supplies	3,000	3,000	1,131	1,869
Other supplies and equipment	3,000	2,800	1,126	1,674
Postage	500	500	86	414
Gas and oil	100	300	108	192
Lease payments	4,200	4,620	4,620	-
Marketing and promotions	35,000	37,800	28,247	9,553
Membership and dues	5,000	5,000	309	4,691
Employee training	10,000	10,000	2,679	7,321
Travel and conferences	10,000	10,000	7,576	2,424
Capital outlay	-	37,265	37,264	1
Total city manager	1,268,500	1,253,764	1,139,610	114,154
Finance				
Salary and wages	938,400	868,815	827,710	41,105
Retirement	174,500	159,030	141,936	17,094
Health insurance	142,600	125,340	119,860	5,480
Workers' compensation	18,700	18,898	18,897	1
Social security	71,700	61,683	61,683	-
Professional services	19,000	23,973	23,973	-
Tax billing and collections	66,000	70,054	70,054	-
Telephone related services	11,800	12,000	11,026	974
Cable and related services	2,000	1,600	1,387	213
Public notices	1,000	1,200	498	702
Maintenance and service contracts	13,500	7,558	7,558	-
Auto operating expenses	100	765	765	-
Machine and equipment repairs	100	800	618	182
Printing and supplies	6,000	10,033	10,032	1
Office supplies	10,800	9,461	9,459	2
Special departmental supplies	2,400	1,987	1,320	667
Postage	12,000	14,125	14,125	-
Gas and oil	500	400	202	198
Membership and dues	3,000	753	753	-
Employee training	4,000	1,135	1,135	-
Travel and conferences	6,000	6,500	6,103	397
Other Equipment	-	-	10,750	(10,750)
Total finance	1,504,100	1,396,110	1,339,844	56,266
Personnel				
Salary and wages	361,700	348,242	348,241	1
Retirement	67,100	64,140	61,895	2,245
Health insurance	54,700	51,924	51,924	-
Workers' compensation	10,500	10,574	10,573	1
Social security	27,700	27,280	25,770	1,510
Professional services	45,000	50,602	50,602	-
Psychological evaluations	2,000	-	-	-
Insurance administrative fee	25,000	25,000	22,871	2,129
Telephone related services	5,000	5,398	5,398	-

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
General Government (Continued)				
Personnel (Continued)				
Public notices	\$ 16,000	\$ 25,600	\$ 4,570	\$ 21,030
Maintenance and service contracts	500	167	167	-
Auto operating expenses	500	534	533	1
Printing and supplies	8,000	14,708	14,708	-
Office supplies	5,000	3,961	3,949	12
Postage	3,000	3,601	3,600	1
Gas and oil	300	53	54	(1)
Medical expenses	37,000	42,149	42,148	1
Membership and dues	1,500	1,444	1,444	-
Employee training	2,500	20	-	20
Travel and conferences	2,500	1,908	1,907	1
Total personnel	<u>675,500</u>	<u>677,305</u>	<u>650,354</u>	<u>26,951</u>
Community Service				
Salary and wages	431,800	409,760	400,964	8,796
Retirement	81,300	74,920	71,809	3,111
Health insurance	78,400	73,990	68,208	5,782
Workers' compensation	14,100	14,286	14,285	1
Social security	33,500	30,520	29,903	617
Professional services	3,000	3,000	958	2,042
Telephone related services	9,500	9,500	9,312	188
Public notices	1,000	1,000	920	80
Property management expenses	13,000	9,000	8,666	334
Auto operating expenses	2,500	6,619	6,619	-
Printing and supplies	500	500	-	500
Office supplies	300	300	-	300
Other supplies and equipment	1,000	2,200	2,107	93
Postage	250	250	146	104
Gas and oil	8,500	5,500	4,816	684
Uniform and clothing	3,800	4,800	4,088	712
Membership and dues	1,000	1,000	500	500
Employee training	500	800	400	400
Travel and conferences	500	1,000	493	507
Total community service	<u>684,450</u>	<u>648,945</u>	<u>624,194</u>	<u>24,751</u>
Urban Planning and Development				
Salary and wages	452,400	432,620	415,308	17,312
Retirement	84,000	80,420	74,361	6,059
Health insurance	51,300	57,757	57,756	1
Workers' compensation	7,800	7,874	7,874	-
Social security	34,600	37,476	37,476	-
Professional services	25,000	589,500	94,505	494,995
Telephone related services	5,500	8,919	8,919	-
Public notices	5,000	4,032	4,032	-
Maintenance and service contracts	2,000	2,000	1,133	867
Auto operating expenses	1,500	900	387	513
Printing and supplies	4,000	4,600	4,407	193
Office supplies	3,000	2,000	641	1,359
Special departmental supplies	1,500	1,500	1,376	124
Postage	2,000	2,000	1,228	772
Gas and oil	500	500	313	187
Uniform and clothing	100	100	-	100
Membership and dues	4,000	2,200	1,778	422
Employee training	2,700	2,700	2,020	680
Travel and conferences	2,000	2,800	2,608	192
Total urban planning and development	<u>688,900</u>	<u>1,239,898</u>	<u>716,122</u>	<u>523,776</u>

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
General Government (Continued)				
Building Inspection and Permits				
Salary and wages	\$ 290,400	\$ 264,336	\$ 261,836	\$ 2,500
Retirement	54,100	50,256	47,418	2,838
Health insurance	72,600	62,733	62,732	1
Workers' compensation	15,000	15,186	15,185	1
Social security	22,200	19,041	19,041	-
Professional services	117,000	102,000	100,127	1,873
Telephone related services	5,500	5,500	4,558	942
Maintenance and service contracts	1,000	1,000	564	436
Auto operating expenses	3,500	8,460	7,948	512
Printing and supplies	500	500	-	500
Other supplies and equipment	4,000	4,000	1,025	2,975
Postage	300	300	1	299
Gas and oil	4,000	4,000	4,038	(38)
Uniform and clothing	2,250	2,250	1,918	332
Membership and dues	1,000	1,000	480	520
Employee training	4,500	4,500	2,490	2,010
Total building inspection and permits	597,850	545,062	529,361	15,701
Total general government	6,707,900	7,118,918	6,241,349	877,569
Public Safety				
Police				
Salary and wages	7,169,900	6,855,324	6,621,258	234,066
Retirement	1,580,000	1,478,770	1,300,283	178,487
Health insurance	1,192,900	1,024,860	971,298	53,562
Workers' compensation	293,600	296,283	296,282	1
Social security	527,400	505,660	493,606	12,054
Professional services	18,000	18,000	18,000	-
Telephone related services	115,000	115,000	103,519	11,481
Inmate services	1,000	-	-	-
Maintenance and service contracts	81,500	84,150	70,790	13,360
Building and maintenance	1,000	1,000	-	1,000
Water usage	4,000	4,000	3,670	330
Electricity	21,000	21,000	15,781	5,219
Auto operating expenses	80,000	184,770	129,204	55,566
Radio maintenance	5,000	5,000	3,842	1,158
Maintenance and equipment repairs	6,000	3,150	10,891	(7,741)
Printing and supplies	4,000	4,000	2,890	1,110
Special departmental supplies	65,000	56,900	192,144	(135,244)
Postage	2,500	2,500	1,525	975
Gas and oil	300,000	290,000	232,378	57,622
Uniform and clothing	80,000	60,000	70,032	(10,032)
Rent payments	30,300	30,300	30,300	-
Membership and dues	4,000	4,000	2,341	1,659
Employee training	15,000	15,000	13,877	1,123
Travel and conferences	5,000	5,000	4,463	537
Prisoner housing	210,000	227,000	198,303	28,697
PAL expenses	500	500	-	500
Rewards	100	100	-	100
Grant expenditures	12,000	12,000	12,000	-
Capital outlay	110,650	304,135	15,000	289,135
Total police	11,935,350	11,608,402	10,813,677	794,725

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Fire				
Salary and wages	\$ 5,417,300	\$ 5,238,091	\$ 5,238,091	\$ -
Retirement	1,227,400	1,105,720	1,056,367	49,353
Health insurance	1,036,900	992,360	992,359	1
Workers' compensation	161,200	162,652	162,652	-
Social security	406,800	387,395	387,395	-
Professional services	13,200	21,277	21,270	7
Telephone related services	65,000	73,815	73,814	1
Maintenance and service contracts	48,100	40,850	40,850	-
Building and maintenance	20,000	41,771	41,757	14
Water usage	30,000	34,050	34,040	10
Electricity	57,000	52,060	50,701	1,359
Heating fuel	24,000	21,050	20,125	925
Auto operating expenses	75,000	256,035	196,534	59,501
Radio maintenance	5,000	14,650	319	14,331
Maintenance and equipment repairs	16,500	12,003	12,002	1
Printing and supplies	1,000	-	-	-
Janitorial/sanitary supplies	14,500	14,500	14,500	-
Personal protective equipment	56,000	64,497	56,251	8,246
Special departmental supplies	42,000	46,775	77,505	(30,730)
Postage	150	160	159	1
Gas and oil	70,000	70,000	63,232	6,768
Uniform and clothing	41,000	43,900	39,326	4,574
Membership and dues	1,350	723	723	-
Employee training	23,000	48,356	20,806	27,550
Fire prevention	8,000	9,365	5,864	3,501
Risk management	6,500	6,500	2,968	3,532
Capital outlay	-	4,563,152	2,105,114	2,458,038
Total fire	8,866,900	13,321,707	10,714,724	2,606,983
Total public safety	20,802,250	24,930,109	21,528,401	3,401,708
Public Works				
Streets and Beautification				
Salary and wages	1,792,500	1,681,717	1,628,504	53,213
Retirement	338,400	312,870	291,131	21,739
Health insurance	322,300	284,217	284,216	1
Workers' compensation	67,400	68,053	68,053	-
Social security	139,500	132,140	121,735	10,405
Professional services	60,000	89,620	80,905	8,715
Telephone related services	11,000	16,100	16,031	69
Maintenance and service contracts	10,000	6,800	4,373	2,427
Security system services	500	500	458	42
Pest control	2,000	2,000	1,578	422
Inmate services	20,000	14,000	13,305	695
Building and maintenance	28,000	32,100	33,096	(996)
Water usage	25,000	31,000	30,747	253
Electricity	37,000	37,000	34,641	2,359
Auto operating expenses	50,000	112,327	112,958	(631)
Maintenance and equipment repairs	50,000	3,900	2,464	1,436
Radio maintenance	1,500	1,500	904	596
Printing and supplies	500	500	-	500
Office supplies	4,000	4,000	2,343	1,657
Janitorial supplies	15,000	15,750	15,629	121
Chemicals	5,000	21,100	20,566	534
Safety supplies	3,000	3,000	2,130	870
Special departmental supplies	30,000	34,928	88,179	(53,251)
Postage	100	100	12	88

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Public Works (Continued)				
Streets and Beautification (Continued)				
Gas and oil	\$ 115,000	\$ 103,400	\$ 69,191	\$ 34,209
Paving materials and supplies	10,000	9,200	9,164	36
Irrigation materials and supplies	1,000	2,300	2,239	61
Turf and landscape supplies	5,000	5,457	5,457	-
Sign shop supplies	6,000	9,606	9,605	1
Medical expenses	40,000	40,000	35,889	4,111
Uniform and clothing	35,000	35,000	28,253	6,747
Membership and dues	500	500	460	40
Employee training	2,500	2,500	970	1,530
Tree beautification	8,000	13,250	13,209	41
Cheves/lrby parking deck	70,000	70,000	58,611	11,389
Capital outlay	110,000	335,000	183,049	151,951
Total streets and beautification	3,415,700	3,531,435	3,270,055	261,380
Sanitation				
Salary and wages	1,510,500	1,538,333	1,523,220	15,113
Retirement	282,200	281,230	266,979	14,251
Health insurance	344,300	305,190	300,649	4,541
Workers' compensation	50,600	51,068	51,068	-
Social security	116,300	115,040	113,101	1,939
Professional services	40,000	27,500	2,866	24,634
Telephone related services	3,000	3,000	1,738	1,262
Public notices	2,500	900	180	720
Maintenance and service contracts	5,000	5,696	5,695	1
Landfill services	1,850,000	2,118,933	2,118,933	-
Auto operating expenses	300,000	300,000	283,773	16,227
Radio maintenance	7,000	7,004	7,004	-
Maintenance and equipment repairs	-	500	158	342
Printing and supplies	300	300	-	300
Office supplies	200	200	39	161
Safety supplies	4,000	2,500	1,865	635
Special departmental supplies	9,000	9,000	27,853	(18,853)
Postage	100	100	-	100
Gas and oil	275,000	275,000	180,659	94,341
Uniform and clothing	33,000	35,700	35,545	155
Membership and dues	100	100	-	100
Employee training	2,500	2,000	596	1,404
Capital outlay	350,000	1,219,890	1,131,684	88,206
Total sanitation	5,185,600	6,299,184	6,053,605	245,579
Equipment Maintenance				
Salary and wages	516,300	458,370	426,745	31,625
Retirement	95,800	84,370	76,170	8,200
Health insurance	97,300	98,842	98,842	-
Workers' compensation	13,100	13,274	13,273	1
Social security	39,500	36,970	31,210	5,760
Professional services	4,000	4,000	3,806	194
Telephone related services	3,000	6,000	5,583	417
Cable and related services	1,000	-	-	-
Maintenance and service contracts	-	1,000	945	55
Heating fuel	5,000	4,309	4,308	1
Auto operating expenses	4,000	2,800	2,773	27
Radio maintenance	500	-	-	-
Maintenance and equipment repairs	500	2,144	2,144	-
Office supplies	1,000	1,000	785	215
Safety supplies	500	100	-	100
Special departmental supplies	12,000	32,089	32,089	-

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Public Works (Continued)				
Equipment Maintenance (Continued)				
Gas and oil	\$ 10,000	\$ 10,000	\$ 9,875	\$ 125
Uniform and clothing	6,000	8,000	7,906	94
Employee training	1,500	-	-	-
Capital outlay	-	20,300	8,000	12,300
Total equipment maintenance	811,000	783,568	724,454	59,114
Total public works	9,412,300	10,614,187	10,048,114	566,073
Culture and Recreation				
Parks and Leisure Services				
Salary and wages	2,316,300	2,183,340	2,097,250	86,090
Retirement	432,100	403,830	373,098	30,732
Health insurance	512,000	365,470	340,345	25,125
Workers' compensation	183,000	184,699	184,698	1
Social security	174,900	161,210	150,174	11,036
Professional services	41,000	59,676	63,667	(3,991)
Contracted instructors	25,000	24,020	19,576	4,444
Telephone related services	65,000	116,139	116,138	1
Cable and related services	38,000	41,900	41,830	70
Security systems	15,000	11,500	16,596	(5,096)
Pest control	17,500	19,000	18,350	650
Inmate services	35,500	31,500	31,095	405
Maintenance and service contracts	40,000	45,980	45,975	5
Facility and park maintenance	200,000	248,162	190,549	57,613
Building maintenance	5,000	2,000	2,641	(641)
Water usage	101,000	107,000	106,889	111
Electricity	413,500	384,500	383,531	969
Auto operating expenses	30,000	60,028	61,422	(1,394)
Maintenance and equipment repairs	9,000	9,000	12,964	(3,964)
Radio maintenance and repairs	300	300	297	3
Printing and supplies	5,000	4,000	1,645	2,355
Office supplies	7,500	6,000	5,940	60
Janitorial services and supplies	36,500	32,500	32,398	102
Safety supplies	3,000	3,000	2,100	900
Special departmental supplies	30,000	16,650	41,537	(24,887)
Postage	400	400	248	152
Gas and oil	45,500	30,190	30,004	186
Irrigation supplies	9,000	10,500	10,068	432
Athletic field supplies	71,000	83,800	83,738	62
Uniforms and clothing	19,000	24,560	24,704	(144)
Marketing and promotion	275,000	275,000	237,123	37,877
Membership and dues	3,950	2,450	1,933	517
Employee training	8,000	6,750	6,162	588
Travel and conferences	7,900	4,190	3,613	577
Food and supplies	34,000	45,700	45,677	23
Tree beautification	4,500	460	322	138
Tournaments	7,000	7,000	6,054	946
Stadium commissions	11,500	11,200	11,200	-
Pro shop supplies	17,000	17,000	17,000	-
Boys and Girls Club	21,000	21,075	21,072	3
Program expenses	22,000	21,865	86,842	(64,977)
Building and fixed equipment	-	24,350	-	24,350
Grant expenditures	19,000	19,000	1,556	17,444
Other recreation projects	-	-	563,294	(563,294)
Capital outlay	130,000	2,489,950	2,451,157	38,793
Total parks and leisure services	5,441,850	7,616,844	7,942,472	(325,628)
Total culture and recreation	5,441,850	7,616,844	7,942,472	(325,628)

CITY OF FLORENCE, SOUTH CAROLINA

**GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Community Development				
Boys and Girls Club	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Transit system	218,000	218,000	218,000	-
Pee Dee Chapter Red Cross	10,000	10,000	10,000	-
Keep Florence Beautiful	5,000	5,000	5,000	-
NOU Homeless program	68,800	68,800	68,800	-
My Brother's Keeper	10,000	10,000	10,000	-
Foster Care Clothing Closet	7,000	7,000	7,000	-
Pee Dee Coalition	5,000	5,000	5,000	-
Helping Florence Flourish	1,200	1,200	1,200	-
Florence Regional Airport	20,000	20,000	20,000	-
G-Lab Legacies	15,000	15,000	15,000	-
Leatherman Senior Center	5,800	5,800	5,800	-
Total community development	<u>385,800</u>	<u>385,800</u>	<u>385,800</u>	<u>-</u>
Non-departmental				
Employee relations	40,000	44,863	44,862	1
Unemployment compensation	2,000	2,000	-	2,000
OPEB expense	706,000	706,000	706,000	-
Employee assistance	-	-	11,633	(11,633)
Property and liability insurance	1,065,000	1,065,000	1,023,624	41,376
Small claims	125,000	221,131	221,131	-
Employee w/c small claims	70,000	91,239	91,239	-
Legal services	70,000	70,000	64,743	5,257
Neighborhood redevelopment	1,200,000	1,200,000	1,200,000	-
City Center operations	351,900	351,900	136,744	215,156
Dargan Street Incubator	100,000	101,026	101,025	1
Downtown revitalization	-	-	8,751	(8,751)
Contingency	53,500	237,478	6,490	230,988
Credit card fees	-	16,878	16,877	1
Street lights	1,050,000	1,286,415	1,286,415	-
IT support services	350,000	485,976	485,976	-
IT hardware/software	425,100	436,383	414,572	21,811
Health services	90,000	93,975	93,974	1
Parking garage	-	-	16,240	(16,240)
Special projects	160,000	200,889	176,329	24,560
Recreation Facilities Rehab	-	72,000	-	72,000
High Hill Creek bike/run park	-	59,391	-	59,391
Downtown promotions	35,000	42,978	31,341	11,637
BTC parking lease	63,000	63,000	63,000	-
Debt service admin fees	10,600	10,600	9,800	800
Bank charges	-	8,232	8,231	1
Miscellaneous grant expenditures	-	25,000	-	25,000
Subscriptions	-	-	69,949	(69,949)
Fire station #6	-	-	10,717	(10,717)
Capital outlay	-	-	2,028,731	(2,028,731)
Total non-departmental	<u>5,967,100</u>	<u>6,892,354</u>	<u>8,328,394</u>	<u>(1,436,040)</u>
Debt Service				
Principal	2,700,300	3,060,934	2,321,651	739,283
Interest	-	-	847,556	(847,556)
Total debt service	<u>2,700,300</u>	<u>3,060,934</u>	<u>3,169,207</u>	<u>(108,273)</u>
Total expenditures	<u>\$ 51,417,500</u>	<u>\$ 60,619,146</u>	<u>\$ 57,643,737</u>	<u>\$ 2,975,409</u>

CITY OF FLORENCE, SOUTH CAROLINA

**WATER AND SEWER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Budget
	Original	Final		
OPERATING REVENUE				
Water service fees	\$ 24,657,600	\$ 24,657,600	\$ 22,359,480	\$ (2,298,120)
Sewer service fees	26,931,000	26,931,000	25,736,343	(1,194,657)
Sewer surcharge	73,000	73,000	56,806	(16,194)
Cut on fees	220,000	220,000	195,736	(24,264)
Water tap fees	1,200,000	1,200,000	1,025,200	(174,800)
Sewer tap fees	290,000	290,000	274,112	(15,888)
Service charges	280,000	280,000	223,742	(56,258)
Late fees	405,000	405,000	492,825	87,825
Miscellaneous	74,100	74,100	54,151	(19,949)
Total operating revenues	<u>54,130,700</u>	<u>54,130,700</u>	<u>50,418,395</u>	<u>(3,712,305)</u>
OPERATING EXPENSES				
Engineering				
Salary and wages	981,600	981,600	942,647	38,953
Retirement	182,200	182,200	149,864	32,336
Health insurance	155,700	155,700	139,211	16,489
Workers' compensation	20,700	20,700	20,922	(222)
Social security	75,100	75,100	69,924	5,176
Professional services	100,000	100,000	130,939	(30,939)
Telephone related services	15,000	15,000	14,466	534
Public notices	200	200	-	200
Maintenance and service contracts	45,000	45,000	48,146	(3,146)
Electricity	30,000	30,000	36,169	(6,169)
Vehicle repair and maintenance	4,500	4,500	1,927	2,573
Radio maintenance and repairs	500	500	-	500
Printing and supplies	5,000	5,000	4,444	556
Office supplies	-	-	596	(596)
Other supplies and equipment	8,000	8,000	16,513	(8,513)
Postage	100	100	18	82
Gas and oil	13,500	13,500	10,399	3,101
Uniform and clothing	1,000	1,000	1,620	(620)
Membership and dues	1,500	1,500	2,962	(1,462)
Employee training	4,500	4,500	475	4,025
Travel and conferences	2,000	2,000	4,118	(2,118)
Total engineering	<u>1,646,100</u>	<u>1,646,100</u>	<u>1,595,360</u>	<u>50,740</u>
Utility Finance				
Salary and wages	1,311,700	1,311,700	986,892	324,808
Retirement	235,900	235,900	162,575	73,325
Health insurance	227,200	227,200	175,407	51,793
Workers' compensation	48,800	48,800	49,268	(468)
Social security	100,300	100,300	74,100	26,200
Utility bill printing/mailing	250,000	250,000	247,779	2,221
Telephone related services	27,000	27,000	22,067	4,933
Maintenance and service contracts	50,000	50,000	98,990	(48,990)
Vehicle repair and maintenance	30,000	30,000	27,927	2,073
Equipment maintenance and repairs	1,000	1,000	109	891
Printing and supplies	6,000	6,000	1,965	4,035
Office supplies	13,000	13,000	8,835	4,165
Other supplies and equipment	10,000	10,000	6,797	3,203
Postage	10,000	10,000	3,335	6,665
Vehicle fuel and oil	55,000	55,000	47,579	7,421
Meter parts and supplies	125,000	125,000	142,567	(17,567)
Uniform and clothing	12,000	12,000	11,020	980
Membership and dues	1,000	1,000	96	904
Employee training	1,100	1,100	-	1,100
Travel and conferences	2,000	2,000	112	1,888
Total utility finance	<u>2,517,000</u>	<u>2,517,000</u>	<u>2,067,420</u>	<u>449,580</u>

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**WATER AND SEWER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

OPERATING EXPENSES (CONTINUED)	Budget		Actual	Variance with Budget
	Original	Final		
Wastewater Treatment				
Salary and wages	\$ 2,576,100	\$ 2,576,100	\$ 2,242,396	\$ 333,704
Retirement	478,200	478,200	358,344	119,856
Health insurance	464,500	464,500	330,191	134,309
Workers' compensation	53,600	53,600	54,105	(505)
Social security	196,800	196,800	167,259	29,541
Professional services	101,000	100,000	159,653	(59,653)
Telephone and related services	28,400	25,000	41,596	(16,596)
Maintenance and service contracts	205,000	205,000	213,753	(8,753)
Building maintenance	5,500	5,500	10,279	(4,779)
City services	25,000	25,000	27,967	(2,967)
Electricity	1,500,000	1,500,000	1,645,988	(145,988)
Fuel oil	5,000	5,000	44,779	(39,779)
Landfill services	850,000	850,000	969,823	(119,823)
Vehicle maintenance and repairs	36,000	30,000	50,044	(20,044)
Radio maintenance and repairs	1,500	500	1,001	(501)
Other maintenance and repairs	1,015,500	1,015,000	1,143,334	(128,334)
Printing	4,300	4,000	2,346	1,654
Chemicals	300,000	300,000	484,442	(184,442)
Lab supplies	41,000	41,000	51,977	(10,977)
Other supplies and equipment	98,000	98,000	52,122	45,878
Postage	1,600	1,600	1,568	32
Vehicle fuel and oil	80,000	65,000	85,942	(20,942)
Uniforms and clothing	26,000	26,000	26,046	(46)
Membership and dues	15,000	15,000	11,845	3,155
Conference and training	17,500	17,500	17,326	174
Travel and lodging	-	-	15	(15)
Auto equipment	280,000	280,000	-	280,000
Other equipment	200,000	200,000	-	200,000
Total wastewater treatment	8,605,500	8,578,300	8,194,141	384,159
Surface Water Production				
Salary and wages	1,483,700	1,483,700	1,467,560	16,140
Retirement	275,400	275,400	224,476	50,924
Health insurance	215,900	215,900	168,425	47,475
Workers' compensation	31,100	31,100	31,383	(283)
Social security	113,500	113,500	110,956	2,544
Professional services	300,000	300,000	178,991	121,009
Telephone and related services	30,000	30,000	43,760	(13,760)
Maintenance and service contracts	15,000	15,000	9,574	5,426
Building maintenance	38,000	38,000	32,781	5,219
City services	9,000	9,000	11,969	(2,969)
Electricity	1,375,000	1,375,000	1,402,053	(27,053)
Fuel oil	17,000	17,000	16,029	971
Vehicle maintenance and repairs	12,000	12,000	34,297	(22,297)
Radio maintenance and repairs	1,000	1,000	361	639
Other maintenance and repairs	378,000	543,000	839,363	(296,363)
Well maintenance and repairs	378,000	543,000	114,517	428,483
Printing	2,800	2,800	1,036	1,764
Chemicals	900,000	900,000	1,398,689	(498,689)
Lab supplies	70,000	70,000	78,067	(8,067)
Other supplies and equipment	35,000	35,000	185,173	(150,173)
Postage	200	200	369	(169)
Vehicle fuel and oil	35,000	35,000	47,053	(12,053)
Uniforms and clothing	14,000	14,000	14,863	(863)
Membership and dues	2,200	2,200	1,265	935
Conference and training	10,000	10,000	7,919	2,081
Facility improvements	675,000	675,000	-	675,000
Auto equipment	50,000	50,000	-	50,000
Other equipment	375,000	375,000	-	375,000
Total surface water production	6,841,800	7,171,800	6,420,929	750,871

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**WATER AND SEWER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

OPERATING EXPENSES (CONTINUED)	Budget		Actual	Variance with Budget
	Original	Final		
Distribution Operations				
Salary and wages	\$ 1,555,300	\$ 1,555,300	\$ 1,193,692	\$ 361,608
Retirement	288,600	288,600	199,627	88,973
Health insurance	302,800	302,800	203,335	99,465
Workers' compensation	39,300	39,300	39,707	(407)
Social security	119,000	119,000	89,277	29,723
Professional services	40,000	40,000	916,453	(876,453)
Telephone and related services	15,000	15,000	18,337	(3,337)
Maintenance and service contracts	9,500	9,500	10,102	(602)
Building maintenance	40,000	40,000	33,718	6,282
City services	12,000	12,000	15,134	(3,134)
Electricity	10,000	10,000	9,929	71
Fuel oil	7,000	7,000	4,308	2,692
Vehicle maintenance and repairs	50,000	50,000	77,122	(27,122)
Radio maintenance and repairs	100	100	369	(269)
Other maintenance and repairs	20,000	20,000	25,630	(5,630)
Printing	7,600	7,600	5,115	2,485
Other supplies and equipment	50,000	50,000	70,591	(20,591)
Postage	100	100	18	82
Vehicle fuel and oil	85,000	85,000	74,586	10,414
Meter parts and supplies	93,000	93,000	119,277	(26,277)
Pipe fittings and supplies	220,000	220,000	426,457	(206,457)
Paving materials and supplies	10,000	10,000	29,743	(19,743)
Uniforms and clothing	24,000	24,000	28,548	(4,548)
Membership and dues	1,000	1,000	520	480
Conference and training	5,000	5,000	20,145	(15,145)
Auto equipment	50,000	50,000	-	50,000
Other equipment	180,000	180,000	-	180,000
Total distribution operations	3,234,300	3,234,300	3,611,740	(377,440)
Collection Operations				
Salary and wages	987,000	987,000	637,802	349,198
Retirement	183,000	183,000	110,274	72,726
Health insurance	196,000	196,000	130,519	65,481
Workers' compensation	26,000	26,000	26,209	(209)
Social security	75,500	75,500	47,072	28,428
Professional services	8,000	8,000	366,067	(358,067)
Telephone related services	5,000	5,000	3,407	1,593
Vehicle maintenance and repairs	55,000	55,000	79,460	(24,460)
Radio maintenance and repairs	100	100	-	100
Other maintenance and repairs	50,000	50,000	127,984	(77,984)
Printing	200	200	-	200
Other supplies and equipment	35,000	35,000	115,471	(80,471)
Postage	50	50	2	48
Vehicle fuel and oil	65,000	65,000	58,105	6,895
Pipe fittings and supplies	90,000	90,000	65,032	24,968
Paving materials and supplies	70,000	70,000	51,719	18,281
Uniforms and clothing	11,000	11,000	13,161	(2,161)
Membership and dues	500	500	285	215
Conference and training	5,000	5,000	21,121	(16,121)
Auto equipment	562,000	562,000	-	562,000
Other equipment	35,000	35,000	-	35,000
Total collection operations	2,459,350	2,459,350	1,853,690	605,660

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**WATER AND SEWER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Budget
	Original	Final		
OPERATING EXPENSES (CONTINUED)				
Non-Departmental				
Depreciation	\$ -	\$ -	\$ 11,243,190	\$ (11,243,190)
Debt service admin charges	30,000	30,000	23,700	6,300
Bank charges	500	500	23.00	477
Credit card fees	-	-	422	(422)
Employee relations	30,000	30,000	48,311	(18,311)
Unemployment compensation	1,500	1,500	-	1,500
Other postemployment benefits	255,000	255,000	255,000	-
GASB 68 pension expense	-	-	(410,126)	410,126
Property and liability insurance	725,000	725,000	695,354	29,646
Small claims	110,000	110,000	184,066	(74,066)
Employee w/c small claims	30,000	30,000	66,447	(36,447)
Legal services	68,300	68,300	64,743	3,557
City Center operations	345,000	345,000	136,732	208,268
Contingency	50,000	50,000	21,923	28,077
IT support services	400,000	400,000	452,609	(52,609)
Management system software	473,100	473,100	298,738	174,362
Health services	90,000	90,000	79,188	10,812
Special projects	150,000	150,000	111,087	38,913
Grouped address expenditures	19,015,000	19,015,000	-	19,015,000
Total non-departmental	<u>21,773,400</u>	<u>21,773,400</u>	<u>13,271,407</u>	<u>8,501,993</u>
Total operating expenses	<u>47,077,450</u>	<u>47,380,250</u>	<u>37,014,687</u>	<u>10,365,563</u>
NONOPERATING REVENUE (EXPENSE)				
Investment earnings	260,000	260,000	2,130,244	1,870,244
Intergovernmental	1,017,000	1,017,000	3,961,113	2,944,113
Economic development	(3,500,000)	(3,500,000)	(3,090,456)	409,544
Interest expense	-	-	(3,601,776)	(3,601,776)
Gain on disposal of assets	-	-	36,750	36,750
Issuance costs	-	-	(362,336)	(362,336)
Miscellaneous	600,000	600,000	26,301	(573,699)
Total nonoperating expenses, net	<u>(1,623,000)</u>	<u>(1,623,000)</u>	<u>(900,160)</u>	<u>722,840</u>
Income before capital contributions and transfers	5,430,250	5,127,450	12,503,548	7,376,098
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>3,176,320</u>	<u>3,176,320</u>
TRANSFERS				
Transfers in	4,734,000	4,734,000	-	(4,734,000)
Transfers out	(23,458,250)	(23,458,250)	(4,726,777)	18,731,473
Total transfers	<u>(18,724,250)</u>	<u>(18,724,250)</u>	<u>(4,726,777)</u>	<u>13,997,473</u>
Change in net position	(13,294,000)	(13,596,800)	10,953,091	24,549,891
Total net position, beginning of year	<u>158,807,767</u>	<u>158,807,767</u>	<u>158,807,767</u>	<u>-</u>
Total net position, end of year	<u>\$ 145,513,767</u>	<u>\$ 145,210,967</u>	<u>\$ 169,760,858</u>	<u>\$ 24,549,891</u>

CITY OF FLORENCE, SOUTH CAROLINA

**STORM WATER UTILITY FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
BUDGET AND ACTUAL - GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Budget
	Original	Final		
OPERATING REVENUE				
Stormwater service fees	\$ 1,700,000	\$ 1,700,000	\$ 1,661,771	\$ (38,229)
Miscellaneous	30,000	30,000	22,280	(7,720)
Total operating revenues	<u>1,730,000</u>	<u>1,730,000</u>	<u>1,684,051</u>	<u>(45,949)</u>
OPERATING EXPENSES				
Salary and wages	434,700	354,770	296,577	58,193
Retirement	80,700	65,830	51,212	14,618
Health insurance	91,000	66,540	49,038	17,502
Workers' compensation	14,900	13,860	14,961	(1,101)
Social security	33,300	26,970	22,198	4,772
Printing and supplies	300	300	-	300
Membership and dues	500	500	30	470
Postage	100	100	18	82
Auto operating expenses	25,000	30,591	30,591	-
Electricity	4,500	4,500	2,900	1,600
Telephone related services	3,000	593	593	-
Maintenance and equipment repairs	28,500	1,856	5,920	(4,064)
Uniforms and clothing	5,000	5,000	4,647	353
Pipe fittings and hydrants	13,000	-	-	-
Employee training	600	600	16,352	(15,752)
Professional services	130,000	130,000	131,871	(1,871)
Special department supplies	15,000	60,431	60,431	-
Gas and oil	45,000	36,465	36,295	170
Depreciation	-	-	380,726	(380,726)
Bank charges	3,100	3,536	3,350	186
Employee relations	1,700	1,700	3,344	(1,644)
Property and liability insurance	21,000	21,000	20,158	842
Other post employment benefits	20,000	20,000	20,000	-
GASB 68 pension expense	-	-	(164,717)	164,717
Contingency	17,870	144,500	-	144,500
Total operating expenses	<u>988,770</u>	<u>989,642</u>	<u>986,495</u>	<u>3,147</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	22,000	22,000	273,198	(251,198)
Intergovernmental	-	-	200,583	(200,583)
Interest expense	-	-	(97,136)	97,136
Gain on disposal of assets	-	-	14,799	(14,799)
Total nonoperating revenues, net	<u>22,000</u>	<u>22,000</u>	<u>391,444</u>	<u>(369,444)</u>
Income before capital contributions and transfers	<u>763,230</u>	<u>762,358</u>	<u>1,089,000</u>	<u>326,642</u>
CAPITAL CONTRIBUTIONS	-	-	950,600	950,600
TRANSFERS				
Transfers in	485,000	485,000	-	(485,000)
Transfers out	(923,230)	(923,230)	(123,831)	799,399
Total transfers	<u>(438,230)</u>	<u>(438,230)</u>	<u>(123,831)</u>	<u>314,399</u>
Change in net position	325,000	324,128	1,915,769	1,591,641
Total net position, beginning of year	<u>8,584,407</u>	<u>8,584,407</u>	<u>8,584,407</u>	<u>-</u>
Total net position, end of year	<u>\$ 8,909,407</u>	<u>\$ 8,908,535</u>	<u>\$ 10,500,176</u>	<u>\$ 1,591,641</u>

CITY OF FLORENCE, SOUTH CAROLINA

**WATER AND SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Operating Revenues:				
Current use charges	\$ 51,588,600	\$ 51,588,600	\$ 48,095,823	\$ (3,492,777)
Service fees	73,000	73,000	56,806	(16,194)
Water and sewer tap fees	1,490,000	1,490,000	1,299,312	(190,688)
Miscellaneous	979,100	979,100	966,454	(12,646)
Total operating revenues	54,130,700	54,130,700	50,418,395	(3,712,305)
Operating Expenses:				
Personnel	8,895,400	8,895,400	7,470,989	1,424,411
Employee benefits	4,105,100	4,105,100	3,132,430	972,670
Engineering	230,800	230,800	272,792	(41,992)
Utility finance	593,100	593,100	619,178	(26,078)
Wastewater treatment	4,836,300	4,809,100	5,041,846	(232,746)
Surface water production	4,722,200	5,052,200	4,418,129	634,071
Distribution operations	929,300	929,300	1,886,102	(956,802)
Collection operations	991,850	991,850	901,814	90,036
Non-departmental	21,773,400	21,773,400	2,028,217	19,745,183
Depreciation	-	-	11,243,190	(11,243,190)
Total operating expenses	47,077,450	47,380,250	37,014,687	10,365,563
Operating Income	7,053,250	6,750,450	13,403,708	6,653,258
Nonoperating Revenues (Expenses)				
Investment earnings	260,000	260,000	2,130,244	1,870,244
Intergovernmental	1,017,000	1,017,000	3,961,113	2,944,113
Economic development	(3,500,000)	(3,500,000)	(3,090,456)	409,544
Interest expense	-	-	(3,601,776)	(3,601,776)
Gain on disposal of assets	-	-	36,750	36,750
Issuance costs	-	-	(362,336)	(362,336)
Miscellaneous	600,000	600,000	26,301	(573,699)
Total nonoperating expenses, net	(1,623,000)	(1,623,000)	(900,160)	722,840
Income before capital contributions and transfers	5,430,250	5,127,450	12,503,548	7,376,098
Capital Contributions	-	-	3,176,320	3,176,320
Transfers				
Transfers in	4,734,000	4,734,000	-	(4,734,000)
Transfers out	(23,458,250)	(23,458,250)	(4,726,777)	18,731,473
Total transfers	(18,724,250)	(18,724,250)	(4,726,777)	13,997,473
Change in net position	(13,294,000)	(13,596,800)	10,953,091	24,549,891
Total net position, beginning of year	158,807,767	158,807,767	158,807,767	-
Total net position, end of year	\$ 145,513,767	\$ 145,210,967	\$ 169,760,858	\$ 24,549,891

CITY OF FLORENCE, SOUTH CAROLINA

**STORMWATER UTILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Operating Revenues:				
Stormwater service fees	\$ 1,700,000	\$ 1,700,000	\$ 1,661,771	\$ (38,229)
Miscellaneous	30,000	30,000	22,280	(7,720)
Total operating revenues	1,730,000	1,730,000	1,684,051	(45,949)
Operating Expenses:				
Personnel	434,700	354,770	296,577	58,193
Employee benefits	219,900	173,200	(27,308)	200,508
Stormwater operations	334,170	461,672	336,500	125,172
Depreciation and amortization	-	-	380,726	(380,726)
Total operating expenses	988,770	989,642	986,495	3,147
Operating Income	741,230	740,358	697,556	(42,802)
Nonoperating Revenues (Expenses)				
Investment earnings	22,000	22,000	273,198	251,198
Intergovernmental	-	-	200,583	200,583
Interest expense	-	-	(97,136)	(97,136)
Gain on disposal of assets	-	-	14,799	14,799
Total nonoperating revenues, net	22,000	22,000	391,444	369,444
Income before capital contributions and transfers	763,230	762,358	1,089,000	326,642
Capital Contributions	-	-	950,600	950,600
Transfers				
Transfers in	485,000	485,000	-	(485,000)
Transfers out	(923,230)	(923,230)	(123,831)	799,399
Total transfers	(438,230)	(438,230)	(123,831)	314,399
Change in net position	325,000	324,128	1,915,769	1,591,641
Fund balances, beginning of year	8,584,407	8,584,407	8,584,407	-
Fund balances, end of year	\$ 8,909,407	\$ 8,908,535	\$ 10,500,176	\$ 1,591,641

COMBINING STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Housing Partnership Fund – To account for the expenditure of Housing Action Partnership Program grant.

HOME Program Fund – To account for the expenditure of HOME investment partnerships program grant.

Community Development Block Grant Fund – To account for the expenditures of community development block grants and HUD Section 108 loan proceeds.

Rollcart and Equipment Replacement Fund – To the costs associated with the repair and replacement of garbage collection rollcarts and recycle bins within the City.

E-911 Fund – To account for funds received for communication costs for 911 emergency services.

Victims Services Fund – To account for funds received to provide services to victims of crime.

Drug Control Fund – To account for funds seized in drug related cases that have been awarded to the City and are available for use.

Federal Equitable Sharing Fund – To account for revenues derived from forfeitures of federally seized assets which are expended to enhance law enforcement.

NSP Grant Fund – To account for program expenditures of the HUD funded grant, Neighborhood Stabilization Program.

Neighborhood Improvement Fund – To account for project expenditures to revitalize neighborhoods in the City.

Accommodation Tax Fund – To account for funds received from the State to promote tourism in the City.

Public Safety Grants Fund – To account for grant funds to reduce crime and improve public safety.

NSP-3 Grant Fund – To account for program expenditures of the HUD funded grant, Neighborhood Stabilization Program.

Neighborhood Redevelopment Program Fund – To account for program expenditures to redevelop neighborhoods.

JAG Grant Fund – To account for program expenditures of the Bureau of Justice Assistance Grant.

Sunday Local Option Revenue Fund – To account for revenues received from Sunday Local Option Taxes.

State Provision Fund – To account for State Appropriation funding related to public safety.

Fire Trust Fund – To account for collection of shared insurance premium rebates from the State of South Carolina and expenditures on behalf of City firefighters.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Veterans Park Development Fund – To account for funds received and expended for the development of monuments, other structural amenities, and related special events at the Veterans Park.

Florence Area Humane Society Fund – To account for donations made to the Humane Society received at the City's Animal Shelter.

Palmetto Pride Grant Fund – To account for litter prevention activities.

Brownsfield Grant Fund – To account for Environmental Cleanup Activity for an EPA grant.

DRO Grant McQueen & Cedar Fund – To account for infrastructure improvements on McQueen & Cedar streets.

American Rescue Plan Act Fund – To account for financial resources to support efforts to fight the COVID-19 pandemic.

Capital Project Funds

2016 TIF Construction Projects Fund – To account for various construction projects with the 2016 TIF funds.

Florence County Penny Tax Fund – To account for various projects paid from the penny tax collections.

Installment Purchase Revenue Bond Capital Projects Fund – To account for the financial resources that are restricted, committed, or assigned through proceeds from the sale of installment purchase revenue bonds to fund expenditures associated with the purchase of and improvements made to City owned facilities.

Debt Service Funds

TIF Revenue and Debt Service Fund – To account for revenues received and paid for the TIF bond.

Debt Services Fund – To account for the resources accumulated and payments made for the principal and interest on long-term general obligation debt of governmental funds.

CITY OF FLORENCE, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

ASSETS	Special Revenue Funds					
	Housing Partnership Fund	HOME Program Fund	Community Development Block Grants Fund	Rollcart and Equipment Replacement Fund	E-911 Fund	Victim Services Fund
Cash and cash equivalents	\$ 22,438	\$ 47,546	\$ 11,623	\$ 606,552	\$ 129,592	\$ -
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	29,161	43,643	-	-
Due from other funds	-	250	-	-	-	2,831
Prepays	-	-	-	-	-	-
Inventory	-	-	-	10,808	-	-
Investments	-	-	-	-	494,194	-
Restricted cash and cash equivalents	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-
Total assets	\$ 22,438	\$ 47,796	\$ 40,784	\$ 661,003	\$ 623,786	\$ 2,831
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 585	\$ 6,349	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	1,000	-	-	-	2,831
Total liabilities	-	1,585	6,349	-	-	2,831
FUND BALANCES						
Nonspendable	-	-	-	10,808	-	-
Restricted						
Community development	22,438	46,211	34,435	-	-	-
Public safety	-	-	-	-	623,786	-
Capital projects	-	-	-	-	-	-
Tourism	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Committed	-	-	-	650,195	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	22,438	46,211	34,435	661,003	623,786	-
Total liabilities, deferred inflows of resources and fund balances	\$ 22,438	\$ 47,796	\$ 40,784	\$ 661,003	\$ 623,786	\$ 2,831

Special Revenue Funds

Drug Control Fund	Federal Equitable Sharing Fund	NSP Grant Fund	Neighborhood Improvement Program Fund	Accommodation Tax Fund	Public Safety Grants Fund
\$ 147,019	\$ -	\$ -	\$ 45,149	\$ -	\$ 81,231
-	-	-	-	-	-
300	-	-	-	411,410	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,274	28,332	-	38,901	-
-	-	-	-	-	-
<u>\$ 147,319</u>	<u>\$ 9,274</u>	<u>\$ 28,332</u>	<u>\$ 45,149</u>	<u>\$ 450,311</u>	<u>\$ 81,231</u>
\$ -	\$ -	\$ 3,128	\$ -	\$ 142,736	\$ -
-	-	-	-	-	-
-	-	-	-	211,491	-
-	-	3,128	-	354,227	-
-	-	-	-	-	-
-	-	25,204	45,149	-	-
147,319	9,274	-	-	-	81,231
-	-	-	-	96,084	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>147,319</u>	<u>9,274</u>	<u>25,204</u>	<u>45,149</u>	<u>96,084</u>	<u>81,231</u>
<u>\$ 147,319</u>	<u>\$ 9,274</u>	<u>\$ 28,332</u>	<u>\$ 45,149</u>	<u>\$ 450,311</u>	<u>\$ 81,231</u>

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

Special Revenue Funds						
ASSETS	NSP-3 Grant Fund	Neighborhood Redevelopment Fund	JAG Grant Fund	Sunday Local Option Revenue Fund	Fire Trust Fund	State Proviso Fund
Cash and cash equivalents	\$ 67,836	\$ 739,943	\$ -	\$ 119,558	\$ -	\$ 1,142,863
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	641	105,450	-	-
Due from other funds	-	801,000	614	-	-	-
Prepays	-	-	-	-	-	39,793
Inventory	-	356,432	-	-	-	-
Investments	-	1,874,479	-	48,036	-	-
Restricted cash and cash equivalents	-	-	-	-	17,410	-
Restricted investments	-	-	-	-	-	-
Total assets	\$ 67,836	\$ 3,771,854	\$ 1,255	\$ 273,044	\$ 17,410	\$ 1,182,656
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 2,592	\$ 11,419	\$ 1,255	\$ -	\$ 40	\$ -
Retainage payable	-	16,115	-	-	-	-
Unearned revenue	-	-	-	-	-	1,142,863
Due to other funds	-	250	-	-	-	-
Total liabilities	2,592	27,784	1,255	-	40	1,142,863
FUND BALANCES						
Nonspendable	-	356,432	-	-	-	39,793
Restricted						
Community development	65,244	-	-	-	-	-
Public safety	-	-	-	-	17,370	-
Capital projects	-	-	-	-	-	-
Tourism	-	-	-	273,044	-	-
Debt service	-	-	-	-	-	-
Committed	-	3,387,638	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	65,244	3,744,070	-	273,044	17,370	39,793
Total liabilities, deferred inflows of resources and fund balances	\$ 67,836	\$ 3,771,854	\$ 1,255	\$ 273,044	\$ 17,410	\$ 1,182,656

Special Revenue Funds

Veterans Park Development Fund	Florence Area Humane Society Fund	Palmetto Pride Grant Fund	Brownsfield Grant Fund	DRO Grant McQueen and Cedar Fund	American Rescue Plan Act Fund
\$ 61,292	\$ -	\$ 21,131	\$ 53,247	\$ -	\$ 77,748
-	-	-	-	-	-
-	1,286	-	-	721,074	-
-	-	-	-	531	-
-	-	-	-	-	-
53,220	-	-	-	-	1,850,135
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 114,512</u>	<u>\$ 1,286</u>	<u>\$ 21,131</u>	<u>\$ 53,247</u>	<u>\$ 721,605</u>	<u>\$ 1,927,883</u>
\$ -	\$ 250	\$ -	\$ 53,247	\$ 182,070	\$ 879
-	-	-	-	68,515	-
110,765	-	-	-	-	864,087
-	1,036	-	-	539,535	438,354
<u>110,765</u>	<u>1,286</u>	<u>-</u>	<u>53,247</u>	<u>790,120</u>	<u>1,303,320</u>
-	-	-	-	-	-
3,747	-	21,131	-	-	624,563
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(68,515)	-
<u>3,747</u>	<u>-</u>	<u>21,131</u>	<u>-</u>	<u>(68,515)</u>	<u>624,563</u>
<u>\$ 114,512</u>	<u>\$ 1,286</u>	<u>\$ 21,131</u>	<u>\$ 53,247</u>	<u>\$ 721,605</u>	<u>1,927,883</u>

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

ASSETS	Capital Projects Funds			Debt Service Funds		Total Nonmajor Governmental Funds
	Florence County Penny Tax Fund	2016 TIF Construction Projects Fund	Installment Purchase Revenue Bond Capital Projects Fund	TIF Revenue and Debt Service Fund	Debt Service Fund	
	Cash and cash equivalents	\$ 213,054	\$ -	\$ 109,821	\$ -	
Taxes receivable	-	-	-	-	12,337	12,337
Accounts receivable	2,330,694	-	-	17,149	-	3,659,522
Due from other funds	-	133,890	-	260,577	196,804	1,397,783
Prepays	36,723	-	-	-	-	76,516
Inventory	-	-	-	-	-	367,240
Investments	53,220	-	-	-	266,098	4,639,382
Restricted cash and cash equivalents	-	-	1,492,063	864,028	582,251	3,032,259
Restricted investments	-	-	1,664,078	-	-	1,664,078
Total assets	\$ 2,633,691	\$ 133,890	\$ 3,265,962	\$ 1,141,754	\$ 1,057,490	\$ 18,546,760
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 1,866,779	\$ -	\$ -	\$ -	\$ -	\$ 2,271,329
Retainage payable	197,516	-	-	-	-	282,146
Unearned revenue	-	-	-	-	-	2,117,715
Due to other funds	-	133,890	1,030,455	260,577	-	2,619,419
Total liabilities	2,064,295	133,890	1,030,455	260,577	-	7,290,609
FUND BALANCES						
Nonspendable	36,723	-	-	-	-	443,756
Restricted:						
Community development	-	-	-	-	-	888,122
Public safety	-	-	-	-	-	878,980
Capital projects	532,673	-	2,235,507	881,177	-	3,649,357
Tourism	-	-	-	-	-	369,128
Debt service	-	-	-	-	1,057,490	1,057,490
Committed	-	-	-	-	-	4,037,833
Unassigned	-	-	-	-	-	(68,515)
Total fund balances	569,396	-	2,235,507	881,177	1,057,490	11,256,151
Total liabilities, deferred inflows of resources and fund balances	\$ 2,633,691	\$ 133,890	\$ 3,265,962	\$ 1,141,754	\$ 1,057,490	\$ 18,546,760

CITY OF FLORENCE, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds					
	Housing Partnership Fund	HOME Program Fund	Community Development Block Grants Fund	Rollcart and Equipment Replacement Fund	E-911 Fund	Victim Services Fund
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	-	-	44,432
Intergovernmental	-	-	282,736	-	-	-
Charges for services	-	-	-	443,432	99,692	-
Investment earnings	21	20	-	8,595	22,779	-
Miscellaneous	-	1,650	-	-	-	-
Total revenues	21	1,670	282,736	452,027	122,471	44,432
Expenditures:						
Current:						
General government	-	-	270,836	-	-	-
Public safety	-	-	-	-	44,379	-
Public works	-	-	-	70,165	-	-
Culture and recreation	-	-	-	-	-	-
Community development	-	5,038	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	5,038	270,836	70,165	44,379	-
Excess (deficiency) of revenues over (under) expenditures	21	(3,368)	11,900	381,862	78,092	44,432
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(438,000)	-	(44,432)
Total other financing sources (uses), net	-	-	-	(438,000)	-	(44,432)
Net change in fund balances	21	(3,368)	11,900	(56,138)	78,092	-
Fund balances, beginning of year	22,417	49,579	22,535	717,141	545,694	-
Fund balances (deficits), end of year	\$ 22,438	\$ 46,211	\$ 34,435	\$ 661,003	\$ 623,786	\$ -

Special Revenue Funds

Drug Control Fund	Federal Equitable Sharing Fund	NSP Grant Fund	Neighborhood Improvement Program Fund	Accommodation Tax Fund	Public Safety Grants Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	1,296,652	-
-	-	-	-	-	-
39,051	9	-	42	100	70
65,233	-	3,312	-	-	5,000
<u>104,284</u>	<u>9</u>	<u>3,312</u>	<u>42</u>	<u>1,296,752</u>	<u>5,070</u>
-	-	-	-	-	-
42,250	-	-	-	-	-
-	-	-	-	-	-
-	-	20,237	-	1,239,469	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>42,250</u>	<u>-</u>	<u>20,237</u>	<u>-</u>	<u>1,239,469</u>	<u>-</u>
-	-	-	-	-	-
62,034	9	(16,925)	42	57,283	5,070
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
62,034	9	(16,925)	42	57,283	5,070
85,285	9,265	42,129	45,107	38,801	76,161
<u>\$ 147,319</u>	<u>\$ 9,274</u>	<u>\$ 25,204</u>	<u>\$ 45,149</u>	<u>\$ 96,084</u>	<u>\$ 81,231</u>

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds					
	NSP-3 Grant Fund	Neighborhood Redevelopment Fund	JAG Grant Fund	Sunday Local Option Revenue Fund	Fire Trust Fund	State Proviso Fund
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	228,852	49,387	114,150	-	694,717
Charges for services	-	-	-	-	-	-
Investment earnings	-	86,912	-	3,944	60	-
Miscellaneous	3,370	1,285,222	1,199	-	183,637	-
Total revenues	3,370	1,600,986	50,586	118,094	183,697	694,717
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	24,097	-	191,732	357,617
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community development	50,440	811,272	-	-	-	-
Capital outlay	-	-	26,489	-	-	297,307
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	50,440	811,272	50,586	-	191,732	654,924
Excess (deficiency) of revenues over (under) expenditures	(47,070)	789,714	-	118,094	(8,035)	39,793
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(65,000)	-	-
Total other financing sources (uses), net	-	-	-	(65,000)	-	-
Net change in fund balances	(47,070)	789,714	-	53,094	(8,035)	39,793
Fund balances, beginning of year	112,314	2,954,356	-	219,950	25,405	-
Fund balances (deficits), end of year	\$ 65,244	\$ 3,744,070	\$ -	\$ 273,044	\$ 17,370	\$ 39,793

Special Revenue Funds

Veterans Park Development Fund	Florence Area Humane Society Fund	Palmetto Pride Grant Fund	Brownsfield Grant Fund	DRO Grant McQueen and Cedar Fund	American Rescue Plan Act Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	138,723	834,862	165,226
-	-	-	-	-	-
2,498	-	-	-	-	182,466
<u>16,834</u>	<u>1,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>19,332</u>	<u>1,336</u>	<u>-</u>	<u>138,723</u>	<u>834,862</u>	<u>347,692</u>
-	-	-	138,723	-	-
-	-	-	-	-	-
-	-	-	-	-	117,974
3,935	-	-	-	-	-
-	1,791	-	-	-	-
12,899	-	-	-	903,908	47,252
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>16,834</u>	<u>1,791</u>	<u>-</u>	<u>138,723</u>	<u>903,908</u>	<u>165,226</u>
<u>2,498</u>	<u>(455)</u>	<u>-</u>	<u>-</u>	<u>(69,046)</u>	<u>182,466</u>
-	-	-	-	531	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	531	-
<u>2,498</u>	<u>(455)</u>	<u>-</u>	<u>-</u>	<u>(68,515)</u>	<u>182,466</u>
<u>1,249</u>	<u>455</u>	<u>21,131</u>	<u>-</u>	<u>-</u>	<u>442,097</u>
<u>\$ 3,747</u>	<u>\$ -</u>	<u>\$ 21,131</u>	<u>\$ -</u>	<u>\$ (68,515)</u>	<u>\$ 624,563</u>

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Capital Projects Funds			Debt Service Funds		Total Nonmajor Governmental Funds
	Florence County Penny Tax	2016 TIF Construction Projects	Installment Purchase Revenue Bond Capital Projects Fund	TIF Revenue and Debt Service	Debt Service	
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 871,489	\$ 871,489
Licenses and permits	-	-	-	-	-	44,432
Intergovernmental	3,397,632	-	-	1,369,728	-	8,572,665
Charges for services	-	-	-	-	-	543,124
Investment earnings	4,276	29,658	85,964	38,073	12,530	517,068
Miscellaneous	-	-	-	-	-	1,566,793
Total revenues	3,401,908	29,658	85,964	1,407,801	884,019	12,115,571
Expenditures:						
Current:						
General government	-	-	-	6,598	-	416,157
Public safety	-	-	-	-	-	660,075
Public works	3,155,756	-	-	-	-	3,343,895
Culture and recreation	-	-	-	-	-	3,935
Community development	-	-	-	-	-	2,128,247
Capital outlay	231,056	164,597	-	-	-	1,683,508
Debt service:						
Principal retirement	-	-	-	520,000	604,000	1,124,000
Interest	-	-	-	1,336,448	89,765	1,426,213
Total expenditures	3,386,812	164,597	-	1,863,046	693,765	10,786,030
Excess (deficiency) of revenues over (under) expenditures	15,096	(134,939)	85,964	(455,245)	190,254	1,329,541
Other financing sources (uses)						
Transfers in	-	133,890	-	260,577	-	394,998
Transfers out	-	-	(1,401,871)	-	-	(1,949,303)
Total other financing sources (uses), net	-	133,890	(1,401,871)	260,577	-	(1,554,305)
Net change in fund balances	15,096	(1,049)	(1,315,907)	(194,668)	190,254	(224,764)
Fund balances, beginning of year	554,300	1,049	3,551,414	1,075,845	867,236	11,480,915
Fund balances (deficits), end of year	\$ 569,396	\$ -	\$ 2,235,507	\$ 881,177	\$ 1,057,490	\$ 11,256,151

FIDUCIARY FUNDS

Custodial Funds

Court Escrow Fund – To account for criminal and traffic fines being held on open court cases.

Narcotics Holding Fund – To account for drug related funds seized inside the City on open court cases.

Eat Smart Move More Fund – To account for funding received to support projects that increase access to healthy foods and physical activity.

CITY OF FLORENCE, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	<u>Court Escrow Fund</u>	<u>Narcotics Holding Fund</u>	<u>Eat Smart Move More Fund</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 258,707	\$ 582,400	\$ 6,835	\$ 847,942
Investments	-	53,220	-	53,220
Due from others	6,296	-	-	6,296
Total assets	<u>265,003</u>	<u>635,620</u>	<u>6,835</u>	<u>907,458</u>
LIABILITIES				
Due to others	<u>220,557</u>	-	-	<u>220,557</u>
Total liabilities	<u>220,557</u>	-	-	<u>220,557</u>
FIDUCIARY NET POSITION				
Restricted for: individuals, organizations, and other governments	44,446	635,620	6,835	686,901
Total fiduciary net position	<u>\$ 44,446</u>	<u>\$ 635,620</u>	<u>\$ 6,835</u>	<u>\$ 686,901</u>

CITY OF FLORENCE, SOUTH CAROLINA

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

	<u>Court Escrow Fund</u>	<u>Narcotics Holding Fund</u>	<u>Eat Smart Move More Fund</u>	<u>Totals</u>
ADDITIONS				
Contributions:				
Program revenue - intergovernmental	\$ -	\$ 116,893	\$ -	\$ 116,893
Interest revenue	-	9,308	6	9,314
Total additions	-	126,201	6	126,207
DEDUCTIONS				
Payment of escrow funds	123,822	63,683	-	187,505
Total deductions	123,822	63,683	-	187,505
Change in fiduciary net position	(123,822)	62,518	6	(61,298)
Fiduciary net position, beginning of year	168,268	573,102	6,829	748,199
Fiduciary net position, end of year	\$ 44,446	\$ 635,620	\$ 6,835	\$ 686,901

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

FOR THE STATE TREASURER'S OFFICE:

COUNTY/MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	N/A	N/A	\$ 627,047	\$ 627,047
Court fines and assessments remitted to State Treasurer	N/A	N/A	358,828	358,828
Total Court Fines and Assessments Retained	<u>N/A</u>	<u>N/A</u>	\$ 268,219	\$ 268,219
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	N/A	N/A	\$ 4,075	\$ 4,075
Assessments retained	N/A	N/A	40,357	40,357
Total Surcharges and Assessments Retained for Victim Services	N/A	N/A	\$ 44,432	\$ 44,432

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	\$ -	N/A	\$ -
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	-	N/A	-
Victim Service Assessments Retained by City/County Treasurer	40,357	N/A	40,357
Victim Service Surcharges Retained by City/County Treasurer	4,075	N/A	4,075
Interest Earned	-	N/A	-
Grant Funds Received			
Other:	-	N/A	-
General Funds Transferred to Victim Service Fund	-	N/A	-
Contribution Received from Victim Service Contracts:			
(1) Town of	-	N/A	-
(2) Town of	-	N/A	-
(3) City of	-	N/A	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 44,432	N/A	\$ 44,432

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

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ -	N/A	\$ -
Operating Expenditures	-	N/A	-
Victim Service Contract(s):			
(1) Entity's Name	-	N/A	-
(2) Entity's Name	-	N/A	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter: <i>Cumbee Center to Assist Abused Persons</i>	-	N/A	-
(2) Rape Crisis Center:	-	N/A	-
(3) Other local direct crime victims service agency: <i>Child Advocacy Center</i>	-	N/A	-
Transferred to General Fund	44,432	N/A	44,432
Total Expenditures from Victim Service Fund/Program (B)	44,432	N/A	44,432
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	N/A	-
Less: Prior Year Fund Deficit Repayment	-	N/A	-
Carryforward Funds – End of Year	\$ -	N/A	\$ -

STATISTICAL SECTION

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

	<u>Page</u>
<u>Contents</u>	
Financial Trends	122 - 129
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity.....	130 - 133
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity.....	134 - 138
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information.....	139 - 143
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information.....	144 - 149
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

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

**CITY OF FLORENCE, SOUTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Invested in capital assets, net of related debt	\$ 29,033,102	\$ 38,005,596	\$ 45,883,732	\$ 51,255,140	\$ 53,146,832	\$ 55,591,432	\$ 59,062,787	\$ 63,716,212	\$ 53,705,393	\$ 62,717,631
Restricted	2,351,821	6,077,735	4,019,313	3,862,325	3,932,339	3,410,355	3,617,271	4,497,369	12,437,442	13,260,163
Unrestricted	(12,331,352)	(9,668,156)	(16,772,297)	(21,520,227)	(19,529,042)	(13,575,391)	(23,333,081)	(20,381,622)	(8,199,620)	(8,115,294)
Total governmental activities net position	\$ 19,053,571	\$ 34,415,175	\$ 33,130,748	\$ 33,597,238	\$ 37,550,129	\$ 45,426,396	\$ 39,346,977	\$ 47,831,959	\$ 57,943,215	\$ 67,862,500
Business-type activities										
Invested in capital assets, net of related debt	\$ 89,734,266	\$ 95,268,914	\$ 101,751,447	\$ 102,974,482	\$ 111,026,196	\$ 106,120,448	\$ 117,455,280	\$ 124,413,735	\$ 131,704,809	\$ 145,362,987
Restricted	9,760,388	9,055,832	7,988,039	7,841,160	3,889,776	4,599,746	4,429,017	4,531,645	7,124,505	446,245
Unrestricted	29,552,940	29,988,158	28,028,320	32,777,199	30,712,626	45,259,277	41,583,187	27,750,841	28,562,860	34,451,802
Total business-type activities net position	\$ 129,047,594	\$ 134,312,904	\$ 137,767,806	\$ 143,592,841	\$ 145,628,598	\$ 155,979,471	\$ 163,467,484	\$ 156,696,221	\$ 167,392,174	\$ 180,261,034
Primary government totals										
Invested in capital assets, net of related debt	\$ 118,767,368	\$ 133,274,510	\$ 147,635,179	\$ 154,229,622	\$ 164,173,028	\$ 161,711,880	\$ 176,518,067	\$ 188,129,947	\$ 185,410,202	\$ 208,080,618
Restricted	12,112,209	15,133,567	12,007,352	11,703,485	7,822,115	8,010,101	8,046,288	9,029,014	19,561,947	13,706,408
Unrestricted	17,221,588	20,320,002	11,256,023	11,256,972	11,183,584	31,683,886	18,250,106	7,369,219	20,363,240	26,336,508
Total primary government net position	\$ 148,101,165	\$ 168,728,079	\$ 170,898,554	\$ 177,190,079	\$ 183,178,727	\$ 201,405,867	\$ 202,814,461	\$ 204,528,180	\$ 225,335,389	\$ 248,123,534

CITY OF FLORENCE, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 8,644,736	\$ 12,239,632	\$ 12,317,892	\$ 9,236,887	\$ 11,128,639	\$ 10,195,496	\$ 12,934,543	\$ 11,070,235	\$ 7,573,103	\$ 7,539,150
Public safety	14,544,967	14,958,057	15,066,903	14,208,407	15,338,078	17,323,051	17,557,569	19,129,166	19,686,672	20,684,747
Public works	6,646,686	6,829,919	7,500,862	6,037,673	7,797,621	7,864,732	8,070,452	12,499,915	12,348,694	13,847,717
Culture and recreation	4,954,024	4,547,612	5,088,425	4,280,394	3,546,944	3,707,902	3,669,105	6,015,554	6,451,024	8,040,570
Community development	937,622	1,550,188	2,387,177	16,067,752	3,491,822	7,960,433	11,698,721	2,395,379	2,324,845	3,183,196
Non-departmental	-	-	-	-	-	-	-	-	6,439,019	6,299,663
Interest on debt	1,030,379	1,528,433	2,149,479	2,088,378	2,279,529	2,285,807	2,759,494	2,810,825	2,134,983	2,031,125
Total governmental activities expenses	36,758,414	41,653,841	44,510,738	51,919,491	43,582,633	49,337,421	56,689,884	53,921,074	56,958,340	61,626,168
Business-type activities:										
Water and Sewer	24,495,818	27,691,355	27,566,748	29,139,836	36,718,131	32,077,774	37,325,457	49,934,531	38,842,222	44,069,255
Stormwater	1,037,530	1,173,863	1,293,521	1,518,702	1,132,289	1,061,422	994,108	1,420,999	1,374,041	1,083,631
Total business-type activities expenses	25,533,348	28,865,218	28,860,269	30,658,538	37,850,420	33,139,196	38,319,565	51,355,530	40,216,263	45,152,886
Total primary government expenses	62,291,762	70,519,059	73,371,007	82,578,029	81,433,053	82,476,617	95,009,449	105,276,604	97,174,603	106,779,054
Program Revenues										
Governmental activities:										
Charges for services	15,884,921	17,253,231	17,282,058	18,140,380	17,771,616	18,324,617	18,794,231	20,874,203	22,725,955	23,427,172
Operating grants and contributions	2,248,462	5,562,426	2,655,631	2,712,773	2,944,931	4,413,900	4,427,069	3,484,566	3,175,367	639,962
Capital grants and contributions	189,356	5,501,991	1,051,725	941,560	85,000	1,417,451	-	898,045	1,623,964	3,900,019
Total governmental activities program revenues	18,322,739	28,317,648	20,989,414	21,794,713	20,801,547	24,155,968	23,221,300	25,256,814	27,525,286	27,967,153
Business-type activities:										
Charges for services:										
Water and Sewer	33,366,766	35,122,557	34,780,190	36,365,890	37,338,471	41,286,453	41,019,457	41,626,202	43,727,329	49,451,941
Stormwater	1,303,982	1,314,920	1,307,616	1,322,619	1,351,507	1,500,912	1,613,654	1,633,062	1,637,489	1,661,771
Capital grants and contributions	-	-	1,190,748	191,335	3,347,746	3,338,645	-	2,810,558	5,832,000	4,126,920
Total business-type activities revenues	34,670,748	36,437,477	37,278,554	37,879,844	42,037,724	46,126,010	42,633,111	46,069,822	51,196,818	55,240,632
Total primary government revenues	52,993,487	64,755,125	58,267,968	59,674,557	62,839,271	70,281,978	65,854,411	71,326,636	78,722,104	83,207,785
Net (expense) revenue										
Governmental activities	(18,435,675)	(13,336,193)	(23,521,324)	(30,124,778)	(22,781,086)	(25,181,453)	(33,468,584)	(28,664,260)	(29,433,054)	(33,659,015)
Business-type activities	9,137,400	7,572,259	8,418,285	7,221,306	4,187,304	12,986,814	4,313,546	(5,285,708)	10,980,555	10,087,746
Total primary government net expense	\$ (9,298,275)	\$ (5,763,934)	\$ (15,103,039)	\$ (22,903,472)	\$ (18,593,782)	\$ (12,194,639)	\$ (29,155,038)	\$ (33,949,968)	\$ (18,452,499)	\$ (23,571,269)

(Continued)

CITY OF FLORENCE, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Continued)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes and fees										
Property taxes	\$ 9,958,587	\$ 10,657,474	\$ 10,815,950	\$ 11,022,616	\$ 11,280,518	\$ 11,655,963	\$ 12,429,234	\$ 12,168,471	\$ 13,109,447	\$ 15,309,458
Hospitality fees	3,863,554	4,036,958	4,101,928	4,342,184	4,205,349	4,722,870	5,351,385	5,888,694	6,120,314	6,436,056
Local option sales tax	-	-	-	-	-	-	-	-	4,646,267	4,783,406
Accommodations tax	-	-	-	-	-	-	-	-	1,270,604	1,389,897
Other taxes	-	-	-	-	-	-	-	-	4,427,261	4,767,360
Local government distributions, not restricted	5,595,294	9,555,205	9,468,380	9,152,620	4,659,987	4,982,456	8,233,104	9,195,921	1,362,091	1,340,658
Investment earnings (losses)	121,779	256,538	548,200	837,750	489,014	38,753	(48,560)	958,456	1,831,231	1,630,347
Gain/(Loss) on disposal of assets	-	-	-	-	146,290	114,941	(334,568)	2,587,341	82,028	-
Miscellaneous	745,861	593,622	1,972,958	1,366,098	2,064,819	5,247,068	9,552,570	38,199	1,523,069	3,070,510
Transfers	4,593,644	3,598,000	3,471,229	3,870,000	3,888,000	4,080,000	(1,515,086)	5,345,684	5,545,856	4,850,608
Total governmental activities	<u>24,878,719</u>	<u>28,697,797</u>	<u>30,378,645</u>	<u>30,591,268</u>	<u>26,733,977</u>	<u>30,842,051</u>	<u>33,668,079</u>	<u>36,182,766</u>	<u>39,918,168</u>	<u>43,578,300</u>
Business-type activities										
Local government distributions, not restricted	-	-	-	-	-	-	-	-	1,264,071	4,161,696
Investment earnings (losses)	176,141	303,963	525,693	930,193	812,767	78,725	(43,469)	1,311,767	2,784,919	2,403,442
Gain on sale of capital assets	-	-	-	-	-	-	-	-	315,218	51,549
Miscellaneous	1,074,478	987,088	842,447	1,543,536	923,686	1,365,334	898,601	1,815,742	897,046	1,015,035
Transfers	(4,593,644)	(3,598,000)	(3,471,229)	(3,870,000)	(3,888,000)	(4,080,000)	1,515,086	(5,345,684)	(5,545,856)	(4,850,608)
Total business-type activities	<u>(3,343,025)</u>	<u>(2,306,949)</u>	<u>(2,103,089)</u>	<u>(1,396,271)</u>	<u>(2,151,547)</u>	<u>(2,635,941)</u>	<u>2,370,218</u>	<u>(2,218,175)</u>	<u>(284,602)</u>	<u>2,781,114</u>
Total primary government	<u>21,535,694</u>	<u>26,390,848</u>	<u>28,275,556</u>	<u>29,194,997</u>	<u>24,582,430</u>	<u>28,206,110</u>	<u>36,038,297</u>	<u>33,964,591</u>	<u>39,633,566</u>	<u>46,359,414</u>
Changes in Net Position										
Governmental activities	6,443,044	15,361,604	6,857,321	466,490	3,952,891	5,660,598	199,495	7,518,506	10,485,114	9,919,285
Business-type activities	5,794,375	5,265,310	6,315,196	5,825,035	2,035,757	10,350,873	6,683,764	(7,503,883)	10,695,953	12,868,860
Total primary government	<u>\$ 12,237,419</u>	<u>\$ 20,626,914</u>	<u>\$ 13,172,517</u>	<u>\$ 6,291,525</u>	<u>\$ 5,988,648</u>	<u>\$ 16,011,471</u>	<u>\$ 6,883,259</u>	<u>\$ 14,623</u>	<u>\$ 21,181,067</u>	<u>\$ 22,788,145</u>

**CITY OF FLORENCE, SOUTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX AND FEE REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

Fiscal Year	Property Tax	Business License/ Franchise Fees	Hospitality Fee	Fines and Forfeitures	Total
2016	\$ 9,958,587	\$ 11,711,268	\$ 3,863,554	\$ 549,212	\$ 26,082,621
2017	10,657,474	13,202,859	4,036,958	465,109	28,362,400
2018	10,815,950	13,444,405	4,101,928	416,398	28,778,681
2019	11,022,616	14,194,184	4,342,184	327,772	29,886,756
2020	11,280,518	14,116,655	4,205,349	235,123	29,837,645
2021	11,665,963	14,631,924	4,722,870	292,396	31,313,153
2022	12,429,234	15,866,364	5,351,385	230,050	33,877,033
2023	12,168,471	16,771,965	5,888,694	262,372	35,091,502
2024	13,109,447	18,358,492	6,120,314	178,180	37,766,433
2025	15,309,458	18,646,775	6,436,056	229,652	40,621,941

**CITY OF FLORENCE, SOUTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund										
Nonspendable	\$ 186,194	\$ 155,067	\$ 2,145,914	\$ 6,325,288	\$ 7,791,240	\$ 8,900,823	\$ 180,785	\$ 185,127	\$ 1,165,687	\$ 2,190,100
Restricted	-	-	-	-	-	22,969,900	3,365,708	334,929	49,000	132,902
Assigned	3,249,055	3,764,823	3,776,576	3,272,097	4,094,673	4,855,737	5,642,908	2,837,545	401,983	425,091
Unassigned	11,591,331	13,320,377	11,053,105	17,709,776	18,301,481	16,028,704	12,140,735	21,234,879	24,634,286	22,656,369
Total General Fund	<u>\$ 15,026,580</u>	<u>\$ 17,240,267</u>	<u>\$ 16,975,595</u>	<u>\$ 27,307,161</u>	<u>\$ 30,187,394</u>	<u>\$ 52,755,164</u>	<u>\$ 21,330,136</u>	<u>\$ 24,592,480</u>	<u>\$ 26,250,956</u>	<u>\$ 25,404,462</u>
All other governmental funds										
Nonspendable	\$ 10,500	\$ 23,061	\$ 11,473	\$ 334,218	\$ 382,469	\$ 941,362	\$ 600,813	602,624	\$ 382,767	\$ 443,756
Restricted	14,621,783	28,880,415	40,327,171	22,670,970	18,436,319	16,242,292	23,718,755	21,695,556	15,677,422	17,165,094
Committed	411,240	174,408	9,816	375	128,732	1,476,180	1,931,919	743,175	-	-
Unassigned	-	-	-	-	-	-	-	-	-	(68,515)
Total all other governmental funds	<u>\$ 15,043,523</u>	<u>\$ 29,077,884</u>	<u>\$ 40,348,460</u>	<u>\$ 23,005,563</u>	<u>\$ 18,947,520</u>	<u>\$ 18,659,834</u>	<u>\$ 26,251,487</u>	<u>\$ 23,041,355</u>	<u>\$ 16,060,189</u>	<u>\$ 17,540,335</u>

CITY OF FLORENCE, SOUTH CAROLINA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues										
Property taxes	\$ 9,931,653	\$ 10,678,127	\$ 10,803,006	\$ 11,025,605	\$ 11,175,749	\$ 11,815,481	\$ 12,541,277	\$ 12,209,306	\$ 13,093,356	\$ 15,325,458
Licenses, permits and fees	19,426,009	22,932,167	22,878,390	22,362,083	19,233,504	20,368,053	23,970,906	22,698,680	24,508,127	25,127,263
Intergovernmental	5,056,720	8,075,493	5,643,675	7,051,649	7,283,691	7,698,404	8,641,962	12,745,182	16,505,554	16,821,302
Charges for services	2,522,868	2,626,414	3,160,164	3,287,619	3,070,150	2,893,598	3,295,387	4,073,642	4,159,962	4,506,313
Fines and forfeitures	549,212	465,109	416,398	327,772	235,123	292,396	230,050	262,372	178,180	229,652
Investment earnings (losses)	121,779	256,538	548,200	837,750	489,014	38,984	(48,560)	958,456	1,831,231	1,630,347
Miscellaneous	536,381	2,783,624	3,562,056	7,730,916	3,690,323	8,500,507	9,981,621	2,166,731	1,334,799	2,906,000
Total revenues	<u>38,144,622</u>	<u>47,817,472</u>	<u>47,011,889</u>	<u>52,623,394</u>	<u>45,177,554</u>	<u>51,607,423</u>	<u>58,612,643</u>	<u>55,114,369</u>	<u>61,611,209</u>	<u>66,546,335</u>
Expenditures										
Current										
General government	7,558,246	9,791,500	9,858,059	8,597,921	9,401,450	8,900,000	12,028,840	10,769,225	7,454,344	8,435,802
Public safety	13,820,581	14,060,888	13,906,863	14,583,043	14,674,771	15,138,931	16,142,660	18,093,868	18,964,498	20,068,362
Public works	5,802,639	6,067,821	6,142,350	6,486,423	7,003,092	6,865,394	7,371,799	10,196,500	11,151,479	12,069,276
Culture and recreation	4,273,709	3,961,033	4,511,694	4,430,894	3,280,478	3,238,970	3,341,267	4,572,738	4,259,740	5,495,250
Community development	937,622	1,550,188	2,300,015	16,088,454	3,455,168	7,151,058	11,132,874	2,396,301	2,324,845	2,514,047
Non-departmental	-	-	-	-	-	-	-	-	6,439,019	6,299,663
Debt Service										
Principal	1,855,632	16,891,310	4,059,191	5,267,602	10,595,239	1,742,999	3,487,354	3,821,487	3,852,288	4,015,074
Interest	1,012,960	1,597,432	2,209,172	2,069,257	2,279,529	2,285,807	2,759,494	2,810,825	2,639,280	2,525,781
Capital Outlay	<u>15,655,333</u>	<u>16,935,888</u>	<u>12,081,550</u>	<u>13,558,083</u>	<u>7,773,173</u>	<u>12,896,713</u>	<u>22,380,175</u>	<u>8,169,460</u>	<u>15,412,796</u>	<u>11,732,539</u>
Total expenditures	<u>50,916,722</u>	<u>70,856,060</u>	<u>55,068,894</u>	<u>71,081,677</u>	<u>58,462,900</u>	<u>58,219,872</u>	<u>78,644,463</u>	<u>60,830,404</u>	<u>72,498,289</u>	<u>73,155,794</u>
Excess of revenues under expenditures	<u>(12,772,100)</u>	<u>(23,038,588)</u>	<u>(8,057,005)</u>	<u>(18,458,283)</u>	<u>(13,285,346)</u>	<u>(6,612,449)</u>	<u>(20,031,820)</u>	<u>(5,716,035)</u>	<u>(10,887,080)</u>	<u>(6,609,459)</u>
Other financing sources (uses)										
Premium on bonds issued	-	-	-	-	-	1,897,235	-	-	-	-
Issuance of debt	6,750,000	35,570,000	15,334,554	7,100,000	7,365,000	45,822,000	-	-	-	-
Payments to refunding bond escrow agent	-	-	-	-	-	(23,310,388)	-	-	-	-
Insurance settlements	246,904	118,636	234,726	214,552	189,986	12,296	238,611	84,118	188,270	164,510
Transfers in	5,985,842	23,075,136	5,548,735	5,601,553	5,487,210	5,617,612	18,992,331	13,014,460	18,916,626	10,025,801
Transfers out	(1,392,198)	(19,477,136)	(2,077,506)	(1,731,553)	(1,599,210)	(1,537,612)	(20,507,417)	(7,668,776)	(13,370,770)	(5,175,193)
Subscription asset	-	-	-	-	-	-	-	300,246	204,122	69,949
Proceeds from sale of property	777,040	-	-	-	448,335	114,941	74,585	38,199	-	79,762
Proceeds of leases	1,886,085	-	32,400	252,400	216,215	267,104	2,875,000	-	-	-
Total other financing sources	<u>14,253,673</u>	<u>39,286,636</u>	<u>19,072,909</u>	<u>11,436,952</u>	<u>12,107,536</u>	<u>28,883,188</u>	<u>1,673,110</u>	<u>5,768,247</u>	<u>5,938,248</u>	<u>5,164,829</u>
Net change in governmental fund balance	<u>\$ 1,481,573</u>	<u>\$ 16,248,048</u>	<u>\$ 11,015,904</u>	<u>\$ (7,021,331)</u>	<u>\$ (1,177,810)</u>	<u>\$ 22,270,739</u>	<u>\$ (18,358,710)</u>	<u>\$ 52,212</u>	<u>\$ (4,948,832)</u>	<u>\$ (1,444,630)</u>
Debt service as a percentage of non-capital expenditures	8.1%	34.3%	14.6%	12.8%	25.4%	8.9%	11.1%	12.6%	11.4%	10.6%

CITY OF FLORENCE, SOUTH CAROLINA
CHANGES IN NET ASSETS OF ENTERPRISE FUNDS
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues										
Water and Sewer										
Service fees	\$ 32,571,063	\$ 34,288,028	\$ 33,782,797	\$ 35,410,622	\$ 36,286,804	\$ 40,026,598	\$ 39,750,584	40,496,498	\$ 42,511,041	\$ 48,095,823
Sewer surcharges	17,698	102	-	-	-	-	-	15,614	7,202	56,806
Cut on fees	151,209	159,534	167,278	216,056	146,174	225,834	170,550	205,265	182,155	195,736
Water and Sewer										
Tap fees	778,005	834,426	997,393	955,267	1,051,666	1,259,855	1,268,873	1,114,090	1,209,086	1,299,312
Service charges	243,994	249,883	234,730	253,514	220,505	248,433	285,224	254,151	200,090	223,742
Late fees	427,652	358,480	228,925	446,945	306,362	432,262	405,777	331,392	382,465	492,825
Stormwater fees	1,303,982	1,314,920	1,307,616	1,322,619	1,351,507	1,500,912	1,613,654	1,633,062	1,637,489	1,661,771
Investment earnings (losses)	176,141	303,963	525,693	930,193	812,767	78,725	(43,469)	1,311,767	2,784,919	2,403,442
Intergovernmental										
revenues	-	-	-	-	-	-	384,702	569,991	1,264,071	4,161,696
Miscellaneous	3,307,917	2,055,470	3,405,836	2,956,237	3,928,843	451,235	1,266,514	454,943	6,279,554	4,281,201
Total revenues	<u>38,977,661</u>	<u>39,564,806</u>	<u>40,650,268</u>	<u>42,491,453</u>	<u>44,104,628</u>	<u>44,223,854</u>	<u>45,102,409</u>	<u>46,386,773</u>	<u>56,458,072</u>	<u>62,872,354</u>
Expenditures										
Current										
Engineering	1,002,782	1,003,953	1,197,154	1,318,545	1,341,334	1,202,548	1,412,374	1,675,972	1,399,653	1,614,103
Utility finance	1,735,464	1,711,197	1,847,515	2,904,847	2,420,643	2,396,804	2,446,754	2,097,323	2,116,380	3,502,455
Wastewater treatment	4,051,886	4,520,864	4,392,813	4,506,251	4,874,320	4,853,527	5,159,959	6,578,636	7,829,663	12,041,487
Water production	2,863,744	3,120,877	3,430,311	3,394,281	3,298,390	3,648,554	3,919,460	4,921,055	5,284,867	8,065,731
Distribution operations	1,480,868	1,769,187	1,990,835	2,219,387	2,247,003	2,172,175	2,122,390	2,372,915	2,745,806	7,251,874
Collection operations	1,122,358	1,192,920	1,183,288	1,567,868	2,104,728	1,220,178	1,141,741	1,465,307	1,540,174	2,510,820
Stormwater	1,202,009	1,216,984	1,302,041	1,241,744	1,095,118	1,052,922	812,253	1,309,393	1,267,608	986,495
Non-departmental	15,130,531	16,165,514	15,519,886	15,643,495	20,799,335	13,246,273	19,888,628	38,815,739	18,032,112	9,179,921
Net Interdepartmental										
Transfer	4,593,644	3,598,000	3,471,229	3,870,000	3,888,000	4,080,000	1,515,086	(5,345,684)	5,545,856	4,850,608
Total expense	<u>33,183,286</u>	<u>34,299,496</u>	<u>34,335,072</u>	<u>36,666,418</u>	<u>42,068,871</u>	<u>33,872,981</u>	<u>38,418,645</u>	<u>53,890,656</u>	<u>45,762,119</u>	<u>50,003,494</u>
Net change in net position	<u>\$ 5,794,375</u>	<u>\$ 5,265,310</u>	<u>\$ 6,315,196</u>	<u>\$ 5,825,035</u>	<u>\$ 2,035,757</u>	<u>\$ 10,350,873</u>	<u>\$ 6,683,764</u>	<u>\$ (7,503,883)</u>	<u>\$ 10,695,953</u>	<u>\$ 12,868,860</u>

**CITY OF FLORENCE, SOUTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX AND FEE REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

Fiscal Year	Property Tax	Business License/ Franchise Fees	Hospitality Fee	Fines and Forfeitures	Total
2016	\$ 9,931,653	\$ 11,711,268	\$ 3,863,554	\$ 549,212	\$ 26,055,687
2017	10,678,127	13,202,859	4,036,958	465,109	28,383,053
2018	10,803,006	13,444,405	4,101,928	416,398	28,765,737
2019	11,025,605	14,194,184	4,342,184	327,772	29,889,745
2020	11,175,749	14,116,655	4,205,349	235,123	29,732,876
2021	11,815,481	14,631,924	4,722,870	292,396	31,462,671
2022	12,541,277	15,866,364	5,351,385	230,050	33,989,076
2023	12,209,306	16,771,965	5,888,694	262,372	35,132,337
2024	13,093,356	18,358,492	6,120,314	178,180	37,750,342
2025	15,325,458	18,646,775	6,436,056	229,652	40,637,941

**CITY OF FLORENCE, SOUTH CAROLINA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year	Tax Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
		Residential Property	Commercial Property	Motor Vehicles	Other					
2016	2015	\$ 58,302,456	\$ 73,973,466	\$ 18,682,293	\$ 19,513,566	\$ 4,740,033	\$ 165,731,748	56.5	\$ 3,173,815,982	5.22
2017	2016	59,216,059	75,218,067	18,500,010	18,659,525	4,750,814	166,842,847	60.2	3,206,808,386	5.20
2018	2017	60,517,843	76,675,665	17,804,980	18,027,813	4,900,954	168,125,347	60.9	3,245,683,279	5.18
2019	2018	61,339,923	78,468,995	17,553,902	19,079,875	5,130,815	171,311,880	60.9	3,303,296,869	5.19
2020	2019	62,792,921	77,028,934	18,928,192	17,338,196	5,368,773	170,719,470	61.8	3,316,691,790	5.15
2021	2020	64,022,016	82,425,588	19,077,772	18,396,620	5,404,271	178,517,725	63.1	3,451,217,526	5.17
2022	2021	66,646,905	83,106,068	20,467,620	17,752,069	5,581,628	182,391,034	63.1	3,543,860,394	5.15
2023	2022	68,458,418	85,801,721	21,787,990	17,640,671	5,546,753	188,142,047	63.1	3,497,569,382	5.38
2024	2023	71,490,402	87,997,069	23,048,082	17,302,926	5,609,668	194,228,811	68.1	3,641,658,556	5.33
2025	2024	84,391,349	102,536,752	25,035,252	18,994,510	5,754,313	225,203,550	68.1	4,255,862,488	5.29

Source: Florence County

**CITY OF FLORENCE, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Year	Overlapping Rates ⁽¹⁾										
		City of Florence			Florence County			School District One			Technical College Millage	Total Direct & Overlapping Rates
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
2016	2015	53.7	2.8	56.5	74.6	9.6	84.2	197.3	30.4	227.7	4.9	373.3
2017	2016	57.4	2.8	60.2	74.6	12.7	87.3	197.5	31.5	229.0	4.9	381.4
2018	2017	58.1	2.8	60.9	75.6	12.7	88.3	197.5	32.0	229.5	4.9	383.6
2019	2018	58.1	2.8	60.9	77.3	12.7	90.0	201.7	31.5	233.2	0.0	384.1
2020	2019	59.1	2.7	61.8	78.2	12.5	90.7	206.6	31.2	237.8	9.7	400.0
2021	2020	59.1	4.0	63.1	79.6	14.9	94.5	206.6	32.0	238.6	4.9	401.1
2022	2021	59.1	4.0	63.1	80.6	14.9	95.5	206.6	59.2	265.8	4.9	429.3
2023	2022	59.1	4.0	63.1	84.4	13.6	98.0	206.6	47.2	253.8	4.9	419.8
2024	2023	64.1	4.0	68.1	88.4	11.6	100.0	210.7	45.0	255.7	4.9	428.7
2025	2024	64.1	4.0	68.1	83.5	9.2	92.7	210.7	45.0	255.7	4.6	421.1

Source: Florence County Auditor's Office

(1) Overlapping rates are those of Florence County, School District One, and Florence-Darlington Technical College that apply to property owners within the City of Florence.

**CITY OF FLORENCE, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO**

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽²⁾
Duke Energy Progress	\$ 20,061,970	1	8.91%	\$ 3,536,390	2	2.07%
McLeod Regional Medical Center	4,451,680	2	1.98	2,713,700	4	1.59
Dominion Energy South Carolina	4,202,840	3	1.87			
Q Owner SVA001 LLC	3,640,240	4	1.62			
Spectrum Southeast LLC	3,606,300	5	1.60			
PR Magnolia LLC	3,503,740	6	1.56	3,251,990	3	1.91
CSX Transportation	3,279,270	7	1.46	649,235	10	0.38
FCWC JIPC Nanya	2,889,358	8	1.28			
Nucor Corporation	2,596,630	9	1.15			
Santee Electric Cooperative	1,726,900	10	0.77			
Carolinas Hospital System				9,067,080	1	5.32
BellSouth Telecommunications				1,809,680	5	1.06
Raldex Inc				1,620,300	7	0.95
Wal-Mart				1,098,530	9	0.64
Florence Mall				1,797,550	6	1.05
Holcombe Land Development				1,289,810	8	0.76

Source: Florence County

(1) Total Assessed Value for 2025 was \$225,203,550

(2) Total Assessed Value for 2016 was \$170,471,781

**CITY OF FLORENCE, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Original Tax Levy</u>	<u>Collections within the Fiscal Year of the Levy</u>		<u>Collections of Prior Tax Year's Levy in Subsequent Fiscal Years</u>	<u>Total Collections to Date</u>	
			<u>Amount</u>	<u>Percentage of Levy</u>		<u>Collected</u>	<u>Percentage of Original Levy</u>
2015	2014	\$ 9,289,810	\$ 9,077,292	97.71	\$ 209,040	\$ 9,286,332	99.96
2016	2015	9,631,656	9,385,169	97.44	242,492	9,627,661	99.96
2017	2016	10,329,938	9,998,304	96.79	327,506	10,325,810	99.96
2018	2017	10,537,302	10,109,320	95.94	423,353	10,532,673	99.96
2019	2018	10,743,520	10,299,117	95.86	442,479	10,741,596	99.98
2020	2019	10,882,253	10,460,787	96.13	378,617	10,839,404	99.61
2021	2020	11,605,478	11,108,157	95.71	439,176	11,547,333	99.50
2022	2021	11,861,075	11,650,565	98.23	109,771	11,760,336	99.15
2023	2022	11,643,303	11,340,398	97.40	177,139	11,517,537	98.92
2024	2023	12,083,645	11,496,611	95.14	205,436	11,702,047	96.84
2025	2024	14,935,663	14,526,095	97.26	195,559	14,721,654	98.57

Source: Florence County

**CITY OF FLORENCE, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-type Activities			Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	General Obligation Bonds	Revenue Bonds	Notes Payable	Financed Purchase Liability	Subscription Payable	Revenue Bonds	Notes Payable	Financed Purchase Liability			
2016	\$ 10,702,785	\$ 22,278,000	\$ 545,000	\$ 7,705,888	\$ -	\$ 100,841,803	\$ 35,559,195	\$ -	\$ 177,632,671	2.32	\$ 4,702
2017	8,382,433	44,142,000	480,000	6,905,930	-	98,033,635	33,785,520	-	191,729,518	2.40	5,075
2018	6,046,942	58,333,000	415,000	6,081,902	-	94,944,511	39,694,619	-	205,515,974	2.48	5,386
2019	10,795,778	56,682,000	350,000	5,475,146	-	91,671,772	36,923,800	-	201,898,496	2.32	5,188
2020	9,943,388	54,967,000	285,000	5,093,512	-	112,911,645	19,317,822	-	202,518,367	2.20	5,076
2021	8,487,000	79,623,483	220,000	4,759,539	-	106,955,213	18,208,157	-	218,253,392	2.35	5,418
2022	7,906,000	77,229,380	155,000	5,157,293	-	107,971,351	17,155,629	1,880,836	217,455,489	2.17	5,374
2023	7,317,000	74,678,277	90,000	4,613,201	227,954	101,831,048	16,086,393	1,728,310	206,572,183	2.05	5,155
2024	6,721,000	71,656,945	-	4,059,859	160,008	127,350,085	15,000,165	1,572,339	226,520,401	2.13	5,555
2025	6,117,000	68,391,613	-	3,542,317	125,425	119,894,139	13,896,654	1,412,845	213,379,993	*	5,211

(1) See Table 17 Demographic and Economic Statistics for population data.

* Personal Income Tax Data is not currently available

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

Fiscal Year	Population⁽¹⁾	Assessed Value	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Per Capita
2016	37,780	\$ 170,471,781	\$ 10,702,785	\$ 579,706	\$ 10,123,079	5.94	\$ 268
2017	37,778	171,593,661	8,382,433	603,908	7,778,525	4.53	206
2018	38,155	173,026,301	6,046,942	744,853	5,302,089	3.06	139
2019	38,918	176,442,695	10,795,778	783,344	10,012,434	5.67	257
2020	39,899	176,088,243 ⁽¹⁾	9,943,388	766,297	9,177,091	5.21	230
2021	40,297	183,921,996	8,487,000	959,767	7,527,233	4.09	187
2022	40,467	187,972,662	7,906,000	915,062	6,990,938	3.72	173
2023	40,072	193,688,800	7,317,000	955,774	6,361,226	3.28	159
2024	40,779	199,888,479	6,721,000	857,471	5,863,529	2.93	144
2025	40,950	230,957,863	6,117,000	848,349	5,268,651	2.28	129

(1) Reassessment

**CITY OF FLORENCE, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2025**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the City⁽¹⁾</u>	<u>Amount Applicable to the City</u>
Direct:			
City of Florence	\$ 78,176,355	100.00%	\$ 78,176,355
Overlapping:⁽²⁾			
Florence County	104,000,000	36.97%	38,453,994
Florence School District 1	46,865,000	45.09%	21,132,807
Total Overlapping Debt	<u>150,865,000</u>		<u>59,586,801</u>
Total Direct and Overlapping Debt	<u>\$ 229,041,355</u>		<u>\$ 137,763,156</u>

(1) The percentage of overlapping debt applicable is estimated by using assessed property values. Applicable percentages were estimated by dividing the City's assessed value by the assessed value of the appropriate overlapping jurisdiction (Florence County or Florence School District 1)

(2) Source: Florence County Finance Department
Florence County Treasurer's Office

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Debt limit	\$ 13,637,742	\$ 13,727,493	\$ 13,842,104	\$ 14,115,416	\$ 14,087,059	\$ 14,713,760	\$ 15,037,813	\$ 15,495,104	\$ 15,538,305	\$ 18,016,284
Total net debt applicable to limit	<u>10,123,079</u>	<u>7,778,525</u>	<u>5,302,089</u>	<u>10,012,434</u>	<u>9,177,091</u>	<u>7,527,233</u>	<u>6,990,938</u>	<u>6,361,226</u>	<u>5,863,529</u>	<u>5,268,651</u>
Legal Debt Margin	<u>\$ 3,514,663</u>	<u>\$ 5,948,968</u>	<u>\$ 8,540,015</u>	<u>\$ 4,102,982</u>	<u>\$ 4,909,968</u>	<u>\$ 7,186,527</u>	<u>\$ 8,046,875</u>	<u>\$ 9,133,878</u>	<u>\$ 9,674,776</u>	<u>\$ 12,747,633</u>
Total net debt applicable to the limit as a percentage of debt limit	74.23%	56.66%	38.30%	70.93%	65.15%	51.16%	46.49%	41.05%	37.74%	29.24%

Legal Debt Margin Calculation for Fiscal Year 2025

Taxable Assessed Value - 2025	\$ 225,203,550
Total Assessed Value	<u>\$ 225,203,550</u>
Debt Limit (8% of Total Assessed Value Without Referendum)	\$ 18,016,284
Debt applicable to limit:	
Total Bonded Debt	\$ 6,117,000
Less Amounts Available in Debt Service Fund	(848,349)
Total Net Debt Applicable to Limit	<u>5,268,651</u>
Legal Debt Margin	<u>\$ 12,747,633</u>

**CITY OF FLORENCE, SOUTH CAROLINA
REVENUE BOND COVERAGE - COMBINED WATER AND SEWER UTILITES SYSTEM BONDS
LAST TEN FISCAL YEARS**

<u>Fiscal Year⁽¹⁾</u>	<u>Gross Revenue⁽²⁾</u>	<u>Less: Operating Expenses⁽³⁾</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage⁽⁴⁾</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2016	\$ 35,931,291	\$ 14,153,794	\$ 21,777,497	\$ 5,124,838	\$ 5,729,248	\$ 10,854,086	2.01
2017	37,740,275	15,387,905	22,352,370	4,139,531	5,620,848	9,760,379	2.29
2018	37,472,909	16,427,897	21,045,012	4,383,802	5,358,549	9,742,351	2.16
2019	40,164,456	18,045,007	22,119,449	4,673,239	5,295,940	9,969,179	2.22
2020	39,842,147	19,535,689	20,306,458	3,423,417	5,381,508	8,804,925	2.31
2021	42,603,619	18,486,474	24,117,145	5,819,241	3,002,796	8,822,037	2.73
2022	41,766,830	18,299,052	23,467,778	5,916,787	3,431,575	9,348,362	2.51
2023	43,797,248	22,144,730	21,652,518	6,063,057	3,074,797	9,137,854	2.37
2024	47,015,000	23,645,254	23,369,746	6,250,697	4,154,821	10,405,518	2.25
2025	52,548,639	25,771,497	26,777,142	7,203,713	4,271,895	11,475,608	2.33

(1) In the fiscal years 2012 through 2015 ACFRs, Economic Development expenses are accounted for in Operating Expenses. Economic Development expenses should have been reported in these ACFRs as Non-Operating Expenses. Operating Expenses for fiscal years 2012 through 2015 have been adjusted in this table to reflect Economic Development incentives classified as Non-Operating Expenses. Expenses for Economic Development come from surplus funds of the System to foster growth in the Florence area.

(2) Total Operating Revenues exclusive of grants and sale of assets.

(3) Total operating expenses exclusive of depreciation and amortization.

(4) Does not include debt service requirements for bonds secured by a junior lien on System Revenues. Total debt service on such junior lien bonds in Fiscal Year 2024-25 was \$ 2,070,566

**CITY OF FLORENCE, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population⁽¹⁾	Personal Income (in millions)⁽²⁾	Per Capita Personal Income⁽²⁾	Public School Enrollment⁽³⁾	Unemployment Rate⁽⁴⁾
2016	37,780	\$ 7,654	\$ 37,158	15,846	5.4
2017	37,778	8,005	38,892	16,304	4.5
2018	38,155	8,286	40,413	16,500	3.1
2019	38,918	8,696	42,439	15,906	3.6
2020	39,899	9,221	45,178	15,583	8.8
2021	40,290	9,292	46,546	15,341	4.3
2022	40,467	10,040	50,386	16,064	3.1
2023	40,072	10,060	53,326	15,960	3.6
2024	40,779	10,645	54,943	15,931	4.1
2025	40,950	*	*	15,739	4.1

* Information not yet available

(1) 2020 is the U.S. Census population, all other years are estimates or City of Florence Finance Department

(2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year

(3) Florence School District One figures are for prior year

(4) South Carolina Department of Employment and Workforce. Unemployment rate is for Florence County

**CITY OF FLORENCE, SOUTH CAROLINA
PRINCIPAL EMPLOYERS IN THE CITY OF FLORENCE
CURRENT AND NINE YEARS AGC**

Employer	2025			2016		
	Number of Employees	Rank	Percentage of of Total Employment⁽¹⁾	Number of Employees	Rank	Percentage of of Total Employment⁽²⁾
McLeod Regional Medical Center	5,980	1	9.5%	6,800	1	38.0%
Florence School District One	2,345	2	3.7	2,221	2	12.4
MUSC Health	2,004	3	3.2			
Administrators/TRICARE (BCBS)	1,124	4	1.8	1,100	5	6.1
Olsteen Staffing Service	995	5	1.6			0.0
The Assurant Group	800	6	1.3	1,133	4	6.3
Florence County	798	7	1.3	800	6	4.5
Hope Health	769	8	1.2			
Nightingales Nursing Care	630	9	1.0	694	8	3.9
City of Florence	532	10	0.8	526	9	2.9
Wal-Mart				703	7	3.9
Florence Co. Disabilities & Spec. Needs				290	10	1.6
Carolinas Hospital System				1,325	3	7.4
Totals			25.3%			87.1%

(1) Total employment for June 2025: 63,217

(2) Total employment for June 2016: 17,911

(3) City information is not available.

**CITY OF FLORENCE, SOUTH CAROLINA
PRINCIPAL WATER USERS IN SERVICE AREA
CURRENT AND NINE YEARS AGO**

Customer	Type of Business	2025			2016		
		Rank	Billed Revenues	Percentage of Total Billed Revenues	Rank	Billed Revenues	Percentage of Total Billed Revenues
Niagara	Manufacturing	1	\$ 857,078	3.83%			
Ruiz	Manufacturing	2	690,403	3.09%	1	\$ 268,411	1.71%
McLeod Regional Medical Center	Medical Services	3	587,433	2.63%			
Francis Marion University	University	4	476,584	2.13%	3	152,111	0.97%
Florence County	County Government	5	439,955	1.97%	9	61,000	0.39%
Florence School District 1	Public School	6	234,928	1.05%	5	80,979	0.52%
Patheon	Manufacturing	7	227,678	1.02%			
Buc-ee's	Retail	8	200,620	0.90%			
State of South Carolina	State Government	9	165,178	0.74%			
Florence County Housing Authority	Housing	10	153,609	0.69%			
Johnson Controls	Manufacturing				2	247,935	1.58%
Koppers	Manufacturing						
Roche Carolina	Manufacturing				4	84,656	0.54%
Carolinas Hospital System	Medical Services				7	73,766	0.47%
Forest Lake Apartments	Apartments				6	74,059	0.47%
Darlington County	Government						
International Food House	Manufacturing				8	63,816	0.41%
Habitat 2000	Apartments				10	60,427	0.39%
TOTALS			<u>\$ 4,033,465</u>	<u>18.04%</u>		<u>\$ 1,167,160</u>	<u>7.45%</u>
2025 Total Billed Revenue:	\$	22,359,480					
2016 Total Billed Revenue:	\$	15,660,143					

**CITY OF FLORENCE, SOUTH CAROLINA
PRINCIPAL SEWER USERS IN SERVICE AREA
CURRENT AND NINE YEARS AGO**

Customer	Type of Business	2025			2016		
		Rank	Billed Revenues	Percentage of Total Billed Revenues	Rank	Billed Revenues	Percentage of Total Billed Revenues
Niagara	Manufacturing	1	\$ 838,439	3.26%			
Ruiz	Manufacturing	2	649,575	2.52%			
McLeod Regional Hospital	Medical Services	3	456,011	1.77%	1	\$ 344,403	2.00%
Francis Marion University	University	4	395,718	1.54%	3	216,369	1.26%
Florence County	Government	5	314,273	1.22%			
Patheon	Manufacturing	6	217,739	0.85%			
Buc-ee's	Retail	7	164,014	0.64%			
International Food House	Manufacturing	8	117,104	0.46%			
Florence School District 1	Public School	9	116,085	0.45%			
Housing Authority of Florence	Housing	10	98,659	0.38%			
Darlington County Water & Sewer	Government				5	151,632	0.88%
Koppers	Manufacturing				2	223,376	1.30%
ESAB	Manufacturing				6	140,038	0.81%
Johnson Controls	Manufacturing				4	154,638	0.90%
Habitat 2000	Apartments				9	94,822	0.55%
Roche Carolina	Manufacturing				8	100,756	0.58%
Forest Lake Apartments	Apartments				7	112,547	0.65%
Carolinas Hospital System	Medical Services				10	90,164	0.52%
TOTALS			<u>\$ 3,367,617</u>	<u>13.09%</u>		<u>\$ 1,628,745</u>	<u>9.46%</u>

2025 Total Billed Revenues: \$ 25,736,343

2016 Total Billed Revenues: \$ 17,225,294

**CITY OF FLORENCE, SOUTH CAROLINA
NUMBER OF UTILITY ACTIVE CUSTOMER - BY SERVICE AND CATEGORY
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2017</u>	<u>2018⁽²⁾</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Water Customers:										
Residential	29,088	29,064	28,321	28,833	29,405	29,916	30,327	30,588	30,584	30,349
Commercial	3,149	3,289	3,540	3,567	3,616	3,644	3,666	3,672	3,657	3,655
Industrial	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Total	<u>32,239</u>	<u>32,355</u>	<u>31,863</u>	<u>32,400</u>	<u>33,021</u>	<u>33,560</u>	<u>33,997</u>	<u>34,264</u>	<u>34,245</u>	<u>34,008</u>
Sewer Customers:										
Residential	18,991	18,976	18,368	18,877	19,351	19,764	20,071	20,326	20,366	20,196
Commercial	2,360	2,466	2,390	2,399	2,440	2,462	2,475	2,481	2,457	2,451
Industrial	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>
Total	<u>21,353</u>	<u>21,444</u>	<u>20,760</u>	<u>21,277</u>	<u>21,792</u>	<u>22,227</u>	<u>22,551</u>	<u>22,812</u>	<u>22,827</u>	<u>22,651</u>

(1) In FY 2013-14 the City of Florence took ownership of the Town of Timmonsville Water and Sewer System

(2) In FY 2017-18 the City converted its utility billing and collection software system from a legacy program to the Tyler Technologies' Munis system. As part of the conversion process, the City conducted data cleanup to remove duplicate accounts and properties that no longer had a service connection. Additionally, in the legacy system, inactive customer accounts with a remaining balance due were included in the number of customers, but are now more accurately excluded from the number of customers in the Munis System. These conversion-related corrections have resulted in a small decrease from the prior year in the number of water and sewer active customers reported.

**CITY OF FLORENCE, SOUTH CAROLINA
WATER RATES
LAST TEN FISCAL YEARS**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Minimum Rates ⁽¹⁾										
Inside City Rates										
3/4"	\$ 13.25	\$ 13.50	\$ 13.75	\$ 14.00	\$ 14.25	\$ 14.40	\$ 14.55	\$ 14.70	\$ 16.49	\$ 17.89
1"	28.25	28.80	29.35	29.90	30.45	30.75	31.05	31.35	35.20	38.19
1 1/4"	40.75	41.55	42.35	43.15	43.95	44.38	44.80	45.23	50.78	55.10
1 1/2"	53.25	54.30	55.35	56.40	57.45	58.00	58.55	59.10	66.37	72.01
2"	83.25	84.90	86.55	88.20	89.85	90.70	91.55	92.40	103.78	112.60
3"	163.25	166.50	169.75	169.80	176.25	177.90	179.55	181.20	203.54	220.84
4"	253.25	258.30	263.35	268.40	273.45	276.00	278.55	281.10	315.77	342.61
6"	503.25	513.30	523.35	533.40	543.45	548.50	553.55	558.60	627.52	680.86
8"	803.25	819.30	835.35	851.40	867.45	875.50	883.55	891.60	1,001.62	1,086.76
Volume Rate (per 1,000 gallons)	1.95	1.99	2.03	2.07	2.11	2.13	2.14	2.16	2.44	2.65
Minimum Rates ⁽¹⁾										
Outside City Rates										
3/4"	19.25	19.62	19.99	20.36	20.73	20.94	21.15	21.36	24.73	27.24
1"	43.25	44.10	64.94	45.80	46.65	47.10	47.55	48.00	55.80	61.56
1 1/4"	63.25	64.50	86.55	67.00	68.25	68.91	69.55	70.21	81.68	90.16
1 1/2"	83.25	84.90	136.47	88.20	89.85	90.70	91.55	92.40	107.57	118.76
2"	131.25	133.86	136.47	139.08	141.69	143.02	144.35	145.68	169.70	187.40
3"	259.25	264.42	269.59	276.76	279.93	282.54	285.15	287.76	335.38	370.44
4"	403.25	411.30	419.35	427.40	435.45	439.50	443.55	447.60	521.77	576.36
6"	803.25	819.30	835.35	851.40	867.45	875.50	883.55	891.60	1,039.52	1,148.36
8"	1,283.25	1,308.90	1,334.55	1,360.20	1,385.85	1,398.70	1,411.55	1,424.40	1,660.82	1,834.76
Volume Rate (per 1,000 gallons)	3.12	3.18	3.25	3.31	3.34	3.37	3.40	3.43	4.05	4.48

(1) Minimum rate is based on meter size and includes the customer charge (per account)

**CITY OF FLORENCE, SOUTH CAROLINA
SEWER RATES
LAST TEN FISCAL YEARS**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Minimum Rates ⁽¹⁾										
Inside City Rates										
3/4"	\$ 23.85	\$ 24.55	\$ 25.30	\$ 26.05	\$ 56.80	\$ 27.05	\$ 27.30	\$ 27.55	\$ 30.94	\$ 33.57
1"	54.23	55.83	57.55	59.28	61.00	61.55	62.10	62.65	70.39	76.38
1 1/4"	79.54	81.89	141.98	86.96	89.50	90.30	91.10	91.90	103.27	112.06
1 1/2"	104.85	107.95	111.30	114.65	118.00	119.05	120.10	121.15	136.14	147.73
2"	165.60	170.50	175.80	181.10	186.40	188.05	189.70	191.35	215.04	233.35
3"	327.60	337.30	347.80	358.30	368.80	372.05	375.30	378.55	425.44	461.67
4"	509.85	524.95	541.30	557.65	574.00	579.05	584.10	589.15	662.14	718.53
6"	1,016.10	1,046.20	1,078.80	1,111.40	1,144.00	1,154.05	1,164.10	1,174.15	1,319.64	1,432.03
8"	1,623.60	1,671.70	1,723.80	1,775.90	1,828.00	1,844.05	1,860.10	1,876.15	2,108.64	2,288.23
Volume Rate (per 1,000 gallons)	2.87	2.96	3.05	3.14	3.23	3.26	3.29	3.31	3.73	4.05
Minimum Rates ⁽¹⁾										
Outside City Rates										
3/4"	36.00	37.06	38.20	39.34	40.48	40.84	41.22	41.59	48.32	53.30
1"	84.61	87.11	89.80	92.51	95.20	96.05	96.90	97.75	113.84	125.71
1 1/4"	125.10	128.80	132.81	136.80	140.80	142.05	143.30	144.55	168.44	186.04
1 1/2"	165.60	170.50	175.80	181.10	186.40	188.05	189.70	191.35	223.04	246.38
2"	262.60	270.58	279.00	287.42	295.84	298.45	301.06	303.67	354.08	391.19
3"	522.00	537.46	554.20	570.94	587.68	592.85	598.02	603.19	703.52	777.35
4"	813.60	837.70	863.80	889.90	916.00	924.05	932.10	940.15	1,096.64	1,211.78
6"	1,623.60	1,671.70	1,723.80	1,775.90	1,828.00	1,844.05	1,860.10	1,876.15	2,188.64	2,418.53
8"	2,595.60	2,672.50	2,755.80	2,839.10	2,922.40	2,948.05	2,973.70	2,999.35	3,499.04	3,866.63
Volume Rate (per 1,000 gallons)	4.46	4.59	4.88	5.02	5.17	5.22	5.26	5.28	6.19	6.84

(1) Minimum rate is based on meter size and includes the customer charge (per account)

**CITY OF FLORENCE, SOUTH CAROLINA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government Admin.	11	11	12	13	12	14	14	16	17	17
Finance Department	9	9	9	9	9	9	9	9	14	14
Personnel Department	6	6	6	6	6	6	5	5	6	6
Community Services Department	5	5	6	6	6	6	6	8	8	8
Public Safety										
Police	149	149	137	137	137	132	132	126	124	128
Fire	85	85	86	85	85	91	97	98	98	98
Total Public Safety	234	234	223	222	222	223	229	224	222	226
Public Works Department										
Streets and Beautification ⁽³⁾	50	50	51	53	52	51	51	51	51	39
Sanitation	27	27	26	26	28	28	32	34	36	38
Equipment Maintenance	7	7	7	7	7	7	8	8	8	9
Total Public Works	84	84	84	86	87	86	91	93	95	86
Parks and Recreation	27	27	32	30	32	33	33	39	38	50
Urban Planning & Development	4	4	5	4	5	5	5	5	4	5
Buildings Inspections & Permits ⁽²⁾	0	0	5	5	5	5	5	5	5	5
Water and Sewer	121	127	128	132	139	139	148	150	155	151
Stormwater	8	8	8	8	8	8	8	8	8	8
Total Employees	509	515	518	521	531	534	553	562	572	576

Source: City of Florence Budget

(1) Full-time Equivalents are budgeted positions whether filled or vacant.

(2) Building Inspections & Permitting Department was created in February 2017

(3) Parks Groundskeeper were moved from Streets and Beautification to Parks and Recreation beginning July 2024

**CITY OF FLORENCE, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police											
Physical arrests	3,009	4,448	3,566	3,847	2,190	2,995	2,055	2,466	3,529	3,564	2,163
Traffic violations	9,758	7,454	9,578	9,181	6,497	5,004	5,276	4,846	3,044	5,256	7,771
Parking violations	148	355	292	218	124	108	384	299	737	583	137
Fire											
Calls answered	2,923	3,131	3,215	3,279	4,346	4,660	4,261	4,751	4,546	4,051	4,103
Inspections	1,341	1,595	1,281	1,462	2,845	3,916	2,730	3,708	4,030	4,498	4,908
Water System											
Service connections ⁽¹⁾	32,179	32,239	32,355	31,861	32,319	33,021	38,178	39,327	39,327	34,245	33,896
Average daily production (in millions of gallons)	13.62	12.50	13.20	12.82	13.67	14.09	14.49	15.35	15.35	15.35	16.09
Maximum daily capacity (in millions of gallons)	26.46	26.46	26.50	26.50	26.50	26.50	26.50	26.50	26.50	26.50	26.50
Wastewater System											
Service connections ⁽¹⁾	21,259	21,353	21,444	20,758	21,197	21,792	25,563	25,871	25,871	22,828	22,568
Average daily treatment (in millions of gallons)	11.14	11.27	12.06	10.51	18.33	11.86	12.95	11.40	11.40	11.40	12.19
Maximum daily capacity (in millions of gallons)	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00

Source: Various City departments.

(1) In FY 2017-18 the City converted its utility billing and collection software system from a legacy program to the Tyler Technologies' Munis system. As part of the conversion process, the City conducted data cleanup to remove duplicate accounts and properties that no longer had a service connection. Additionally, in the legacy system, inactive customer accounts with a remaining balance due were included in the number of connections, but are now more accurately excluded from the number of connections in the Munis System. These conversion-related corrections have resulted in a small decrease from the prior year in the number of water and wastewater service connections reported.

**CITY OF FLORENCE, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	2	2	2	2	2	2	2	2	2	2
Resource centers	4	4	3	3	0	0	0	0	0	0
Patrol units	159	159	158	133	157	130	130	137	131	134
Fire Stations	5	5	5	5	5	6	6	6	6	6
Highways and Streets										
Streets (in miles)	103	112	114	114	115	117	120	122	126	128
Streetlights (Leased)	7,121	7,389	7,490	7,632	7,721	7,721	7,721	7,721	6,105	6,105
Culture and Recreation										
Community centers	5	5	5	5	6	6	6	6	6	7
Parks	19	19	19	19	19	19	20	20	20	20
Park acreage	669	669	706	706	706	706	790	790	790	720
Tennis courts	50	50	50	50	50	51	45	45	45	42
Pickleball courts	0	0	0	0	0	0	0	0	0	14
Water System										
Water mains (in miles)	841	843	844	849	850	852	856	860	866	870
Fire hydrants	2,666	2,733	2,750	2,780	2,787	2,800	2,821	2,844	2,880	2,916
Wastewater System										
Sanitary sewers (in miles)	507	507	508	508	509	512	514	517	522	524
Treatment plants	2	2	2	2	2	2	2	2	2	2
Stormwater System										
Storm sewers (in miles)	77	77	77	95	96	97	100	102	105	107

Source: Various City departments.

CITY OF FLORENCE, SOUTH CAROLINA
MISCELLANEOUS STATISTICS
June 30, 2025

Date of Incorporation	1890
Form of Government	Council/Manager
Total Number of Full-time Equivalent Positions	532
Area in square miles	31.52
 Facilities and services not included in the primary government	
Cable Television System	
Miles of service (Florence County)	1,447
 Education	
Number of elementary schools	14
Number of elementary school instructors	548
Number of secondary schools	9
Number of secondary school instructors	649
 Facilities and services not included in the reporting entity	
Hospitals	
Number of hospitals	3
Number of patient beds	957
 Other data	
Business Licenses issued for Fiscal Year 2024-25	5,095
New Business Licenses issued for Fiscal Year 2024-25	744
 Business License Receipts	\$ 14,019,646
Percent change in Business License receipts from prior year	2.89%
 Franchise Fee Receipts	\$ 4,627,127
Percent change in Franchise Fee receipts from prior year	-1.70%
 Population (estimated population)	40,950
City of Florence gross retail sales for calendar year 2025	\$ 4,373,856,016
Per Capita spending for calendar year 2025	\$ 106,810
 Outstanding General Obligation Debt	\$ 6,117,000
Outstanding Revenue Debt	\$ 188,285,752
 City of Florence Bond Rating	
Moody's Investor's Service	Aa2
Standard and Poors	AA-
 Residential construction permits issued	297
Construction value	\$ 45,516,028
Commercial construction permits issued	18
Construction value	\$ 74,624,300

COMPLIANCE SECTION



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Mayor and Members of the City Council City of Florence, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Florence, South Carolina** (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 19, 2025. Our report includes a reference to other auditors who audited the financial statements of Building Florence Together Community Development Corporation as described in our report on the City's financial statements. The financial statements of the Building Florence Together Community Development Corporation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Building Florence Together Community Development Corporation or that are reported separately by those auditors who audited the financial statements of the Building Florence Together Community Development Corporation.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

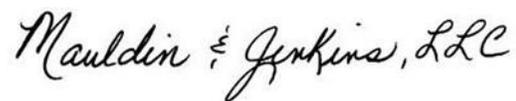
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

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

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

Purpose of this Report

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



Columbia, South Carolina
December 19, 2025



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibility for the Audit of Compliance

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

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

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

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

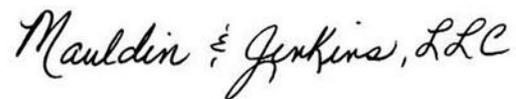
Report on Internal Control over Compliance

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

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

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

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



Columbia, South Carolina
December 19, 2025

CITY OF FLORENCE, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Grant Identification Number	Expenditures	Passed through to Subrecipients
U.S. Department of Housing and Urban Development				
Direct:				
<i>CDBG Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 270,836	\$ 20,000
<i>Total CDBG Entitlement Grants Cluster</i>			<u>270,836</u>	<u>20,000</u>
Passed through S.C. State Housing Finance and Development Authority:				
Neighborhood Stabilization Program	14.228	08-NSP-116	20,237	-
Neighborhood Stabilization Program	14.228	11-NSP-116	50,440	-
Passed through S.C. Office of Resilience				
Disaster Recovery Division:				
Community Development Block Grant - Mitigation	14.228	PP-21-2101-01	36,083	-
Community Development Block Grant - Mitigation	14.228	IP-20-2101-01	311,329	-
Community Development Block Grant - Mitigation	14.228	IP-20-2101-02	431,329	-
Community Development Block Grant - Mitigation	14.228	IP-21-2101-01	161,250	-
<i>Total CDBG 14.228 Grants</i>			<u>1,010,668</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>1,281,504</u>	<u>20,000</u>
U.S. Department of Justice				
Direct:				
Bulletproof Vest Partnership Program	16.607	15PBJA-24-GG-05019-JAGX	38,602	-
Bulletproof Vest Partnership Program	16.607	15PBJA-23-GG-03763-JAGX	10,785	-
Total U.S. Department of Justice			<u>49,387</u>	<u>-</u>
U.S. Department of the Treasury				
Passed through S.C. Office of Resilience				
Disaster Recovery Division:				
COVID-19 State and Local Fiscal Recovery Funds	21.027	N/A	2,471,507	-
Passed through S.C. Rural Infrastructure Authority:				
COVID-19 State and Local Fiscal Recovery Funds	21.027	A-23-C070	1,020,702	-
Total U.S. Department of the Treasury			<u>3,492,209</u>	<u>-</u>
U.S. Department of the Interior				
Passed through S.C. Department of Archives and History:				
Emergency Supplemental Historic Preservation Fund	15.904	SC-23-10015	35,000	-
Total U.S. Department of the Interior			<u>35,000</u>	<u>-</u>
U.S. Environmental Protection Agency				
Direct:				
Brownfields Assessment and Cleanup Cooperative Agreement	66.818	02D07421	138,773	-
Passed through S.C. Department of Environmental Services:				
Nonpoint Source Implementation	66.460	C 9994629-21	164,500	-
Passed through S.C. Rural Infrastructure Authority:				
Drinking Water State Revolving Fund	66.468	CF3-23-2110001-06	375,000	-
Total U.S. Environmental Protection Agency			<u>678,273</u>	<u>-</u>

CITY OF FLORENCE, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Grant Identification Number	Expenditures	Passed through to Subrecipients
U.S. Department of Health and Human Services				
Passed through S.C. Department of Health and Environmental Control:				
Epidemiology and Laboratory Capacity for Infectious Disease	93.323	LB-4-365	\$ 16,054	\$ -
Total U.S. Department of Health and Human Services			<u>16,054</u>	<u>-</u>
U.S. Department of Homeland Security				
Passed through S.C. Emergency Management Division:				
Disaster Grants - Public Assistance	97.036	FEMA-4835-DR-SC	80,053	-
Passed through S.C. Law Enforcement Division:				
State and Local Cybersecurity Grant Program	97.137	22SLCGP08	<u>15,254</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>95,306</u>	<u>-</u>
U.S. Department of Transportation				
Passed through S.C. Department of Parks, Recreation, and Tourism:				
Recreational Trails Program	20.219	P28052201322	66,000	-
Recreational Trails Program	20.219	P28052400824	<u>47,240</u>	<u>-</u>
Total U.S. Department of Transportation			<u>113,240</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 5,760,973</u>	<u>\$ 20,000</u>

CITY OF FLORENCE, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Florence, South Carolina (the "City"), and is presented on the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for the proprietary fund types. The City reporting entity is described in Note 1 to the City's basic financial statements.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The City chose not to use the ten percent de Minimis indirect cost rate for the year ended June 30, 2025.

NOTE 3. NON-CASH AWARDS AND LOANS

There were no federal awards expended in the form of noncash assistance during the fiscal year. There were also no loans or loan guarantees outstanding at year end.

CITY OF FLORENCE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:
 Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

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

Significant deficiencies? Yes None reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

Assistance Listing Number

21.027

14.228

Name of Federal Program or Cluster

U.S. Department of the Treasury

COVID-19 Coronavirus State and Local Fiscal Recovery Funds Program

U.S. Department Housing and Urban Development

Community Development Block Grants

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

Auditee qualified as low-risk auditee? Yes No

CITY OF FLORENCE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION II
FINANCIAL STATEMENT FINDINGS

2025-001. Segregation of Duties

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

Condition: During the fiscal year ended June 30, 2025, there was not appropriate segregation of duties among the process of recording and approving manual journal entries. We noted several manual journal entries had no separate approval besides the staff posting the entries. The City acknowledged having no formal policy in place for secondary review and approval of manual journal entries prior to their being posted to the City's general ledger.

Context: Several instances of overlapping duties were noted during inquiries with management regarding internal control procedures, specifically with the process of posting manual journal entries.

Effect: Failure to properly segregate duties among the various financial cycles in the funds possessed by the City can lead to misappropriation of assets that is not detected during the normal course of business.

Cause: The lack of segregation of duties is due to the limited number of individuals available to perform all of the duties as well as the lack of a properly developed integrated work plan with appropriate controls.

Recommendation: The duties among the various financial cycles associated with the various funds of the City involving the process of posting manual journal entries should be segregated among employees to eliminate overlapping duties.

Views of Responsible Officials and Planned Corrective Action: We concur. The City is in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among the financial cycles of the City that involve the process of posting manual journal entries to the general ledger.

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF FLORENCE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION IV
PRIOR YEAR FINDINGS AND QUESTIONED COSTS

2024-001. Inventory

Criteria: Generally accepted accounting principles require that under the consumption method of accounting for inventory, inventory items are required to be recorded as an asset at the time of purchase and expended when used or consumed.

Condition: The City was noted to have had instances of selling inventory that were not properly recognized and recorded at the time of its use, resulting in a significant overstatement of inventory being recorded on the City's Statements of Government-wide Net Position as well as its nonmajor governmental funds' balance sheets. This treatment was inconsistent with City policies and procedures relating to inventory.

Status: Resolved.

2024-002. Segregation of Duties

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

Condition: During the fiscal year ended June 30, 2024, there was not appropriate segregation of duties among the process of recording and approving manual journal entries. We noted several manual journal entries had no separate approval besides the staff posting the entries. The City acknowledged having no formal policy in place for secondary review and approval of manual journal entries prior to their being posted to the City's general ledger.

Status: Unresolved. See finding 2025-001.

MANAGEMENT CORRECTIVE ACTION PLAN

Section II – Financial Statement Findings

Finding: 2025-001 – Segregation of Duties

Name of contact person: Glenn Bodenheimer – Interim Finance Director

Corrective action: The City will review the respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among the financial cycles of the City involving the process of posting manual journal entries.

Proposed completion date: Fiscal Year 2026.

Respectfully submitted,



Glenn A. Bodenheimer, Jr.
Interim Finance Director