CITY OF GREENWOOD, SOUTH CAROLINA

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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City of Greenwood, South Carolina

LIST OF ELECTED AND CERTAIN OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2025

Elected Officials

Mayor	Brandon Smith
Council Member – Ward I	Nicoletta Hutto
Council Member – Ward II	Robert Dean
Council Member – Ward III	Annette Edwards
Council Member – Ward IV	Johnathan Bass
Council Member – Ward V	Matthew Miller
Council Member – Ward VI	Ronnie Ables

Appointed Officials

City Manager	Julia M. Wilkie
Finance Director	Sara B. O'Dell

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **City of Greenwood, South Carolina** (the "City"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures, and changes in Fund Balance – Budget (GAAP Basis) and Actual – General Fund, the Schedule of Revenues, Expenditures, and changes in Fund Balance – Budget (GAAP Basis) and Actual – Hospitality Tax Fund, the Schedules of Changes in the Net OPEB Liability and Related Ratios, the Schedule of OPEB Contributions, the Schedules of the City's Proportionate Share of the Net Pension Liability, and the Schedules of Employer Pension Contributions be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the 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 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.

MAULDIN & JENKINS

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Greenwood, South Carolina's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
July 15, 2026

Management's Discussion and Analysis

As management of the City of Greenwood ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2025.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent year by $44,596,190. The operations of the City during the fiscal year resulted in an increase in net position of $5,611,047. This increase is primarily from the receipt of property, hospitality and accommodations tax revenues of $12,137,637.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of $25,193,486, an increase of $1,298,513 in comparison with the prior year. Of this total amount, $6,001,446 is *unassigned fund balance* for the governmental funds.
- At the end of the current year, unassigned fund balance for the General Fund was $6,030,441 (28%) of total General Fund expenditures.
- During the current year, the City's long-term obligations decreased by $1,647,013. The debt was reduced by payments of $264,993. The net increase in compensated absences payable was $27,163.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's financial statements. The City's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the 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 like a private-sector business.

The *statement of net position* presents information on all the City's assets and deferred outflows of resources (if any) and liabilities and deferred inflows of resources (if any), with the difference between these items reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a sizable portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, economic development, court, police, fire, building inspection, public works, sanitation, non-departmental and community development. The City does not have any business-type activities.

The government-wide financial statements can be found as listed in the table of contents.

Fund financial statements

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

Governmental funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial 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 twelve 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 the Hospitality Tax Fund, the City's two major funds. Data from the other ten governmental funds are 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 annual appropriated budgets for its General Fund and Hospitality Tax Fund. Budgetary comparison schedules have been provided for the General Fund and Hospitality Tax Fund to demonstrate compliance with these budgets.

The governmental fund financial statements can be found as listed in the table of contents.

Custodial funds

Custodial funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The custodial fund financial statement can be found as listed in the table of contents.

Notes to the financial statements

The notes provide additional information that is essential to fully understanding the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's (a) variances in budget to actual revenues and expenditures for the General Fund and the Hospitality Tax Fund, (b) other postemployment benefits healthcare plan schedules, and (c) South Carolina Retirement and Police Officer Retirement Systems schedules. Required supplementary information can be found as listed in the table of contents.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining financial schedules can be found as listed in the table of contents.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the City, assets and deferred outflows exceed liabilities and deferred inflows by $44,596,190 at the close of the most recent year.

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Management's Discussion and Analysis

The table below provides a summary of the City's net position at December 31, 2025, compared to December 31, 2024.

	Governmental Activities	
	2025	2024
Assets		
Current and other assets	$ 28,490,856	$ 27,734,362
Lease receivable - noncurrent	306,532	306,532
Capital assets (net)	34,648,994	31,892,640
Total assets	63,446,382	59,933,534
Deferred outflows of resources	3,912,160	4,623,592
Total assets and deferred outflows of resources	67,358,542	64,557,126
Liabilities		
Current and other liabilities	2,999,478	3,691,050
Long-term liabilities	15,865,461	17,245,226
Total liabilities	18,864,939	20,936,276
Deferred inflows of resources	3,897,413	4,635,707
Total liability and deferred inflows of resources	22,762,352	25,571,983
Net position		
Net investment in capital assets	33,398,102	30,403,502
Restricted	11,012,205	10,706,511
Unrestricted	185,883	(2,124,870)
Total net position	$ 44,596,190	$ 38,985,143

By far the largest portion of the City's net position (75%) reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, etc.); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (24%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is *unrestricted net position* (1%). The increase in property, hospitality and accommodations tax collection is primarily responsible for the increase from prior year in reported ending net position and indicates positive growth within the last year.

Governmental Activities

The City's net position increased by $5,611,047 in 2025. The following table shows the change in net position for 2025 compared to 2024.

	Governmental Activities	
	2025	2024
Revenues		
Program revenues:		
Charges for services	$ 3,997,882	$ 2,377,029
Operating grants and contributions	1,719,456	5,822,182
Capital grants and contributions	1,804,839	2,043,158
General revenues:		
Property taxes	8,741,085	7,985,322
Accomodations taxes	553,786	547,085
Hospitality taxes	2,842,766	2,723,475
Intergovernmental and other income	2,568,148	3,545,896
Business licenses	5,335,177	4,746,252
Total revenues	27,563,139	29,790,399
Expenses		
Governmental activities:		
General Government	1,548,499	2,541,871
Economic Development	2,826,622	1,126,737
Court	367,499	289,897
Police	5,206,726	6,806,352
Fire	4,625,909	4,429,959
Building Inspection	701,136	541,341
Public Works	1,807,235	4,006,560
Sanitation	2,083,207	1,585,235
Non-departmental	1,273,969	893,008
Debt Service	9,405	205,288
Community Development	1,501,885	672,990
Total expenses	21,952,092	23,099,238
Change in net position before special items and transfers	5,611,047	6,691,161
Net position - beginning of period	38,985,143	32,293,982
Net position - end of period	$ 44,596,190	$ 38,985,143

- Program revenues decreased by $2.7 million due to the closing of funding from the American Rescue Plan Act in the previous year.
- General revenues increased in property taxes, hospitality and accommodations taxes and business licenses. Most of these were affected by inflation and an increase in new housing.

Financial Analysis of the Government'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. Unassigned *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, the City's governmental funds reported combined ending fund balances of $25,193,486, an increase of $1,298,513 in comparison with the prior year end balance. Of this total amount, $6,001,446 is *unassigned fund balance* for the governmental funds. The General Fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the General Fund was $6,030,441. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. *Unassigned* fund balance and *total* fund balance represent approximately 28% and 67% of total General Fund expenditures, respectively.

During the current year, the fund balance of the City's General Fund increased by $932,733. The primary factor is various federal and state grants received in the current year.

General & Hospitality Funds Budgetary Highlights

During the year, there were no changes to the general fund budget total revenues and minimal changes to the budget total expenditures. There were no changes to the hospitality fund budget total revenues and expenditures. Several significant variances between the final budget and actual results exist within the General Fund. Tax revenue was more than budgeted due to taxes being billed higher than expected. License revenue was more than budgeted due to higher gross receipts due to inflation. Interest rates were much lower than expected at the time the budget was prepared. Expenditures within the General Government, Court, Police, Building Inspection, and Sanitation Departments were lower than budgeted due to less capital project activity than budgeted. The significant variance between the final budget and actual results within the Hospitality Fund was in tax collections and higher than expected interest rates. Hospitality businesses saw an increase in food costs which in turn caused an increase in pricing, resulting in higher than anticipated tax collections. Expenditures were less than budgeted due to several projects being delayed in 2025.

Capital Assets and Long-term Obligations

Capital assets

The City's investment in capital assets for its governmental activities as of December 31, 2025, amounts to approximately $34,648,994 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, roads, sidewalks, and storm drainage systems.

Major capital asset events during the current year included the following:

- An addition to buildings and equipment from the donation of assets related to the construction of Grace street park.
- An addition to machinery and equipment for new police vehicles and related equipment, and slope mower.

Additional information on the City's capital assets can be found in Note 4 in the Notes to the Financial Statements as listed in the table of contents.

Long-term obligations
At the end of the current year, the City's long-term obligations decreased by $1,647,013. Infrastructure reimbursement agreement obligations are $908,194, and compensated absences are $1,088,597. The City has one right-of-use lease for $285,602. The City's portion of the SCRS and PORS net pension liabilities as well as the City's total OPEB liability is $14,370,040.

Of the total liabilities outstanding as December 31, 2025, no portion constitutes general obligation debt or is attributable to the City's legal debt limit as set forth in the South Carolina State Code of Laws.

Additional information on the City's long-term obligations can be found in Note 6 in the Notes to the Financial Statements as listed in the table of contents.

Economic Factors and Next Year's Budgets and Rates

Even though we have seen several residential developments complete build-out, we are still seeing a boom in residential development with the possibility of about 2,000 new units over the next five years.

In September of 2024 Hurricane Helene devastated the area of Greenwood. Due to the extensive damage, some costs of cleanup and repair will not be completed until 2026.

We have several construction projects either going on or soon to be started:

- Stormwater study – The City has started a stormwater study that will be completed in 2026 with recommendations on a path forward for repairs and upgrades.
- Phoenix field – The City has started a stormwater improvement project at the Phoenix field – an area that is used for soccer games for the Greenwood Toros.
- Arcades – The City is working on a design project to see what is needed to update our Arcade structures in the Uptown area of Greenwood.
- Shop/PW area – With the approval of the 2024 CSPT, the City was approved funding to help build a new shop/public works facility. With that approval, the City will be working on architectural designs for this new facility.

- Tourism office – Also with the approval of the 2024 CSPT, the tourism office started renovations of 104 Main St for their new visitors and office space. They hope to be moved into this location by July 2026.
- Fire Truck – In 2016, the citizens of Greenwood voted for the 1st CSPT and approved a long list of projects. In that list was the approval of a new ladder truck for the fire department. With much anticipation and a very long wait, that truck was ordered in 2023 and will be delivered in 2026.

Requests for Information

This financial report is designed to provide a general overview of the City of Greenwood’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests or additional financial information should be addressed to the Finance Director, 520 Monument St, P.O. Box 40, Greenwood, SC 29648.

BASIC FINANCIAL STATEMENTS

City of Greenwood, South Carolina

STATEMENT OF NET POSITION

DECEMBER 31, 2025

	Governmental Activities	Total
ASSETS		
Cash and cash equivalents	$ 1,197,905	$ 1,197,905
Investments	8,234,719	8,234,719
Restricted cash and cash equivalents	4,228,684	4,228,684
Restricted investments	6,002,117	6,002,117
Taxes receivables, net of allowance	3,287,179	3,287,179
Public works fee receivable, net of allowance	141,600	141,600
Accounts receivables, net of allowance	499,664	499,664
Due from other governments	4,713,693	4,713,693
Prepaid expenses	129,508	129,508
Lease receivable	306,532	306,532
Interest receivable	55,787	55,787
Capital assets, non-depreciable	9,563,256	9,563,256
Capital assets, net of accumulated depreciation and amortization	25,085,738	25,085,738
Total assets	63,446,382	63,446,382
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	3,593,009	3,593,009
Deferred outflows related to OPEB	319,151	319,151
Total deferred outflows of resources	3,912,160	3,912,160
Total assets and deferred outflows of resources	$ 67,358,542	$ 67,358,542
LIABILITIES		
Accounts payable	$ 1,621,264	$ 1,621,264
Accrued salaries and fringe benefits	30,346	30,346
Accrued expenses	364,179	364,179
Unearned revenue	105,589	105,589
Due to other governments and recipients	34,032	34,032
Retainage payable	57,096	57,096
Long-term liabilities:		
Due within one year	786,972	786,972
Due in more than one year	1,495,421	1,495,421
Other long-term liabilities due in more than one year:		
Net pension liability	12,306,237	12,306,237
Net other post-employment benefit (OPEB) liability	2,063,803	2,063,803
Total liabilities	18,864,939	18,864,939
DEFERRED INFLOWS OF RESOURCES		
Deferred lease receipts	319,695	319,695
Deferred inflows related to pensions	3,483,247	3,483,247
Deferred inflows related to OPEB	94,471	94,471
Total deferred inflows of resources	3,897,413	3,897,413
NET POSITION		
Net investment in capital assets	33,398,102	33,398,102
Restricted:		
Community development	65,240	65,240
Tourism	10,603,468	10,603,468
Public safety	117,841	117,841
Parks and recreation	225,656	225,656
Unrestricted	185,883	185,883
Total net position	44,596,190	44,596,190
Total liabilities, deferred inflows of resources and net position	$ 67,358,542	$ 67,358,542

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

City of Greenwood, South Carolina

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Total
Governmental activities:						
General government	$ 1,548,499	$ 457,627	$ 1,696,488	$ -	$ 605,616	$ 605,616
Economic development	2,826,622	18,921	-	-	(2,807,701)	(2,807,701)
Court	367,499	-	22,968	-	(344,531)	(344,531)
Police	5,206,726	131,350	-	-	(5,075,376)	(5,075,376)
Fire	4,625,909	10,000	-	-	(4,615,909)	(4,615,909)
Building inspection	701,136	549,129	-	-	(152,007)	(152,007)
Public works	1,807,235	1,592,508	-	306,185	91,458	91,458
Sanitation	2,083,207	1,071,537	-	130,620	(881,050)	(881,050)
Non-departmental	1,273,969	85,044	-	-	(1,188,925)	(1,188,925)
Community development	1,501,885	81,766	-	1,368,034	(52,085)	(52,085)
Interest on long-term debt	9,405	-	-	-	(9,405)	(9,405)
Total governmental activities	$ 21,952,092	$ 3,997,882	$ 1,719,456	$ 1,804,839	(14,429,915)	(14,429,915)
General revenues:						
Taxes:						
Property taxes levied for general purposes					8,741,085	8,741,085
Accommodation and hospitality taxes					3,396,552	3,396,552
Business licenses					5,335,177	5,335,177
Intergovernmental revenues, not restricted for specific purposes					1,661,702	1,661,702
Unrestricted investment earnings					799,223	799,223
Gain on sale of assets					107,223	107,223
Total general revenues					20,040,962	20,040,962
Change in net position					5,611,047	5,611,047
Net position, beginning of year					38,985,143	38,985,143
Net position, end of year					$ 44,596,190	$ 44,596,190

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

City of Greenwood, South Carolina

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Hospitality Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents - unrestricted	$ 1,197,905	$ -	$ -	$ 1,197,905
Investments - unrestricted	8,234,719	-	-	8,234,719
Cash and cash equivalents - restricted	-	3,274,896	953,788	4,228,684
Investments - restricted	-	6,002,117	-	6,002,117
Receivables, net of allowance:				
Taxes	3,287,179	-	-	3,287,179
Accounts	184,054	255,273	60,337	499,664
Public works	141,600	-	-	141,600
Due from other funds	238,782	361,693	288,859	889,334
Due from other governments	4,577,428	-	136,265	4,713,693
Lease receivable	306,532	-	-	306,532
Accrued interest	42,786	13,001	-	55,787
Prepaid items	129,508	-	-	129,508
Total assets	$ 18,340,493	$ 9,906,980	$ 1,439,249	$ 29,686,722
LIABILITIES				
Accounts payable	$ 1,621,183	$ -	$ 81	$ 1,621,264
Employee funds withheld	30,346	-	-	30,346
Accrued expenses	358,946	-	5,233	364,179
Unearned revenue	78,562	10,965	16,062	105,589
Due to other funds	650,552	-	238,782	889,334
Due to other governments	-	-	5,628	5,628
Due to designated recipients	28,216	188	-	28,404
Retainage payable	-	11,923	45,173	57,096
Total liabilities	2,767,805	23,076	310,959	3,101,840
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	1,042,717	-	28,984	1,071,701
Deferred lease receipts	319,695	-	-	319,695
Total deferred inflows of resources	1,362,412	-	28,984	1,391,396
FUND BALANCES				
Nonspendable	116,345	-	-	116,345
Restricted:				
Community development	-	-	65,240	65,240
Tourism	-	9,883,904	719,564	10,603,468
Public safety	-	-	117,841	117,841
Parks and recreation	-	-	225,656	225,656
Committed:				
Community development	6,072,056	-	-	6,072,056
Other purposes	1,991,434	-	-	1,991,434
Unassigned	6,030,441	-	(28,995)	6,001,446
Total fund balances	14,210,276	9,883,904	1,099,306	25,193,486
Total liabilities, deferred inflows of resources, and fund balances	$ 18,340,493	$ 9,906,980	$ 1,439,249	$ 29,686,722

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

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

Total fund balances - governmental funds			$	25,193,486
Capital assets, including right-to-use assets, used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Capital assets	$	60,152,171		
Accumulated depreciation		(25,503,177)		
				34,648,994
Revenues in the Statement of Activities that do not provide current financial resources are reported as unavailable revenues in the funds.				1,071,701
Deferred outflows of resources related to the recording of net pension and liability and total OPEB liability are recognized as expense over time and, therefore, are not reported in the funds.				
Deferred outflows related to other post-employment benefits	$	319,151		
Deferred outflows related to pensions		3,593,009		
				3,912,160
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				
Infrastructure reimbursement agreements	$	(908,194)		
Lease liability		(285,602)		
Compensated absences payable		(1,088,597)		
Net other postemployment benefits liability		(2,063,803)		
Net pension liability		(12,306,237)		
				(16,652,433)
Deferred inflows of resources related to pensions and other post-employment benefits are not due and payable in the current period and, therefore, are not reported in the				
Deferred inflows related to other post-employment benefits	$	(94,471)		
Deferred inflows related to pensions		(3,483,247)		
				(3,577,718)
Net position of governmental activities			$	44,596,190

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	Hospitality Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 8,638,960	$ -	$ 214,443	$ 8,853,403
Licenses, permits and fees	5,312,777	22,400	-	5,335,177
Hospitality taxes	-	2,842,766	-	2,842,766
Accommodation taxes	-	-	553,786	553,786
Intergovernmental	3,178,100	10,000	1,691,712	4,879,812
Fines and forfeitures	151,997	-	128,627	280,624
Contributions and donations	252,000	37,369	-	289,369
Charges for services	2,181,768	18,921	-	2,200,689
Economic development	-	-	27,200	27,200
Commission of public works contribution	1,200,000	-	-	1,200,000
Interest income	416,727	364,737	17,759	799,223
Total revenues	21,332,329	3,296,193	2,633,527	27,262,049
EXPENDITURES				
Current:				
General government	2,353,050	-	-	2,353,050
Economic development	-	1,863,916	1,380,659	3,244,575
Court	367,499	-	-	367,499
Police	5,474,750	-	104,913	5,579,663
Fire	4,384,211	-	-	4,384,211
Building inspection	686,425	-	-	686,425
Public works	3,723,225	-	-	3,723,225
Sanitation	1,893,597	-	-	1,893,597
Non-departmental	1,273,969	-	-	1,273,969
Community development	-	-	1,501,885	1,501,885
Capital outlay	828,131	-	89,008	917,139
Debt service:				
Principal	264,993	-	-	264,993
Interest and fiscal charges	9,405	-	-	9,405
Total expenditures	21,259,255	1,863,916	3,076,465	26,199,636
Excess (deficiency) of revenues over (under) expenditures	73,074	1,432,277	(442,938)	1,062,413
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	236,100	-	-	236,100
Transfers in	623,559	-	334,633	958,192
Transfers out	-	(958,192)	-	(958,192)
Total other financing sources (uses), net	859,659	(958,192)	334,633	236,100
Net change in fund balances	932,733	474,085	(108,305)	1,298,513
Fund balances, beginning of year	13,277,543	9,409,819	1,207,611	23,894,973
Fund balances, end of year	$ 14,210,276	$ 9,883,904	$ 1,099,306	$ 25,193,486

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Net change in fund balances - total governmental funds		$ 1,298,513
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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation and amortization expense in the current period.		
Capital outlay	$ 4,506,184	
Depreciation and amortization expense	(1,927,138)	
		2,579,046
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(112,318)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		177,308
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.		264,993
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 the governmental funds. The details are as follows:		
Compensated absences	$ (27,163)	
Net pension liability, net of related deferred outflows and	1,465,548	
Net other postemployment benefits liability, net of related deferred outflows and inflows of resources	(34,880)	
		1,403,505
Change in net position of governmental activities		$ 5,611,047

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2025

	Custodial Funds
ASSETS	
Cash-restricted	$ 373,607
Total assets	373,607
LIABILITIES	
Other liabilities	4,559
Total liabilities	4,559
FIDUCIARY NET POSITION	
Restricted for others	369,048
Total fiduciary net position	$ 369,048

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Custodial Funds
ADDITIONS	
Contributions:	
Contributions and donations	$ 132,044
Interest	3,171
Total contributions	135,215
Revenues:	
Intergovernmental	52,131
Total revenues	52,131
Total additions	187,346
DEDUCTIONS	
Public safety	111,254
Other	1,250
Total deductions	112,504
Change in fiduciary net position	74,842
Fiduciary net position, beginning of year	294,206
Fiduciary net position, end of year	$ 369,048

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Greenwood ("City") is a municipal corporation, chartered in 1857, governed by a council-manager form of government. The financial statements of the City have been prepared in conformity with generally accepted accounting principles (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 government's accounting policies are described below.

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential units. Component units are entities for which the City is considered financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to the primary government. Section 2100 of the GASB's *Codification of Governmental Accounting and Financial Reporting Standards* provides guidance on combining component unit data with data of the primary government as blended or discrete presentations. Blended component units are legally separate entities albeit, in substance, part of the primary government and, therefore are included with data of the primary government. Discretely presented component units are presented separately to emphasize legal separation from the primary government.

There are no blended or discretely presented component units included in these financial statements. No entities are excluded that would make the financial statements misleading.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. 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.

The statement of activities demonstrates the degree to which the 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. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

The City did not maintain any proprietary funds (business-type activities) for the year ended December 31, 2025.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. 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. Grant and comparable items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are generally collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, hospitality taxes, state shared revenue, grants, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

Governmental fund types are those through which all government functions of the City are financed. The City’s expendable financial resources and related assets and deferred outflows of resources (if any) and liabilities and deferred inflows of resources (if any) are accounted for though governmental funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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

The **Hospitality Tax Fund**, a major fund, is a special revenue fund that accounts for all financial resources generated by a two percent local hospitality tax collected by all businesses that serve prepared meals and/or beverages within the City that is restricted for tourism related expenditures.

Special revenue funds are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The City has the following nonmajor special revenue funds: Community Development Block Grants Funds, Police Forfeiture Fund, Victims Services Fund, Local Accommodations Tax Fund, Parks Maintenance Fund, JAG Grants Fund, Equitable Sharing Fund and Stormwater Grant Fund.

Fiduciary funds account for activities of the Police Drug Seizure, Employee's Insurance and Fireman's Funds. The Police Drug Seizure Fund is used to hold funds seized from persons charged with drug-related crimes until the cases are adjudicated. The Employee's Insurance is used to hold funds donated from the employees of the City until used per the restrictions set by the Employee's Insurance committee. The Fireman's Fund is used to hold funds remitted from insurance companies specifically to be used for firefighters as approved by the South Carolina State Firefighters' Association.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's general fund, special revenue funds, and agency funds. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash, Cash Equivalents and Investments

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

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments (Continued)

The City is allowed to invest in (1) obligations of the United States and agencies thereof, the principal and interest of which is fully guaranteed by the United States; (2) obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers 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 rating organizations; (3) general obligations of the State of South Carolina or any of its political units; or revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations; (4) savings and loan associations to the extent that the same are secured by an agency of the federal government; (5) certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government; (6) Repurchase agreements when collateralized by securities as set forth in this section; and (7) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), (3), and (6) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments (Continued)

The City's cash and investment objectives are preservation of capital, liquidity and yield. The City categorizes it fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted 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 as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted 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.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset 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 need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

- Temporarily restricted repurchase agreements: Valued at cost, which approximates fair value.
- Fixed income securities: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments (Continued)

The City has the following recurring fair value measurements as of December 31, 2025:

Investment Type	Level 1 Inputs	Level 2 Inputs	Total
United States Treasuries	$ 3,526,029	$ -	$ 3,526,029
Small Business Administration Pool United States Agencies	-	7,110,652	7,110,652
Total Debt Securities	$ 3,526,029	$ 7,110,652	10,636,681
Money Market and Certificates of Deposit			3,600,155
South Carolina Local Government Investment Pool			3,278,398
			$ 17,515,234

The City currently and in the past year has used the following investments:

1. South Carolina Local Government Investment Pool (the “Pool” or “LGIP”) investments are invested with the South Carolina State Treasurer’s Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies more than current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission (SEC) as an investment company but has a policy that it will operate in a manner consistent with the SEC’s Rule 2a 7 of the Investment Company Act of 1940. The South Carolina State Treasurer oversees the pool. The fair value of the position in the pool is the same as the value of the pool shares. The pool is included as an investment trust fund in the State of South Carolina Comprehensive Annual Financial Report. At December 31, 2025, the underlying security ratings of the City’s investments in the LGIP is classified in risk category “A” and may be obtained from the LGIP’s complete financial statements by writing to the following address: Office of the State Treasurer, Local Government Investment Pool, PO Box 11778, Columbia, SC 29211.

2. Repurchase agreements are a type of transaction in which a participant acquires immediately available funds by selling securities and simultaneously agreeing to repurchase the same or similar securities after a specified time at a given price, which typically includes interest at an agreed-upon rate. Beginning January 1, 2010, the City began investing a portion of its cash in overnight repurchase agreements with a local bank. Under these agreements, the bank sells United States Treasury and Federal Agency securities to the City each night and repurchases these investments the next business day.

3. US Treasury Notes are generally treasury notes, bonds, bills and related securities which are debt obligations of the US government. These debt obligations are backed by the full faith and credit of the government.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments (Continued)

4. Small Business Administration pool securities are securities that are generally backed by mortgage loans and due to their creation from particular corporations that are sponsored by the US government, they enjoy credit protection based on either an implicit or explicit guarantee from the US government.

5. Certificates of Deposit (CD) are bond-type investments issued by a bank when a person or company deposits a certain amount of money for a determined amount of time. The maturity can be up to five years, and interest is paid to the holder of the CD at an agreed upon rate. Money removed before maturity is subject to a penalty.

6. United State Agencies Bonds are debt securities issued by government-sponsored enterprises (GSEs) or other federal agencies, like Fannie Mae or Freddie Mac, to provide liquidity in specific markets, such as mortgages. While not directly backed by the full faith and credit of the U.S. government, these bonds offer high credit quality due to implicit government support and provide investors with yields slightly higher than Treasury bonds.

7. Money Market investment is a short-term, low-risk, highly liquid investment, like a money market fund or a Treasury Bill, that earns interest on funds for less than a year. Examples include money market funds, Treasury Bills (T-bills), CDs, commercial paper, and repurchase agreements, all of which provide a balance between earning higher returns and keeping funds accessible for emergencies or large purchases.

Budgetary Information

As required, the City adopts an annual budget for its General Fund and Hospitality Tax Fund. The budgets are a legally adopted document of the City's services and financing. The budgets incorporate input from the management of the City and City Council. It authorizes the City to obtain funds from identified sources to finance current period activities. The identified sources of revenues are established on a line-item basis and appropriated on a departmental basis for activities or expenses. The legal level of control for each budget is maintained at the function level. City Council has the authority to amend the approved budget during the year as necessary as recommended by management. The City has elected to present its budgetary comparison information for the General Fund and Hospitality Tax Fund as separate schedules and not as financial statements. The General Fund and Hospitality Tax Fund were the only major governmental funds for which the City had a legally adopted budget. For the year ended December 31, 2025, the City had excess of governmental expenditures over appropriations at the legal level of control in the General Fund in the amount of $32,733 for fire, $906,068 for public works, and $81,791 for non-departmental. The over expenditures in the General Fund were funded by under expenditures in other departments, a positive budget variance for revenues within the same fiscal year and budgeted prior year fund balance.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end. The City had $1,614,725 in outstanding encumbrances as of December 31, 2025.

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) until then. The City currently has two types of deferred outflows of resources: (1) the City reports deferred outflows related to pensions in its statement of net position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System and (2) the City also reports deferred outflows related to OPEB in its statement of net position in connection with its OPEB plan provided to employees. These deferred pension and OPEB charges are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liabilities or (b) amortized in a systematic and rational method as expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets 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 revenues 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 reports deferred inflows related to pensions in its statement of net position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (3) The City also reports deferred inflows related to OPEB in its statement of net position in connection with its OPEB plan provided to employees. These deferred pension and OPEB inflows are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP. (4) Deferred lease receipts are reported in the Governmental Funds Balance Sheet as well as the government-wide Statement of Net Position. The City reports deferred inflows from lease receipts and amortized into lease revenues over the remaining life of the lease.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation

Capital assets, which include property, equipment, right-to-use equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and comparable items), are reported in the government-wide statement of net position. Capital assets, with the exception of right-to-use equipment and building and improvements, are defined by the City as assets with an initial, individual cost of more than $5,000 and estimated useful life of more than two years. Building and improvements having a purchase price of more than $10,000 are considered capital assets. All capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property and equipment of the government are depreciated and amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40 - 50
Building Improvements	5 - 40
Public Domain Infrastructure	10 - 50
Vehicles	8 - 20
Office Equipment	3 - 10
Computer Equipment	3 - 10
Right-to use Equipment	2 - 5

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation, compensatory time and sick pay benefits. The liability for compensated absences is recognized on the government-wide financial statements when the benefits are earned and it is probable that the employee will be compensated for them through paid time off or termination payments.

Unpaid accumulated sick leave is not paid out when employees separate from service with the government. All vacation pay and compensatory time is reported in governmental funds only if they have matured, for example, because of employee resignations and/or retirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Pensions and OPEB

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

Fund Balance

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

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

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. With approval from City Council, the City Manager has the authority to assign fund balance.

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

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

The City Council has formally adopted a fund balance policy. This policy indicates goals for unassigned fund balance and assigned fund balance. Assignments of fund balance represent tentative management plans that are subject to change. The City's fund balance policy requires a minimum of 10% of budgeted expenditures be available for assignments. Unassigned fund balance indicates that portion of fund balance which is available for appropriation in future periods. The City's fund balance policy requires a minimum of 20% of budgeted expenditures be unassigned.

For the year ended December 31, 2025, the Stormwater Grant Fund reported deficit fund balances of $28,995. This deficit will be eliminated through transfers from other funds and from other future revenues.

The City has committed $8,063,490 for future capital assets, improvements and for employee recognition.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

The City has restricted funds for Accommodations Taxes, Community Development, Drug Forfeitures, and Hospitality Taxes. These funds are restricted by law as to their uses and may only be expended for qualifying expenditures.

Net Position

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

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds.” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

All trade and property tax receivables are shown net of an allowance for uncollectibles as applicable.

Property taxes are levied on October 1 and are payable without penalty through January 15. Unpaid taxes attach as an enforceable lien on property as of the following March 18.

Greenwood County bills and collects real and vehicle property taxes for the City. Property taxes receivable represents unpaid real and personal taxes, less an allowance for amounts estimated to be uncollectible. All net property taxes receivable as of year-end, except those collected within 45 days after year end, are recorded as unavailable revenue (deferred inflow of resources) and thus not recognized in the governmental funds until collected. At December 31, 2025, taxes receivable was $4,507,979, net of an allowance for uncollectible taxes of $1,220,800. An allowance for uncollectible trade accounts receivable of $4,835 is based on management’s estimate of accounts that are uncollectible.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables (Continued)

Greenwood County also bills and collects a $50 public works fee on each residential parcel for the City. Public works fees receivable represents unpaid public works fee, less an allowance for amounts estimated to be uncollectible. All net public works fees receivable as of year-end, except those collected within 45 days after year end, are recorded as unavailable revenue (deferred inflow of resources) and thus not recognized in the governmental funds until collected. At December 31, 2025, public works fees receivable was $143,350, net of an allowance for uncollectible taxes of $1,750. An allowance for uncollectible trade accounts receivable is based on management's estimate of accounts that are uncollectible.

Inventory and Prepaid Expenses

Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed. Prepaid items (for example, insurance) are accounted for over the period they are consumed rather than when paid.

Estimates

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The City is a lessee for certain equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $50,000 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

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

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

Lease assets are reported with other capital assets on the Statement of Net Position, and lease liabilities are reported with long-term debt on the Statement of Net Position.

NOTE 2. CASH AND INVESTMENTS

As of December 31, 2025, the City had the following cash, cash equivalent and investment balances:

Statement of Net Position:		
Cash and cash equivalents	$	1,197,905
Investments		8,234,719
Restricted cash and cash equivalents		4,228,684
Restricted investments		6,002,117
Statement of Fiduciary Net Position:		
Cash and cash equivalents		373,607
	$	20,037,032

Cash and cash equivalents deposited with financial institutions	$	2,521,798
Investments held at financial institutions		14,236,836
Cash equivalents held by the State of South Carolin.		3,278,398
	$	20,037,032

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City 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. The City does not have a deposit policy for custodial credit risk but follows the policy statutes of the State of South Carolina. As of December 31, 2025, $1,921,368 of the City's bank balances of $2,671,368 which had a carrying value of $2,521,798 was exposed to custodial credit risk as it was uninsured but collateralized with securities held by the depository financial institution's agent but not in the City's name.

Investments

Investment Type	Credit Rating	Fair Value	Investment Maturities in Year < 1 yr	1-3 yrs	3-5 yrs	> 5 yrs
United States Treasuries	Aa1	$ 3,526,029	$ 3,526,029	$ -	$ -	$ -
United States Agencies	Aa1	7,110,652	-	-	-	7,110,652
Certificates of Deposit	NR	2,952,400	2,952,400	-	-	-
Money Market Mutual Funds	NR	647,755	647,755	-	-	-
South Carolina Local Government Investment Pool	NR	3,278,398	3,278,398	-	-	-
Total		$17,515,234	$10,404,582	$ -	$ -	$ 7,110,652

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk – Investments

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. As of December 31, 2025, the City had no investments subject to interest rate risk.

Credit Risk – Investments

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statute authorizes the City to invest in obligations of the United States and agencies thereof; general obligations of the State of South Carolina or any of its political units provided such obligations are rated as an "A" or better by Moody's Investors Service, Inc. and Standard and Poor's Corporation or their respective successors; interest bearing accounts in savings and loan associations to the extent that the same are insured by an agency of the Federal government; certificates of deposit where the certificates are collaterally secured by securities of the type described above, held by a third party as escrow agent or custodian, of a fair value not less than the amount of the certificates of deposit so secured, including interest, provided, however, such collateral shall not be required to the extent the same are insured by an agency of the United States Government; or deposit accounts with banking institutions insured and secured in the same manner. The statutes provide that all authorized investments shall have maturities consistent with the time or times when the invested monies will be needed in cash. Statutes also allow the State Treasurer to assist local governments in investing funds. The City is under no contractual agreements which restrict investment alternatives. The City has no investment policy that would further limit its investment choices other than its compliance with State Law. As of December 31, 2025, the City had no investments subject to credit risk.

Concentration of Credit Risk - Investments

The City places no limit on the amount it may invest in any one issuer. Investments issued or explicitly guaranteed by the U.S government and investments in mutual funds and external investment pools are excluded from this disclosure requirement. The City invests in overnight repurchase agreements with a local bank. None of the City’s other investments exceeded 5% of the total amount invested.

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment balances were covered by collateral held by the financial institution's trust department in the City's name.

The City does not have an investment policy for custodial credit risk. As of December 31, 2025, the City had no investments subject to custodial credit risk.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

NOTE 3. COMMISSIONERS OF PUBLIC WORKS

The Commissioners of Public Works (CPW) is an entity that was created by an act of the South Carolina General Assembly and requires the consent of City Council to issue any revenue bond indebtedness. CPW has in the past followed the practice of making an annual cash contribution to the City equal to the amount of the year’s charges for service provided to the City. Upon receipt of this contribution, the City has written a check to the CPW for a like amount in payment of such services. This amount was $801,046 for 2025.

In addition, CPW contributed $398,954 to the City in 2025 under an agreement reached in 2006. The CPW has agreed to contribute a total of $1.2 million less the amount of utilities used. The annual receipt of these funds is contingent on CPW having surplus funds. This determination is made annually.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 8,686,108	$ 306,185	$ -	$ -	$ 8,992,293
Construction in progress	443,287	1,386,997	-	(1,259,321)	570,963
Total	9,129,395	1,693,182	-	(1,259,321)	9,563,256
Capital assets, being depreciated/amortized:					
Buildings and improvements	13,666,673	1,142,606	-	410,927	15,220,206
Sanitation system	930,929	-	(8,629)	-	922,300
Machinery and equipment	17,507,178	1,205,099	(1,227,615)	-	17,484,662
Right-to-use lease equipment	476,197	-	-	-	476,197
Infrastructure	15,014,011	771,482	(148,337)	848,394	16,485,550
Total	47,594,988	3,119,187	(1,384,581)	1,259,321	50,588,915
Less accumulated depreciation/amortization for:					
Buildings and improvements	(5,206,200)	(404,426)	-	-	(5,610,626)
Sanitation system	(702,869)	(28,476)	6,273	-	(725,072)
Machinery and equipment	(10,065,195)	(852,496)	1,112,812	-	(9,804,879)
Right-to-use lease equipment	(95,239)	(95,239)	-	-	(190,478)
Infrastructure	(8,762,240)	(546,501)	136,619	-	(9,172,122)
Total	(24,831,743)	(1,927,138)	1,255,704	-	(25,503,177)
Total capital assets, being depreciated/amortized, net	22,763,245	1,192,049	(128,877)	1,259,321	25,085,738
Total capital assets,net	$ 31,892,640	$ 2,885,231	$ (128,877)	$ -	$ 34,648,994

Depreciation and amortization expense totaled $1,927,138 for the year ended December 31, 2025.

Functions/Programs	Depreciation an Amortization Expense
General government	$ 163,442
Police	374,139
Fire	241,698
Building inspection	14,711
Public works	673,703
Sanitation	189,610
Economic development	269,835
Total	$ 1,927,138

NOTE 5. DUE TO/FROM OTHER FUNDS (INTERNAL BALANCES)

The composition of interfund balances at December 31, 2025, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 238,782
Hospitality Tax Fund	General Fund	361,693
Nonmajor Governmental Funds	General Fund	288,859
		$ 889,334

Interfund balances largely result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The composition of interfund transfers as of December 31, 2025, consisted of the following:

Transfer In	Transfer Out	Amount
General Fund	Hospitality Tax Fund	$ 623,559
Nonmajor Governmental Funds	Hospitality Tax Fund	334,633
		$ 958,192

During the course of normal operations, the City makes numerous transactions between funds. The transfer of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds. The transfer to the General Fund from the Hospitality Tax Fund was made to reimburse for tourist event materials and personnel support from the fire, police, and public works departments. The transfer to the Nonmajor Governmental Funds from the Hospitality Tax Fund was to support the local match related to grant activity.

NOTE 6. LONG-TERM DEBT OBLIGATIONS

Details on the City's outstanding debt obligations as of December 31, 2025, are as follows:

The City has entered into non-interest bearing agreements with several developers to reimburse one hundred percent of the costs related to the construction of streets, storm sewers, and related costs. The development must be constructed in accordance with City standards for utilities. The costs of improvements will be rebated annually not to exceed seventy-five percent of the City tax revenues for any improvements to the property per year and a time frame of ten years for residential property and eleven years for commercial property. The amount to be reimbursed shall not exceed an amount that the City determines and shall continue for ten years for residential property, eleven years for commercial property, or until the reimbursement is complete, whichever occurs first. The total outstanding on these non-interest-bearing agreements was $908,194 at December 31, 2025, of which management estimates $205,994 will be due in 2026.

Changes in the long-term debt of the City during the year ended December 31, 2025, were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due within One Year
Governmental Activities:					
Compensated absences	$ 1,061,434	$ 455,979	$ (428,816)	$ 1,088,597	$ 488,118
Infrastructure reimbursement agreements	1,082,592	-	(174,398)	908,194	205,994
Lease payable	376,197	-	(90,595)	285,602	92,860
Net pension liability	13,898,972	2,570,132	(4,162,867)	12,306,237	-
Net OPEB liability	1,880,251	392,989	(209,437)	2,063,803	-
Total	$ 18,299,446	$ 3,419,100	$ (5,066,113)	$ 16,652,433	$ 786,972

The General Fund has been used to liquidate long-term obligations in prior years and will be used to liquidate these obligations.

NOTE 7. 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 Retirement Systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, 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 of 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, higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly at or after the general election in November 2012.

NOTE 7. PENSION PLANS (CONTINUED)

Plan Description (Continued)

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

Membership

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

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

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

Benefits

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

NOTE 7. PENSION PLANS (CONTINUED)

Benefits (Continued)

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

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

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

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

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.

NOTE 7. PENSION PLANS (CONTINUED)

Contributions (Continued)

Legislation in 2017 increased but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS 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 statue, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute.

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

Required employee contribution rates[1] are as follows:

	Fiscal Year 2025
SCRS	
Employee Class Two	9.00%
Employee Class Three	9.00%
PORS	
Employee Class Two	9.75%
Employee Class Three	9.75%

NOTE 7. PENSION PLANS (CONTINUED)

Contributions (Continued)

Required employer contribution rates[1] are as follows:

	Fiscal Year 2025
SCRS	
Employer Class Two	18.41%
Employer Class Three	18.41%
Employer Incidental Death Benefit	0.15%
PORS	
Employer Class Two	21.04%
Employer Class Three	21.04%
Employer Incidental Death Benefit	0.20%
Employer Incidental Death Program	0.20%

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

Contributions to the SCRS and PORS pension plans from the City were $652,497 and $1,199,079, respectively, for the year ended December 31, 2025.

Net Pension Liability

For the year ended December 31, 2025, the City reported a liability of $5,018,445 and $7,287,792 for its proportionate share of the SCRS and PORS net pension liability (NPL), respectively. The NPL was measured as of June 30, 2025, and the total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of July 1, 2024, and projected forward. The City's proportionate share of the NPL was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

As of the June 30, 2025 measurement date, the City's proportionate share of the SCRS and PORS plans were .023224 percent and .263544 percent, respectively.

Non-employer Contributions

Employers' proportionate shares were calculated on the basis of employer contributions remitted to the plan by employers and non-employer contributions appropriated in the State's budget. In an effort to offset a portion of the burden of the increased contribution requirement for employers, the General Assembly funded 1 percent of the SCRS and PORS contribution increases for the City's fiscal year 2024. The State budget appropriated these funds directly to PEBA and a credit was issued for each employer to use when submitting their quarterly remittances to PEBA.

NOTE 7. PENSION PLANS (CONTINUED)

Non-employer Contributions (Continued)

For the year ended June 30, 2025 measurement period, PEBA provided non-employer contributions to the City in the amount of $73,391 which is shown as a reduction of net pension liability and other grant revenue in the government-wide financial statements the year ended December 31, 2025 which are presented on the economic resources measurement focus and accrual basis of accounting.

Pension Expense

For the year ended December 31, the City recognized $391,875 in pension expense. This amount consisted of ($1,045,373) and $1,437,248, respectively, for the SCRS and PORS plans.

Deferred Inflows of Resources and Deferred Outflows of Resources

At December 31 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

South Carolina Retirement System	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 235,454	$ -
Changes of assumptions	59,311	-
Net difference between projected and actual earnings on pension plan investments	-	322,203
Changes in proportion and differences between employer contributions and proportionate share of contributions	82,194	2,370,930
Employer contributions subsequent to the measurement date	329,636	-
Total	$ 706,595	$ 2,693,133

NOTE 7. PENSION PLANS (CONTINUED)

Deferred Inflows of Resources and Deferred Outflows of Resources (Continued)

South Carolina Police Officers Retirement System	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 855,592	$ -
Changes of assumptions	96,850	-
Net difference between projected and actual earnings on pension plan investments	-	686,340
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,325,132	103,774
Employer contributions subsequent to the measurement date	608,840	-
Total	$ 2,886,414	$ 790,114

The $329,636 and $608,840 reported as of December 31, 2025, as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, will be recognized as a reduction of the net pension liabilities in the year ending December 31, 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 for the SCRS and PORS plans, respectively:

Year ended June 30:	SCRS	PORS
2026	$ (1,149,458)	$ 1,256,501
2027	(936,757)	585,896
2028	(155,678)	(198,636)
2029	(74,281)	(156,301)

NOTE 7. PENSION PLANS (CONTINUED)

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

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

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of the plan's fiscal year end, June 30, 2025:

	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 11.25%	3.5% to 11.0%
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or $500	lesser of 1% or $500

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

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

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

NOTE 7. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2025, for SCRS and PORS are presented below:

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

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

Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2025 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

NOTE 7. PENSION PLANS (CONTINUED)

Long-term Expected Rate of Return (Continued)

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public Equity	**46.0%**	5.87%	2.70%
Bonds	**26.0%**	3.20%	0.83%
Private Equity	**9.0%**	8.50%	0.77%
Private Debt	**7.0%**	7.40%	0.52%
Real Assets	**12.0%**		
Real Estate (Private)	9.0%	5.00%	0.45%
Infrastructure (Public)	3.0%	7.70%	0.23%
	100.0%		
	Total expected real return		5.50%
	Inflation for actuarial purposes		2.25%
	Total expected nominal return		7.75%

Discount Rate

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

Sensitivity Analysis

The following table presents the collective NPL of the City calculated using the discount rate of 7.00 percent, as well as what the City's NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

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

Fiscal Year	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	$ 6,781,639	$ 5,018,445	$ 3,551,203
PORS	11,092,343	7,287,792	4,166,533

NOTE 7. PENSION PLANS (CONTINUED)

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2025, and the accounting valuation report as of June 30, 2025. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

NOTE 8. COMMITMENTS AND CONTINGENCIES

The City is routinely the subject of litigation by a variety of plaintiffs. Although the outcome of these matters is not presently determinable, the City management and their attorneys believe that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 9. 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 has joined together with other municipalities in the state to form the South Carolina Municipal Insurance and Risk Financing Fund (SCMIRF), which is a public entity risk pool currently operating as common risk management and insurance programs. The City pays a bi-annual premium to SCMIRF for its general insurance. The SCMIRF is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $1 million for each insured event.

The City also has joined together with other municipalities in the state to form the South Carolina Municipal Insurance Trust (SCMIT), a public entity risk pool operating as a common risk management and insurance program for worker's compensation. The City pays a quarterly premium to SCMIT. Beginning in 2016, the City entered into an agreement with SCMIT to have a $2,500 deductible per occurrence in order to reduce insurance costs.

There were no significant reductions in insurance coverage from amounts provided in the prior year. Settlements have not exceeded insurance coverage for each of the past three years.

The City pays monthly premiums to PEBA for its health and dental insurance benefits.

NOTE 10. RELATED PARTY TRANSACTIONS

The City routinely awards Hospitality Tax Funds to the Greenwood Community Theater (the "Theater") for specific tourist related projects. Council Member Matthew Miller sometimes serves as a musical contractor for performances. During 2025, the City awarded $75,000 in Hospitality Tax funds to the Theater.

The City routinely awards Accommodations Tax Funds to the Greenwood Arts Council (GAC) for specific tourist related projects. Council Member Nicoletta Hutto is a part-time employee with the GAC. During 2025, the City awarded $75,000 in Accommodations Tax funds to GAC.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The City sponsors an agent multiple-employer defined benefit postemployment healthcare plan (the "OPEB Plan") that provides medical benefits to eligible retired City employees. These benefits are established by the governing body of the City through an ordinance that may be amended at any time by City Council. City employees who retired after December 31, 1999, and before December 31, 2008, and who were enrolled in the City's Retiree Health Insurance Program on December 31, 1999, and had worked for the City for a specified number of years, are eligible for these benefits. The City pays up to one hundred percent of the health insurance premiums incurred by pre-Medicare retirees. The percentage of the premium that is paid by the City is based on the number of years of service and is listed below. The City covers zero percent of the monthly premium and 100% of the implicit subsidy for spouses of participants.

Plan Membership

As of December 31, 2024, the valuation date, the Plan membership consisted of the following:

Active participants	59
Retirees and beneficiaries currently receiving benefits	17
Total	76

Benefits Provided

For retirees that retired after December 31, 2011, and were hired before January 1, 2015, the OPEB Plan includes medical benefits for retirees and spouses. The City pays the premium for participants based on the schedule below.

- Group I includes retirees with at least 25 years of City service under PORS or 28 years of City service under SCRS. The City pays 100% of the monthly premium not to exceed $1,200 and implicit subsidy prior to age 65.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Benefits Provided (Continued)

No benefits are provided after age 65. Spouses of participants who retire after December 31, 2008, must pay 100% of the premium and implicit subsidy.

The OPEB Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust (SC ORBET), an agent multiple-employer investment plan administered by the Municipal Association of South Carolina (MASC). SC ORBET issues a publicly available financial report that includes audited financial statements and required supplementary information for the OPEB Plan.

A copy of the report may be obtained by writing to: Chief Financial Officer for Risk Management Services, Municipal Association of South Carolina, PO Box 12109, Columbia, South Carolina 29211.

Funding Policy

The plan includes medical benefits for retirees and their spouses. The calendar year 2025 premium rate is $624.78 for retiree coverage and an additional $737.42 for spouses. The calendar year 2025 premium rate for the Medicare Supplemental option is $624.78 for retirees and $737.42 for their spouses. For the Medicare Supplement, retirees and spouses must pay the full premium rate and implicit subsidy rate. Coverage can continue for the life of the retiree and for the life of the surviving spouse after the death of the retiree. Dental coverage is also available. The retiree must pay the full premium for this coverage.

The City plans to contribute the Actuarially Determined Employer Contribution (ADEC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The ADEC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ADEC rate is based on a level percent of payroll increasing annually at 4.18% and required amounts are contributed periodically throughout the year.

Net OPEB Liability

In previous years, the City has reported a net OPEB obligation (liability) consisting of the difference between the annual required contribution into the plan and the actual contributions made by the City. GASB 75 requires employers to determine the Total OPEB Liability (TOL) using the Entry Age Normal (EAN) actuarial funding method and to report a net OPEB liability consisting of the difference between the TOL and the plan's fiduciary net position.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Net OPEB Liability (Continued)

The City's TOL was determined by an actuarial valuation as of December 31, 2024, using the following key actuarial assumptions and other inputs:

The table below summarizes the key actuarial assumptions:

Inflation	2.25%
Real wage growth	
SCRS	0.75%
PORS	1.25%
Wage inflation	
SCRS	3.00%
PORS	3.00%
Salary increases, including wage inflation	
SCRS	3.00% - 9.65%
PORS	3.50% - 11.00%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflatior	4.75%
Municipal Bond Index Rate	
Prior Measurement Date	4.08%
Measurement Date	4.83%
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	4.75%
Measurement Date	4.81%
Health Care Cost Rate	
Pre-Medicare	7.00% for 2025 decreasing to an ultimate rate of 4.50% by

The discount rate used to measure the TOL was based on the long-term expected rate of return.

Mortality rates were based on the PUB-2010 Mortality Table for Employees with 100% multiplier to better reflect anticipated experience and provide a margin for future improvements.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the December 31, 2024 valuation were based on the results of the 2024 actuarial experience study adopted by SCRS and PORS.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Net OPEB Liability (Continued)

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the December 31, 2024 valuation were based on a review of recent plan experience done concurrently with the December 31, 2024 valuation.

Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed by the investment consultant for each major asset class.

These ranges should be combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans which are likely to cover a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

As of the most recent adoption of the current long-term rate of return by the Plan, the target asset allocation for each major asset class, as provided by the Plan, are summarized in the following table:

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long-term Expected Real Rate of Portfolio Rate of Return
US Government Agency	58.00%	3.90%	2.26%
US Govt MBS/CMO/CMBS	40.00%	4.40%	1.76%
Cash and Short Duration (Net)	2.00%	3.75%	0.08%
	100%		4.10%

Note: In accepting the long-term expected return for the Plan, the actuary performed a high level review of the information provided by the Plan. Our review indicates the long-term expected rate of return assumption of 4.75% is reasonable.

The discount rate used to measure the TOL as of the Measurement Date was 4.81%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of December 31, 2024.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Net OPEB Liability (Continued)

In addition to the actuarial methods and assumptions of the December 31, 2024 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually using the payroll growth assumptions.
- Active employees do not explicitly contribute to the Plan.
- In all future years, the employer continues to contribute at least the average contribution for the last five years through deposit to the Trust and direct payment of benefits to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make contributions to the Trust and benefit payments from its own resources for all period in the projection.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan's Fiduciary Net Position (FNP) was projected to not be depleted.

The FNP projections are based upon the Plan's financial status on the Valuation Date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Net OPEB Liability (Continued)

The table below summarizes the changes in the TOL:

	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balances, beginning of year	$ 2,461,890	$ 581,639	$ 1,880,251
Changes for the year:			
Service cost*	47,299	-	47,299
Interest	112,965	-	112,965
Administrative expenses	-	-	-
Difference between expected and actual experience	224,978	-	224,978
Assumption changes	2,211	-	2,211
Contributions - employer	-	169,307	(169,307)
Net investment income	-	40,130	(40,130)
Benefit payments, including refunds of employee contributions**	(169,307)	(169,307)	-
Administrative expenses***	-	(5,536)	5,536
Other changes	-	-	-
Net changes	218,146	34,594	183,552
Balances, end of year	$ 2,680,036	$ 616,233	$ 2,063,803

* The service cost includes interest for the year.

** Benefit payments are net of participant contributions and include a payment of $35,700 for the implicit subsidy. Benefit payments include $133,607 paid outside the Trust.

*** Administrative expenses are based on the fees paid from the Plan's Trust.

Sensitivity of the Net OPEB Liability to Health Care Cost Trend Rates

The following exhibit presents the Net OPEB Liability (NOL) of the City, calculated using current health care cost trend rates, as well as what the City's NOL would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates.

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

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
$ 2,030,998	$ 2,063,803	$ 2,085,959

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity of the Net OPEB Liability to Health Care Cost Trend Rates (Continued)

This paragraph requires disclosure of the sensitivity of the NOL to changes in the discount rate. The following exhibits present the NOL of the Plan, calculated using the discount rate of 4.81%, as well as what the Plan's NOL would be if it were calculated using a Discount Rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

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

1% Decrease (3.81%)	Current Discount Rate (4.81%)	1% Increase (5.81%)
$ 2,280,507	$ 2,063,803	$ 1,866,063

Deferred Outflows and Inflows of Resources Related to OPEB

Since certain expense items are recognized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts will increase OPEB expense, they are labeled Deferred Outflows of Resources. If they serve to reduce OPEB expense, they are labeled Deferred Inflows of Resources. The recognition of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average expected remaining service life of the active and inactive Plan members at the beginning of the measurement period. For the year ended December 31, 2025, OPEB expense amounted to $204,187.

At December 31, 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 experience	$ 223,599	$ 93,005
Changes of assumptions or other inputs	69,561	1,466
Net difference between projected and actual earnings on plan investments	25,991	-
Total	$ 319,151	$ 94,471

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Deferred Outflows and Inflows of Resources Related to OPEB (Continued)

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

Year ended June 30:		
2026	$	58,288
2027		37,616
2028		39,449
2029		38,245
2030		36,244
Thereafter		14,838
	$	224,680

NOTE 12. TAX ABATEMENT

The County of Greenwood provides tax abatements under a Fee-in-Lieu of Tax and Special Source Revenue Credit Program (FILOT and SSRC). FILOT and SSRC offers individual incentive packages by abating property taxes to attract new business to the County and to retain current businesses. FILOT and SSRC was established by SC Code Title 12, Chapter 44 and Title 4, Chapter 12 as SC Code Sections 4-29-68, 4-1-170, and 12-44-70. Generally, for taxpayers to be approved for this program they must agree to invest the statutory minimum (A higher amount may be negotiated) within the investment period. The investment period begins on the day on which the property described in the agreement is entered into service and ends at an agreed upon point in time. The taxpayer must also agree to incur costs of designing, acquiring, constructing, improving, or expanding improved or unimproved real estate or personal property used in the operation of a manufacturing or commercial enterprise, infrastructure servicing the project, or certain aircraft within the investment period. Once the investment period begins, the taxpayer may receive a reduction of assessed rate, reduction in millage rate and elimination of (or reduction in) the number of times the millage rates change for the property over the length of the agreement. Then the taxpayer will receive a specified percentage refund of their fee-in-lieu of tax payment within 30 days of their FILOT payments. If the taxpayer fails to maintain conditions set forth in the agreement, state law requires that the taxpayer repay all savings in property taxes from FILOT payments and the taxpayer is also required by state law to pay two additional years of property tax if the SSRC was received on personal property. Other recapture provisions may be negotiated on a case by case basis. The City's property tax revenues were reduced by $164,820 under agreements entered into by Greenwood County for the fiscal year ended December 31, 2025.

NOTE 12. TAX ABATEMENT (CONTINUTED)

The City provides tax abatements under the SSRC which offers individual incentive packages by abating property taxes to attract new business to the County and to retain current businesses. The SSRC program was established by the SC Code Sections 4-29-68, 4-1-170, and 12-44-70. Generally, for taxpayers to be approved for this program they must agree to incur costs of designing, acquiring, constructing, improving, or expanding improved or unimproved real estate or personal property used in the operation of a manufacturing or commercial enterprise, infrastructure servicing the project, or certain aircraft within the investment period. The investment period begins on the day on which the property described in the agreement is entered into service and ends at an agreed upon point in time. Once the investment period begins, the taxpayer will receive a specified percentage refund of their property taxes for the property included in the agreement within 30 days of their property tax payment. If the taxpayer fails to maintain conditions set forth in the agreement, state law requires that the taxpayer pay two additional years of property tax if the SSRC was received on personal property. Other recapture provisions may be negotiated on a case by case basis. The City's property tax revenues were reduced by $118,912 under agreements entered into by the City for the fiscal year ended December 31, 2025. See the table below for further details:

Tax Abatement Program	Amount of Taxes Abated During the Fiscal Year	
Fee-in-Leu of Taxes Program (FILOT)	$	77,948
Special Source Revenue Credit Program (SSRC)		118,912
FILOT and SSRC		86,872
Total	$	283,732

NOTE 13. LEASES

The City leases a portion of its facilities for cellular tower antenna sites. This license is non-cancelable for a period of ten years, with eight renewal periods of five years each. The City believes the licensee will exercise the renewal option with reasonable certainty. The agreement allows for a three percent annual increase to the license payments. At termination, the lessee must remove all equipment and restore the site to its original state. The City recognized $5,377 in lease revenue related to this agreement.

As of December 31, 2025, the City has $306,532 and $319,695 in lease receivables and deferred inflows of resources, respectively, for this arrangement.

NOTE 13. LEASES (CONTINUED)

The following table represents principal and interest payments expected to maturity:

Year	Principal	Interest	Total
2026	$ 4,899	$ 638	$ 5,537
2027	5,076	628	5,704
2028	5,257	617	5,874
2029	5,434	617	6,051
2030	5,628	605	6,233
2031-2035	31,240	2,844	34,084
2036-2040	37,016	2,494	39,510
2041-2045	43,724	2,081	45,805
2046-2050	51,507	1,594	53,101
2051-2055	60,538	1,021	61,559
2056-2059	56,213	328	56,541
	$ 306,532	$ 13,467	$ 319,999

The City participates in a certain lease for which it is obligated under a lease agreement for the rental of equipment. The incremental borrowing rate for the lease is 2.5%. As of December 31, 2025, the City reports $285,602 outstanding lease liabilities payable.

Annual debt service requirements to maturity for the lease liabilities as of December 31, 2025, are as follows:

Year	Principal	Interest	Total
2026	$ 92,860	$ 7,140	$ 100,000
2027	95,181	4,819	100,000
2028	97,561	2,439	100,000
Total	$ 285,602	$ 14,398	$ 300,000

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 8,049,000	$ 8,049,000	$ 8,638,960	$ 589,960
Licenses, permits and fees	4,650,000	4,650,000	5,312,777	662,777
Intergovernmental	2,040,068	2,040,068	3,178,100	1,138,032
Fines and forfeitures	163,000	163,000	151,997	(11,003)
Contributions and donations	252,000	252,000	252,000	-
Charges for services	2,128,530	2,128,530	2,181,768	53,238
Commission of public works contribution	1,200,000	1,200,000	1,200,000	-
Interest income	785,402	785,402	416,727	(368,675)
Total revenues	19,268,000	19,268,000	21,332,329	2,064,329
Expenditures:				
Current:				
General government	2,387,455	2,390,455	2,353,050	37,405
Court	383,155	383,155	367,499	15,656
Police	5,698,135	5,698,135	5,474,750	223,385
Fire	4,351,478	4,351,478	4,384,211	(32,733)
Building inspection	701,534	701,534	686,425	15,109
Public works	2,833,857	2,817,157	3,723,225	(906,068)
Sanitation	2,007,018	2,007,018	1,893,597	113,421
Non-departmental	1,192,178	1,192,178	1,273,969	(81,791)
Total current	19,554,810	19,541,110	20,156,726	(615,616)
Debt service:				
Principal	207,650	207,650	264,993	(57,343)
Interest and fiscal charges	-	-	9,405	(9,405)
Capital outlay:				
General government	45,000	45,000	100,794	(55,794)
Police	68,000	68,000	185,150	(117,150)
Fire	92,440	92,440	8,565	83,875
Sanitation	200,100	213,800	533,622	(319,822)
Total expenditures	20,168,000	20,168,000	21,259,255	(1,091,255)
Excess (deficiency) of revenues over (under) expenditures	(900,000)	(900,000)	73,074	973,074
Other financing sources (uses):				
Sale of capital assets	200,000	200,000	236,100	36,100
Transfers in	700,000	700,000	623,559	(76,441)
Total other financing sources	900,000	900,000	859,659	(40,341)
Net change in fund balances	-	-	932,733	932,733
Fund balances, beginning of year	13,277,543	13,277,543	13,277,543	-
Fund balances, end of year	$ 13,277,543	$ 13,277,543	$ 14,210,276	$ 932,733

HOSPITALITY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Hospitality taxes	$ 2,600,000	$ 2,600,000	$ 2,842,766	$ 242,766
Licenses, permits and fees	30,000	30,000	22,400	(7,600)
Intergovernmental	-	-	10,000	10,000
Contributions and donations	32,750	32,750	37,369	4,619
Charges for services	42,200	42,200	18,921	(23,279)
Interest income	80,100	80,100	364,737	284,637
Total revenues	2,785,050	2,785,050	3,296,193	511,143
Expenditures:				
Current:				
Economic development	3,626,318	3,626,318	1,863,916	1,762,402
Total expenditures	3,626,318	3,626,318	1,863,916	1,762,402
Excess (deficiency) of revenues over (under) expenditures	(841,268)	(841,268)	1,432,277	2,273,545
Other financing sources (uses):				
Transfers out	(684,550)	(684,550)	(958,192)	(273,642)
Total other financing uses	(684,550)	(684,550)	(958,192)	(273,642)
Net change in fund balances	(1,525,818)	(1,525,818)	474,085	1,999,903
Fund balances, beginning of year	9,409,819	9,409,819	9,409,819	-
Fund balances, end of year	$ 7,884,001	$ 7,884,001	$ 9,883,904	$ 1,999,903

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED DECEMBER 31,

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service cost	$ 47,299	$ 43,905	$ 32,472	$ 31,461	$ 40,672	$ 39,407	$ 52,186	$ 50,551	$ 48,966
Interest	112,965	113,503	74,565	75,373	73,147	72,985	82,747	82,366	81,435
Changes of benefit terms	-	-	836,313	-	-	-	(188,349)	-	-
Differences between expected and actual experienc	224,978	(11,322)	(20,457)	13,799	63,250	(1,769)	(215,318)	(37,553)	(19,604)
Changes in assumptions or other inputs	2,211	(1,541)	35,128	-	(819)	-	153,689	-	-
Contributions - employer									
Benefit payments	(169,307)	(142,737)	(133,906)	(141,283)	(117,782)	(96,872)	(84,237)	(90,376)	(93,051)
Net change in total OPEB liability	218,146	1,808	824,115	(20,650)	58,468	13,751	(199,282)	4,988	17,746
Total OPEB liability - beginning	2,461,890	2,460,082	1,635,967	1,656,617	1,598,149	1,584,398	1,783,680	1,778,692	1,760,946
Total OPEB liability - ending	$ 2,680,036	$ 2,461,890	$ 2,460,082	$ 1,635,967	$ 1,656,617	$ 1,598,149	$ 1,584,398	$ 1,783,680	$ 1,778,692
Plan fiduciary net position									
Contributions - employer*	$ 169,307	$ 157,935	$ 133,906	$ 305,634	$ 117,782	$ 159,532	$ 150,130	$ 139,854	$ 142,914
Net investment income	40,130	7,911	16,783	(79,380)	(15,107)	21,741	16,263	5,077	7,049
Benefit payments	(169,307)	(142,737)	(133,906)	(141,283)	(117,782)	(96,872)	(84,237)	(90,376)	(93,051)
Administrative expense	(5,536)	(1,000)	(4,906)	(1,250)	(5,343)	(1,000)	(4,313)	-	(10,245)
Net change in plan fiduciary net position	34,594	22,109	11,877	83,721	(20,450)	83,401	77,843	54,555	46,667
Plan fiduciary net position-beginning	581,639	559,530	547,653	463,932	484,382	400,981	323,138	268,583	221,916
Plan fiduciary net position-ending (b)	$ 616,233	$ 581,639	$ 559,530	$ 547,653	$ 463,932	$ 484,382	$ 400,981	$ 323,138	268,583
Net OPEB liability-ending (a) - (b)	$ 2,063,803	$ 1,880,251	$ 1,900,552	$ 1,088,314	$ 1,192,685	$ 1,113,767	$ 1,183,417	$ 1,460,542	$ 1,510,109
Plan fiduciary net position as a percentage of the Total OPEB Liability	22.99%	23.63%	22.74%	33.48%	28.00%	30.31%	25.31%	18.12%	15.10%
Covered payroll	$ 3,565,167	$ 3,968,937	$ 3,968,937	$ 4,472,815	$ 4,472,815	$ 5,517,075	$ 5,517,075	$ 6,079,564	$ 6,079,564
Net OPEB liability as a percentage of covered	57.89%	47.37%	47.89%	24.33%	26.67%	20.19%	21.45%	24.02%	24.84%

Notes:

The benefit payments are net of participant contributions, include an amount for the implicit subsidy, if applicable, and include amounts paid outside the OPEB Trust, if applicable.

*The employer contribution includes amounts for the implicit subsidy, if applicable, and benefit payments paid outside the Trust, if applicable.

For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.

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

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS HEALTHCARE PLAN
SCHEDULE OF CITY CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 169,307	$ 165,659	$ 109,869	$ 112,355	$ 280,958	$ 282,051	$ 145,933	$ 139,854	$ 142,914	$ 126,436
Contributions in relation to the actuarially determined contribution	169,307	157,935	133,906	305,634	117,782	159,532	150,130	139,854	142,914	126,436
Contributions deficiency (excess)	$ -	$ 7,724	$ (24,037)	$ (193,279)	$ 163,176	$ 122,519	$ (4,197)	$ -	$ -	$ -
Covered payroll*	$ 3,565,167	$ 3,968,937	$ 3,968,937	$ 4,472,815	$ 4,472,815	$ 5,517,075	$ 5,517,075	$ 6,079,564	$ 6,078,564	$ 6,079,564
Contributions as a percentage of covered payroll	4.75%	3.98%	3.37%	6.83%	2.63%	2.89%	2.72%	2.30%	2.35%	2.08%

Notes:

Valuation date:

Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the fiscal year in which contributions are reported.

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of payroll, closed
Remaining Amortization Period:	30 Years
Asset Valuation Method:	5-Year Smoothed Market Value, 80% to 120% Corridor
Actuarial Assumptions:	
Investment Rate of Return:	4.75% annual return net of both administrative and investment related expenses
Inflation Rate:	2.25%
Healthcare Cost Trend:	7% to 4.50%
Ultimate Trend Rate:	4.50%
Year of Ultimate Trend Rate:	2035
Payroll Growth:	3.0% per year
Coverage Elections:	90% of eligible retirees will elect coverage
Active Participant Marriage Assumption:	Not applicable, as spouses of participants who retire after 12/31/08 must pay 100% of the cost, including the implicit subsidy.
Mortality Table:	PUB-2010
Implicit Subsidy:	Total cost of coverage for pre-65 retirees is 35% higher than the average premium rate to account for implicitly subsidized costs.

*For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the government will present information for those years for which information is available.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE MEASUREMENT PERIOD ENDED JUNE 30,

South Carolina Retirement System

Plan Year Ended June	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage the total pension liability
2025	0.023224%	$ 5,018,445	$ 3,408,390	147.2%	66.2%
2024	0.024951%	5,851,057	3,428,684	170.7%	61.8%
2023	0.044826%	10,837,790	5,667,490	191.2%	58.6%
2022	0.042910%	10,402,352	5,109,596	203.6%	57.1%
2021	0.043990%	9,520,003	4,972,669	191.4%	60.7%
2020	0.046125%	11,785,782	5,145,884	229.0%	50.7%
2019	0.046963%	10,723,516	4,959,125	216.2%	54.4%
2018	0.048498%	10,866,816	5,025,723	216.2%	53.3%
2017	0.048554%	10,997,821	4,860,636	226.3%	53.3%
2016	0.048557%	10,371,704	4,702,142	220.6%	52.9%

South Carolina Police Officers Retirement System

Plan Year Ended June	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage the total pension liability
2025	0.263544%	$ 7,287,792	$ 5,538,095	131.6%	74.5%
2024	0.268283%	8,047,915	5,291,820	152.1%	70.5%
2023	0.172037%	5,236,969	3,014,246	173.7%	67.8%
2022	0.166600%	4,996,442	2,634,934	189.6%	66.4%
2021	0.170800%	4,394,518	2,568,290	171.1%	70.4%
2020	0.171550%	5,688,955	2,591,513	219.5%	58.8%
2019	0.175680%	5,034,889	2,548,170	197.6%	62.7%
2018	0.186410%	5,281,981	2,580,652	204.7%	61.7%
2017	0.186380%	5,105,856	2,527,220	202.0%	60.9%
2016	0.193990%	4,920,583	2,473,156	199.0%	60.4%
2015	0.190800%	4,159,220	2,364,170	175.9%	64.6%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31,

South Carolina Retirement System

Fiscal Year Ended December 31,	Actuarially required contribution	Contributions in relation to the actuarially required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2025	$ 652,497	$ 652,497	$ -	$ 3,515,606	18.6%
2024	638,308	638,308	-	3,374,125	18.9%
2023	947,247	947,247	-	4,542,807	20.9%
2022	798,185	798,185	-	5,240,621	15.2%
2021	725,783	725,783	-	4,987,771	14.6%
2020	752,736	752,736	-	5,292,445	14.2%
2019	759,602	759,602	-	5,041,540	15.1%
2018	681,488	681,488	-	4,964,277	13.7%
2017	569,821	569,821	-	5,023,605	11.3%
2016	520,057	520,057	-	4,811,525	10.8%
2015	499,921	499,921	-	4,631,130	10.8%

South Carolina Police Officers Retirement System

Fiscal Year Ended December 31,	Actuarially required contribution	Contributions in relation to the actuarially required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2025	$ 1,199,078	$ 1,199,078	$ -	$ 5,699,044	21.0%
2024	1,022,484	1,022,484	-	5,428,355	18.8%
2023	584,656	584,656	-	4,111,773	14.2%
2022	481,870	481,870	-	2,709,966	17.8%
2021	443,029	443,029	-	2,623,982	16.9%
2020	447,265	447,265	-	2,676,746	16.7%
2019	453,833	453,833	-	2,558,037	17.7%
2018	419,022	419,022	-	2,551,838	16.4%
2017	357,405	357,405	-	2,570,826	13.9%
2016	339,812	339,812	-	2,498,840	13.6%
2015	317,035	317,035	-	2,364,170	13.4%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31,

Actuarial assumptions used in determining the statutorily required contributions are as follows:

System	SCRS	PORS
Calculation date	July 1, 2023	July 1, 2023
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	24 years maximum, closed period	24 years maximum, closed period
Investment return	7.00%	7.00%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service.	3.50% 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 multiplied by 97% for non-educators and 95% for educators. Female rates multiplied by 107% for non-educators	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 127% and female rates are multiplied by 107%.

SUPPLEMENTARY INFORMATION

City of Greenwood, South Carolina

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Special Revenue Funds										
	Equitable Sharing	**Police Forfeiture Fund**	**Victims Services**	**Local Accommodations Tax Fund**	**Community Development Block Grant - 85L02**	**Parks Maintenance**	**JAG Grants**	**Community Development Block Grant - 4CE23-002**	**Community Development Block Grant - 4CI23-005**	**Stormwater Grant Fund**	**Total Nonmajor Governmental Funds**
ASSETS											
Cash and cash equivalents - restricted	$ -	$ 72,432	$ -	$ 822,908	$ 58,028	$ -	$ 18	$ -	$ 402	$ -	$ 953,788
Accounts receivable	-	-	-	-	60,337	-	-	-	-	-	60,337
Due from other funds	46,656	-	-	-	-	242,203	-	-	-	-	288,859
Due from other governments	-	-	-	-	-	-	5,645	-	-	130,620	136,265
Total assets	46,656	72,432	-	822,908	118,365	242,203	5,663	-	402	130,620	1,439,249
LIABILITIES											
Accounts payable	-	81	-	-	-	-	-	-	-	-	81
Accrued liabilities	-	-	-	4,748	-	485	-	-	-	-	5,233
Unearned revenue	-	-	-	-	-	16,062	-	-	-	-	16,062
Due to other funds	-	1,166	-	47,795	24,543	-	5,663	-	-	159,615	238,782
Due to other governments	-	-	-	5,628	-	-	-	-	-	-	5,628
Retainage payable	-	-	-	45,173	-	-	-	-	-	-	45,173
Total liabilities	-	1,247	-	103,344	24,543	16,547	5,663	-	-	159,615	310,959
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue	-	-	-	-	28,984	-	-	-	-	-	28,984
Total deferred inflows of resources	-	-	-	-	28,984	-	-	-	-	-	28,984
FUND BALANCES (DEFICITS)											
Restricted:											
Community development	-	-	-	-	64,838	-	-	-	402	-	65,240
Tourism	-	-	-	719,564	-	-	-	-	-	-	719,564
Public safety	46,656	71,185	-	-	-	-	-	-	-	-	117,841
Parks and recreation	-	-	-	-	-	225,656	-	-	-	-	225,656
Unassigned	-	-	-	-	-	-	-	-	-	(28,995)	(28,995)
Total fund balances (deficits)	46,656	71,185	-	719,564	64,838	225,656	-	-	402	(28,995)	1,099,306
Total liabilities, deferred inflows of resources, and fund balances	$ 46,656	$ 72,432	$ -	$ 822,908	$ 118,365	$ 242,203	$ 5,663	$ -	$ 402	$ 130,620	$ 1,439,249

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Special Revenue Funds										
	Equitable Sharing	Police Forfeiture Fund	Victims Services	Local Accommodations Tax Fund	Community Development Block Grant - 85L02	Parks Maintenance	JAG Grants	Community Development Block Grant - 4CE23-002	Community Development Block Grant - 4CI23-005	Stormwater Grant Fund	Total Nonmajor Governmental Funds
REVENUES											
Taxes	$ -	$ -	$ -	$ 553,786	$ -	$ 214,443	$ -	$ -	$ -	$ -	$ 768,229
Intergovernmental	-	-	-	170,091	200,000	-	22,967	490,559	677,475	130,620	1,691,712
Fines and forfeitures	2,614	93,740	28,238	-	-	4,035	-	-	-	-	128,627
Economic development	-	-	-	27,200	-	-	-	-	-	-	27,200
Interest income	-	1,257	-	7,485	6,917	2,100	-	-	-	-	17,759
Total revenues	2,614	94,997	28,238	758,562	206,917	220,578	22,967	490,559	677,475	130,620	2,633,527
EXPENDITURES											
Current:											
Economic development	-	-	-	1,028,996	-	117,048	-	-	-	234,615	1,380,659
Police	9,700	49,003	28,238	-	-	-	17,972	-	-	-	104,913
Community development	-	-	-	-	97,182	-	-	727,228	677,475	-	1,501,885
Capital outlay	-	79,563	-	-	-	9,445	-	-	-	-	89,008
Total expenditures	9,700	128,566	28,238	1,028,996	97,182	126,493	17,972	727,228	677,475	234,615	3,076,465
Excess (deficiency) of revenues over (under) expenditures	(7,086)	(33,569)	-	(270,434)	109,735	94,085	4,995	(236,669)	-	(103,995)	(442,938)
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	-	-	-	-	259,633	-	75,000	334,633
Total other financing sources	-	-	-	-	-	-	-	259,633	-	75,000	334,633
Net change in fund balances	(7,086)	(33,569)	-	(270,434)	109,735	94,085	4,995	22,964	-	(28,995)	(108,305)
Fund balances (deficits), beginning of year	53,742	104,754	-	989,998	(44,897)	131,571	(4,995)	(22,964)	402	-	1,207,611
Fund balances (deficits), end of year	$ 46,656	$ 71,185	$ -	$ 719,564	$ 64,838	$ 225,656	$ -	$ -	$ 402	$ (28,995)	$ 1,099,306

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2025

	Police Drug Seizure Fund	Fireman's Fund	Employee's Insurance Fund	Total Custodial Funds
ASSETS				
Cash - restricted	$ 303,596	$ 52,410	$ 17,601	$ 373,607
Total assets	303,596	52,410	17,601	373,607
LIABILITIES				
Other liabilities	-	4,559	-	4,559
Total liabilities	-	4,559	-	4,559
FIDUCIARY NET POSITION				
Restricted for:				
Employee discretionary fund	-	-	17,601	17,601
Fireman's discretionary fund	-	47,851	-	47,851
Police seizure	303,596	-	-	303,596
Total fiduciary net position	$ 303,596	$ 47,851	$ 17,601	$ 369,048

STATEMENT OF CHANGES IN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

	Police Drug Seizure Fund	Fireman's Fund	Employee's Insurance Fund	Total Custodial Funds
ADDITIONS				
Contributions:				
Contributions and donations	$ 128,772	$ -	$ 3,272	$ 132,044
Interest	2,735	436	-	3,171
Total contributions	131,507	436	3,272	135,215
Revenues:				
Intergovernmental	-	52,131	-	52,131
Total revenues	-	52,131	-	52,131
Total additions	131,507	52,567	3,272	187,346
DEDUCTIONS				
Public safety	60,328	50,926	-	111,254
Other	-	-	1,250	1,250
Total deductions	60,328	50,926	1,250	112,504
Change in fiduciary net position	71,179	1,641	2,022	74,842
Fiduciary net position, beginning of yea	232,417	46,210	15,579	294,206
Fiduciary net position, end of year	$ 303,596	$ 47,851	$ 17,601	$ 369,048

UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED DECEMBER 31, 2025

FOR THE STATE TREASURER'S OFFICE:

COUNTY/MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected			$ 393,834	$ 393,834
Court fines and assessments remitted to State Treasurer			218,854	218,854
Total Court Fines and Assessments retained	**N/A**	**N/A**	**$ 174,980**	**$ 174,980**
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			$ 8,993	$ 8,993
Assessments retained			19,245	19,245
Total Surcharges and Assessments retained for victim services	**N/A**	**N/A**	**$ 28,238**	**$ 28,238**

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	**$ -**	**N/A**	**$ -**
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer	-	N/A	-
Victim Service Assessments Retained by City/County Treasurer	19,245	N/A	19,245
Victim Service Surcharges Retained by City/County Treasurer	8,993	N/A	8,993
General Funds Transferred to Victim Service Fund	-	N/A	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	**$ 28,238**	**N/A**	**$ 28,238**

Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	$ -	N/A	$ -
Operating Expenditures	-	N/A	-
Victim Service Contract(s):			
(1) Greenwood County Sherrif's Department	28,238	N/A	28,238
Victim Service Donation(s):			
Transferred to General Fund	-	N/A	-
Total Expenditures from Victim Service Fund/Program (B)	**28,238**	**N/A**	**28,238**
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**	**$ -**

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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
Greenwood, 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, each major fund, and the aggregate remaining fund information of the **City of Greenwood, South Carolina** (the "City"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 15, 2026.

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

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

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

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

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
July 15, 2026

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
Greenwood, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **City of Greenwood, South Carolina's** (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 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 December 31, 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 Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

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

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

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

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

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

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
July 15, 2026

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Grant Identification Number	Expenditures	Passed through to Subrecipients
U.S. Department of Justice				
(Direct)				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA24-GG04920-JAGX	$ 16,728	$ 11,082
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA23-GG03761-JAGX	6,239	-
Bulletproof Vest Partnership Program	16.607	BPV	5,017	-
Total U.S. Department of Justice			27,984	11,082
U.S. Department of Housing and Urban Development				
(Passed through South Carolina Department of Commerce)				
Community Development Block Grant	14.228	4-CE-23-002	490,559	-
Community Development Block Grant	14.228	4-CE-23-005	677,475	677,475
Total U.S. Department of Housing and Urban Development			1,168,034	677,475
Passed through from the S.C. Department of Public Safety:				
Highway Planning and Construction Cluster				
State and Community Highway Safety				-
Police Traffic Services Grant			-	-
Total Highway Planning and Construction Cluster			-	-
Total U.S. Department of Transportation			-	-
U.S. Department of Homeland Security				
(Passed through S.C. Emergency Management Division)				
Disaster Grants - Public Assistance (FEMA)	97.036	4394-DR-SC	24,418	-
Total U.S. Department of Homeland Security			24,418	-
U.S. Department of Energy				
(Passed through S.C. Office of Regulatory Staff)				
State Energy Program	81.041	SEPBIL-003-24-MG	10,000	-
Total U.S. Department of Energy			10,000	-
Total Expenditures of Federal Awards			$ 1,230,436	$ 688,557

Notes to Schedule of Expenditures of Federal Awards

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Greenwood, 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 fifteen percent de Minimis indirect cost rate for the year ended December 31, 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.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	____ Yes _X_ No
Significant deficiencies?	____ Yes _X_ None reported
Noncompliance material to financial statements noted?	____ Yes _X_ No

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	____ Yes _X_ No
Significant deficiencies?	____ Yes _X_ 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 _X_ No

Identification of major program:

Assistance Listing Number	Name of Federal Program or Cluster
	U.S. Department of Housing and Urban Development
14.228	Community Development Block Grant/Entitlement Grants (CDBG)

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION II
FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None reported.