

**KERSHAW COUNTY, SOUTH CAROLINA  
ANNUAL FINANCIAL REPORT  
Fiscal Year Ended June 30, 2021**

**KERSHAW COUNTY, SOUTH CAROLINA  
ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2021**

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November 5, 2021

## INDEPENDENT AUDITOR'S REPORT

Honorable Members of the County Council  
Kershaw County  
Camden, South Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kershaw County, South Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kershaw County, South Carolina, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information for the General Fund on pages 4 through 12 and 73, and the schedules of funding progress and employer contributions, schedule of County's proportionate share of net pension liability and the schedule of the County's contributions on pages 74-76 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kershaw County, South Carolina's basic financial statements. The combining and individual non-major fund financial statements and the uniform schedule of court fines, assessments and surcharges are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, the uniform schedule of court fines, assessments and surcharges and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the uniform schedule of court fines, assessments and surcharges and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2021, on our consideration of Kershaw County, South Carolina'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 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 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 Kershaw County, South Carolina's internal control over financial reporting and compliance.

*Sheheen, Hancock & Godwin, LLP*

Sheheen, Hancock and Godwin, LLP  
Camden, South Carolina

**KERSHAW COUNTY, SOUTH CAROLINA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
For The Fiscal Year Ended June 30, 2021**

This section of Kershaw County’s annual financial report presents our discussion and analysis of the County’s financial performance during the fiscal year that ended June 30, 2021. Please read it in conjunction with the County’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of Kershaw County exceeded its liabilities at the close of the most recent fiscal year by \$63,419,837. Of this amount, \$42,309,724 may be used to meet the County’s ongoing obligations to citizens and creditors.
- As of the close of the fiscal year, Kershaw County’s governmental funds reported combined ending fund balances of \$34,502,648
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$8,000,012.

OVERVIEW OF THE FINANCIAL STATEMENTS

-  
This annual report consists of five parts – management’s discussion and analysis (this section), the basic financial statements, required supplementary information, a section that presents combining and individual fund statements and schedules for major and non-major governmental funds and fiduciary funds and a compliance section. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the County’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County’s operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the sewer system.
  - Fiduciary fund statements provide information about the financial relationships – like the collection of taxes for the Kershaw County School District – in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Figure A-1 summarizes the major features of the County’s financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**KERSHAW COUNTY, SOUTH CAROLINA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
For The Fiscal Year Ended June 30, 2021  
(Continued)**

Figure A-1. Major Features of Kershaw County’s Government-wide and Fund Financial Statements

	Government-wide <u>Statements</u>	<u>Fund Statements</u>		
		<u>Government Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire County government (except fiduciary funds)	The activities of the County that are not proprietary or fiduciary	Activities the County operates similar to private businesses: the sewer system and EMS	Instances in which the County is the trustee or agent for someone else’s resources
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows	Statement of fiduciary net position, Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter.	All assets and liabilities, both financial and capital, and short and long-term	All assets and liabilities, both short and long-term
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**KERSHAW COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Fiscal Year Ended June 30, 2021  
(Continued)**

**Government-Wide Statements**

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net position and how they have changed. Net position – the difference between the County's assets and liabilities – is one way to measure the County's financial health, or position.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of the County's roads.

The government-wide financial statements of the County are divided into two categories:

- Governmental activities – Most of the County's basic services are included here, such as public safety, parks and recreation, and general administration. Property taxes and state and federal grants finance most of these activities.
- Business-type activities – The County charges fees to customers to help it cover the costs of the County's sewer system. This activity is included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the County's most significant funds – not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and bond covenants.
- The County establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants (like aid from the U.S. Department of Housing and Urban Development).

The County has three kinds of funds:

- Governmental funds—Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

**KERSHAW COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Fiscal Year Ended June 30, 2021  
(Continued)**

- Proprietary funds—Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. In fact, the County's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- Fiduciary funds—The County is the trustee, or fiduciary, for the Kershaw County School District's funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

**Net position.** The County's combined net position at the end of the current fiscal year are \$63,419,837. Looking at the net position and net expenses of governmental and business-type activities separately reflects that net position from governmental activities make up 66.7 % of total net position. The following table is a summary of the County's net position for 2021 compared to 2020.

**Table 1**  
Kershaw County's Net Position

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Current and Other Assets	\$ 57,064,006	\$ 47,794,024	\$ 9,269,982
Capital Assets	87,346,591	86,249,229	1,097,362
Deferred Outflows	<u>7,982,177</u>	<u>5,515,296</u>	<u>2,466,881</u>
<b>Total Assets and Deferred Outflows</b>	<u>152,392,774</u>	<u>139,558,549</u>	<u>12,834,225</u>
Long Term Debt Outstanding	72,092,237	70,858,061	1,234,176
Other Liabilities	7,172,824	8,937,891	(1,765,067)
Deferred Inflows	<u>9,707,876</u>	<u>2,596,481</u>	<u>7,111,395</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>88,972,937</u>	<u>82,392,433</u>	<u>6,580,504</u>
Net Investment in Capital Assets	72,395,315	71,664,836	730,479
Restricted	6,746,163	3,216,506	3,529,657
Unrestricted	<u>(15,721,641)</u>	<u>(17,715,226)</u>	<u>1,993,585</u>
<b>Total Net Assets</b>	<u>\$ 63,419,837</u>	<u>\$ 57,166,116</u>	<u>\$ 6,253,721</u>

**KERSHAW COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Fiscal Year Ended June 30, 2021  
(Continued)**

**Change in Net Position.** The following table is a summary of the County's change in net position for 2021.

**Table 2  
Kershaw County's Changes in Net Position**

	Governmental <u>Activities</u>	Business - Type <u>Activities</u>	<u>Total</u>
<b>Revenues:</b>			
Program Fees:			
Fees, Fines and Charges for Services	\$ 9,908,416	\$ 6,773,583	\$ 16,681,999
Operating Grants	294,329	-	294,329
Capital Grants	662,593	-	662,593
General Revenues:			
Property Taxes	23,418,745	2,561,181	25,979,926
Miscellaneous	1,516,728	266,827	1,783,555
Unrestricted Investment Earnings	42,011	-	42,011
Intergovernmental Revenues	6,470,291	-	6,470,291
Gain on Disposition of Capital Assets	835,320	-	835,320
Transfer - Sewer Fund	<u>(454,833)</u>	<u>454,833</u>	<u>-</u>
 Total Revenues	 <u>42,693,600</u>	 <u>10,056,424</u>	 <u>52,750,024</u>
<b>Expenses:</b>			
General Government	13,823,587	-	13,823,587
Public Safety	13,912,142	-	13,912,142
Highways and Streets	2,004,171	-	2,004,171
Culture and Recreation	1,546,717	-	1,546,717
Sanitation	2,843,699	-	2,843,699
Other Objects	2,767,170	-	2,767,170
Capital Outlay	374,960	-	374,960
Interest and Other Charges	1,513,635	-	1,513,635
EMS	-	5,101,055	5,101,055
Sewer	<u>-</u>	<u>2,609,167</u>	<u>2,609,167</u>
 Total Expenses	 <u>38,786,081</u>	 <u>7,710,222</u>	 <u>46,496,303</u>
 Change in Net Position	 3,907,519	 2,346,202	 6,253,721
 <b>Net Position, Beginning of Year</b>	 <u>38,402,205</u>	 <u>18,763,911</u>	 <u>57,166,116</u>
 <b>Net Position, End of Year</b>	 <u>\$ 42,309,724</u>	 <u>\$ 21,110,113</u>	 <u>\$ 63,419,837</u>

**KERSHAW COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Fiscal Year Ended June 30, 2021  
(Continued)**

**Governmental Activities**

Governmental activities increased the County's net position by \$3,907,519. The increase in net position is largely attributable to an overall decrease in expenses of about \$2,900,000 over last year.

**Business-type Activities**

Business-type activities had a net position increase of \$2,346,202. The increase in net position is attributable to an increase in revenue of and an increase in expenses, for both the Sewer and EMS funds. Charges to customers for monthly usage of the sewer system did cover operating expenses for the current fiscal year, including depreciation.

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

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

*Governmental Funds.* As of the end of the fiscal year, governmental funds had a combined fund balance of \$34,502,648 which is an increase of \$4,379,199 over last year. Of this balance, the General fund makes up \$14,911,909— roughly 44%. The General fund is the main operating fund for the County.

*The Special Revenue* fund makes up \$7,717,757 of the governmental fund balance. The special revenue funds are funds that are setup to account for specific revenues that are legally restricted to expenditure for a particular purpose. Funds such as inmate canteen, fire service, E-911 Tariff and grants make up these funds.

*The Debt Service* fund makes up \$481,564 of the governmental fund balance. The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the County is obligated in some manner for the payment.

*The Capital Projects* funds makes up \$11,391,418 of the governmental fund balance. The Capital Projects fund is used to record transactions for acquiring new buildings, equipment for new buildings and major equipment additions, including remodeling of, or additions to, existing facilities.

*Proprietary Funds.* The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position for the County sewer system at the end of the year was \$2,303,349. Unrestricted net position for the County Emergency Medical System at the end of the year was \$90,319. Other factors regarding these funds were addressed in the discussion of the County's business-type activities.

**KERSHAW COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Fiscal Year Ended June 30, 2021  
(Continued)**

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget are due to transfers and budget amendments made by County Administration. These transfers and budget amendments were made for various reasons including line item costs overruns, salary increases, supplemental appropriations, capital expenditures, etc. After considering these budget adjustments, actual revenues were \$1,588,900 over the budgeted amount. Actual expenses for the general fund were \$1,528,502 under budget, and other financing sources and uses were \$727,650 over budget.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2021, Kershaw County had invested \$87,545,532 (net of accumulated depreciation) in a broad range of capital assets, including public work equipment, EMS ambulance and station, building improvements, airport and CCTC campus land improvements, two new park facilities and road pavings. More detailed information about the County's capital assets is presented in Note 6 to the financial statements.

This year's major capital asset additions included:

- Final Payment on 5 motor graders
- 4 paving projects through the County Transportation Committee
- Governor's Hill Road
- Brazell Lane Paving
- Airport Field Drainage Project
- Blaney EMS Station
- Government Center Renovations
- Repointing Exterior Walls of the Old Armory
- CCTC Campus land improvements
- Elgin Community Park
- Phase 1 of Wateree River Veterans Park

The County's capital assets are financed through a variety of sources including general obligation debt, lease purchases, revenue bonds, grants and property taxes.

**Table 3  
Kershaw County's Capital Assets**

	Governmental Activities 2021	Business -Type Activities 2021	Total 2021
Land	\$ 14,747,022	\$ 555,762	\$ 15,302,784
Construction in Progress	2,484,943	2,534,050	5,018,993
Building and Improvements	45,163,819	3,428,114	48,591,933
Office Equipment	4,072,843	71,254	4,144,097
Equipment	11,194,354	342,682	11,537,036
Vehicles	12,729,620	1,865,232	14,594,852
Infrastructure	37,083,161	24,206,927	61,290,088
Accumulated Depreciation	<u>(63,308,139)</u>	<u>(9,825,053)</u>	<u>(73,133,192)</u>
<b>Total Net Assets</b>	<b><u>\$ 64,167,623</u></b>	<b><u>\$ 23,178,968</u></b>	<b><u>\$ 87,346,591</u></b>

**KERSHAW COUNTY, SOUTH CAROLINA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
For The Fiscal Year Ended June 30, 2021  
(Continued)**

**Long-term Debt**

At year-end, the County had \$68,308,171 in bonds, notes, capital leases, compensated absences, OPEB, and pension liability outstanding - as shown in Table 4. More detailed information about the County’s long-term liabilities is presented in Note 9 to the financial statements.

Of the \$24.5 million in debt, \$1,269,144 backed by the full faith and credit of the County. The remainder of the debt represents bonds backed solely by specified revenue sources.

**Bond Ratings**

The County currently has an Aa2 bond rating from Moody’s Investor Services and an AA- bond rating from Standard and Poor’s.

**Limitations on Debt**

The State of South Carolina Code of Laws, as amended, limits the amount of general obligation debt the County can issue to no more than 8 percent of the assessed value of all taxable property within the County without the approval of a referendum presented to the citizens of Kershaw County. The current 8% debt limitation based on assessed value of \$277,682,416 for the County is \$22,214,593 of which the County has \$20,945,449 available.

**Table 4  
Kershaw County’s Outstanding Debt**

	Governmental Activities		Business -Type Activities		Total	
	2020	2021	2020	2021	2020	2021
General Obligation Bonds	\$ -	\$ -	\$ 5,921,875	\$ 5,199,594	\$ 5,921,875	\$ 5,199,594
IPR Bonds	20,931,000	19,369,000	-	-	20,931,000	19,369,000
Capital Lease	677,062	349,103	-	-	677,062	349,103
Compensated Absences	724,002	665,839	83,280	98,891	807,282	764,730
Net OPEB Obligation	7,692,189	7,746,123	-	-	7,692,189	7,746,123
Net Pension Liability	29,935,792	29,935,792	3,637,053	3,915,856	33,572,845	33,851,648
Post-Closure Costs	1,109,240	1,027,973	-	-	1,109,240	1,027,973
<b>Total Net Assets</b>	<u>\$ 61,069,285</u>	<u>\$ 59,093,830</u>	<u>\$ 9,642,208</u>	<u>\$ 9,214,341</u>	<u>\$ 70,711,493</u>	<u>\$ 68,308,171</u>

**PROJECT AND STATUS**

In July 2014, The County entered into a bond agreement through Kershaw County Facilities, Inc. Proceeds from the bond were designated to build and upgrade various facilities in the County. As of June 30, 2021, the County used funds to improve facilities at various recreation complexes around the county, upgrade the detention center and is partnering Central Carolina Technology College (CCTC) to build a new campus building in Kershaw County. All projects have been completed.

**KERSHAW COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Fiscal Year Ended June 30, 2021  
(Continued)**

In December 2015, The County entered into two additional bond agreement through Kershaw County Facilities, Inc. Proceeds from the bond were designated for capital additions and economic development in the County. As of June 30, 2021, the unused bond proceeds will be used to pay-off the balance of the 2014 and the 2015B bond; the remaining balances will be used to pay-off a portion of the 2015A bond and refinancing the remaining 2015A bond for debt service savings, August and September 2021, respectively.

**NEXT YEAR'S BUDGETS AND RATES**

The 2021-2022 original budget for the Kershaw County General Fund is \$28,749,942.

The budget for the Kershaw County Sewer System for the 2021-2022 fiscal year is \$3,616,210.

The budget for the Kershaw County EMS for the 2021-2022 fiscal year is \$4,691,533.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Kershaw County Finance Office, 515 Walnut Street, Camden, South Carolina 29020.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**STATEMENT NET POSITION**  
**June 30, 2021**

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 29,770,187	\$ 590	\$ 29,770,777
Restricted Cash	21,142,551	-	21,142,551
Accounts Receivable, Net	-	1,481,028	1,481,028
Taxes Receivable, Net	863,620	-	863,620
Other Receivables	3,649,856	111,884	3,761,740
Interfund Balances	(5,495,533)	5,495,533	-
Prepaid Expenses	44,290	-	44,290
Capital Assets:			
Land	14,747,022	555,762	15,302,784
Construction in Progress	2,484,943	2,977,712	5,462,655
Buildings and Improvements	45,163,819	2,984,452	48,148,271
Office Equipment	4,072,843	-	4,072,843
Equipment	11,194,354	413,936	11,608,290
Vehicles	12,729,620	1,865,232	14,594,852
Infrastructure	37,083,161	24,206,927	61,290,088
Less: Accumulated Depreciation	<u>(63,308,139)</u>	<u>(9,825,053)</u>	<u>(73,133,192)</u>
Total Net Assets	<u>64,167,623</u>	<u>23,178,968</u>	<u>87,346,591</u>
<b>Deferred Outflows of Resources</b>			
Prepaid OBEB Costs	1,046,810	-	1,046,810
Prepaid Pension Cost	<u>6,479,328</u>	<u>456,039</u>	<u>6,935,367</u>
Total Deferred Outflows of Resources	<u>7,526,138</u>	<u>456,039</u>	<u>7,982,177</u>
 <b>Total Assets and Deferred Outflows of Resources</b>	 <u>\$ 121,668,732</u>	 <u>\$ 30,724,042</u>	 <u>\$ 152,392,774</u>

The notes to the financial statements are an integral part of these statements.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**STATEMENT NET POSITION**  
**June 30, 2021**  
**(Continued)**

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
<b>Liabilities</b>			
Accounts Payable and Accrued Liabilities	\$ 3,326,013	\$ -	\$ 3,326,013
Accrued Interest Payable	71,628	17,279	88,907
Customer Deposits Payable	-	6,160	6,160
Due to Agency Funds	3,751,744	-	3,751,744
Long-Term Liabilities:			
Due Within One Year:			
General Obligation Bonds	-	737,071	737,071
IPR Bonds	1,604,000	-	1,604,000
Capital Lease	150,457	-	150,457
Compensated Absences	203,108	98,891	301,999
Due in More Than One Year:			
General Obligation Bonds	-	4,462,523	4,462,523
IPR Bonds	17,765,000	-	17,765,000
Capital Lease	198,646	-	198,646
Compensated Absences	868,947	-	868,947
Net Pension Liability	33,313,642	3,915,856	37,229,498
Net OPEB Obligation	7,746,123	-	7,746,123
Closure and Post Closure Costs	<u>1,027,973</u>	<u>-</u>	<u>1,027,973</u>
<b>Total Liabilities</b>	<u>70,027,281</u>	<u>9,237,780</u>	<u>79,265,061</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenues - Grants	7,366,978	-	7,366,978
Unavailable Revenues - Property Taxes	-	34,204	34,204
Unavaiaible Revenues - OPEB	655,789	-	655,789
Unavailable Revenues - Pension	<u>1,308,960</u>	<u>341,945</u>	<u>1,650,905</u>
<b>Total Deferred Inflows of Resources</b>	<u>9,331,727</u>	<u>376,149</u>	<u>9,707,876</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>79,359,008</u>	<u>9,613,929</u>	<u>88,972,937</u>
<b>Net Position</b>			
Net Investment in Capital Assets	54,415,941	17,979,374	72,395,315
Restricted for:			
Debt Service	1,054,754	737,071	1,791,825
Capital Projects	4,942,144	-	4,942,144
Victims Assistance	12,194	-	12,194
Unrestricted	<u>(18,115,309)</u>	<u>2,393,668</u>	<u>(15,721,641)</u>
<b>Total Net Position</b>	<u>\$ 42,309,724</u>	<u>\$ 21,110,113</u>	<u>\$ 63,419,837</u>

The notes to the financial statements are an integral part of these statements.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**STATEMENT ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2021**

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Fees, Fines & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
General Government	\$ 13,823,587	\$ 3,218,139	\$ 264,846	\$ 613,461	\$ (9,727,141)	\$ -	\$ (9,727,141)
Public Safety	13,912,142	1,632,039	28,699	49,132	(12,202,272)	-	(12,202,272)
Sanitation	2,843,699	2,502,831	-	-	(340,868)	-	(340,868)
Highways and Streets	2,004,171	2,383,178	784	-	379,791	-	379,791
Other Objects	2,767,170	-	-	-	(2,767,170)	-	(2,767,170)
Culture and Recreation	1,546,717	172,229	-	-	(1,374,488)	-	(1,374,488)
Capital Outlay	374,960	-	-	-	(374,960)	-	(374,960)
Interest and Other Charges	1,513,635	-	-	-	(1,513,635)	-	(1,513,635)
<b>Total Governmental Activities</b>	<b>38,786,081</b>	<b>9,908,416</b>	<b>294,329</b>	<b>662,593</b>	<b>(27,920,743)</b>	<b>-</b>	<b>(27,920,743)</b>
<b>Business-Type Activities:</b>							
Emergency Medical Services	5,101,055	3,040,524	-	-	-	(2,060,531)	(2,060,531)
Sewer	2,609,167	3,733,059	-	-	-	1,123,892	1,123,892
<b>Total Business-Type Activities</b>	<b>7,710,222</b>	<b>6,773,583</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(936,639)</b>	<b>(936,639)</b>
<b>Total Primary Government</b>	<b>\$ 46,496,303</b>	<b>\$ 16,681,999</b>	<b>\$ 294,329</b>	<b>\$ 662,593</b>	<b>(27,920,743)</b>	<b>(936,639)</b>	<b>(28,857,382)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes, Levied for General Purposes					13,913,398	899,889	14,813,287
Property Taxes, Levied for Debt Service					1,927,809	-	1,927,809
Public Service Taxes					456,637	24,217	480,854
Sales and Use Tax					5,481,685	648,108	6,129,793
Payments in Lieu of Taxes					1,639,216	988,967	2,628,183
Miscellaneous					1,516,728	266,827	1,783,555
Unrestricted Investment Earnings					42,011	-	42,011
Intergovernmental Revenues					6,470,291	-	6,470,291
Gain on Disposition of Capital Assets					835,320	-	835,320
Transfers - Sewer Fund					(454,833)	454,833	-
<b>Total General Revenues</b>					<b>31,828,262</b>	<b>3,282,841</b>	<b>35,111,103</b>
<b>Change in Net Position</b>					<b>3,907,519</b>	<b>2,346,202</b>	<b>6,253,721</b>
<b>Net Position, Beginning of Year</b>					<b>38,402,205</b>	<b>18,763,911</b>	<b>57,166,116</b>
<b>Net Position, End of Year</b>					<b>\$ 42,309,724</b>	<b>\$ 21,110,113</b>	<b>\$ 63,419,837</b>

The notes to the financial statements are an integral part of these statements.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2021**

	General Fund	Special Revenue Fund	Debt Service Fund	Kershaw Facilities Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and Cash Equivalents	\$ 29,770,187	\$ -		\$ -	\$ -	\$ 29,770,187
Restricted Cash	-	11,176,130	-	9,966,421	-	21,142,551
Receivables:						
Property Taxes, Net	697,325	71,913	94,382	-	-	863,620
Intergovernmental	1,101,601	821,777	65,504	-	104,005	2,092,887
Other	1,443,889	113,080	-	-	-	1,556,969
Due From Other Funds	-	2,953,971	406,170	-	-	3,360,141
Prepaid Expenses	13,176	31,114	-	-	-	44,290
<b>Total Assets</b>	<u>\$ 33,026,178</u>	<u>\$ 15,167,985</u>	<u>\$ 566,056</u>	<u>\$ 9,966,421</u>	<u>\$ 104,005</u>	<u>\$ 58,830,645</u>
<b>Liabilities</b>						
Accounts Payable and Accrued Liabilities	\$ 3,326,013	\$ -	\$ -	\$ -	\$ -	\$ 3,326,013
Compensated Absences	187,017	16,091	-	-	-	203,108
Due to Other Funds	13,928,410	-	-	(1,534,876)	213,884	12,607,418
Total Liabilities	<u>17,441,440</u>	<u>16,091</u>	<u>-</u>	<u>(1,534,876)</u>	<u>213,884</u>	<u>16,136,539</u>
<b>Deferred Inflows</b>						
Unavailable Revenues - Property Taxes	672,829	65,527	84,492	-	-	822,848
Unavailable Revenues - Grants	-	7,368,610	-	-	-	7,368,610
Total Deferred Inflows	<u>672,829</u>	<u>7,434,137</u>	<u>84,492</u>	<u>-</u>	<u>-</u>	<u>8,191,458</u>
<b>Fund Balances</b>						
Nonspendable for Prepaids	13,176	31,114	-	-	-	44,290
Restricted for:						
Debt Service	222,727	350,463	481,564	-	-	1,054,754
Capital Projects	-	3,517,147	-	11,501,297	(109,879)	14,908,565
Victims Assistance	12,194	-	-	-	-	12,194
Committed for:						
Library	132,483	-	-	-	-	132,483
Capital Fund	4,031,317	-	-	-	-	4,031,317
Budget Reserves	2,500,000	1,863,842	-	-	-	4,363,842
Assigned	-	1,955,191	-	-	-	1,955,191
Unassigned	8,000,012	-	-	-	-	8,000,012
Total Fund Balances	<u>14,911,909</u>	<u>7,717,757</u>	<u>481,564</u>	<u>11,501,297</u>	<u>(109,879)</u>	<u>34,502,648</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u>\$ 33,026,178</u>	<u>\$ 15,167,985</u>	<u>\$ 566,056</u>	<u>\$ 9,966,421</u>	<u>\$ 104,005</u>	<u>\$ 58,830,645</u>

The notes to the financial statements are an integral part of these statements.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2021**

**Total Fund Balances - Governmental Funds (Exhibit C)** \$ 34,502,647

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

Receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

Property Taxes 822,847

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets are \$127,475,762 and the accumulated depreciation is \$63,308,139

64,167,623

The County's Net Other Post-Employment Benefit ("OPEB") Obligation resulting from underfunded annual required contributions to its OPEB Plan is not reported as a liability in the governmental funds.

(7,746,123)

Accrued interest on bonds in governmental accounting was not due and payable in the current period and, therefore, has not been reported as a liability in the funds.

(71,628)

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Pension liability (33,313,642)

Deferred outflows and inflows or resources related to pension are applicable to future periods and ,therefore, are not reported in the funds

Deferred outflows of resources related to pensions 6,479,328

Deferred outflows of resources related to OPEB 1,046,810

Deferred inflows of resources related to pensions (from pension schedule) (1,308,960)

Deferred inflows of resources related to grants 1,632

Deferred inflows of resources related to OPEB (655,789)

Long-term liabilities, including debt premiums and deferred refunding charges, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

IPR Bonds (17,765,000)

IPR Bonds - Current (1,604,000)

Capital Lease (198,646)

Capital Lease - Current (150,457)

Compensated Absences (868,947)

Closure and Post Closure Costs (1,027,973)

**Total Net Position - Governmental Activities (Exhibit A)** **\$ 42,309,722**

The notes to the financial statements are an integral part of these statements.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2021**

	General Fund	Special Revenue Fund	Debt Service Fund	Kershaw Facilities Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 17,197,365	\$ 3,584,606	\$ 2,768,596	\$ -	\$ -	\$ 23,550,567
Licenses, Permits and Fees	4,946,728	3,334,179	-	-	-	8,280,907
Intergovernmental Revenues	3,162,353	3,307,938	-	-	-	6,470,291
Charges for Services	505,914	-	-	-	-	505,914
Fines and Forfeits	362,965	221,575	32,302	-	-	616,842
Miscellaneous	905,472	1,822,466	-	241,753	53,299	3,022,990
<b>Total Revenues</b>	<u>27,080,797</u>	<u>12,270,764</u>	<u>2,800,898</u>	<u>241,753</u>	<u>53,299</u>	<u>42,447,511</u>
<b>Expenditures</b>						
Current:						
General Government	9,650,845	1,400,060	-	-	-	11,050,905
Public Safety	9,248,767	2,685,452	-	-	-	11,934,219
Highways and Streets	1,354,535	784	-	-	-	1,355,319
Culture and Recreation	1,332,965	-	-	-	-	1,332,965
Sanitation	-	2,579,282	-	-	-	2,579,282
Other Objects	2,407,469	359,701	-	-	-	2,767,170
Capital Outlay	19,815	3,400,823	-	1,026,104	53,299	4,500,041
Debt Service:						
Principal	-	843,026	1,562,000	-	-	2,405,026
Interest and Other Charges	-	78,451	923,358	-	-	1,001,809
<b>Total Expenditures</b>	<u>24,014,396</u>	<u>11,347,579</u>	<u>2,485,358</u>	<u>1,026,104</u>	<u>53,299</u>	<u>38,926,736</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>3,066,401</u>	<u>923,185</u>	<u>315,540</u>	<u>(784,351)</u>	<u>-</u>	<u>3,520,775</u>
<b>Other Financing Sources (Uses)</b>						
Sale of Capital Assets	1,315,833	-	-	-	-	1,315,833
Cost of Bond Issuance	-	-	-	(5,373)	-	(5,373)
Interest Income	-	-	-	2,800	-	2,800
Transfer to (from) Proprietary Fund	262,817	(494,923)	(222,727)	-	-	(454,833)
Transfer from General Fund	-	800,000	-	-	-	800,000
Transfer to (from) Special Revenue Fund	(800,000)	-	-	-	-	(800,000)
<b>Total Other Financing Sources (Uses)</b>	<u>778,650</u>	<u>305,077</u>	<u>(222,727)</u>	<u>(2,573)</u>	<u>-</u>	<u>858,427</u>
<b>Net Change in Fund Balances</b>	3,845,051	1,228,262	92,813	(786,924)	-	4,379,202
<b>Fund Balances, Beginning of Year</b>	11,066,858	6,489,495	388,751	12,288,221	(109,879)	30,123,446
<b>Fund Balances, End of Year</b>	<u>\$ 14,911,909</u>	<u>\$ 7,717,757</u>	<u>\$ 481,564</u>	<u>\$ 11,501,297</u>	<u>\$ (109,879)</u>	<u>\$ 34,502,648</u>

The notes to the financial statements are an integral part of these statements.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2021**

<b>Total Net Change In Fund Balances - Governmental Funds ( Exhibit E )</b>	\$ 4,379,202
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
Capital outlays are reported in the governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$4,125,081 exceeds depreciation expense of \$3,855,457 in the period.	269,624
The loss on disposal of assets has been included in the Statement of Activities, whereas in the governmental funds, proceeds from disposal of assets increases financial resources. Thus, the change in net position differs from the change in fund balance by the carrying amount of the assets disposed.	(480,513)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	1,562,000
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	327,959
Because some revenues will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenue decreased in the current year.	(131,822)
In the Statement of Activities, certain operating expenses -compensated absences- are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, the amount used exceeded the vacation earned by this amount.	(144,945)
In the Statement of Activities, an amount is expensed for closure and post-closure costs. Such costs are not accrued in the governmental funds.	81,264
The County's Net Other Post-Employment Benefit ("OPEB") Obligation resulting from underfunded annual required contributions to its OPEB Plan, is not reported as a liability in the governmental funds. This amount represents the net change in this liability during the current year.	(455,311)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. Accrued interest decreased in the current year.	3,241
Governmental funds report County's pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	
County's pension contributions	\$ (3,953,643)
Cost of benefits earned net of employee contributions (pension benefit from SCRS benefit schedule)	<u>2,450,463</u> <u>(1,503,180)</u>
<b>Change in Net Position of Governmental Activities ( Exhibit B )</b>	<b><u>\$ 3,907,519</u></b>

The notes to the financial statements are an integral part of these statements.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**June 30, 2021**

	<b>Enterprise Fund Sewer Fund</b>	<b>Enterprise Fund Emergency Medical Services</b>	<b>Total Proprietary Funds</b>
<b>Assets</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 590	\$ -	\$ 590
Accounts Receivable, Net	106,200	1,374,828	1,481,028
Other Receivables	31,589	80,295	111,884
Due from General Fund	<u>3,480,888</u>	<u>2,014,645</u>	<u>5,495,533</u>
Total Current Assets	<u>3,619,267</u>	<u>3,469,768</u>	<u>7,089,035</u>
Non-Current Assets:			
Capital Assets:			
Land	526,487	29,275	555,762
Construction in Progress	2,977,712	-	2,977,712
Building and Building Improvements	1,443,482	1,540,970	2,984,452
Sewer System Infrastructure	24,206,927	-	24,206,927
Equipment	274,379	139,557	413,936
Vehicles	-	1,865,232	1,865,232
Less: Accumulated Depreciation	<u>(8,180,948)</u>	<u>(1,644,105)</u>	<u>(9,825,053)</u>
Total Non-Current Assets	<u>21,248,039</u>	<u>1,930,929</u>	<u>23,178,968</u>
<b>Deferred Outflows of Resources</b>			
Prepaid Pension Cost	<u>48,878</u>	<u>407,161</u>	<u>456,039</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<b><u>24,916,184</u></b>	<b><u>5,807,858</u></b>	<b><u>30,724,042</u></b>
<b>Liabilities</b>			
Current Liabilities:			
Accrued Interest Payable	17,279	-	17,279
Customer Deposits Payable	6,160	-	6,160
Compensated Absences	16,831	82,060	98,891
Current Portion of General Obligation Bonds Payable	<u>737,071</u>	<u>-</u>	<u>737,071</u>
Total Current Liabilities	<u>777,341</u>	<u>82,060</u>	<u>859,401</u>
Long-term Liabilities:			
Net Pension Liability	532,035	3,383,821	3,915,856
General Obligation Bonds Payable	<u>4,462,523</u>	<u>-</u>	<u>4,462,523</u>
Total Long-term Liabilities	<u>4,994,558</u>	<u>3,383,821</u>	<u>8,378,379</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue - Property Taxes	-	34,204	34,204
Unavailable Revenue - Pension	<u>55,420</u>	<u>286,525</u>	<u>341,945</u>
Total Deferred Inflows of Resources	<u>55,420</u>	<u>320,729</u>	<u>376,149</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b><u>5,827,319</u></b>	<b><u>3,786,610</u></b>	<b><u>9,613,929</u></b>
<b>Net Position</b>			
Net Investment in Capital Assets	16,048,445	1,930,929	17,979,374
Restricted for Debt Service	737,071	-	737,071
Unrestricted	<u>2,303,349</u>	<u>90,319</u>	<u>2,393,668</u>
<b>Total Net Position</b>	<b><u>\$ 19,088,865</u></b>	<b><u>\$ 2,021,248</u></b>	<b><u>\$ 21,110,113</u></b>

The notes to the financial statements are an integral part of these statements.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2021**

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Fund</u>	<u>Enterprise Fund</u> <u>Emergency</u> <u>Medical Services</u>	<u>Total</u> <u>Proprietary</u> <u>Funds</u>
<b>Operating Revenues</b>			
Charges for Services	\$ 1,459,358	\$ 3,040,524	\$ 4,499,882
Impact Fees and Other Charges	2,273,701	-	2,273,701
Miscellaneous	18,300	232,973	251,273
Motor Carrier Fees	-	15,554	15,554
Taxes			
Local Option Sales Tax	331,135		331,135
Property Taxes - Net	-	693,036	693,036
Vehicle Taxes - Net	-	132,956	132,956
Watercraft Taxes - Net	-	9,758	9,758
Delinquent Taxes - Net	-	4,696	4,696
Fee In Lieu of Taxes	-	988,967	988,967
Local Option Sales Tax	-	316,973	316,973
Homestead Exemption	-	59,443	59,443
Manufacturer Reimbursement	-	20,270	20,270
Inventory Replacement	-	3,947	3,947
Total Revenues	<u>4,082,494</u>	<u>5,519,097</u>	<u>9,601,591</u>
<b>Operating Expenses</b>			
Salaries and Benefits	525,375	2,943,052	3,468,427
Contractual Services	226,786	353,737	580,523
Office Supplies	125,382	122,808	248,190
Repairs and Maintenance	496,900	30,376	527,276
Fuel	10,128	71,541	81,669
Utilities and Telephone	307,183	49,233	356,416
Uniforms	-	32,222	32,222
Engineering	79,607	-	79,607
Postage	7,560	-	7,560
Fleet Maintenance	9,601	57,508	67,109
Equipment and Supplies	-	171,990	171,990
Bad Debt	-	652,912	652,912
Insurance	-	9,692	9,692
Training	-	23,220	23,220
Miscellaneous	73,229	66,883	140,112
Retirement System Pension Expense	26,156	140,139	166,295
Depreciation	596,839	375,742	972,581
Total Operating Expenses	<u>2,484,746</u>	<u>5,101,055</u>	<u>7,585,801</u>
<b>Operating Income (Loss)</b>	<u>1,597,748</u>	<u>418,042</u>	<u>2,015,790</u>
<b>Non-Operating Income (Expense)</b>			
Interest Expense	(124,421)	-	(124,421)
Total Non-Operating Income (Expense)	<u>(124,421)</u>	<u>-</u>	<u>(124,421)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>1,473,327</u>	<u>418,042</u>	<u>1,891,369</u>
Transfer to General Fund	(262,817)	-	(262,817)
Transfer from Special Revenue Fund	494,923	-	494,923
Transfer from Debt Service Fund	222,727	-	222,727
Total Transfers	<u>454,833</u>	<u>-</u>	<u>454,833</u>
<b>Change in Net Position</b>	1,928,160	418,042	2,346,202
<b>Net Position, Beginning of Year</b>	<u>17,160,705</u>	<u>1,603,206</u>	<u>18,763,911</u>
<b>Net Position, End of Year</b>	<u>\$ 19,088,865</u>	<u>\$ 2,021,248</u>	<u>\$ 21,110,113</u>

The notes to the financial statements are an integral part of these statements.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**For the Fiscal Year Ended June 30, 2021**

**Cash Flows from Operating Activities**

Cash Received from Customers	\$ 9,169,814
Cash Paid to Suppliers	(2,985,510)
Cash Paid for Salaries and Employee Benefits	(3,452,816)
	2,731,488
Net Cash Provided by Operating Activities	2,731,488

**Cash Flows From Non-Capital Financing Activities**

Operating Transfers to (from) Other Funds	454,833
Increase in Due from Other Funds	(57,999)
	396,834
Net Cash Provided by Non-Capital Financing Activities	396,834

**Cash Flows from Capital and Related Financing Activities**

Purchase of Capital Assets	(2,280,829)
Principal Paid on Revenue Bond Maturities	(722,280)
Interest Paid	(125,213)
	(3,128,322)
Net Cash (Used) by Capital and Related Financing Activities	(3,128,322)

**Net Change in Cash and Cash Equivalents**

<b>Cash and Cash Equivalents, Beginning of Year</b>	590
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<b>Cash and Cash Equivalents, End of Year</b>	\$ 590
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The notes to the financial statements are an integral part of these statements.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**For the Fiscal Year Ended June 30, 2021**  
**(Continued)**

**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

	<b>Enterprise Funds</b>
Operating Income (Loss)	\$ 2,015,790
Adjustments to Reconcile Operating Income to Net Cash Provided	
By Operating Activities:	
Depreciation	972,581
(Increase) in Accounts Receivable	(437,326)
(Decrease) in Other Receivables	5,549
(Decrease) in Deferred Outflows	(268,981)
Decrease in Deferred Inflows	149,461
(Decrease) in Net Pension Liability	278,803
Increase in Compensated Absences	<u>15,611</u>
<b>Net Cash Provided by Operating Activities</b>	<b><u>\$ 2,731,488</u></b>

The notes to the financial statements are an integral part of these statements.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2021**

	<u>Agency Funds</u>	<u>Trust Funds</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 5,402,805	\$ 2,998,174
Taxes Receivable, Net	2,561,384	-
Other Receivables	35,636	-
Due from General Fund	<u>3,751,744</u>	<u>-</u>
<b>Total Assets</b>	<u><u>11,751,569</u></u>	<u><u>2,998,174</u></u>
<b>Liabilities</b>		
Due to Other Taxing Units	7,161,176	-
Due to Solicitor	2,240,926	-
Due to KC Clean Commission	<u>12,462</u>	<u>-</u>
<b>Total Liabilities</b>	<u>9,414,564</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>		
Unavailable Revenue - Property Taxes	<u>2,337,005</u>	<u>-</u>
<b>Net Position</b>		
Held in Trust	<u>-</u>	<u>2,998,174</u>
<b>Total Net Position</b>	<u><u>\$ -</u></u>	<u><u>\$ 2,998,174</u></u>

The notes to the financial statements are an integral part of these statements.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**TRUST FUNDS**  
**For the Fiscal Year Ended June 30, 2021**

	<u>Detention Center</u>	<u>Land Sale</u>	<u>Magistrate</u>	<u>Clerk/ Family Court</u>	<u>Master in Equity</u>	<u>Sheriff Drug Trust</u>	<u>Total</u>
<b>Additions</b>							
Inmate Deposits	\$ 270,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 270,209
Land Sales	-	2,764,144	-	-	-	-	2,764,144
Bonds, Fines and Fees	-	-	881,312	761,909	-	-	1,643,221
Escrow Funds	-	-	-	-	1,947,674	-	1,947,674
Seizures	-	-	-	-	-	54,086	54,086
Interest	-	-	66	1,165	-	-	1,231
<b>Total Additions</b>	<u>270,209</u>	<u>2,764,144</u>	<u>881,378</u>	<u>763,074</u>	<u>1,947,674</u>	<u>54,086</u>	<u>6,680,565</u>
<b>Deductions</b>							
Inmate Withdrawals	268,575	-	-	-	-	-	268,575
Disbursement of Sales Proceeds	-	2,016,526	-	-	-	-	2,016,526
Disbursement of Bonds, Fines and Fees	-	-	845,279	637,193	-	-	1,482,472
Disbursement of Escrow Funds	-	-	-	-	1,969,128	24,653	1,993,781
<b>Total Deductions</b>	<u>268,575</u>	<u>2,016,526</u>	<u>845,279</u>	<u>637,193</u>	<u>1,969,128</u>	<u>24,653</u>	<u>5,761,354</u>
<b>Change to Fiduciary Net Position</b>	1,634	747,618	36,099	125,881	(21,454)	29,433	919,211
<b>Net Position, Beginning of Year</b>	<u>47,923</u>	<u>1,448,002</u>	<u>115,413</u>	<u>320,783</u>	<u>56,077</u>	<u>90,766</u>	<u>2,078,964</u>
<b>Net Position, End of Year</b>	<u>\$ 49,557</u>	<u>\$ 2,195,620</u>	<u>\$ 151,512</u>	<u>\$ 446,663</u>	<u>\$ 34,623</u>	<u>\$ 120,199</u>	<u>\$ 2,998,174</u>

The notes to the financial statements are an integral part of these statements.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 1. Summary of Significant Accounting Policies**

Kershaw County, South Carolina, operates under the Council Administrator form of government as provided by the Home Rule Act of 1975. The County provides the following services: general administrative services, public safety, health and social services, planning and zoning, culture and recreation, unpaved road maintenance, sanitation, sewer (provided to West Wateree and East Camden areas only) and public improvements.

The financial statements of Kershaw County have been prepared in conformity with accounting principles generally accepted in the United States of America, (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Following are the more significant of the County's accounting policies.

**A. Reporting Entity**

In evaluating how to define Kershaw County, South Carolina, for financial reporting purposes, management has considered all potential component units. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is a fiscal dependency by the organization on the County

Based on the aforementioned criteria Kershaw County has a component unit.

*Blended Component Unit:* Kershaw County Facilities, Inc. (KCF) (the "Corporation") was created by Kershaw County as a Nonprofit Corporation under the laws of the State of South Carolina for the specific purpose of providing support for the capital projects of the County. The board members are appointed by County Council. Because the Corporation exclusively benefits the County, the Corporation's financial information is blended with that of the County in the basic financial statements. Separate financial statements for Kershaw County Facilities, Inc. are not issued.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

**B. Basis of Presentation**

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

*Government-Wide Financial Statements*

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the County, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Program revenues include charges paid by the recipients of goods or services offered by the program and grant and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Business-type activities are financed in whole or in part by fees charged to the external parties for goods or services.

The statement of activities presents a comparison between direct and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect cost.

*Fund Financial Statements*

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its asset, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category of type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

The funds of the County are described below

***Governmental Funds***

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The General Fund, Special Revenue Fund, Debt Service Fund and Kershaw Facilities Capital Project Fund are the County's major governmental funds.

***General Fund***

The *General Fund*, a major fund, is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in the General Fund. Operational expenditures for general government, public safety, sanitation, highways and streets and other departments of the County are paid through the General Fund.

***Special Revenue Fund***

The *Special Revenue Fund*, a major fund, is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

***Debt Service Fund***

The *Debt Service Fund*, a major fund, is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related cost of the County other than debt service payments made by enterprise funds.

***Capital Projects Fund***

The *Capital Projects Fund* is used to account for resources for the acquisition or construction of specific capital projects or items.

The *Kershaw County Facilities Project Fund*, a major fund, is used to build designated capital projects for the County approved by Council.

***Proprietary Fund***

Proprietary Fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The following is the County's Proprietary Fund:

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

***Enterprise Fund***

The *Enterprise Fund* is used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on the net income measurement similar to the private sector.

The Sewer Fund is one of the County's enterprise fund and is used to account for the financial transactions related to the sewer service operations for the residents of the West Wateree and East Camden areas of the County. The Sewer Fund is a major fund.

The Emergency Medical Services Fund is second of the County's enterprise fund and is used to account for the financial transactions related to the emergency medical services provided to the residents of the County. The Emergency Medical Services Fund is a major fund.

**Fiduciary Funds**

Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds consist of Agency Funds and Trust Funds.

***Agency Funds***

Agency Funds are used to account for assets held by the County in a trustee capacity by the County and do not involve measurement of results of operations. The County has four Agency Funds as follows:

*School Fund.* The School Fund accounts for the School District funds, which are collected and maintained by the Kershaw County Treasurer.

*Solicitor's Fund.* The Solicitor's Fund accounts for the operational activities of the regional Solicitor for Richland and Kershaw Counties.

*Municipal Fund.* The Municipal Fund accounts for the property taxes that the County collects for the County of Camden.

*Fire District Fund.* The Fire District Fund accounts for the property taxes that the County collects for the Mt. Pisgah and Lugoff fire districts.

***Trust Funds***

Trust Funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are not available to support the County's own programs. The County utilizes the following Trust Funds.

*Detention Center.* The Detention Center Trust Fund is used to account for the financial resources held by the County for inmates of the Kershaw County Detention Center.

*Land Sale.* The Land Sale Trust Fund is used to account for the financial resources held by the County that may be claimed by certain members of the public as a result of the Treasurer's tax sale activities.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

*Magistrate.* The Magistrate Trust Fund is used to account for the financial resources held by the County that may be claimed by certain members of the public based on Magistrate Court activities.

*Clerk of Court/Family Court.* The Clerk of Court/Family Court Trust Fund is used to account for the financial resources held by the County that may be claimed by certain members of the public based on activities of the court.

*Master-in-Equity.* The Master-in-Equity Trust Fund is used to account for the financial resources held by the County that may be claimed by certain members of the public based on activities of the Master-in-Equity.

*Sheriff Drug Trust.* The Sheriff Drug Trust Fund is used to account for drug seizure money held by the County until the cases are heard and a determination is made if the money belongs to an individual or the County.

**C. Measurement Focus and Basis of Accounting**

*Measurement Focus*

*Government-Wide Financial Statements*

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the statement of net position.

*Fund Financial Statements*

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the Proprietary Fund is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases and decreases in total net position. The statement of cash flows reflects how the County finances and meets the cash flow of its Proprietary Fund.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

***Basis of Accounting***

In the government-wide statement of net position and statement of activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Items such as property taxes are considered to be susceptible to accrual. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for the general obligation bond principal and interest which are reported when due.

All Proprietary Funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

**D. Cash, Cash Equivalents and Investments**

*Cash and Cash Equivalents*

Cash and cash equivalents include cash on hand and amounts in demand deposits.

*Investments*

Investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for Investment Pools*. Investment policies of the County must operate within existing state statutes of the State of South Carolina, which authorizes what the County may and may not invest in.

**E. Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, franchise fees, state shared revenue and grants. Property taxes receivables are carried at cost less an allowance for uncollectible. Business-type activities report sewer and medical services as their major receivables.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

In the fund financial statements, material receivables in governmental funds include revenue accruals such as franchise fees, state shared revenue and grants if they are both measurable and available. Non-exchange transactions collectible but not available, such as property taxes, are deferred in the fund financial statements in accordance with modified accrual basis, but not deferred in the government wide financial statements in accordance with the accrual basis. Proprietary Fund material receivables consist of all revenues earned at year-end and not yet received. Sewer and medical services accounts receivable compose the majority of Proprietary fund receivables. All trade and property tax receivables are recorded net of any allowances for uncollectible.

**F. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature of normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation.

**G. Prepaid Items**

Prepaid items consist of payments made to vendors for services that will benefit periods beyond June 30, 2021.

**H. Capital Assets**

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

*Government-Wide Statements*

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are reported at their estimated fair value at the date of donation. Estimated historical cost was used to value many of the assets acquired prior to July 1, 2002. The County maintains a capitalization policy of \$10,000 for its capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during construction is not capitalized for general capital assets.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25-50 years
Improvements	10-50 years
Furniture and Equipment	3-20 years
Vehicles	3-5 years
Sewer System	10-50 years

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

*Fund Financial Statements*

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in Proprietary Fund operations are accounted for the same as in the government-wide statements.

**I. Short-term Inter-fund Receivables/Payable**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund financial balance sheet. Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position.

**J. Compensated Absences**

The County reports Compensated Absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. The County’s policies regarding vacation and sick leave are based on years of service, with a total of 12 to 18 days of vacation and 12 days of sick leave per year accumulated by each employee. However, employees are not paid for the accumulated sick leave upon retirement or other termination and, therefore, no liability has been accrued in the financial statements for accumulated sick leave. Each employee may accumulate a maximum of 45 days for vacation. The entire compensated absence liability for unused vacation is reported on the government-wide financial statements.

In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. For the Proprietary Fund, the entire amount of compensated absences is reported as a fund liability.

**K. Deferred Outflows of Resources**

In addition to assets, The County reports deferred outflows of resources in a separate section of its government wide and proprietary fund statements. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period. The County only has two deferred outflows: the first is a deferred amount arising from the refunding of enterprise fund bonds in a previous year. This deferred refunding amount is being amortized over the remaining life of the refunding bonds as part of interest expense. The second item is prepaid cost related to the GASB 68 pension liability.

**L. Deferred Inflows of Resources**

In addition to liabilities, The County reports deferred inflows of resources in a separate section of its government wide and proprietary fund statements. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period. The County has two types of items which occur because governmental fund revenues are not recognized until available (collected no later than 60 days after the end of the County’s fiscal year) under the modified accrual basis of accounting that qualifies for reporting

**KERSHAW COUNTY, SOUTH CAROLINA**  
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in this category. Accordingly, deferred property taxes and grant revenue are reported in the governmental fund balance sheet. The second item is future pension revenues related to the GASB 68 pension liability.

**M. Long-term Obligations**

The accounting treatment of long-term debt depends on whether the assets are used in Governmental Fund operations or Proprietary Fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as a liability in the government-wide statements. Bond issuance costs are expensed in the fund, in the year incurred. The long-term debt consists primarily of bonds payable, capital leases, accrued compensated absences, post-closure costs, OPEB and pension liability.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for Proprietary Funds is the same in the fund statements as it is in the government-wide statements.

**N. Equity Classifications**

*Government-Wide Statements*

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

- a. Net Investment in capital assets. This consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, capital leases or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net position. This consists of net position with constraints placed on the use by either external groups such as creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. Unrestricted net position. All other net position that do not meet the definition of “restricted” or “net investment in capital assets” are classified as unrestricted.

The County classifies governmental fund balances as follows:

- Non-spendable—Includes amounts that inherently cannot be spent either because they are not in a spendable form (i.e., prepaids, inventories, long-term loan receivables, etc.) or because they are legally or contractually required to be maintained intact (i.e., principal on an endowment, etc.).

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**NOTES TO FINANCIAL STATEMENTS**  
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- **Restricted**—Includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.
- **Committed**—Includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by County Council, which is the highest level of decision making authority, before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned**—Includes amounts that are intended to be used for specific purposes that are neither considered restricted nor committed, designated by Council before the end of the reporting period.
- **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 that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Proprietary fund equity is classified the same as in the government-wide statements.

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

*Minimum Unassigned Fund Balance*

It is the goal of the County to achieve and maintain an unassigned fund balance in the General Fund at fiscal year end of not less than 25% of operating revenues or expenditures. If the unassigned fund balance at fiscal year end falls below the goal, the County shall replenish and maintain the minimum fund balance within three fiscal years.

**O. Operating and Non-Operating Revenues and Expenses**

Proprietary Fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses for the Proprietary Fund include costs of sales, administrative

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expenses and depreciation of capital assets. All other expenses are reported as non-operating expenses.

**P. Capital Contributions**

Contributions of capital on government-wide and enterprise fund financial statements arise from outside contributions of capital assets, contributions from other funds or from grants or outside contributions of resources restricted to capital acquisition and construction.

**Q. Inter-fund Transactions**

Transactions between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in the governmental funds and non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**R. Use of Estimates**

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

**S. Statement of Cash Flows**

For purposes of the statement of cash flows, the County's Proprietary Fund considers cash and cash equivalents. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents include certificates of deposits, treasury bills and money market funds.

**T. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and additions to/deductions from SCRS's fiduciary net position have been determined on the same basis as they are reported by SCRS. 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.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
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**Note 2. Deposits and Investments**

***Deposits – Custodial Credit Risk***

Custodial credit risk is the risk that, in the event of a bank failure, the County’s deposits may not be recovered. The County does not have a deposit policy for custodial credit risk. As of June 30, 2021, \$59,604,259 of the County’s bank balance of \$60,333,143 which has a carrying value of \$59,307,966 was exposed to custodial credit risk as follows:

Uninsured by FDIC, but collateral held by pledging bank not in the County’s name	<u>\$ 59,604,258</u>
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***Investments***

As of June 30, 2021, the County had the following investment and maturity, which is included in cash and cash equivalents:

	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturity Less Than 1 Yr.</u>
Repurchase Agreement	Unrated	\$7,803,598	\$7,803,598
SC Pooled Investment Fund	Unrated	\$32,738,635	\$32,738,635

*South Carolina Pooled Investment Fund* – The South Carolina Pooled Investment Fund (the “Pool”) are invested with the South Carolina State Treasurer’s Office, which established the Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city/county 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. In accordance with GASB Statement No. 31, “*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*”, investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.

*Interest Rate Risk* – The County 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.

*Custodial Credit Risk for 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. The County does not have a deposit policy for custodial credit risk, but follows the investment policy statutes of the State of South Carolina. As of June 30, 2021, none of the County’s investments were exposed to custodial credit risk.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
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*Concentration of Credit Risk for Investments* – The County places no limit on the amount invested in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from concentration of credit risk disclosures.

**Note 3. Property Taxes**

The County assesses and levies property taxes in accordance with applicable laws of the State of South Carolina. Real property and personal property of every description owned and used in the County, except that which is exempt from taxation under the Constitution and Laws of the State, is subject to taxation. An annual ordinance establishing the millage rate associated with the levy is adopted each year as a part of the budget adoption process.

Real property and all personal property other than vehicles are assessed for property tax purposes on January 1 of each year. All taxable property is assessed in proportion to its value on that date. The basis for value of taxable property within the County is taken from the records of the Kershaw County Auditor. Taxes are levied in October and are due and payable at that time. Property taxes are due by January 15, and penalties are imposed as follows: 3% prior to February 1, an additional 7% prior to March 15, and an additional 5% after March 15.

A summary of outstanding property taxes at June 30, 2021, is presented below.

	<u>Governmental Fund Type</u>			<u>Proprietary Fund Type</u>		<u>Fiduciary Fund Type</u>	
	General	Special	Debt			Agency	
	<u>Fund</u>	<u>Revenue</u>	<u>Service</u>	<u>EMS</u>		<u>Fund</u>	<u>Total</u>
Taxes Receivable	\$ 1,353,786	\$ 139,612	\$ 183,234	\$ 75,601	\$ 4,972,667	\$ 6,724,900	
Less: Allowance for Doubtful Accounts	(656,461)	(67,699)	(88,852)	(26,747)	(2,411,283)	(3,251,042)	
Net Taxes Receivable	<u>\$ 697,325</u>	<u>\$ 71,913</u>	<u>\$ 94,382</u>	<u>\$ 48,854</u>	<u>\$ 2,561,384</u>	<u>\$ 3,473,858</u>	

**Note 4. Other Receivables**

Other governmental receivables at June 30, 2021, consist of intergovernmental revenues, franchise fees, magistrate fees, DSS fees and landfill fees.

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

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

**Note 5. Inter-fund Receivables and Payables**

Inter-fund balances at June 30, 2021, (all of which are expected to be received or paid within one year), consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ -	\$ 13,928,411
Special Revenue Fund	2,953,971	-
Capital Projects Fund	1,320,993	-
Debt Service Fund	406,170	-
Proprietary Fund - Sewer	3,480,889	-
Proprietary Fund - EMS	2,014,645	-
Agency Fund	<u>3,751,743</u>	<u>-</u>
 <b>Totals</b>	 <u>\$ 13,928,411</u>	 <u>\$ 13,928,411</u>

The General Fund payable is a result of various transactions for the Special Revenue Fund, Debt Service Fund, Capital Projects Fund, Proprietary Fund and Agency Fund. The Capital Projects Fund payable is the result of the General Fund paying for capital projects.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

**Note 6. Capital Assets**

Capital Asset activity for the year ended June 30, 2021, was as follows:

*Governmental Activities*

Non-depreciable Assets:	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending</u>
Land	\$ 15,138,478	\$ -	\$ (391,456)	\$ -	\$ 14,747,022
Construction in Progress	10,133,038	825,267	(89,057)	(8,384,305)	2,484,943
<b>Depreciable Assets:</b>					
Buildings and Improvements	42,936,284	1,279,068	-	948,467	45,163,819
Office Equipment	3,855,970	370,023	(153,150)	-	4,072,843
Equipment	9,486,709	954,960	0	752,685	11,194,354
Vehicles	12,847,053	35,498	(152,931)	-	12,729,620
Infrastructure	<u>29,739,743</u>	<u>660,265</u>	<u>-</u>	<u>6,683,153</u>	<u>37,083,161</u>
<b>Totals</b>	<u>124,137,275</u>	<u>4,125,081</u>	<u>(786,594)</u>	<u>-</u>	<u>127,475,762</u>
 Less: Accumulated Depreciation					
Buildings and Improvements	(15,949,190)	(1,281,156)	-	-	(17,230,346)
Office Equipment	(2,471,616)	(498,485)	153,150	-	(2,816,951)
Equipment	(8,337,420)	(299,223)	-	-	(8,636,643)
Vehicles	(10,735,673)	(801,091)	152,931	-	(11,383,833)
Infrastructure	<u>(22,264,864)</u>	<u>(975,502)</u>	<u>-</u>	<u>-</u>	<u>(23,240,366)</u>
<b>Totals</b>	<u>(59,758,763)</u>	<u>(3,855,457)</u>	<u>306,081</u>	<u>-</u>	<u>(63,308,139)</u>
 Governmental Activities					
Capital Assets,					
Net	<u>\$ 64,378,512</u>	<u>\$ 269,624</u>	<u>\$ (480,513)</u>	<u>\$ -</u>	<u>\$ 64,167,623</u>

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

*Business-type Activities*

<i>Sewer Fund</i>	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending</u>
Non-depreciable Assets:					
Land	\$ 526,487	\$ -	\$ -	\$ -	526,487
Construction in Progress	696,883	2,280,829	-	-	2,977,712
Depreciable Assets:					
Sewer System	25,650,409	-	-	-	25,650,409
Equipment	<u>274,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,379</u>
Totals	<u>27,148,158</u>	<u>2,280,829</u>	<u>-</u>	<u>-</u>	<u>29,428,987</u>

Less: Accumulated Depreciation

Sewer System	(7,372,120)	(582,032)	-	-	(7,954,152)
Equipment	<u>(211,990)</u>	<u>(14,806)</u>	<u>-</u>	<u>-</u>	<u>(226,796)</u>
Totals	<u>(7,584,110)</u>	<u>(596,838)</u>	<u>-</u>	<u>-</u>	<u>(8,180,948)</u>

Business-type Activities

Capital Assets, Net	<u>\$ 19,564,048</u>	<u>\$ 1,683,991</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 21,248,039</u>
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*Emergency Medical Services Fund*

<i>Non-depreciable Assets:</i>	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending</u>
Land	\$ 29,275	\$ -	\$ -		\$ 29,275
Construction in Progress	443,662.00	-	-	(443,662.00)	-
Depreciable Assets:					
Building and Improvements	1,097,308	-	-	443,662	1,540,970
Equipment	<u>2,004,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,004,789</u>
Totals	<u>3,575,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,575,034</u>

Less: Accumulated Depreciation

Building and Improvements	(87,419)	(44,417)	-	-	(131,836)
Equipment	<u>(1,180,943)</u>	<u>(331,324)</u>	<u>-</u>	<u>-</u>	<u>(1,512,267)</u>
Totals	<u>(1,268,362)</u>	<u>(375,741)</u>	<u>-</u>	<u>-</u>	<u>(1,644,103)</u>

Business-type Activities

Capital Assets, Net	<u>\$ 2,306,672</u>	<u>\$ (375,741)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,930,931</u>
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**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

Depreciation expense was charged to governmental activities as follows:

General Government	\$	1,686,908
Highways and Streets		639,723
Public Safety		979,784
Sanitation		340,834
Culture and Recreation		<u>208,208</u>
Governmental Activities		
Total Depreciation Expense	\$	<u><u>3,855,457</u></u>

Depreciation expense charged to separately identifiable business-type activities is evident on the face of the fund financial statement and, therefore, is not included here.

Construction in progress and construction commitments – governmental activities and business-type activities consisted of the following at June 30, 2021:

	Expenditures <u>To Date</u>	Total <u>Contract</u>	Contract Payments <u>Remaining</u>
Peck Woods Road Paving	\$ 45,765	\$ 89,000	\$ 43,235
Fire Station 24 Road Paving	152,410	297,347	144,937
Timber Ridge Road Paving	16,930	63,000	46,070
Airport Runway 6-24 Rehab Project	241,752	244,850	3,098
Wildwood Lane Sidewalk Improvements	160,000	160,000	-
Mega Site - 100 acres & surrounding acre	1,145,525	1,150,525	5,000
Voter Registration Building	697,596	731,971	34,375
North Central Convenient Center	20,000	23,489	3,489
Public Work Building Project	<u>4,965</u>	<u>4,965</u>	<u>-</u>
 Total	 <u>\$ 2,484,943</u>	 <u>\$ 2,765,147</u>	 <u>\$ 280,204</u>

	Expenditures <u>To Date</u>	Total <u>Contract</u>	Contract Payments <u>Remaining</u>
<i>Business-type Activities</i>			
<i>Sewer</i>			
Southern Loop Sewer Improvements	\$ 2,455,212	\$ 3,142,657	\$ 687,445
Easements for Southern Loop	69,428	69,428	-
Elgin #1 Force Main	433,072	587,368	154,296
Governor's Hill Wastewater Expansion	<u>20,000</u>	<u>514,500</u>	<u>494,500</u>
	<u>\$ 2,977,712</u>	<u>\$ 4,313,953</u>	<u>\$ 1,336,241</u>

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

**Note 7. Accounts Payable and Accrued Expenses**

The significant components of accounts payable and accrued expenses for governmental activities at June 30, 2021, are as follows:

Accounts Payable	\$ 1,532,788
Accrued Payroll, Withholdings, Fringe and Benefits	<u>1,793,225</u>
Total Accounts Payable and Accrued Expenses -	
Governmental Activities	<u>\$ 3,326,013</u>

**Note 8. Short-term Debt**

The following is a summary of changes in short-term debt for the year ended June 30, 2021:

	Balance <u>7/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/2021</u>
<i>Governmental Activities:</i>				
G.O. Bond Taxable Series 2020	\$ <u>2,443,000</u>	\$ <u>-</u>	\$ <u>(2,443,000)</u>	\$ <u>-</u>

Short-term debt was used to pay principal and interest payments related to the 2016 Bond. This bond is applicable to the County's 8% debt limit.

**Note 9. Long-term Debt**

***Governmental Activities:***

As of June 30, 2021, the governmental long-term debt consisted of general obligation bonds, revenue bonds, capital leases, post-closure costs and compensated absences.

***Installment Revenue Bonds***

The County has entered into a facilities agreement with Kershaw Facilities Corporation, Inc. The agreement permits the County to construct, renovate and operate the facilities in exchange for the payment of the principal and interest by the County, as such amounts come due, on the Installment Purchase Revenue Bonds (IPR Bonds) issued by the Kershaw Facilities Corporation, Inc. Below is a summary of the IPR Bonds issued by the Corporation.

On July 2, 2014, the Kershaw Facilities Corporation, Inc. issued Series 2014 Installment Purchase Revenue Bonds totaling \$8,500,000 with principal payments due each June 1 and semi-annual interest payments due March 1 and September 1 of each year. The bonds range in maturity dates from 2016 to 2024. The interest rate ranges from 3.00% to 4.25%. The outstanding principal as of June 30, 2021, was \$3,579,000.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(Continued)**

On December 17, 2015, the Kershaw Facilities Corporation, Inc. issued Series 2015A Installment Purchase Revenue Bonds totaling \$13,470,000 with principal payments due each June 1 starting in 2018 and semi-annual interest payments due June 1 and December 1 of each year. The bonds range in maturity dates from 2018 to 2042. The interest rate ranges from 1.90% to 4.90%. The outstanding principal as of June 30, 2021 was \$12,060,000.

On December 17, 2015, the Kershaw Facilities Corporation, Inc. issued Series 2015A Installment Purchase Revenue Bonds totaling \$3,730,000 with principal payments due each June 1 starting in 2042 and semi-annual interest payments due June 1 and December 1 of each year. The bonds range in maturity dates from 2042 to 2045. The interest rate ranges from 1.90% to 4.90%. The outstanding principal as of June 30, 2021, was \$3,730,000.

The Kershaw Facilities Corporation, Inc. Installment Purchase Revenue Bonds are not an obligation of the County; however, as Kershaw Facilities Corporation, Inc. is blended with the operations of the County, the Corporation's debt is included with the County's other obligations as required by accounting principles generally accepted in the United States of America.

Annual debt service requirements to maturity for general obligation bonds are as follows:

*Governmental Activities:*

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,604,000	\$ 859,520	\$ 2,463,520
2023	1,651,000	818,820	2,469,820
2024	1,489,000	775,720	2,264,720
2025	415,000	735,455	1,150,455
2026	435,000	719,063	1,154,063
2027-2031	2,470,000	3,288,235	5,758,235
2032-2036	3,155,000	2,609,275	5,764,275
2037-2041	4,065,000	1,695,435	5,760,435
2042-2045	4,085,000	524,565	4,609,565
	<u>\$ 19,369,000</u>	<u>\$ 12,026,088</u>	<u>\$ 31,395,088</u>

*Capital Lease Payable*

On August 9, 2016, the County entered into a capital lease arrangement with BB&T to purchase a tractor in the amount of \$443,701. The lease is payable in yearly installments beginning January 1, 2017. As of June 30, 2021, the County had an outstanding balance of \$174,071.

On May 16, 2018, the county entered into a capital lease arrangement with First Citizens to purchase various equipment in the amount of \$266,692. The lease is payable in yearly installments beginning May 16, 2018. As of June 30, 2021, the County had an outstanding balance of \$0.00.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

On June 29, 2020, the County entered into a capital lease arrangement with BB&T to purchase various equipment and vehicles in the amount of \$261,021. The lease is payable in yearly installments beginning May 21, 2021. As of June 30, 2021, the County had an outstanding balance of \$174,942.

The following is a schedule of the future minimum lease payments under capital lease, and the Present value of the net minimum lease payments at June 30, 2021

Year Ending June 30,	
2022	150,457
2023	150,457
2024	61,185
Total minimum lease payments	362,099
Less: Amounts representing interest	(13,086)
	\$ 349,013

***Business-type Activities:***

On January 8, 2008, the County issued Series 2008A General Obligation Bonds totaling \$5,574,760 with quarterly principal and interest payments due each February 1, May 1, August 1, and November 1. The bonds range in maturity from 2011 to 2030. The interest rate is 2.25%. The outstanding principal as of June 30, 2021, was \$2,383,689.

On January 8, 2008, the County issued Series 2008B General Obligation Bonds totaling \$3,538,737 with quarterly principal and interest payments due each March 1, June 1, September 1, and December 1. The bonds range in maturity from 2010 to 2029. The interest rate is 2.25%. The outstanding principal as of June 30, 2021, was \$1,269,144. This bond is applicable to the County's 8% debt limit.

On January 6, 2012, the County issued SRF loan General Obligation Bonds totaling \$2,399,276 with quarterly principal and interest payments due each February 1, May 1, August 1, and November 1. The bonds range in maturity from 2012 to 2031. The interest rate is 2.25%. The outstanding principal as of June 30, 2021, was \$1,392,808.

On March 17, 2017, the County issued SRF loan General Obligation Bonds totaling \$600,000 with quarterly principal and interest payments due each October 1, January 1, April 1, and July 1. The bonds range in maturity from 2018 to 2023. The interest rate is 1.40%. The outstanding principal as of June 30, 2021, was \$153,953

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Annual debt service requirements to maturity for general obligation bonds are as follows:

*Business-type Activities:*

Year Ending	Principal	Interest	Total
June 30,			
2022	737,072	109,881	846,953
2023	659,066	94,543	753,609
2024	642,310	80,184	722,494
2025	656,885	65,609	722,494
2026	671,790	50,704	722,494
2027-2031	1,758,445	78,646	1,837,091
2032	<u>74,027</u>	<u>625</u>	<u>74,652</u>
	<u>\$ 5,199,595</u>	<u>\$ 480,192</u>	<u>\$ 5,679,787</u>

**Note 10. Changes in Long-term Debt**

The following is a summary of changes in long-term debt for the year ended June 30, 2021.

**CHANGES IN LONG-TERM DEBT**

	Balance <u>7/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/2021</u>	Due Within <u>One Year</u>
<i>Governmental Activities:</i>					
Facilities IPR Bonds	\$ 4,776,000	\$ -	\$ (1,197,000)	\$ 3,579,000	\$ 1,229,000
Facilities IPR Bonds	12,425,000	-	(365,000)	12,060,000	375,000
Facilities IPR Bonds	3,730,000	-	-	3,730,000	-
Capital Lease	677,062	-	(327,959)	349,103	150,457
Compensated Absences	724,002	868,947	(724,002)	868,947	203,108
Net OPEB Obligation	7,692,189	53,934	-	7,746,123	-
Post-closure Costs	<u>1,109,240</u>	<u>-</u>	<u>(81,267)</u>	<u>1,027,973</u>	<u>-</u>
Total	<u>\$ 31,133,493</u>	<u>\$ 922,881</u>	<u>\$ (2,695,228)</u>	<u>\$ 29,361,146</u>	<u>\$ 1,957,565</u>
<i>Business-type Activities:</i>					
2008A G.O. Bonds	\$ 2,676,391	\$ -	\$ (292,702)	\$ 2,383,689	\$ 299,343
2008B G.O. Bonds	1,461,156	-	(191,471)	1,269,144	195,815
SRF G.O. Bonds	1,784,328	-	(237,567)	1,546,761	241,913
Compensated Absences	<u>83,280</u>	<u>98,891</u>	<u>(83,280)</u>	<u>98,891</u>	<u>-</u>
Total	<u>\$ 6,005,155</u>	<u>\$ 98,891</u>	<u>\$ (805,020)</u>	<u>\$ 5,298,485</u>	<u>\$ 737,071</u>

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**Note 11. Restricted Cash**

Certain resources, which have been set aside for Capital, Steeplechase Building, E-911 Tariff, drug seizure and unclaimed funds expenditures are classified as restricted cash on the Special Revenue Fund and Capital Projects Fund's balance sheet because their use is limited. The amount of restricted cash held by the Special Revenue Fund and Capital Projects Fund amounted to \$21,142,551 as of June 30, 2021.

**Note 12. Debt Limitations**

The amount of legal debt margin as of June 30, 2021, is computed as follows:

Total Assessed Value	\$ <u>277,682,416</u>
Debt Limit 8% of Assessed Value	22,214,593
Amount of Debt Applicable to Limit	<u>(1,269,144)</u>
Legal Debt Margin	\$ <u>20,945,449</u>

**Note 13. Employee Retirement Plans**

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

*Plan Description-* The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined 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 individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

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.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

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

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

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State ORP - As an alternative to membership in SCRS, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

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

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

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

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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. 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 by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

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Required employee contribution rates<sup>1</sup> for fiscal years 2020 and 2021 are as follows:

**SCRS**

Employee Class Two	9.00%
Employee Class Three	9.00%

**PORS**

Employee Class Two	9.75%
Employee Class Three	9.75%

Required employer contributions for fiscal year 2020-2021 are as follows:

**SCRS**

Employer Class Two	15.41%
Employer Class Three	15.41%
Employer Incidental Death Benefit	0.15%

**PORS**

Employer Class Two	17.84%
Employer Class Three	17.84%
Employer Incidental Death Benefit	0.20%
Employer Accidental Death Program	0.20%

*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. An experience report on the Systems was most recently issued for the period ending June 30, 2019 for first use in the July 1, 2021 actuarial valuation.

The June 30, 2019, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles. The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2020.

	SCRS	PORS
	Entry Age	Entry Age
Actuarial Cost Method	Entry age normal	Entry age normal
Projected Salary Increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Benefit Adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

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The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016. Assumptions used in the determination of the June 30, 2020, TPL are as follows.

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

*Net Pension Liability of the Plan-* 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, 2020, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 51,844,187,763	\$ 26,292,418,6828	\$ 25,551,769,081	50.7%
PORS	8,046,386,629	4,730,174,642	3,316,211,987	58.8%

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

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*Long-term Expected Rate of Return-* The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected 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 2020 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 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

<u>Allocation/Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
<b>Global Equity</b>	<b>51.0%</b>		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate (Private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (Private)	2.0%	4.88%	0.10%
Infrastructure (Public)	1.0%	7.05%	0.07%
<b>Opportunistic</b>	<b>8.0%</b>		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
<b>Credit</b>	<b>15.0%</b>		
High Yield Bonds/Bank Loans	4.0%	4.21%	0.17%
Emerging Markets Debts	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
<b>Rate Sensitive</b>	<b>14.0%</b>		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration	1.0%	0.56%	0.01%
<b>Total</b>	<b>100.0%</b>		<b>5.80%</b>
<b>Inflation for Actuarial Purposes</b>			<b>2.25%</b>
			<b>8.05%</b>

*Discount rate-* The discount rate used to measure the TPL was 7.25 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.

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*Sensitivity Analysis*- The following table presents the collective NPL of the participating employers calculated using the discount rate of 7.25 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

	<b>1% Decrease (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
<b>System</b>			
<b>SCRS</b>	\$ 30,741,646	\$ 24,804,104	\$ 19,845,328
<b>PORS</b>	\$ 16,449,130	\$ 12,425,394	\$ 9,194,593

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*- At June 30, 2021, The County reported a liability of \$37,229,498 for its proportionate share of the NPL. The NPL was measured as of June 30, 2021, and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The County's proportion of the NPL was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

For the year ended June 30, 2021, the County recognized pension expense of \$1,668,767 for its participation in the SCRS and PORS Plans. The expenses amount includes actual employer contributions, changes in deferred outflows and/or inflows of resource related to changes in employers' proportionate share of the collective NPL, and differences between actual employer contributions and proportionate share of total plan employer contributions as reported by PEBA for the year ended June 30, 2021.

At June 30, 2021, the county reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 550,272	\$ 148,489
Changes of assumptions	182,020	-
Net difference between projected and actual earnings on pension plan investments	3,096,882	-
Changes in proportion and differences between County contributions and proportionate share of contributions	501,496	1,502,416
County contributions subsequent to measurement date	<u>2,604,697</u>	<u>-</u>
Total	<u>\$ 6,935,367</u>	<u>\$ 1,650,905</u>

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The amount of \$2,604,697 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in the pension expense as follows:

Year Ended June 30:	<u>SCRS</u>	<u>PORS</u>	<u>Combined</u>
2021	\$ (153,253)	\$ 603,859	\$ 450,606
2022	50,742	501,707	552,449
2023	310,221	546,511	856,732
2024	465,586	354,392	819,978
Total	<u>\$ 673,296</u>	<u>\$ 2,006,469</u>	<u>\$ 2,679,765</u>

*Payables to the Pension Plan-* The County reported a payable to the SCRS as of June 30, 2021, in the amount of \$332,549.

**Note 14. Post-Employment Health Care Benefits**

*Plan Description:* The County sponsors a single-employer medical insurance subsidy benefit plan (the “OPEB Plan”) that provides payments on behalf of eligible retirees to be used toward the purchase of subsidization or medical insurance provided under the County’s group plan. Employees become eligible when the employee qualifies for the SCRS or PORS and has ten (10) or more years of service regardless of age, if hired prior to July 1, 2005. For employees hired after July 1, 2005, the last five years of earned service must have been earned with Kershaw County for the County to provide post-retirement healthcare insurance premium assistance in accordance with the guidelines established in the annual budget ordinance. Information regarding SCRS and PORS eligibility may be found in the Comprehensive Annual Financial Report as identified in Note 13. The OPEB Plan may be changed by County Council at its discretion; the benefit and contribution requirements of the County and plan members are established and amended by County Council. These contributions are neither guaranteed nor mandatory. County Council has retained the right to unilaterally modify its payments toward retiree health care benefits at any time.

As of July 1, 2021, the measurement date, there were 416 covered participants; sixty (66) members are retirees receiving benefits and 350 are active participants and dependents.

*Funding Policy:* Any employee who retires and meets the requirements for retirement in the SCRS is eligible to participate in the Kershaw County Retiree Benefit Program. The SCRS program allows retirement at the earlier of 28 years of service, age 55 with 25 years of service, or age 60 with 8 years of service. Retirees participate in the same health care plan as the active employees (with the additional option of a Medicare Supplement Plan for post-65 retirees). The employees currently have four pre-65 health care plans with various benefits and contribution levels. Any participant who retires with less than 10 years of service pays the total premium until age 65. If a participant retires with 10-25 years of service, Kershaw County will pay half of the premium cost while the employee pays the remaining balance. If a participant retires at age 55 or older and has 25+ years of service, the County contributes the same amount that active members receive (until age 65). Retirees over the age of 65 with 25+ years of service

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will receive a contribution from the County that is equal to half of the premium cost. Retirees over the age of 65 and were hired after January 10, 2011, will receive a contribution from the County that is up to \$300 per month toward health insurance premiums.

The County's annual other postemployment benefits ("OPEB") cost (expense) is calculated based on the annual required contribution ("ARC") of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75.

*Actuarial Methods and Assumptions:* Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following table summarizes the key actuarial assumptions and cost method:

Actuarial Valuation Date:	June 30, 2021
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation:	2.25%
Investment Rate of Return:	4.0% Annual Return Net of Both Administrative and Investment Related Expenses
Single discount Rate:	2.21% as of June 30, 2020
Demographic Assumptions:	Based on the Experience Study Performed for Kershaw County
Mortality:	The Rates used for July, 1, 2020, SCRS Valuation
Health Cost Trend:	Initial Trend Starting at 6.50% and Gradually Decreasing to an Ultimate Trend rate of 4.15% over a period of 12 years
Aging Factors:	Based on Plan Specific Experience
Retiree Participation:	70% of Retirees who are Eligible for Funded Premiums, 40% of Spouses

*Single Discount Rate:* The single discount rate of 2.16 was used to measure the total OPEB liability. The accounting policy is to set the Single Discount Rate equal to the prevailing rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Az or higher.



**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

The following table presents the sensitivity of the County's net OPEB liability to changes in the discount rate, calculated using the discount rate of 2.16%, as well as what the OPEB liability would be if it were calculated using a discount rate 1% lower or 1% higher:

	<b>1% Decrease</b> <b><u>(1.16%)</u></b>	<b>Current</b> <b>Discount Rate</b> <b><u>(2.16%)</u></b>	<b>1% Increase</b> <b><u>(3.16%)</u></b>
Total OPEB Liability	\$ 8,784,516	\$ 7,746,123	\$ 6,870,885

*Sensitivity of the OPEB Liability to Changes in HealthCare cost Trend Rate:* The following table presents the total OPEB liability as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than current healthcare cost trend rates:

	<b><u>1% Decrease</u></b>	<b><u>Current Rates</u></b>	<b><u>1% Increase</u></b>
Total OPEB Liability	\$ 7,383,006	\$ 7,746,123	\$ 8,154,328

**Note 15. Commitments and Contingencies**

The County receives state and federal grants for specific purposes that are subject to review and audit by state and federal agencies. Such audits could result in a request for reimbursement by the state and federal agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, will not be significant.

In the normal course of business, the County enters into agreements with contractors for construction projects. As of June 30, 2021, open contracts and project budgets for construction totaled \$2,765,147 of which \$4,484,942 has been recorded as construction in progress.

Various claims and lawsuits are pending against the County. As of the issuance of the financial statements, it is not known whether any unfavorable outcomes are likely, however, it appears that should there be any unfavorable outcomes, some cause of action may not be covered by insurance.

**Note 16. Insurance and Risk Management**

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

The County is exposed to various risks of loss related to torts, theft, damage, destruction of assets, errors and omissions, injuries to employees and natural disasters. The County maintains insurance covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured loss to the County.

Settled claims have not exceeded this coverage in any of the past three years. There are no significant reductions in insurance coverage in the prior year.

The County paid insurance premiums to the South Carolina Counties Property and Liability Trust totaling \$788,309 to cover risks that may occur in normal operations. These risks include loss of real property and contents, motor vehicles, errors and omissions, general liability and theft and dishonesty. The County paid insurance premiums to the South Carolina Counties Workers' Compensation Trust totaling \$727,018 for workers' compensation coverage.

**Note 17. Closure and Post-closure Care Costs**

State and federal environmental laws and regulations require that Kershaw County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the Park Road and Lugoff-Elgin landfills for thirty (30) years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are recognized based on the estimated closure and post-closure care costs. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year.

The Park Road landfill was officially closed in 2001 and the remaining closure period is now twenty (21) years. The Lugoff-Elgin landfill was closed in 1997 and the remaining closure period is now fifteen (16) years. The estimated liability for closure and post-closure care costs is \$1,027,973.46 as of June 30, 2021, which is based on total post closure-costs for the Park Road and Lugoff-Elgin landfills of \$607,085 and \$420,889, respectively. The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2021. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in laws and regulations. These estimates also assume that there is no groundwater contamination, methane gas problems, major settling, or other similar problems discovered at these sites. Should any of these problems be found, costs could escalate very rapidly. There are no financial assurance requirements or restricted assets related to the estimated liability.

The current year reduction to closure and post-closure costs was \$81,267.

**Note 18. Deferred Compensation Plans**

Several optional deferred compensation plans are available to County employees through the State of South Carolina. Certain employees of the County have elected to participate. The multiple employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b) are administered by third parties and are included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the Section 401(k) and 403(b) plans is placed in trust for the contributing employee.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

Employees may also withdraw the current value of their contributions prior to termination if they meet requirements specified by the applicable plan. The County has no liability for losses under the plans.

**Note 19. Intergovernmental Revenues**

The County receives funds from both the State of South Carolina and the federal government for various grants and projects. The majority of these funds are accounted for in the Special Revenue Funds with the major exception being grants from the federal government accounted for in the Proprietary Fund.

**Note 20. Inter-fund Transfers**

Transfer from (to) other funds for the year ended June 30, 2021, consist of the following:

<i>General Fund</i>	
Transfer to Special Revenue Fund	\$ (800,000)
Transfer from Proprietary Fund	262,817
Net Total Transfer To	<u>(537,183)</u>
<i>Special Revenue Fund</i>	
Transfer to Proprietary Fund	(494,923)
Transfer from General Fund	800,000
Net Total Transfer from	<u>305,077</u>
<i>Debt Service Fund</i>	
Transfer to Proprietary Fund	(222,727)
Net Total Transfer from	<u>(222,727)</u>
<i>Proprietary Fund</i>	
Transfer to General Fund	(262,817)
Transfer from Special Revenue Fund	494,923
Transfer from Debt Service Fund	222,727
Net Total Transfer From	<u>454,833</u>
Net Total Transfers between Funds	<u>\$ -</u>

**General Fund**

*Transfers to:* Funds were transferred from the General Fund into the Special Revenue Fund to fund special capital project costs.

*Transfer from:* Funds were transferred into the General Fund from the Proprietary Fund to fund Infrastructure-Roads.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

**Special Revenue Fund**

*Transfers to:* Funds were transferred from the Special Revenue Fund into the Proprietary Fund and Debt Services Fund for debt payments made on the 2008 GO Bonds and the 2016 South Carolina Revolving Fund Loan.

*Transfers from:* Funds were transferred into the Special Revenue Fund from the General Fund to fund capital project costs.

**Debt Service Fund**

*Transfers to:* Funds were transferred from the Debt Service Fund into the Proprietary Fund for debt payments made on the 2008 GO Bonds.

**Proprietary Fund**

*Transfers from:* Funds were transferred into the Proprietary Fund from other funds for debt payments on the 2008 GO Bonds and 2016 South Carolina Revolving Fund Loan

**Note 21. Operating Lease Commitment**

The County has an operating lease on the building used for operations for the Department of Social Services. The lease term is for ten years starting July 1, 2015. Either party may terminate the rental agreement at any time. Rent is payable the first day of each month in the amount of \$12,000. Rental expense amounted to \$144,000 for the fiscal ended June 30, 2021.ssss

The County has three operating leases with Dell Financial Services for computers and various related equipment. The lease term is for 5 years starting March 1, 2018, March 2019, and January 1, 2020. Either party may terminate the rental agreement at any time. Rent is payable on a yearly basis in the amount of \$27,707, \$12,532.95, and \$54,043.21 respectively.

The County has four operating leases with Enterprise FM Trust and Enterprise Fleet Management for vehicles and vehicle services. The lease terms are six years starting June 27, 2017, June 27, 2018, June 27, 2019, and June 2020. Either party may terminate the rental agreement at any time. Rent is payable on a yearly basis in the amount of \$90,274, \$118,928, \$127,963 and \$77,075 with a final payment of \$109,763, \$99,650, \$121,975 and \$10,731 due at end of lease, respectively.

**Note 22. Fee in Lieu Agreements**

The County has two abatement programs which result in reduced property tax collections from certain taxpayers.

Kershaw County provides property tax reductions through South Carolina's Fee in Lieu of Tax (FILOT) program pursuant to the authority granted by Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended in order to reduce the property tax burden on businesses thereby inducing such businesses to invest in the county. South Carolina has a property tax structure that compares unfavorably to many other states with whom we compete to attract industry. This program is designed to make Kershaw County a more attractive location for companies making significant capital investment and job creation in Kershaw County. As the site selection process for industries has become increasingly more competitive, many companies come to view FILOT agreements as absolutely critical to their decision to locate in

**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Continued)**

South Carolina. This innovative solution is the primary recruitment tool used by county governments in South Carolina to recruit new industry and to encourage our existing industries to remain in operation in Kershaw County and to grow.

In order to be eligible for a FILOT, a business must commit to invest at least \$2.5 million over a five year period. Property subject to a FILOT agreement is exempt from ad valorem property tax and is instead subject to a fee in lieu of tax, equal to the product of the value of the property, a negotiated assessment ratio that is equal to or lower than the normally applicable assessment rates, and a millage rate that is either fixed for the life of the agreement or is adjusted every five years based on the trailing five year average. In addition, the FILOT payments may be fixed over the life of the FILOT program based on a net present value method. The majority of the FILOT agreements entered into by Kershaw County provide companies a reduced assessment ratio, usually to the maximum allowed by state statute, 6%, and a fixed millage rate for the life of the agreement. Agreements are for either a 20 year or 30 year length. The FILOT program resulted in property tax abated of \$9,499,104 in tax year 2020.

According to South Carolina Department of Revenue reports, capital investment committed to in the existing FILOT agreements was \$583,120,000. Actual capital investment made through 2020 was \$722,952,838. This investment resulted in FILOT payments of \$5,606,385 in tax year 2020.

The manufacturing companies utilizing the FILOT program currently employ nearly 3,100 employees. At the current average wage in Kershaw County, \$21.46, this employment results in annual wages paid of \$131,678,560.

South Carolina Code 4-1-170 provides that a joint industrial or business park (referred to as a multi-county industrial park) can be established by two or more counties pursuant to a written agreement between those counties, as provided in Section 13 of Article VIII of the South Carolina Constitution. The agreement will establish how the counties will share the expenses and revenues generated by the multi-county or business park. Kershaw County has multi-county industrial park agreements with two South Carolina counties. In 2019 the total tax revenue shared with other South Carolina counties, and not distributed to Kershaw County taxing entities, per existing multi-county industrial park agreements was \$50,389.

**Note 23. Subsequent Events – Defeasance of Bonds**

The County issued an Installment Purchase Revenue Bond on September 8, 2021, to pay off the 2015 Series Installment Purchase Revenue Bond in the amount of \$10,360,000. The County also issued a General Obligation Bond on September 15, 2021, in the amount of \$7,000,000.

SUPPLEMENTAL INFORMATION

## GENERAL FUND

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2021**

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues</b>			
Taxes			
Property Taxes - Net	\$ 9,366,544	\$ 8,941,326	\$ (425,218)
Vehicle Taxes - Net	1,500,000	1,715,389	215,389
Delinquent Taxes - Net	429,551	416,231	(13,320)
Watercraft Taxes - Net	34,000	125,885	91,885
Fee In Lieu of Taxes	750,000	814,718	64,718
Local Option Sales Tax	3,200,000	4,104,464	904,464
Homestead Exemption	780,000	766,914	(13,086)
Manufacturer Reimbursement	230,000	261,514	31,514
Inventory Replacement	<u>45,000</u>	<u>50,924</u>	<u>5,924</u>
Total Taxes	<u>16,335,095</u>	<u>17,197,365</u>	<u>862,270</u>
Licenses, Fees and Permits			
Planning and Zoning	547,550	843,089	295,539
Delinquent Tax Collector	401,000	423,656	22,656
Clerk of Court	246,996	227,295	(19,701)
Register of Deeds	571,070	754,654	183,584
Probate Court	131,900	159,225	27,325
Master in Equity	85,200	26,535	(58,665)
Sheriff	17,400	24,664	7,264
Motor Carrier Fees	60,000	200,353	140,353
Road Maintenance Fees	2,000,000	2,111,673	111,673
Cable Franchise Fees	<u>176,500</u>	<u>175,584</u>	<u>(916)</u>
Total Licenses, Fees and Permits	<u>4,237,616</u>	<u>4,946,728</u>	<u>709,112</u>
Intergovernmental Revenue			
Aid to Subdivisions	2,560,420	2,504,727	(55,693)
DSS Rent Reimbursement	53,870	53,729	(141)
DSS Unit Cost	170,000	174,414	4,414
Veterans Service Offices	5,478	5,478	-
Election Commission	57,855	114,499	56,644
Accommodations Tax	30,000	30,262	262
Library Aid	123,394	123,394	-
Retirement Supplements	147,975	147,975	-
Salary Supplements	<u>7,877</u>	<u>7,875</u>	<u>(2)</u>
Total Intergovernmental Revenue	<u>3,156,869</u>	<u>3,162,353</u>	<u>5,484</u>
Charges for Services			
Library	14,000	10,826	(3,174)
Recreation	241,200	156,880	(84,320)
Other	<u>251,640</u>	<u>338,209</u>	<u>86,569</u>
Total Charges for Services	<u>506,840</u>	<u>505,914</u>	<u>(925)</u>

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2021**  
**(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Fines and Forfeitures			
Magistrate	\$ 390,000	\$ 312,624	\$ (77,376)
Library	6,500	4,523	(1,977)
Rental and Leases	8,712	6,555	(2,157)
Litter Pickup	200	60	(140)
Interest Earned	<u>300,000</u>	<u>39,203</u>	<u>(260,797)</u>
Total Fines and Forfeitures	<u>705,412</u>	<u>362,965</u>	<u>(342,447)</u>
Miscellaneous			
Other	<u>550,066</u>	<u>905,472</u>	<u>355,406</u>
Total Miscellaneous	<u>550,066</u>	<u>905,472</u>	<u>355,406</u>
<b>Total Revenues</b>	<u>25,491,898</u>	<u>27,080,797</u>	<u>1,588,900</u>
<b>Expenditures</b>			
<b>General Government</b>			
County Council			
Operating	35,785	37,267	(1,482)
Personnel	<u>244,241</u>	<u>225,532</u>	<u>18,709</u>
Total County Council	<u>280,026</u>	<u>262,799</u>	<u>17,227</u>
County Administrator			
Operating	139,923	116,130	23,793
Personnel	<u>336,415</u>	<u>360,195</u>	<u>(23,780)</u>
Total County Administrator	<u>476,338</u>	<u>476,325</u>	<u>13</u>
Finance			
Operating	112,351	109,776	2,575
Personnel	<u>412,444</u>	<u>400,266</u>	<u>12,178</u>
Total Finance	<u>524,795</u>	<u>510,042</u>	<u>14,753</u>
Human Resources			
Operating	31,505	30,829	676
Personnel	<u>79,318</u>	<u>78,906</u>	<u>412</u>
Total Human Resources	<u>110,823</u>	<u>109,735</u>	<u>1,088</u>

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2021**  
**(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
County Attorney			
Operating	\$ 202,194	\$ 199,982	\$ 2,212
Total County Attorney	<u>202,194</u>	<u>199,982</u>	<u>2,212</u>
Information Technology			
Operating	411,746	374,245	37,501
Personnel	<u>237,267</u>	<u>233,418</u>	<u>3,849</u>
Total Information Technology	<u>649,013</u>	<u>607,663</u>	<u>41,350</u>
Building Maintenance			
Operating	529,874	481,211	48,663
Personnel	<u>367,714</u>	<u>296,814</u>	<u>70,900</u>
Total Building Maintenance	<u>897,588</u>	<u>778,025</u>	<u>119,563</u>
Planning and Zoning			
Operating	81,181	55,798	25,383
Personnel	<u>466,615</u>	<u>467,343</u>	<u>(728)</u>
Total Planning and Zoning	<u>547,796</u>	<u>523,141</u>	<u>24,655</u>
Assessor			
Operating	93,858	77,223	16,635
Personnel	<u>494,753</u>	<u>485,370</u>	<u>9,383</u>
Total Assessor	<u>588,611</u>	<u>562,593</u>	<u>26,018</u>
Auditor			
Operating	73,613	56,782	16,831
Personnel	<u>234,568</u>	<u>230,372</u>	<u>4,196</u>
Total Auditor	<u>308,181</u>	<u>287,154</u>	<u>21,027</u>

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2021**  
**(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Delinquent Tax Collector			
Operating	\$ 194,195	\$ 144,787	\$ 49,408
Personnel	<u>131,130</u>	<u>117,019</u>	<u>14,111</u>
Total Delinquent Tax Collector	<u>325,325</u>	<u>261,806</u>	<u>63,519</u>
Treasurer			
Operating	148,443	133,539	14,904
Personnel	<u>308,437</u>	<u>296,992</u>	<u>11,445</u>
Total Treasurer	<u>456,880</u>	<u>430,531</u>	<u>26,349</u>
Clerk of Court			
Operating	80,357	59,323	21,034
Personnel	<u>308,981</u>	<u>284,781</u>	<u>24,200</u>
Total Clerk of Court	<u>389,338</u>	<u>344,104</u>	<u>45,234</u>
Family Court			
Operating	36,165	17,032	19,133
Personnel	<u>275,262</u>	<u>249,668</u>	<u>25,594</u>
Total Family Court	<u>311,427</u>	<u>266,700</u>	<u>44,727</u>
Summary Court			
Operating	83,478	60,832	22,646
Personnel	<u>817,078</u>	<u>811,687</u>	<u>5,391</u>
Total Summary Court	<u>900,556</u>	<u>872,519</u>	<u>28,037</u>
Probate Court			
Operating	32,478	23,061	9,417
Personnel	<u>350,571</u>	<u>325,482</u>	<u>25,089</u>
Total Probate Court	<u>383,049</u>	<u>348,543</u>	<u>34,506</u>
Register of Deeds			
Operating	130,816	126,084	4,732
Personnel	<u>179,183</u>	<u>177,730</u>	<u>1,453</u>
Total Register of Deeds	<u>309,999</u>	<u>303,814</u>	<u>6,185</u>

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2021**  
**(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Master-in-Equity			
Operating	\$ 15,099	\$ 15,119	\$ (20)
Personnel	<u>65,245</u>	<u>65,221</u>	<u>24</u>
Total Master-in-Equity	<u>80,344</u>	<u>80,340</u>	<u>4</u>
Coroner			
Operating	131,337	127,582	3,755
Personnel	<u>133,253</u>	<u>132,816</u>	<u>437</u>
Total Coroner	<u>264,590</u>	<u>260,398</u>	<u>4,192</u>
Special Services			
Operating	78,604	59,625	18,979
Personnel	<u>216,928</u>	<u>200,395</u>	<u>16,533</u>
Total Special Services	<u>295,532</u>	<u>260,020</u>	<u>35,512</u>
Veterans Office			
Operating	7,333	2,254	5,079
Personnel	<u>104,634</u>	<u>104,627</u>	<u>7</u>
Total Veterans Office	<u>111,967</u>	<u>106,881</u>	<u>5,086</u>
Voter Registration			
Operating	113,085	150,269	(37,184)
Personnel	<u>242,296</u>	<u>257,457</u>	<u>(15,161)</u>
Total Voter Registration	<u>355,381</u>	<u>407,726</u>	<u>(52,345)</u>
Social Services			
Operating	<u>156,000</u>	<u>153,569</u>	<u>2,431</u>
Health Department			
Operating	<u>16,445</u>	<u>5,828</u>	<u>10,617</u>
GIS Mapping			
Operating	43,936	42,381	1,555
Personnel	<u>99,722</u>	<u>101,210</u>	<u>(1,488)</u>
Total GIS Mapping	<u>143,658</u>	<u>143,591</u>	<u>67</u>
Legislative Delegation			
Personnel	<u>24,273</u>	<u>25,746</u>	<u>(1,473)</u>

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2021**  
**(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Library			
Operating	\$ 335,715	\$ 332,281	\$ 3,434
Personnel	<u>775,010</u>	<u>651,766</u>	<u>123,244</u>
Total Library	<u>1,110,725</u>	<u>984,047</u>	<u>126,678</u>
Risk Management			
Operating	6,213	2,537	3,676
Personnel	<u>75,318</u>	<u>74,686</u>	<u>632</u>
Total Risk Management	<u>81,531</u>	<u>77,223</u>	<u>4,308</u>
General Operating			
Fleet Maintenance	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<b>Total General Government</b>	<u>10,303,385</u>	<u>9,650,845</u>	<u>652,540</u>
<b>Public Safety</b>			
Central Communications			
Operating	123,684	96,815	26,869
Personnel	<u>1,114,137</u>	<u>975,007</u>	<u>139,130</u>
Total Central Communications	<u>1,237,821</u>	<u>1,071,822</u>	<u>165,999</u>
Law Enforcement			
Operating	905,273	1,035,734	(130,461)
Personnel	<u>4,971,233</u>	<u>4,969,159</u>	<u>2,074</u>
Total Law Enforcement	<u>5,876,506</u>	<u>6,004,893</u>	<u>(128,387)</u>
Detention Center			
Operating	765,622	744,031	21,591
Personnel	<u>1,775,584</u>	<u>1,428,021</u>	<u>347,563</u>
Total Detention Center	<u>2,541,206</u>	<u>2,172,052</u>	<u>369,154</u>
<b>Total Public Safety</b>	<u>9,655,533</u>	<u>9,248,767</u>	<u>406,766</u>
<b>Highways and Streets</b>			
Public Works			
Operating	600,896	487,621	113,275
Personnel	<u>1,013,220</u>	<u>866,914</u>	<u>146,306</u>
<b>Total Highways and Streets</b>	<u>1,614,116</u>	<u>1,354,535</u>	<u>259,581</u>

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2021**  
**(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Culture and Recreation</b>			
Recreation			
Operating	\$ 588,938	\$ 541,986	\$ 46,952
Personnel	<u>929,827</u>	<u>790,979</u>	<u>138,848</u>
<b>Total Culture and Recreation</b>	<u>1,518,765</u>	<u>1,332,965</u>	<u>185,800</u>
<b>Other Objects</b>			
Contribution Agencies			
Clemson Extension	5,000	5,000	-
Community Medical Clinic	15,000	15,000	-
Board of Disabilities	2,000	2,000	-
Clean Community Commission	2,000	2,000	-
KC Conservation District	7,000	7,000	-
Regional Transit Authority	1,000	1,000	-
Alpha Center	3,500	3,500	-
KC Mental Health	15,000	15,000	-
Camden Rescue	7,000	7,000	-
United Way	15,000	15,000	-
Humane Society	275,000	275,000	-
Food for the Soul	15,000	15,000	-
Mt. Moriah Outreach	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Total Contribution Agencies	<u>370,000</u>	<u>370,000</u>	<u>-</u>
Emergency Preparedness			
Operating	<u>77,411</u>	<u>76,132</u>	<u>1,279</u>
Indigent Care			
Operating	<u>94,439</u>	<u>94,439</u>	<u>-</u>

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET TO ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2021**  
**(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Insurance Fringe	\$ 96,931	\$ 96,931	\$ -
Unemployment Insurance	19,990	5,628	14,362
Telephone	143,000	141,968	1,032
Other Operations	8,500	7,594	906
Public Defender	200,000	200,000	-
Solicitor	400,000	400,000	-
Retiree Insurance	251,670	235,713	15,957
Insurance	<u>779,130</u>	<u>779,064</u>	<u>66</u>
 Total General Operating	 <u>1,899,221</u>	 <u>1,866,898</u>	 <u>32,323</u>
 <b>Total Other Objects</b>	 <u>2,441,071</u>	 <u>2,407,469</u>	 <u>33,602</u>
 <b>Capital Outlay</b>			
Public Works	3,030	12,817	(9,787)
Library	<u>6,998</u>	<u>6,998</u>	<u>-</u>
 Total Capital Outlay	 <u>10,028</u>	 <u>19,815</u>	 <u>(9,787)</u>
 <b>Total Expenditures</b>	 <u>25,542,898</u>	 <u>24,014,396</u>	 <u>1,528,502</u>
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	 <u>\$ (51,000)</u>	 <u>\$ 3,066,401</u>	 <u>\$ 3,117,402</u>
 <b>Other Financing Sources (Uses)</b>			
Sale of Capital Assets	1,000	1,315,833	(1,314,833)
Transfer from Reserves	600,000	-	600,000
Transfer from Proprietary Fund	250,000	262,817	(12,817)
Transfer to Special Revenue	<u>800,000</u>	<u>(800,000)</u>	<u>-</u>
 Total Other Financing Sources	 <u>51,000</u>	 <u>778,650</u>	 <u>(727,650)</u>
 <b>Net Change in Fund Balance</b>	 <u>\$ -</u>	 <u>3,845,051</u>	 <u>\$ 3,845,052</u>
 <b>Fund Balance, Beginning of Year</b>		 <u>11,066,858</u>	
 <b>Fund Balance, End of Year</b>		 <u>\$ 14,911,909</u>	

**KERSHAW COUNTY, SOUTH CAROLINA  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 16,335,095	\$ 16,335,095	\$ 17,197,365	\$ 862,270
Licenses, Fees and Permits	4,237,616	4,237,616	4,946,728	709,112
Intergovernmental	3,156,869	3,156,869	3,162,353	5,484
Charges for Services	506,840	506,840	505,914	(926)
Fines and Forfeitures	705,412	705,412	362,965	(342,447)
Miscellaneous	<u>550,066</u>	<u>550,066</u>	<u>905,472</u>	<u>355,406</u>
 Total Revenues	 <u>25,491,898</u>	 <u>25,491,898</u>	 <u>27,080,797</u>	 <u>1,588,899</u>
<b>Expenditures</b>				
Current:				
General Government	10,303,385	10,303,385	9,650,845	652,540
Public Safety	9,655,533	9,655,533	9,248,767	406,766
Highways and Streets	1,614,116	1,614,116	1,354,535	259,581
Culture and Recreation	1,518,765	1,518,765	1,332,965	185,800
Other Objects	2,441,071	2,441,071	2,407,469	33,602
Capital Outlay	<u>10,028</u>	<u>10,028</u>	<u>19,815</u>	<u>(9,787)</u>
 Total Expenditures	 <u>25,542,898</u>	 <u>25,542,898</u>	 <u>24,014,396</u>	 <u>1,528,502</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures</b>	<u>(51,000)</u>	<u>(51,000)</u>	<u>3,066,401</u>	<u>3,117,401</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	1,000	1,000	1,315,833	1,314,833
Transfer from Reserves	600,000	600,000	-	(600,000)
Transfer from Proprietary Fund	250,000	250,000	262,817	12,817
Transfer to Special Revenue Fund	<u>(800,000)</u>	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>
 Total Other Financing Sources	 <u>51,000</u>	 <u>51,000</u>	 <u>778,650</u>	 <u>727,650</u>
 <b>Net Change in Fund Balance</b>	 <b>-</b>	 <b>-</b>	 <b>3,845,051</b>	 <b>3,845,051</b>
<b>Fund Balance, Beginning of Year</b>	<u>11,066,858</u>	<u>11,066,858</u>	<u>11,066,858</u>	<u>-</u>
 <b>Fund Balance, End of Year</b>	 <u>\$ 11,066,858</u>	 <u>\$ 11,066,858</u>	 <u>\$ 14,911,909</u>	 <u>\$ 3,845,051</u>

**KERSHAW COUNTY, SOUTH CAROLINA  
REQUIRED SUPPLEMENTAL INFORMATION  
OTHER POST EMPLOYMENT BENEFIT PLAN- DEFINED BENEFIT HEALTHCARE PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND FUNDING PROGRESS  
For the Fiscal Year Ended June 30, 2021**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Applicable to Fiscal Year Ending	Annual OPEB Cost	Contribution for Fiscal Year	Annual Percentage Contributed	Net OPEB Obligation
June 30, 2021	\$ 736,369	\$ 498,696	67.72%	\$ 7,746,123
June 30, 2020	\$ 707,890	\$ 489,237	69.11%	\$ 7,692,189
June 30, 2019	\$ 493,008	\$ 369,255	74.90%	\$ 6,269,998
June 30, 2018	\$ 500,496	\$ 273,288	54.60%	\$ 6,237,243
June 30, 2017	\$ 430,622	\$ 246,347	57.21%	\$ 1,618,549
June 30, 2016	\$ 433,409	\$ 254,853	58.80%	\$ 1,434,274
June 30, 2015	\$ 474,346	\$ 254,541	53.66%	\$ 1,255,718
June 30, 2014	\$ 464,748	\$ 240,157	51.67%	\$ 1,035,913
June 30, 2013	\$ 399,106	\$ 228,639	57.29%	\$ 811,322
June 30, 2012	\$ 391,594	\$ 239,007	61.03%	\$ 1,398,412
June 30, 2011	\$ 381,892	\$ 249,548	65.35%	\$ 1,245,825
June 30, 2010	\$ 758,293	\$ 196,375	25.90%	\$ 1,113,481
June 30, 2009	\$ 719,548	\$ 167,985	23.35%	\$ 551,563

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) Aggregate* ( b )	Underfunded AAL (UAAL) ( b-a )	Funded Ratio ( a/b )	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll (( b-a)/c )
July 1, 2010	\$ -	\$ 4,824,681	\$ 4,824,681	0.00%	\$ 8,428,839	57%
August 1, 2012	\$ -	\$ 4,904,443	\$ 4,904,443	0.00%	\$ 8,689,284	56%
July 1, 2013	\$ -	\$ 5,686,829	\$ 5,686,829	0.00%	\$ 9,069,766	63%
July 1, 2014	\$ -	\$ 5,810,661	\$ 5,810,661	0.00%	\$ 8,977,333	65%
July 1, 2015	\$ -	\$ 5,386,506	\$ 5,386,506	0.00%	\$ 9,096,887	59%
July 1, 2016	\$ -	\$ 5,232,094	\$ 5,232,094	0.00%	\$ 11,007,378	48%
July 1, 2017	\$ -	\$ 6,237,243	\$ 6,237,243	100.00%	\$ 11,044,824	56%
July 1, 2018	\$ -	\$ 6,269,998	\$ 6,269,998	100.00%	\$ 13,374,016	47%
July 1, 2019	\$ -	\$ 7,692,189	\$ 7,692,189	100.00%	\$ 13,374,016	58%
July 1, 2020	\$ -	\$ 7,746,123	\$ 7,746,123	100.00%	\$ 14,438,564	54%

**KERSHAW COUNTY, SOUTH CAROLINA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY  
For the Fiscal Year Ended June 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>SCRS</b>							
County's proportion of the net pension liability (asset)	0.097074%	0.1028680%	0.1066540%	0.1068890%	0.1029910%	0.0837500%	0.0838680%
County's proportionate share of the net pension liability (asset)	24,804,104 \$	23,489,009 \$	23,897,743 \$	24,062,433 \$	21,988,726 \$	16,381,435 \$	14,439,289 \$
County's covered employee payroll	10,756,565 \$	10,841,221 \$	10,861,892 \$	11,034,320 \$	10,785,115 \$	9,972,956 \$	8,098,924 \$
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	230.60%	216.66%	220.01%	218.07%	203.88%	164.26%	178.29%
Plan fiduciary net position as a percentage of total pension liability	39.11%	41.09%	42.94%	46.15%	42.17%	31.79%	21.17%
<b>PORS</b>							
County's proportion of the net pension liability (asset)	0.374686%	0.351851%	0.359420%	0.361440%	0.352810%	0.345330%	0.329970%
County's proportionate share of the net pension liability (asset)	12,425,394 \$	10,083,836 \$	10,184,209 \$	9,901,759 \$	8,948,936 \$	7,526,368 \$	6,317,094 \$
County's covered employee payroll	5,880,187 \$	5,648,881 \$	5,103,332 \$	4,974,745 \$	4,821,816 \$	4,498,162 \$	4,278,116 \$
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	211.31%	178.51%	199.56%	199.04%	185.59%	167.32%	147.66%
Plan fiduciary net position as a percentage of total pension liability	9.27%	9.88%	9.17%	9.54%	9.25%	8.73%	13.64%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available

**KERSHAW COUNTY, SOUTH CAROLINA  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF COUNTY CONTRIBUTIONS  
For the Fiscal Year Ended June 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,746,158	\$ 2,717,250	\$ 2,461,306	\$ 2,304,152	\$ 1,932,374	\$ 1,720,057	\$ 1,447,919
Contributions in relation to contractually required contribution	<u>2,746,158</u>	<u>2,717,250</u>	<u>2,461,306</u>	<u>2,304,152</u>	<u>1,932,374</u>	<u>1,720,027</u>	<u>1,447,919</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 16,636,753	\$ 16,490,102	\$ 15,965,224	\$ 16,009,065	\$ 15,606,931	\$ 14,471,118	\$ 12,377,040
Contributions as a percentage of covered-employee payroll	16.51%	16.48%	15.42%	14.39%	12.38%	11.89%	11.70%

<p>This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available</p>
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**KERSHAW COUNTY, SOUTH CAROLINA**  
**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**  
**June 30, 2021**

**Note 1.           Budgets and Budgetary Accounting**

Budgets, except for the Special Revenue Fund, are adopted on a basis consistent with generally accepted accounting principles. The accounting system provides for appropriate budgetary control. Budgetary comparisons are included in the supplemental schedules for the General Fund. Unused appropriations for all annually budgeted funds lapse at the end of the year.

**Note 2.           Legal Compliance – Budgets**

The County Administrator submits a proposed operating budget for the fiscal year to the County Council. The operating budget includes proposed expenditures and the means of financing them. Prior to July 1, the budget is legally enacted through passage of an ordinance. The County Administrator is authorized to transfer budgeted amounts within departments as necessary to achieve the goals of the budget. Any revisions that alter the total expenditures of any fund must be approved by County Council. Budgeted amounts reflected in the accompanying financial statements are the final authorized amounts as revised during the year.

The County has not presented budget information for the Special Revenue Fund, since budgetary control is maintained on an individual grant basis. Since grant periods may differ from the County's fiscal year, a comparison of budgetary information for the total Special Revenue Fund would not be meaningful and has not been presented in the accompanying financial statements.

## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SPECIAL REVENUE FUND**  
**BALANCE SHEET**  
**June 30, 2021**

**Assets**

Restricted Cash	\$ 11,176,130
Receivables	
Property Taxes, Net	71,913
Intergovernmental	821,777
Other	113,080
Prepaid Expense	31,114
Due from Other Funds	<u>2,953,971</u>
 <b>Total Assets</b>	 <b><u><u>15,167,985</u></u></b>

**Liabilities, Deferred Inflows of Resources and Fund Balance**

Liabilities

Compensated Absences	<u>16,091</u>
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<b>Total Liabilities</b>	<b><u>16,091</u></b>
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Deferred Inflows

Unavailable Revenue - Property Taxes	65,527
Unavailable Revenue - Grants	905,234
Unavailable Revenue - American Rescue Plan Act	<u>6,463,376</u>

<b>Total Deferred Inflows of Resources</b>	<b><u>7,434,137</u></b>
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Fund Balance

Nonspendable for Prepays	31,114
Restricted for Debt Service	350,463
Restricted for Capital Projects	3,517,147
Assigned	<u>3,819,033</u>

Total Fund Balance	<u>7,717,757</u>
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<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b><u><u>\$ 15,167,985</u></u></b>
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**KERSHAW COUNTY, SOUTH CAROLINA  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2021**

**Revenues**

Taxes

Property Taxes - Net	\$ 1,521,583
Vehicle Taxes - Net	317,920
Watercraft Taxes - Net	25,424
Delinquent Taxes - Net	79,162
Fee In Lieu of Taxes	695,054
Local Option Sales Tax	716,210
Homestead Exemption	135,386
Manufacturer Reimbursement	34,586
Liquor Excise Tax	46,357
Inventory Replacement	<u>12,924</u>
Total Taxes	<u>3,584,606</u>

Licenses, Fees and Permits

Residential	2,260,639
Landfill	242,132
Airport	263,337
Road Maintenance Fees	38,850
Fire Services - Fees	<u>529,221</u>
Total Licenses, Fees and Permits	<u>3,334,179</u>

Intergovernmental Revenue

Aid to Subdivisions	105,357
CTC Funds	2,681,533
Title IV-D	37,221
1% Fire Assistance	197,254
Accommodations Tax	<u>286,573</u>
Total Intergovernmental Revenue	<u>3,307,938</u>

Fines and Forfeitures

Sheriff	221,567
Interest Earned	<u>8</u>
Total Fines and Forfeitures	<u>221,575</u>

Miscellaneous

Other	345,627
E-911 Tariff	543,963
Grants	<u>932,876</u>
Total Miscellaneous	<u>1,822,466</u>

**Total Revenues**

12,270,764

**KERSHAW COUNTY, SOUTH CAROLINA  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2021  
(Continued)**

**Expenditures**

**General Government**

E-911 Tariff	
Operating	\$ 325,690
Personnel	<u>122,381</u>
Total E-911 Tariff	<u>448,071</u>
Title IV-D Family Court	
Operating	47
Personnel	<u>21,818</u>
Total Title IV-D Family Court	<u>21,865</u>
Mini Bottle Pass Thru	
Operating	<u>151,714</u>
Library	
Operating	13,817
Personnel	<u>18,132</u>
Total Library	<u>31,949</u>
Economic Development	
Operating	233,940
Personnel	<u>212,632</u>
Total Economic Development	<u>446,572</u>
Airport	
Operating	228,082
Personnel	<u>71,807</u>
Total Airport	<u>299,889</u>
<b>Total General Government</b>	<u><b>1,400,060</b></u>

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2021**  
**(Continued)**

Firemen's Fund	
Operating	<u>\$ 492,566</u>
Victim's Advocate	
Operating	8,956
Personnel	<u>70,403</u>
Total Victim's Advocate	<u>79,359</u>
Sheriff JAG Grant	
Operating	<u>32,285</u>
Sheriff County Seizures	
Operating	<u>20,618</u>
DUI Grant	
Operating	509
Personnel	<u>16,337</u>
Total DUI Grant	<u>16,846</u>
EMS Grant	
Operating	<u>807</u>
SRO State Allocation	
Personnel	<u>254,419</u>
<b>Total Public Safety</b>	<u><b>2,685,452</b></u>
<b>Highways and Streets</b>	
Waste Tire	
Operating	<u>784</u>
<b>Total Highways and Streets</b>	<u><b>784</b></u>
<b>Public Works</b>	
Solid Waste	
Operating	1,483,405
Personnel	<u>1,095,877</u>
<b>Total Public Works</b>	<u><b>2,579,282</b></u>

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2021**  
**(Continued)**

**Other Objects**

General Operating	
Other Operations	\$ 359,701
<b>Total Other Objects</b>	<u>359,701</u>

**Capital Outlay**

Solid Waste	7,432
Airport	1,912
CTC Funds	1,363,364
Recreation Department	133,983
Wateree River Veteran's Park	126,802
EMS	31,721
Central Communications Consoles	148,146
Government Center Renovations	26,533
KC Ballfields Lights	259,722
Elgin Executive Park	285,251
White Pond Whiting Way	25,817
Armory Renovations	132,000
Voter's Registration Project	360,737
Library	28,500
General Capital	<u>468,903</u>
<b>Total Capital Outlay</b>	<u>3,400,823</u>

**Debt Service**

Principal	843,026
Interest	<u>78,451</u>
<b>Total Debt Service</b>	<u>921,477</u>

**Total Expenditures**

11,347,579

**Excess (Deficiency) of Revenues Over (Under) Expenditures**

923,185

**Other Financing Sources (Uses)**

Transfers from General Fund	800,000
Transfers to Proprietary Fund	<u>(494,923)</u>

**Total Other Financing Sources**

305,077

**Net Change in Fund Balance**

1,228,262

**Fund Balance, Beginning of Year**

6,489,495

**Fund Balance, End of Year**

\$ 7,717,757

**KERSHAW COUNTY, SOUTH CAROLINA  
LIBRARY OPERATIONS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2021**

	<u>County</u>	<u>State</u>	<u>State Lottery</u>	<u>Federal Grant</u>	<u>Total</u>
<b>Revenues</b>					
Charges for Services	\$ 629	\$ -	\$ -	\$ -	\$ 629
Fines	4,523	-	-	-	4,523
Intergovernmental	-	123,394	-	-	123,394
Miscellaneous	<u>13,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,245</u>
Total Revenues	<u>18,397</u>	<u>123,394</u>	<u>-</u>	<u>-</u>	<u>141,791</u>
<b>Expenditures</b>					
Books, Periodicals and Departmental Supplies	<u>64,954</u>	<u>128,159</u>	<u>-</u>	<u>-</u>	<u>193,113</u>
Total Expenditures	<u>64,954</u>	<u>128,159</u>	<u>-</u>	<u>-</u>	<u>193,113</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(46,557)	(4,765)	-	-	(51,322)
<b>Fund Balance, Beginning of Year</b>	<u>(159,295)</u>	<u>13,768</u>	<u>40,382</u>	<u>25,087</u>	<u>(80,058)</u>
<b>Fund Balance, End of Year</b>	<u>\$ (205,852)</u>	<u>\$ 9,003</u>	<u>\$ 40,382</u>	<u>\$ 25,087</u>	<u>\$ (131,380)</u>

**KERSHAW COUNTY, SOUTH CAROLINA**  
**UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES**  
**(per ACT 96)**  
**For the Fiscal Year Ended June 30, 2021**

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
<b>Court Fines and Assessments:</b>				
Court fines and assessments collected	163,640	1,267,597	-	1,431,237
Court fines and assessments remitted to State Treasurer	116,381	570,483	-	686,864
<b>Total Court Fines and Assessments retained</b>	<b>47,259</b>	<b>492,740</b>	<b>-</b>	<b>539,999</b>
<b>Court Surcharges:</b>				
Court surcharges collected	21,210	196,991	-	218,201
Court surcharges remitted to State Treasurer	8,225	179,107	-	187,332
<b>Total Court Surcharges retained</b>	<b>12,985</b>	<b>17,884</b>	<b>-</b>	<b>30,869</b>
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained	12,985	17,884	-	30,869
Assessments retained	2,826	39,263	-	42,089
<b>Total Surcharges and Assessments retained for victim services</b>	<b>15,811</b>	<b>57,147</b>	<b>-</b>	<b>72,958</b>

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
<b>Carryforward from Previous Year – Beginning Balance</b>		<b>112,795</b>	<b>112,795</b>
<b>Victim Service Revenue:</b>			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	-	42,089	42,089
Victim Service Surcharges Retained by City/County Treasurer	-	30,869	30,869
Interest Earned	-	-	-
Grant Funds Received			
Grant from:	-	-	-
General Funds Transferred to Victim Service Fund			
<b>Contribution Received from Victim Service Contracts:</b>			
(1) Town of	-	-	-
(2) Town of	-	-	-
(3) City of	-	-	-
<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>	<b>-</b>	<b>185,753</b>	<b>185,753</b>
<b>Expenditures for Victim Service Program:</b>	<b>Municipal</b>	<b>County</b>	<b>Total</b>
Salaries and Benefits	-	68,975	68,975
Operating Expenditures	-	6,902	6,902
<b>Victim Service Contract(s):</b>			
(1) Lancaster County Sheriff Department	-	-	-
(2) Entity's Name	-	-	-
<b>Victim Service Donation(s):</b>			
(1) Domestic Violence Shelter:	-	-	-
(2) Rape Crisis Center:	-	-	-
(3) Other local direct crime victims service agency:	-	-	-
Transferred to General Fund	-	-	-
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	<b>-</b>	<b>75,877</b>	<b>75,877</b>
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	109,876	109,876
<b>Less: Prior Year Fund Deficit Repayment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carryforward Funds – End of Year</b>	<b>-</b>	<b>109,876</b>	<b>109,876</b>

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**E-911 FUND**  
**For the Fiscal Year Ended June 30, 2021**

**Revenues**

Intergovernment Revenue		
State	\$	243,593
Fees and Service Charges		300,370
<b>Total Revenues all Sources</b>		543,963

**Expenditures**

Public Safety Communications		
Personnel Services		123,624
General Operating		207,587
Repairs and Maintenance		108,734
Contractual Services		7,295
Supplies		1,805
Total Public Safety Communications		449,045
Capital Outlay		148,146
<b>Total Expenditures</b>		597,191
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		(53,228)
<b>Net Change in Fund Balance</b>		(53,228)
<b>Fund Balance, Beginning of Year</b>		1,062,853
<b>Fund Balance, End of Year</b>	\$	1,009,625

**Financial Statement Findings (Applicable to 9-1-1 Fund)**

NONE

**Recommended Course of Action (Applicable to 9-1-1 Fund)**

NONE

## DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

**KERSHAW COUNTY, SOUTH CAROLINA  
DEBT SERVICE FUND  
BALANCE SHEET  
June 30, 2021**

**Assets**

Property Taxes Receivable, Net	94,382
Intergovernmental Receivable	65,504
Due from Other Funds	<u>406,170</u>

**Total Assets** \$ 566,056

**Liabilities, Deferred Inflows and Fund Balance**

**Liabilities**

**Deferred Inflows**

Unavailable Revenue - Property Taxes	<u>84,492</u>
--------------------------------------	---------------

Total Deferred Inflows 84,492

**Fund Balance**

Restricted for Debt Service	<u>481,564</u>
-----------------------------	----------------

Total Fund Balance 481,564

**Total Liabilities, Deferred Inflows and Fund Balance** \$ 566,055

**KERSHAW COUNTY, SOUTH CAROLINA**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2021**

**Revenues**

Taxes

Property Taxes - Net	\$ 1,440,389
Vehicle Taxes - Net	276,297
Watercraft Taxes - Net	20,279
Delinquent Taxes - Net	67,299
Fee In Lieu of Taxes	129,444
Local Option Sales Tax	661,011
Homestead Exemption	123,545
Manufacturer Reimbursement	42,129
Inventory Replacement	<u>8,203</u>

Total Taxes 2,768,596

Licenses, Fees and Permits

Motor Carrier Fees	<u>32,302</u>
--------------------	---------------

Total Licenses, Fees and Permits 32,302

**Total Revenues** 2,800,898

**Expenditures**

Principal Retirement	1,562,000
Interest and Other Charges	<u>923,358</u>

**Total Expenditures** 2,485,358

**Excess of Revenues Over Expenditures** 315,540

**Other Financing Sources (Uses)**

Transfer to Proprietary Fund	<u>(222,727)</u>
------------------------------	------------------

**Total Other Financing Sources (Uses)** (222,727)

**Net Change in Fund Balance** 92,813

**Fund Balance, Beginning of Year** 388,751

**Fund Balance, End of Year** \$ 481,564

## CAPITAL PROJECT FUNDS

The capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. There are two capital projects funds which are utilized for the County's projects and for the Kershaw facilities project fund

**KERSHAW COUNTY, SOUTH CAROLINA  
CAPITAL PROJECTS FUND  
BALANCE SHEET  
June 30, 2021**

**Assets**

Intergovernmental Receivable \$ 104,005

**Total Assets** **\$ 104,005**

**Liabilities and Fund Balances**

Liabilities

Due to Other Funds \$ 213,884

Total Liabilities 213,884

Fund Balances

Restricted for Capital Projects (109,879)

**Total Liabilities and Fund Balances** **\$ 104,005**

**KERSHAW COUNTY, SOUTH CAROLINA  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
June 30, 2021**

**Revenues**

Grants	\$ 53,299
Miscellaneous	
<b>Total Revenues</b>	<b>53,299</b>

**Expenditures**

**Capital Outlay**

Other	53,299
<b>Total Capital Outlay</b>	<b>53,299</b>
<b>Total Expenditures</b>	<b>53,299</b>

**Net Change in Fund Balance**

<b>Fund Balance, Beginning of Year</b>	<b>(109,879)</b>
<b>Fund Balance, End of Year</b>	<b>\$ (109,879)</b>

**KERSHAW COUNTY, SOUTH CAROLINA  
KERSHAW FACILITIES PROJECTS FUND  
BALANCE SHEET  
June 30, 2021**

**Assets**

Restricted Cash \$ 9,966,421

**Total Assets** \$ 9,966,421

**Liabilities and Fund Balances**

Liabilities

Due to Other Funds \$ (1,534,876)

Fund Balances

Restricted for Capital Projects 11,501,297

**Total Liabilities and Fund Balances** \$ 9,966,421

**KERSHAW COUNTY, SOUTH CAROLINA  
KERSHAW FACILITIES PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2021**

**Revenues**

Miscellaneous	\$ <u>241,753</u>
<b>Total Revenues</b>	<u>241,753</u>

**Expenditures**

**Capital Outlay**

Recreation Project	30,000
Armory Renovations	42,250
Mega Site	55,218
Central Carolina Landscape	259,732
Airport Runway Rehab	241,753
Governors Hill Road	327,001
Mesa Lane - Public Announcement Sign	33,823
Airport Drainage	<u>36,327</u>
<b>Total Expenditures</b>	<u>1,026,104</u>

**Excess (Deficiency) of Revenues Over (Under) Expenditures** (784,351)

**Other Financing Sources (Uses)**

Cost of Bond Issuance	(5,373)
Interest Income	<u>2,800</u>
<b>Total Other Financing Sources</b>	<u>(2,573)</u>

**Net Change in Fund Balance** (786,924)

**Fund Balance, Beginning of Year** 12,288,221

**Fund Balance, End of Year** \$ 11,501,297

## ENTERPRISE FUND

The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes. There are two enterprise fund utilized which are for the Sewer System and Emergency Medical Services.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SEWER SYSTEM ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Fiscal Year Ended June 30, 2021**

**Operating Revenues**

Charges for Sewer Service	\$	1,459,358
Impact Fees and Other Charges		2,273,701
Miscellaneous		18,300
Taxes		
Local Option Sales Tax		331,135
Total Revenues		4,082,494

**Operating Expenses**

Salaries and Benefits		525,375
Contractual Services		226,786
Supplies		125,382
Repairs and Maintenance		496,900
Fuel		10,128
Utilities and Telephone		307,183
Engineering		79,607
Postage		7,560
Fleet Maintenance		9,601
Miscellaneous		73,229
Retirement System Pension Expense		26,156
Depreciation		596,839
Total Operating Expenses		2,484,746

**Operating Income (Loss)** 1,597,748

**Non-Operating Income (Expense)**

Interest Expense		(124,421)
Total Non-Operating Income (Expense)		(124,421)

**Income Before Contributions and Transfers** 1,473,327

Transfer to General Fund		(262,817)
Transfer From Special Revenue Fund		494,923
Transfer From Debt Service Fund		222,727
Total Contributions and Transfers		454,833

**Change in Net Position** 1,928,160

**Net Position, Beginning of Year** 17,160,705

**Net Position, End of Year** \$ 19,088,865

**KERSHAW COUNTY, SOUTH CAROLINA**  
**EMERGENCY MEDICAL SERVICES ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Fiscal Year Ended June 30, 2021**

**Operating Revenues**

Charges for EMS Service	\$ 3,040,524
Miscellaneous	232,973
Motor Carrier Fees	15,554
Taxes	
Property Taxes - Net	693,036
Vehicle Taxes - Net	132,956
Watercraft Taxes - Net	9,758
Delinquent Taxes - Net	4,696
Fee In Lieu of Taxes	988,967
Local Option Sales Tax	316,973
Homestead Exemption	59,443
Manufacturer Reimbursement	20,270
Inventory Replacement	3,947
Total Taxes	<u>2,230,046</u>
Total Revenues	<u>5,519,097</u>

**Operating Expenses**

Salaries and Benefits	2,943,052
Contractual Services	353,737
Office Supplies	122,808
Repairs and Maintenance	30,376
Fuel	71,541
Utilities and Telephone	49,233
Uniforms	32,222
Fleet Maintenance	57,508
Equipment and Supplies	171,990
Bad Debt	652,912
Insurance	9,692
Training	23,220
Miscellaneous	66,883
Retirement System Pension Expense	140,139
Depreciation	375,742
Total Operating Expenses	<u>5,101,055</u>

**Income Before Contributions and Transfers** 418,042

**Change in Net Position** 418,042

**Net Position, Beginning of Year** 1,603,206

**Net Position, End of Year** \$ 2,021,248

## COMPLIANCE SECTION

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2021**

<u>Federal Grantor/ Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Total Expenditures</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through SC Emergency Management Division :			
Emergency Management Performance Grant	97.042	N/A	\$ 26,260
Hazard Mitigation Grant	97.039	N/A	<u>172,569</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>198,829</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Passed Through SC Department of Public Safety :			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	103,547
Coronavirus Emergency Supplemental Funding	16.034	N/A	<u>38,799</u>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<u>142,346</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION</b>			
Direct Program:			
Airport Improvement Grant	20.106	3-45-0011-22	* <u>278,079</u>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<u>278,079</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through SC Department of Social Services			
Provider Relief Fund	93.498	N/A	58,827
National Bioterrorism Hospital Preparedness	93.889	N/A	31,721
Child Support Enforcement-Unit Cost	93.563	N/A	-
Child Support Enforcement-Incentive	93.563	N/A	<u>-</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>90,548</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through SC State Library:			
Library Service & Tech Act	45.310	N/A	<u>28,500</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>28,500</u>
<b>US DEPARTMENT OF TREASURY</b>			
Direct Program:			
Coronavirus Relief - Pandemic Relief for Aviation Workers	21.018	N/A	* 5,024
Coronavirus Relief Fund	21.019	N/A	* <u>337,924</u>
<b>TOTAL US DEPARTMENT OF TREASURY</b>			<u>342,948</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Direct Program:			
Outreach and Assistance for Socially Disadvantaged and Veteran Farmers	93.563	N/A	<u>175,560</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>175,560</u>
<b>TOTAL FEDERAL ASSISTANCE EXPENDED</b>			<u>\$ 1,256,810</u>

\* Tested as major program

- Note 1. The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Kershaw County for the year ended June 30, 2021. All federal awards received directly from federal agencies as well as those passed through other government agencies are included on the Schedule.
- Note 2. The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in the notes to the County's basic financial statements.
- Note 3. Federal award expenditures are reported in the County's basic financial statements as expenditures in the Special Revenue Funds.
- Note 4. Differences between the amount of revenue received from federal awards and the related expenditures are recognized as either deferred revenue or receivables in the basic financial statements. The amounts recorded on the Schedule of Expenditures of Federal Awards agree with the amounts recorded in the basic financial statements.

# SHEHEEN, HANCOCK & GODWIN, LLP

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November 5, 2021

## 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*

Honorable Members of the County Council  
Kershaw County  
Camden, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kershaw County, South Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Kershaw County's basic financial statements and have issued our report thereon dated November 5, 2021.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Kershaw County, South Carolina's internal control over financial reporting (internal control) to determine the 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 Kershaw County, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Kershaw County, South Carolina's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such as 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 may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Kershaw County, South Carolina's Response to Findings**

Kershaw County, South Carolina's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Kershaw County, South Carolina's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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.

*Sheheen, Hancock & Godwin, LLP*

Sheheen, Hancock and Godwin, LLP  
Camden, South Carolina

**SHEHEEN, HANCOCK & GODWIN, LLP**

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November 5, 2021

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

Honorable Members of the County Council  
Kershaw County  
Camden, South Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Kershaw County, South Carolina compliance with the types of compliance requirements described in the *OMB Circular Compliance Supplement* that could have a direct and material effect on each of Kershaw County, South Carolina major federal programs for the year ended June 30, 2021. Kershaw County, South Carolina County major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Managements is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Kershaw County, South Carolina major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Kershaw County, South Carolina compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Kershaw County, South Carolina compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Kershaw County, South Carolina, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of Kershaw County, South Carolina is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit, we considered Kershaw County, South Carolina internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Kershaw County, South Carolina 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*Sheheen, Hancock & Godwin, LLP*

Sheheen, Hancock and Godwin, LLP  
Camden, South Carolina

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Fiscal Year Ended June 30, 2021**

**A. SUMMARY OF RESULTS**

1. The financial statement opinion is unmodified.
2. No significant deficiency in internal control over financial reporting were disclosed by the audit of the financial statements.
3. The audit disclosed no instances of noncompliance to the financial statements for Kershaw County, South Carolina.
4. No material weaknesses in internal control over major programs were disclosed by the audit. No significant deficiencies in internal control over major programs were disclosed by the audit.
5. We have issued an unqualified report on compliance for major programs.
6. The audit disclosed no audit findings.
7. Major programs are as follows:
  - U. S. Department of Transportation:**
    - Airport Improvement Grant – CFDA 20.106
  - U. S. Treasury:**
    - Coronavirus Relief – CFDA 20.018
    - Coronavirus Relief – CFDA 21.019
8. Type A programs are those exceeding \$750,000. Type B programs are those not exceeding \$750,000.
9. Kershaw County, South Carolina did qualify as a low-risk auditee.

**KERSHAW COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIOND COSTS**  
**For the Fiscal Year Ended June 30, 2021**  
**(Continued)**

**B. FINDINGS RELATED TO FINANCIAL STATEMENTS**

NONE

**C. FINDINGS RELATED TO FEDERAL AWARDS**

NONE

**KERSHAW COUNTY, SOUTH CAROLINA  
SUMMARY OF PRIOR AUDIT FINDINGS  
For the Fiscal Year Ended June 30, 2021**

**A. FINDINGS – FINANCIAL STATEMENTS AUDIT**

NONE