

**KERSHAW COUNTY, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2024**

**KERSHAW COUNTY, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2024**

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SHEHEEN, HANCOCK & GODWIN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

1011 FAIR STREET
P.O. DRAWER 428

CAMDEN, SOUTH CAROLINA 29021

FOUNDED 1959

AUSTIN M. SHEHEEN, JR., CPA (1963-2020)
TERRY M. HANCOCK, CPA, (1970-2023)
LARRY F. GODWIN, CPA, EMERITUS (1973-2023)
THOMAS B. MYERS, CPA
DARYL W. TAYLOR, CPA
ANTHONY E. BOYKIN, CPA
JANE M. PEACOCK, CPA RETIRED
MATTHEW C. IRICK, CPA
J. RICHARD PARKER, CPA
R. MARC WOOD
SHANE E. KIRKLEY, CPA
B. KEACH JORDAN, CPA
JOHN C. BOYKIN, III, CPA
MEREDITH A. BLAKE, CPA
JOHN F. MARTIN, CPA
TRACY L. FAILE, CPA

M. EMILY SKUFCA, CPA, CIA, CFE
STEPHANIE G. CARO
JORDAN E. SLAGLE

MEMBERS OF
AMERICAN INSTITUTE OF CPA'S

SOUTH CAROLINA ASSOCIATION OF CPA'S

TELEPHONE
(803) 432-1424
FAX
(803) 432-1831

WEBSITE: WWW.SHGCPA.COM

December 2, 2024

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

Supplementary 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 schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements 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 December 2, 2024, 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, 2024**

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, 2024. 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 \$101,192,581. Of this amount, \$59,420,197 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 \$37,960,905.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$8,500,063.

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, 2024
(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, 2024
(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, 2024
(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 \$101,192,581. Looking at the net position and net expenses of governmental and business-type activities separately reflects that net position from governmental activities make up 58.7 % of total net position. The following table is a summary of the County's net position for 2024 compared to 2023.

Table 1
Kershaw County's Net Position

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Current and Other Assets	\$ 77,891,311	\$ 75,725,537	\$ 2,165,774
Capital Assets	107,805,145	101,911,841	5,893,304
Deferred Outflows	<u>8,417,454</u>	<u>7,887,754</u>	<u>529,700</u>
Total Assets and Deferred Outflows	<u>194,113,910</u>	<u>185,525,132</u>	<u>8,588,778</u>
Long Term Debt Outstanding	68,252,995	68,683,938	(430,943)
Other Liabilities	13,647,209	11,457,656	2,189,553
Deferred Inflows	<u>7,205,305</u>	<u>15,935,396</u>	<u>(8,730,091)</u>
Total Liabilities and Deferred Inflows	<u>89,105,509</u>	<u>96,076,990</u>	<u>(6,971,481)</u>
Net Investment in Capital Assets	86,043,320	78,123,925	7,919,395
Restricted	9,783,142	10,248,798	(465,656)
Unrestricted	<u>5,366,119</u>	<u>1,075,419</u>	<u>4,290,700</u>
Total Net Assets	<u>\$ 101,192,581</u>	<u>\$ 89,448,142</u>	<u>\$ 11,744,439</u>

Change in Net Position. The following table is a summary of the County's change in net position for 2024.

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2024
(Continued)**

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

	Governmental <u>Activities</u>	Business - Type <u>Activities</u>	<u>Total</u>
Revenues:			
Program Fees:			
Fees, Fines and Charges for Services	\$ 12,864,122	\$ 8,934,792	\$ 21,798,914
Operating Grants	5,734,021	-	5,734,021
Capital Grants	1,846,770	-	1,846,770
General Revenues:			
Property Taxes	28,963,784	3,368,515	32,332,299
Miscellaneous	1,932,559	137,182	2,069,741
Unrestricted Investment Earnings	2,499,115	-	2,499,115
Intergovernmental Revenues	6,940,661	-	6,940,661
Gain on Disposition of Capital Assets	(1,883,098)	6,610	(1,876,488)
Transfer - Sewer Fund	<u>(1,630,725)</u>	<u>1,630,725</u>	<u>-</u>
 Total Revenues	 <u>57,267,209</u>	 <u>14,077,824</u>	 <u>71,345,033</u>
Expenses:			
General Government	16,840,252	-	16,840,252
Public Safety	19,183,176	-	19,183,176
Highways and Streets	50,081	-	50,081
Culture and Recreation	2,122,447	-	2,122,447
Sanitation	6,060,873	-	6,060,873
Other Objects	4,672,030	-	4,672,030
Capital Outlay	292,711	-	292,711
Interest and Other Charges	537,997	-	537,997
EMS	-	5,993,426	5,993,426
Sewer	<u>-</u>	<u>3,618,282</u>	<u>3,618,282</u>
 Total Expenses	 <u>49,759,567</u>	 <u>9,611,708</u>	 <u>59,371,275</u>
 Change in Net Position	 7,507,642	 4,466,116	 11,973,758
 Net Position, Beginning of Year, as restated	 <u>51,912,555</u>	 <u>37,306,268</u>	 <u>89,218,823</u>
 Net Position, End of Year	 <u>\$ 59,420,197</u>	 <u>\$ 41,772,384</u>	 <u>\$ 101,192,581</u>

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2024
(Continued)**

Governmental Activities

Governmental activities increased the County's net position by \$7,507,642. The increase in net position is largely attributable to an overall decrease in expenses over last year.

Business-type Activities

Business-type activities had a net position increase of \$4,466,116. 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 \$37,960,905 which is an increase of \$1,794,965 over last year. Of this balance, the General fund makes up \$17,372,852—roughly 46%. The General fund is the main operating fund for the County.

The Special Revenue fund makes up \$16,006,103 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 \$616,553 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 \$3,965,397 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 \$9,275,475. Unrestricted net position for the County Emergency Medical System at the end of the year was \$3,080,936. 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, 2024
(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 \$2,701,339 over the budgeted amount. Actual expenses for the general fund were \$1,709,368 under budget, and other financing sources and uses were \$3,277,320 under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024, Kershaw County had invested \$107,805,145 (net of accumulated depreciation) in a broad range of capital assets, including a new Public Works Building, located at the county's Landfill, a new Cassatt Fire Station, purchased 205 Sumter Highway, Wateree Wellness Park Entrance improvements, Renovated the Courthouse's Vault into Office Space, a new Voter's Registration Store Front and an Opengate Weapons Detection System. 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:

- Airport Runway 6-24 Rehab, Renovated Hanger Meeting Room and purchased a scissor lift
- Paving of Peck Woods Road through the County Transportation Committee
- Purchased two (2) Grooming Mowers for the Recreation Department
- Purchase one (1) Dump Truck and Trailer for the Solid Waste Department
- Purchased Track Skid Steer Loader and Mower Max Boom for Public Works
- Purchased Portable By-Pass Pump and a Mobile Pipe Camera Trailer for the Utilities Department
- Purchase one (1) SRO vehicle and one (1) Mustang for the Sheriff Department
- Three (3) used Fire Trucks – a Tanker, Pumper, and Lander Trucks
- Chevrolet Silverado for Code Enforcement
- One Tahoe for the Coroner's Department
- Chevrolet Silverado, Ford Combo Vac Truck and a RTK GPS Surveying System for the Utilities Department
- ATV for EMS Department
- Texa Truck Diagnostic Laptop and a Grinder/Mulcher attachment for Public Works Department
- Governor's Hill Waste Water Expansion

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2024
(Continued)**

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

	Governmental Activities <u>2024</u>	Business -Type Activities <u>2024</u>	Total <u>2024</u>
Land	\$ 14,817,022	\$ 919,407	\$ 15,736,429
Construction in Progress	6,902,402	1,112,494	8,014,896
Building and Improvements	48,832,606	2,953,442	51,786,048
Office Equipment	4,577,482	71,254	4,648,736
Equipment	14,809,836	1,164,234	15,974,070
Vehicles	14,257,572	2,347,386	16,604,958
Infrastructure	42,939,397	37,146,830	80,086,227
Accumulated Depreciation	(74,305,166)	(12,373,786)	(86,678,952)
Right to Use Assets	2,717,256	-	2,717,256
Accumulated Depreciation	<u>(1,084,523)</u>	<u>-</u>	<u>(1,084,523)</u>
Total Net Assets	<u>\$ 74,463,884</u>	<u>\$ 33,341,261</u>	<u>\$ 107,805,145</u>

Long-term Debt

At year-end, the County had \$68,056,968 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 \$19 million in debt, \$5,425,000 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 \$329,773,831 for the County is \$26,381,906 of which the County has \$20,956,906 available.

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2024
(Continued)**

Table 4
Kershaw County’s Outstanding Debt

	Governmental Activities		Business -Type Activities		Total	
	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>
General Obligation Bonds	\$ 5,125,000	\$ 4,875,000	\$ 5,910,994	\$ 4,590,822	\$ 11,035,994	\$ 9,465,822
IPR Bonds	9,840,000	9,545,000	-	-	9,840,000	9,545,000
Capital Lease	1,745,535	1,031,554	-	63,698	1,745,535	1,095,252
Lease Liability	1,166,387	1,719,449	-	-	1,166,387	1,719,449
Compensated Absences	904,133	943,534	91,076	158,710	995,209	1,102,244
Net OPEB Obligation	6,351,334	6,404,449	-	-	6,351,334	6,404,449
Net Pension Liability	32,864,918	34,140,132	3,703,977	3,825,070	36,568,895	37,965,202
Post-Closure Costs	818,635	759,550	-	-	818,635	759,550
Total Net Assets	<u>\$ 58,815,942</u>	<u>\$ 59,418,668</u>	<u>\$ 9,706,047</u>	<u>\$ 8,638,300</u>	<u>\$ 68,521,989</u>	<u>\$ 68,056,968</u>

NEXT YEAR’S BUDGETS AND RATES

The 2024-2025 original budget for the Kershaw County General Fund is \$31,952,042.

The budget for the Kershaw County Sewer System for the 2024-2025 fiscal year is \$12,615,066.

The budget for the Kershaw County EMS for the 2024-2025 fiscal year is \$7,089,702.

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, 2024

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 50,202,740	\$ 2,617,884	\$ 52,820,624
Restricted Cash	16,499,173	-	16,499,173
Accounts Receivable, Net	-	2,536,649	2,536,649
Taxes Receivable, Net	1,439,259	-	1,439,259
Other Receivables	4,295,255	274,051	4,569,306
Interfund Balances	(11,210,815)	11,210,815	-
Prepaid Expenses	26,300	-	26,300
Capital Assets:			
Land	14,817,022	919,407	15,736,429
Construction in Progress	6,902,402	1,112,494	8,014,896
Buildings and Improvements	48,832,606	2,953,442	51,786,048
Office Equipment	4,577,482	-	4,577,482
Equipment	14,809,836	1,235,488	16,045,324
Vehicles	14,257,572	2,347,386	16,604,958
Infrastructure	42,939,397	37,146,830	80,086,227
Less: Accumulated Depreciation	(74,305,166)	(12,373,786)	(86,678,952)
Right to Use Asset	2,717,256	-	2,717,256
Less: Accumulated Amortization	(1,084,523)	-	(1,084,523)
Total Net Assets	<u>74,463,884</u>	<u>33,341,261</u>	<u>107,805,145</u>
Deferred Outflows of Resources			
Prepaid OBEB Costs	499,877	-	499,877
Prepaid Pension Cost	7,322,271	595,306	7,917,577
Total Deferred Outflows of Resources	<u>7,822,148</u>	<u>595,306</u>	<u>8,417,454</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 143,537,944</u>	<u>\$ 50,575,966</u>	<u>\$ 194,113,910</u>

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

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT NET POSITION
June 30, 2024
(Continued)

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Liabilities			
Accounts Payable and Accrued Liabilities	\$ 5,021,557	\$ -	\$ 5,021,557
Accrued Interest Payable	71,122	10,192	81,314
Customer Deposits Payable	-	6,149	6,149
Due to Agency Funds	7,988,189	-	7,988,189
Short-Term Bond Payable	550,000	-	550,000
Long-Term Liabilities:			
Due Within One Year:			
General Obligation Bonds	275,000	665,534	940,534
IPR Bonds	295,000	-	295,000
Capital Lease	701,642	63,698	765,340
Lease Liability	650,466	-	650,466
Compensated Absences	196,027	158,710	354,737
Due in More Than One Year:			
General Obligation Bonds	4,600,000	3,925,288	8,525,288
IPR Bonds	9,250,000	-	9,250,000
Capital Lease	329,912	-	329,912
Lease Liability	1,068,983	-	1,068,983
Compensated Absences	943,534	-	943,534
Net Pension Liability	34,140,132	3,825,070	37,965,202
Net OPEB Obligation	6,404,449	-	6,404,449
Closure and Post Closure Costs	759,550	-	759,550
	<u>73,245,563</u>	<u>8,654,641</u>	<u>81,900,204</u>
Total Liabilities			
	<u>73,245,563</u>	<u>8,654,641</u>	<u>81,900,204</u>
Deferred Inflows of Resources			
Unavailable Revenues - Grants	8,720,939	-	8,720,939
Unavailable Revenues - OPEB	1,907,910	-	1,907,910
Unavailable Revenues - Pension	243,335	148,941	392,276
	<u>10,872,184</u>	<u>148,941</u>	<u>11,021,125</u>
Total Deferred Inflows of Resources			
	<u>10,872,184</u>	<u>148,941</u>	<u>11,021,125</u>
Total Liabilities and Deferred Inflows of Resources			
	<u>84,117,747</u>	<u>8,803,582</u>	<u>92,921,329</u>
Net Position			
Net Investment in Capital Assets	57,292,881	28,750,439	86,043,320
Restricted for:			
Debt Service	967,016	665,534	1,632,550
Capital Projects	8,094,952	-	8,094,952
Victims Assistance	55,640	-	55,640
Unrestricted	(6,990,292)	12,356,411	5,366,119
	<u>(6,990,292)</u>	<u>12,356,411</u>	<u>5,366,119</u>
Total Net Position			
	<u>\$ 59,420,197</u>	<u>\$ 41,772,384</u>	<u>\$ 101,192,581</u>

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

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

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
Governmental Activities							
General Government	\$ 16,840,252	\$ 3,275,195	\$ 4,654,715	\$ 1,752,498	\$ (7,157,844)	\$ -	\$ (7,157,844)
Public Safety	19,183,176	2,829,116	1,079,306	47,832	(15,226,922)	-	(15,226,922)
Sanitation	6,060,873	3,924,342	-	-	(2,136,531)	-	(2,136,531)
Highways and Streets	50,081	2,604,761	-	-	2,554,680	-	2,554,680
Other Objects	4,672,030	-	-	-	(4,672,030)	-	(4,672,030)
Culture and Recreation	2,122,447	230,708	-	46,440	(1,845,299)	-	(1,845,299)
Capital Outlay	292,711	-	-	-	(292,711)	-	(292,711)
Interest and Other Charges	537,997	-	-	-	(537,997)	-	(537,997)
Total Governmental Activities	49,759,567	12,864,122	5,734,021	1,846,770	(29,314,654)	-	(29,314,654)
Business-Type Activities:							
Emergency Medical Services	5,993,426	3,473,152	-	-	-	(2,520,274)	(2,520,274)
Sewer	3,618,282	5,461,640	-	-	-	1,843,358	1,843,358
Total Business-Type Activities	9,611,708	8,934,792	-	-	-	(676,916)	(676,916)
Total Primary Government	\$ 59,371,275	\$ 21,798,914	\$ 5,734,021	\$ 1,846,770	(29,314,654)	(676,916)	(29,991,570)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					18,293,251	2,322,729	20,615,980
Property Taxes, Levied for Debt Service					1,125,398	-	1,125,398
Public Service Taxes					896,050	100,087	996,137
Sales and Use Tax					6,837,498	797,901	7,635,399
Payments in Lieu of Taxes					1,811,587	147,798	1,959,385
Miscellaneous					1,932,559	137,182	2,069,741
Unrestricted Investment Earnings					2,499,115	-	2,499,115
Intergovernmental Revenues					6,940,661	-	6,940,661
Gain on Disposition of Capital Assets					(1,883,098)	6,610	(1,876,488)
Transfers - Sewer Fund					(1,630,725)	1,630,725	-
Total General Revenues					36,822,296	5,143,032	41,965,328
Change in Net Position					7,507,642	4,466,116	11,973,758
Net Position, Beginning of Year, as restated					51,912,555	37,306,268	89,218,823
Net Position, End of Year					\$ 59,420,197	\$ 41,772,384	\$ 101,192,581

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

KERSHAW COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Kershaw Facilities Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 50,202,740	\$ -	\$ -	\$ -	\$ -	\$ 50,202,740
Restricted Cash	-	14,049,759	120,681	2,328,733	-	16,499,173
Receivables:						
Property Taxes, Net	1,202,743	130,412	106,104	-	-	1,439,259
Intergovernmental	1,671,869	1,165,725	67,220	-	296,572	3,201,386
Other	760,377	333,492	-	-	-	1,093,869
Due From Other Funds	-	9,160,394	938,107	1,746,543	-	11,845,044
Prepaid Expenses	26,300	-	-	-	-	26,300
Total Assets	\$ 53,864,029	\$ 24,839,782	\$ 1,232,112	\$ 4,075,276	\$ 296,572	\$ 84,307,771
Liabilities						
Accounts Payable and Accrued Liabilities	\$ 5,021,557	\$ -	\$ -	\$ -	\$ -	\$ 5,021,557
Compensated Absences	157,623	38,404	-	-	-	196,027
Short-term Bond Payable	-	-	550,000	-	-	550,000
Due to Other Funds	30,637,597	-	-	-	406,451	31,044,048
Total Liabilities	<u>35,816,777</u>	<u>38,404</u>	<u>550,000</u>	<u>-</u>	<u>406,451</u>	<u>36,811,632</u>
Deferred Inflows						
Unavailable Revenues - Property Taxes	674,400	72,705	65,559	-	-	812,664
Unavailable Revenues - ARPA Funds	-	7,374,540	-	-	-	7,374,540
Unavailable Revenues - Grants	-	1,348,030	-	-	-	1,348,030
Total Deferred Inflows	<u>674,400</u>	<u>8,795,275</u>	<u>65,559</u>	<u>-</u>	<u>-</u>	<u>9,535,234</u>
Fund Balances						
Nonspendable for Prepays	26,300	-	-	-	-	26,300
Restricted for:						
Debt Service	-	350,463	616,553	-	-	967,016
Capital Projects	-	6,458,288	-	4,075,276	(109,879)	10,423,685
Victims Assistance	55,640	-	-	-	-	55,640
Committed for:						
Library	141,098	-	-	-	-	141,098
Capital Fund	5,849,751	-	-	-	-	5,849,751
Budget Reserves	2,800,000	-	-	-	-	2,800,000
Assigned	-	9,197,352	-	-	-	9,197,352
Unassigned	8,500,063	-	-	-	-	8,500,063
Total Fund Balances	<u>17,372,852</u>	<u>16,006,103</u>	<u>616,553</u>	<u>4,075,276</u>	<u>(109,879)</u>	<u>37,960,905</u>
Total Liabilities, Deferred Inflows and Fund Balances	\$ 53,864,029	\$ 24,839,782	\$ 1,232,112	\$ 4,075,276	\$ 296,572	\$ 84,307,775

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

KERSHAW COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT
OF NET POSITION
For the Fiscal Year Ended June 30, 2024

Total Fund Balances - Governmental Funds (Exhibit C) \$ 37,960,905

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.	812,664
Property Taxes	812,664
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 \$139,205,887 and the accumulated depreciation is \$70,868,336. The costs of right to use assets are \$1,988,320 and the accumulated amortization is \$915,284.	74,463,884
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.	(6,404,449)
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.	(71,122)
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	(34,140,132)
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	7,322,271
Deferred outflows of resources related to OPEB	499,877
Deferred inflows of resources related to pensions (from pension schedule)	(243,335)
Deferred inflows of resources related to grants	1,631
Deferred inflows of resources related to OPEB	(1,907,910)
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:	
General Obligation Bonds - Current	(275,000)
General Obligation Bonds -	(4,600,000)
IPR Bonds	(9,250,000)
IPR Bonds - Current	(295,000)
Capital Lease	(329,912)
Capital Lease - Current	(701,642)
Lease Liability	(650,466)
Lease Liability - Current	(1,068,983)
Compensated Absences	(943,534)
Closure and Post Closure Costs	<u>(759,550)</u>
Total Net Position - Governmental Activities (Exhibit A)	<u>\$ 59,420,197</u>

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, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Kershaw Facilities Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 23,318,830	\$ 3,810,913	\$ 1,648,647	\$ -	\$ -	\$ 28,778,390
Licenses, Permits and Fees	2,527,496	8,254,477	-	-	-	10,781,973
Intergovernmental Revenues	3,422,832	3,517,829	-	-	-	6,940,661
Charges for Services	734,941	-	-	-	-	734,941
Fines and Forfeits	2,830,428	245,926	23,118	-	-	3,099,472
Miscellaneous	<u>859,119</u>	<u>8,944,971</u>	<u>-</u>	<u>300,881</u>	<u>-</u>	<u>10,104,971</u>
Total Revenues	<u>33,693,646</u>	<u>24,774,116</u>	<u>1,671,765</u>	<u>300,881</u>	<u>-</u>	<u>60,440,408</u>
Expenditures						
Current:						
General Government	12,615,220	2,347,308	-	-	-	14,962,528
Public Safety	12,428,721	4,305,979	-	-	-	16,734,700
Highways and Streets	-	42,205	-	-	-	42,205
Culture and Recreation	1,880,581	-	-	-	-	1,880,581
Sanitation	-	5,425,234	-	-	-	5,425,234
Other Objects	3,088,433	1,583,597	-	-	-	4,672,030
Capital Outlay	51,157	10,036,159	-	920,716	-	11,008,032
Debt Service:						
Principal	-	1,366,336	545,000	-	-	1,911,336
Interest and Other Charges	<u>-</u>	<u>173,571</u>	<u>452,148</u>	<u>-</u>	<u>-</u>	<u>625,719</u>
Total Expenditures	<u>30,064,112</u>	<u>25,280,389</u>	<u>997,148</u>	<u>920,716</u>	<u>-</u>	<u>57,262,365</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,629,534</u>	<u>(506,273)</u>	<u>674,617</u>	<u>(619,835)</u>	<u>-</u>	<u>3,178,043</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	76,680	38,688	-	-	-	115,368
Cost of Bond Issuance	-	-	(22,950)	-	-	(22,950)
Interest Income	-	-	-	155,228	-	155,228
Transfer to (from) Proprietary Fund	400,000	(401,895)	(678,497)	(550,332)	-	(1,230,724)
Transfer from (to) General Fund	-	2,572,827	-	-	-	2,572,827
Transfer to (from) Special Revenue Fund	<u>(2,972,827)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,972,827)</u>
Total Other Financing Sources (Uses)	<u>(2,496,147)</u>	<u>2,209,620</u>	<u>(701,447)</u>	<u>(395,104)</u>	<u>-</u>	<u>(1,383,078)</u>
Net Change in Fund Balances	1,133,387	1,703,347	(26,830)	(1,014,939)	-	1,794,965
Fund Balances, Beginning of Year, as restated	<u>16,239,465</u>	<u>14,302,756</u>	<u>643,383</u>	<u>5,090,215</u>	<u>(109,879)</u>	<u>36,165,940</u>
Fund Balances, End of Year	<u>\$ 17,372,852</u>	<u>\$ 16,006,103</u>	<u>\$ 616,553</u>	<u>\$ 4,075,276</u>	<u>\$ (109,879)</u>	<u>\$ 37,960,905</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, 2024

Total Net Change In Fund Balances - Governmental Funds (Exhibit E)	\$ 1,794,965
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 \$10,738,271 exceeds depreciation expense of \$4,990,419 in the period.	5,747,852
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.	(1,998,466)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	545,000
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	1,450,296
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 increased in the current year.	185,395
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 earned exceeded the vacation used by this amount.	(39,401)
In the Statement of Activities, an amount is expensed for closure and post-closure costs. Such costs are not accrued in the governmental funds.	59,085
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.	(35,867)
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 increased in the current year.	3,762
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	\$ (3,900,655)
Cost of benefits earned net of employee contributions (pension benefit from SCRS benefit schedule)	3,695,676 (204,979)
Change in Net Position of Governmental Activities (Exhibit B)	<u>\$ 7,507,642</u>

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, 2024

	Enterprise Fund Sewer Fund	Enterprise Fund Emergency Medical Services	Total Proprietary Funds
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 2,617,884	\$ -	\$ 2,617,884
Accounts Receivable, Net	117,062	2,419,587	2,536,649
Other Receivables	15,037	259,014	274,051
Due from General Fund	<u>7,699,765</u>	<u>3,511,050</u>	<u>11,210,815</u>
 Total Current Assets	 <u>10,449,748</u>	 <u>6,189,651</u>	 <u>16,639,399</u>
Non-Current Assets:			
Capital Assets:			
Land	526,487	392,920	919,407
Construction in Progress	734,232	378,262	1,112,494
Building and Building Improvements	1,443,482	1,509,960	2,953,442
Sewer System Infrastructure	37,146,830	-	37,146,830
Equipment	891,499	343,989	1,235,488
Vehicles	-	2,347,386	2,347,386
Less: Accumulated Depreciation	<u>(10,027,066)</u>	<u>(2,346,720)</u>	<u>(12,373,786)</u>
 Total Non-Current Assets	 <u>30,715,464</u>	 <u>2,625,797</u>	 <u>33,341,261</u>
Deferred Outflows of Resources			
Prepaid Pension Cost	<u>68,880</u>	<u>526,426</u>	<u>595,306</u>
 Total Assets and Deferred Outflows of Resources	 <u><u>41,234,092</u></u>	 <u><u>9,341,874</u></u>	 <u><u>50,575,966</u></u>
Liabilities			
Current Liabilities:			
Accrued Interest Payable	10,192	-	10,192
Customer Deposits Payable	6,149	-	6,149
Compensated Absences	19,174	139,536	158,710
Current Portion of General Obligation Bonds Payable	<u>665,534</u>	<u>-</u>	<u>665,534</u>
 Total Current Liabilities	 <u>701,049</u>	 <u>139,536</u>	 <u>840,585</u>
Long-term Liabilities:			
Net Pension Liability	506,797	3,318,273	3,825,070
Capital Lease Payable	-	63,698	63,698
General Obligation Bonds Payable	<u>3,925,288</u>	<u>-</u>	<u>3,925,288</u>
 Total Long-term Liabilities	 <u>4,432,085</u>	 <u>3,381,971</u>	 <u>7,814,056</u>
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	-	-	-
Unavailable Revenue - Pension	<u>35,307</u>	<u>113,634</u>	<u>148,941</u>
 Total Deferred Inflows of Resources	 <u>35,307</u>	 <u>113,634</u>	 <u>148,941</u>
 Total Liabilities and Deferred Inflows of Resources	 <u><u>5,168,441</u></u>	 <u><u>3,635,141</u></u>	 <u><u>8,803,582</u></u>
Net Position			
Net Investment in Capital Assets	26,124,642	2,625,797	28,750,439
Restricted for Debt Service	665,534	-	665,534
Unrestricted	<u>9,275,475</u>	<u>3,080,936</u>	<u>12,356,411</u>
 Total Net Position	 <u><u>\$ 36,065,651</u></u>	 <u><u>\$ 5,706,733</u></u>	 <u><u>\$ 41,772,384</u></u>

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

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2024

	Enterprise Fund Sewer Fund	Enterprise Fund Emergency Medical Services	Total Proprietary Funds
Operating Revenues			
Charges for Services	\$ 1,829,352	\$ 3,473,152	\$ 5,302,504
Impact Fees and Other Charges	3,632,288	-	3,632,288
Miscellaneous	86,088	51,094	137,182
Motor Carrier Fees	-	36,653	36,653
Taxes			
Local Option Sales Tax	18,549	-	18,549
Property Taxes - Net	-	1,670,364	1,670,364
Vehicle Taxes - Net	-	347,158	347,158
Watercraft Taxes - Net	-	31,357	31,357
Delinquent Taxes - Net	-	90,583	90,583
Fee In Lieu of Taxes	-	147,798	147,798
Local Option Sales Tax	-	797,901	797,901
Homestead Exemption	-	128,065	128,065
Manufacturer Reimbursement	-	92,282	92,282
Inventory Replacement	-	7,805	7,805
Total Revenues	<u>5,566,277</u>	<u>6,874,212</u>	<u>12,440,489</u>
Operating Expenses			
Salaries and Benefits	850,862	4,069,177	4,920,039
Contractual Services	490,197	437,270	927,467
Office Supplies	234,166	130,012	364,178
Repairs and Maintenance	406,646	44,958	451,604
Fuel	19,955	125,430	145,385
Utilities and Telephone	376,179	48,156	424,335
Uniforms	-	32,928	32,928
Engineering	171,263	-	171,263
Postage	14,752	-	14,752
Fleet Maintenance	8,953	106,442	115,395
Equipment and Supplies	-	66,569	66,569
Bad Debt	-	525,571	525,571
Training	-	16,695	16,695
Miscellaneous	152,445	23,702	176,147
Retirement System Pension Expense	(5,680)	(25,364)	(31,044)
Depreciation	795,566	391,880	1,187,446
Total Operating Expenses	<u>3,515,304</u>	<u>5,993,426</u>	<u>9,508,730</u>
Operating Income	<u>2,050,973</u>	<u>880,786</u>	<u>2,931,759</u>
Non-Operating Income (Expense)			
Interest Expense	(102,978)	-	(102,978)
Total Non-Operating Income (Expense)	<u>(102,978)</u>	<u>-</u>	<u>(102,978)</u>
Income Before Contributions and Transfers	<u>1,947,995</u>	<u>880,786</u>	<u>2,828,781</u>
Sale of Capital Assets	800	5,810	6,610
Transfer from Special Revenue Fund	369,364	32,532	401,896
Transfer from Capital Projects Fund	-	550,332	550,332
Transfer from Debt Service Fund	678,497	-	678,497
Total Transfers	<u>1,048,661</u>	<u>588,674</u>	<u>1,637,335</u>
Change in Net Position	2,996,656	1,469,460	4,466,116
Net Position, Beginning of Year	<u>33,068,995</u>	<u>4,237,273</u>	<u>37,306,268</u>
Net Position, End of Year	<u>\$ 36,065,651</u>	<u>\$ 5,706,733</u>	<u>\$ 41,772,384</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, 2024

Enterprise Funds

Cash Flows from Operating Activities

Cash Received from Customers	\$ 14,745,930
Cash Paid to Suppliers	(3,432,290)
Cash Paid for Salaries and Employee Benefits	(4,852,405)
Customer Deposits Refunded	<u>(339)</u>
 Net Cash Provided by Operating Activities	 <u>6,460,896</u>

Cash Flows From Non-Capital Financing Activities

Operating Transfers to (from) Other Funds	1,637,335
Increase in Due from Other Funds	<u>(2,076,979)</u>
 Net Cash (Used) Non-Capital Financing Activities	 <u>(439,644)</u>

Cash Flows from Capital and Related Financing Activities

Purchase of Capital Assets	(2,051,486)
Principal Paid on Revenue Bond Maturities	(1,320,712)
Interest Paid	<u>(31,761)</u>
 Net Cash (Used) by Capital and Related Financing Activities	 <u>(3,403,959)</u>

Net Change in Cash and Cash Equivalents	2,617,293
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Cash and Cash Equivalents, Beginning of Year	<u>590</u>
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Cash and Cash Equivalents, End of Year	<u><u>\$ 2,617,883</u></u>
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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, 2024
(Continued)**

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

	Enterprise Funds
Operating Income	\$ 2,931,759
Adjustments to Reconcile Operating Income to Net Cash Provided	
By Operating Activities:	
Depreciation	1,187,446
(Decrease) in Accounts Receivable	2,425,552
(Increase) in Other Receivables	(120,111)
(Increase) in Deferred Outflows	(38,998)
(Increase) in Deferred Inflows	(113,140)
(Increase) in Net Pension Liability	121,093
(Increase) in Customer Deposits	(339)
(Increase) in Compensated Absences	67,634
Net Cash Provided by Operating Activities	\$ 6,460,896

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

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	<u>Agency Funds</u>	<u>Trust Funds</u>
Assets		
Cash and Cash Equivalents	\$ 16,159,841	\$ 3,309,084
Taxes Receivable, Net	4,365,968	-
Other Receivables	35,636	-
Due from General Fund	<u>7,988,189</u>	<u>-</u>
Total Assets	<u><u>28,549,634</u></u>	<u><u>3,309,084</u></u>
Liabilities		
Due to Other Taxing Units	20,257,497	-
Due to Solicitor	6,233,030	-
Due to KC Clean Commission	<u>15,531</u>	<u>-</u>
Total Liabilities	<u><u>26,506,058</u></u>	<u><u>-</u></u>
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes	<u>2,043,576</u>	<u>-</u>
Net Position		
Held in Trust	<u>-</u>	<u>3,309,084</u>
Total Net Position	<u><u>\$ -</u></u>	<u><u>\$ 3,309,084</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, 2024

	<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>
Additions							
Inmate Deposits	\$ 313,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313,980
Land Sales	-	5,303,748	-	-	-	-	5,303,748
Bonds, Fines and Fees	-	-	1,219,664	982,209	-	-	2,201,873
Escrow Funds	-	-	-	-	1,313,956	-	1,313,956
Seizures	-	-	-	-	-	113,906	113,906
Interest	-	-	78	7,483	-	-	7,561
Total Additions	<u>313,980</u>	<u>5,303,748</u>	<u>1,219,742</u>	<u>989,692</u>	<u>1,313,956</u>	<u>113,906</u>	<u>9,255,024</u>
Deductions							
Inmate Withdrawals	303,255	-	-	-	-	-	303,255
Disbursement of Sales Proceeds	-	5,501,538	-	-	-	-	5,501,538
Fines and Fees	-	-	1,203,472	769,258	-	-	1,972,730
Disbursement of Escrow Funds	-	-	-	-	1,407,526	85,847	1,493,373
Total Deductions	<u>303,255</u>	<u>5,501,538</u>	<u>1,203,472</u>	<u>769,258</u>	<u>1,407,526</u>	<u>85,847</u>	<u>9,270,896</u>
Change to Fiduciary Net Position	10,725	(197,790)	16,270	220,434	(93,570)	28,059	(15,872)
Net Position, Beginning of Year	<u>53,046</u>	<u>2,315,103</u>	<u>177,217</u>	<u>499,691</u>	<u>117,730</u>	<u>162,169</u>	<u>3,324,956</u>
Net Position, End of Year	<u>\$ 63,771</u>	<u>\$ 2,117,313</u>	<u>\$ 193,487</u>	<u>\$ 720,125</u>	<u>\$ 24,160</u>	<u>\$ 190,228</u>	<u>\$ 3,309,084</u>

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

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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, 2024
(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, 2024
(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, 2024
(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, 2024
(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, 2024
(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, 2024
(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, 2024.

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, 2024
(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
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

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.).

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

- **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

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

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.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

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, 2024, \$26,803,059 of the County’s bank balance of \$90,376,163 which has a carrying value of \$88,788,561 was exposed to custodial credit risk as follows:

Uninsured by FDIC, but collateral held by pledging bank not in the County’s name	<u>\$ 26,803,059</u>
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Investments

As of June 30, 2024, 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	\$ 4,022,875	\$ 4,022,875
SC Pooled Investment Fund	Unrated	\$ 65,207,759	\$65,207,759

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, 2024, none of the County’s investments were exposed to custodial credit risk.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

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, 2024, is presented below.

	<u>Governmental Fund Type</u>			<u>Proprietary Fund Type</u>		<u>Fiduciary Fund Type</u>	
	General Fund	Special Revenue Fund	Debt Service Fund	EMS	Agency Fund	Total	
Taxes Receivable	\$ 1,860,971	\$ 201,784	\$ 164,171	\$ 188,712	\$ 6,755,344	\$ 9,170,982	
Less: Allowance for Doubtful Accounts	(658,228)	(71,372)	(58,067)	(66,748)	(2,389,382)	(3,243,797)	
Net Taxes Receivable	<u>\$ 1,202,743</u>	<u>\$ 130,412</u>	<u>\$ 106,104</u>	<u>\$ 121,964</u>	<u>\$ 4,365,962</u>	<u>\$ 5,927,185</u>	

Note 4. Other Receivables

Other governmental receivables at June 30, 2024, 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, 2024
(Continued)

Note 5. Inter-fund Receivables and Payables

Inter-fund balances at June 30, 2024, (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	\$ -	\$ 30,637,597
Special Revenue Fund	9,160,394	-
Capital Projects Fund	1,340,092	-
Debt Service Fund	938,107	-
Proprietary Fund - Sewer	7,699,765	-
Proprietary Fund - EMS	3,511,050	-
Agency Fund	<u>7,988,189</u>	<u>-</u>
Totals	<u>\$ 30,637,597</u>	<u>\$ 30,637,597</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, 2024
(Continued)

Note 6. Capital Assets

Capital Asset activity for the year ended June 30, 2024, was as follows:

Governmental Activities

Non-depreciable Assets:	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending</u>
Land	\$ 14,817,022	\$ -	\$ -	\$ -	\$ 14,817,022
Construction in Progress	9,952,590	6,343,670	(1,438,025)	(7,955,833)	6,902,402
Depreciable Assets:					
Buildings and Improvements	43,775,693	1,251,659	-	3,805,254	48,832,606
Office Equipment	4,519,140	58,342	-	-	4,577,482
Equipment	14,625,435	184,401	-	-	14,809,836
Vehicles	13,121,550	2,494,166	(1,369,816)	11,672	14,257,572
Right of Use Assets	1,988,320	1,289,377	(560,441)	-	2,717,256
Infrastructure	<u>38,394,457</u>	<u>406,033</u>	<u>-</u>	<u>4,138,907</u>	<u>42,939,397</u>
Totals	<u>141,194,207</u>	<u>12,027,648</u>	<u>(3,368,282)</u>	<u>-</u>	<u>149,853,573</u>
Less: Accumulated Depreciation					
Buildings and Improvements	(19,490,011)	(1,133,316)	-	-	(20,623,327)
Office Equipment	(3,685,212)	(376,133)	-	-	(4,061,345)
Equipment	(9,951,782)	(1,006,054)	-	-	(10,957,836)
Vehicles	(12,004,456)	(983,643)	1,369,816	-	(11,618,283)
Right of Use Assets	(915,284)	(169,239)	-	-	(1,084,523)
Infrastructure	<u>(25,722,341)</u>	<u>(1,322,034)</u>	<u>-</u>	<u>-</u>	<u>(27,044,375)</u>
Totals	<u>(71,769,086)</u>	<u>(4,990,419)</u>	<u>1,369,816</u>	<u>-</u>	<u>(75,389,689)</u>
Governmental Activities					
Capital Assets,					
Net	<u>\$ 69,425,121</u>	<u>\$ 7,037,229</u>	<u>\$ (1,998,466)</u>	<u>\$ -</u>	<u>\$ 74,463,884</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 1,912,378
Highways and Streets	5,394
Public Safety	2,138,882
Sanitation	693,406
Culture and Recreation	<u>240,359</u>
Governmental Activities	
Total Depreciation Expense	<u><u>\$ 4,990,419</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.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

Business-type Activities

Sewer Fund

	<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	9,342,498	418,663	(9,500)	(9,017,429)	734,232
Depreciable Assets:					
Sewer System	29,413,367	315,795	(156,279)	9,017,429	38,590,312
Equipment	<u>319,370</u>	<u>583,629</u>	<u>(11,500)</u>	<u>-</u>	<u>891,499</u>
Totals	<u>39,601,722</u>	<u>1,318,087</u>	<u>(177,279)</u>	<u>-</u>	<u>40,742,530</u>
Less: Accumulated Depreciation					
Sewer System	(9,131,513)	(736,519)	156,279	-	(9,711,753)
Equipment	<u>(267,766)</u>	<u>(59,047)</u>	<u>11,500</u>	<u>-</u>	<u>(315,313)</u>
Totals	<u>(9,399,279)</u>	<u>(795,566)</u>	<u>167,779</u>	<u>-</u>	<u>(10,027,066)</u>
Business-type Activities					
Capital Assets,					
Net	<u>\$ 30,202,443</u>	<u>\$ 522,521</u>	<u>\$ (9,500)</u>	<u>\$ -</u>	<u>\$ 30,715,464</u>

Emergency Medical Services Fund

	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending</u>
Non-depreciable Assets:					
Land	\$ 29,275	\$ 363,645	\$ -	\$ -	392,920
Construction in Progress	114,808	263,454	-	-	378,262
Depreciable Assets:					
Building and Improvements	1,540,970	-	(31,010)	-	1,509,960
Equipment	<u>2,605,075</u>	<u>106,300</u>	<u>(20,000)</u>	<u>-</u>	<u>2,691,375</u>
Totals	<u>4,290,128</u>	<u>733,399</u>	<u>(51,010)</u>	<u>-</u>	<u>4,972,517</u>
Less: Accumulated Depreciation					
Building and Improvements	(204,729)	(36,545)	31,010	-	(210,264)
Equipment	<u>(1,801,120)</u>	<u>(355,336)</u>	<u>20,000</u>	<u>-</u>	<u>(2,136,456)</u>
Totals	<u>(2,005,849)</u>	<u>(391,881)</u>	<u>51,010</u>	<u>-</u>	<u>(2,346,720)</u>
Business-type Activities					
Capital Assets,					
Net	<u>\$ 2,284,279</u>	<u>\$ 341,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,625,797</u>

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

Construction in progress and construction commitments – governmental activities and business-type activities consisted of the following at June 30, 2024:

	Expenditures <u>To Date</u>	Total <u>Contract</u>	Contract Payments <u>Remaining</u>
2023 Resurfacing Project	\$ 1,132,712	\$ 1,440,839	\$ 308,127
2024 Resurfacing Project	222,889	834,580	611,691
Wildwood Lane Sidewalk Improvement	160,000	160,000	-
Airport Layout Plan Update	295,245	297,900	2,655
Business Park Road Extension	1,900	1,900	-
Detention Center Training Room	16,526	16,526	-
New Convenience Center Buildings	16,296	16,296	-
Old Armory Parking Lot Improvements	48,000	105,840	57,840
Wateree River Fishing Dock	12,540	19,500	6,960
Kershaw County West Parking Expans	27,950	27,950	-
IT Network Upgrade	630,283	638,452	8,169
Woodward Park Improvements	679,500	1,195,000	515,500
Boyd Young/Copeland Park Improvem	18,500	104,500	86,000
Boat Ramp and Parking Lot At Vetera	45,000	176,000	131,000
Cradle Points Replacement	21,795	21,795	-
Courthouse Cameras Replacement	90,322	120,511	30,189
Courthouse Exterior Lift	35,866	39,851	3,985
513 Public Safety Radios	3,388,229	3,388,229	-
One Boat Rescue Boat	58,849	58,849	-
	<u>\$ 6,902,402</u>	<u>\$ 8,664,518</u>	<u>\$ 1,762,116</u>

	Expenditures <u>To Date</u>	Total <u>Contract</u>	Contract Payments <u>Remaining</u>
<i>Business-type Activities</i>			
<i>Sewer</i>			
Easements for Southern Loop	\$ 227,235	\$ 227,235	\$ -
Saddlebrook Drainage	88,506	94,736	6,230
Southern Loop Phase 2	121,000	306,000	185,000
Waste Water Treatment Plant Expansi	297,491	1,759,761	1,462,270
	<u>\$ 734,232</u>	<u>\$ 2,387,732</u>	<u>\$ 1,653,500</u>
<i>Emergency Medical Services</i>			
521 EMS Station	\$ 297,990	\$ 297,990	\$ -
2024 Dodge 4500 Ambulance	80,272	212,144	131,872
	<u>\$ 378,262</u>	<u>\$ 510,134</u>	<u>\$ 131,872</u>

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

Note 7. Accounts Payable and Accrued Expenses

The significant components of accounts payable and accrued expenses for governmental activities at June 30, 2024, are as follows:

Accounts Payable		\$	3,079,469
Accrued Payroll, Withholdings, Fringe and Benefits			<u>1,942,088</u>
Total Accounts Payable and Accrued Expenses -			
Governmental Activities		\$	<u><u>5,021,557</u></u>

Note 8. Short-term Debt

The following is a summary of changes in short-term debt for the year ended June 30, 2024:

	Balance <u>7/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/2024</u>
<i>Governmental Activities:</i>				
G.O. Bond Taxable Series 2024	\$ <u>536,000</u>	\$ <u>550,000</u>	\$ <u>(536,000)</u>	\$ <u>550,000</u>

Short-term debt was used to pay principal and interest payments related to the 2024 Bond. This bond is applicable to the County's 8% debt limit.

Note 9. Long-term Debt

Governmental Activities:

As of June 30, 2024, 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 September 8, 2021, the Kershaw Facilities Corporation, Inc. issued Series 2021 Installment Purchase Revenue Bonds totaling \$10,360,000 with principal payments due each June 1 starting in 2022 and semi-annual interest payments due June 1 and December 1 of each year. The bonds range in maturity dates from 2039 to 2042. The interest rate ranges from 1.90% to 4.90%. The outstanding principal as of June 30, 2024, was \$9,545,000.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

On September 15, 2021, the County issued Series 2021 General Obligation Bond totaling \$7,000,000 with principal payments due each March 1 starting in 2022 and semi-annual interest payments due March 1 and September 1 of each year. The bonds range in maturity dates from 2034 to 2038. The interest rate ranges from 1.90% to 4.90%. The outstanding principal as of June 30, 2024, was \$4,875,000.

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	Principal	Interest	Total
June 30,			
2025	\$ 570,000	\$ 412,008	\$ 982,008
2026	605,000	394,630	999,630
2027	715,000	375,240	1,090,240
2028	870,000	352,773	1,222,773
2029	935,000	325,848	1,260,848
2030-2034	5,040,000	1,170,708	6,210,708
2035-2039	4,060,000	562,418	4,622,418
2040-2042	<u>1,625,000</u>	<u>84,944</u>	<u>1,709,944</u>
	<u>\$ 14,420,000</u>	<u>\$ 3,678,569</u>	<u>\$ 18,098,569</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, 2024, the County had an outstanding balance of \$0.00.

On June 15, 2022, the County entered into a capital lease arrangement with Truist Bank to purchase various equipment and vehicles in the amount of \$937,331. The lease is payable in yearly installments beginning May 19, 2023. As of June 30, 2024, the County had an outstanding balance of \$319,255.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

On September 1, 2022, the County entered into a capital lease arrangement with Leasing 2, Inc., to purchase 150 MSA Airpacks in the amount of \$1,054,839. The lease is payable in yearly installments beginning July 15, 2023. As of June 30, 2024, the County had an outstanding balance of \$712,298.

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, 2024.

Year Ending June 30,		
2025	\$	701,642
2026		<u>374,821</u>
Total minimum lease payments		1,076,463
Less: Amounts representing interest		<u>(44,909)</u>
	\$	<u><u>1,031,554</u></u>

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 2023 to 2028. The interest rate is 2.25%. The outstanding principal as of June 30, 2024, was \$1,117,414.

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 2023 to 2027. The interest rate is 2.25%. The outstanding principal as of June 30, 2024, was \$0.00. This bond was 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 2024 to 2031. The interest rate is 2.25%. The outstanding principal as of June 30, 2024, was \$1,027,751.

On January 27, 2023, the County issued SRF loan General Obligation Bonds totaling \$2,703,740 with quarterly principal and interest payments due each April 1, July 1, October 1, and January 1. The bonds range in maturity from 2023 to 2033. The interest rate is 1.60%. The outstanding principal as of June 30, 2024, was \$2,445,657.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

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

Business-type Activities:

Year Ending	Principal	Interest	Total
June 30,			
2025	\$ 665,534	\$ 82,316	\$ 747,850
2026	679,249	68,601	747,850
2027	693,253	54,597	747,850
2028	467,318	41,510	508,828
2029	363,271	34,116	397,387
2030-2034	1,537,613	76,060	1,613,673
2035	<u>184,583</u>	<u>1,479</u>	<u>186,062</u>
	<u>\$ 4,590,821</u>	<u>\$ 358,679</u>	<u>\$ 4,949,500</u>

On September 1, 2022, the County entered into a capital lease arrangement with Fleetwood Finance Leasing, LLC. to purchase Fifty (50) Commander Smart Body Camera Systems and docking stations for KC EMS Department in the amount of \$210,994. The lease is payable in yearly installments beginning July 15, 2023. As of June 30, 2024, the County had an outstanding balance of \$162,945

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, 2024.

Year Ending June 30,	
2025	\$ 49,992
2026	49,992
2027	49,992
2028	49,992
Total minimum lease payments	199,968
Less: Amounts representing interest	<u>(37,023)</u>
	<u>\$ 162,945</u>

KERSHAW COUNTY, SOUTH CAROLINA
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June 30, 2024
(Continued)

Note 10. Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2024.

	<u>CHANGES IN LONG-TERM DEBT</u>				
	Balance			Balance	Due Within
	<u>7/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2024</u>	<u>One Year</u>
<i>Governmental Activities:</i>					
2021 Facilities IPR Bonds	\$ 9,840,000	\$ -	\$ (295,000)	\$ 9,545,000	\$ 295,000
2021 GO Bond	5,125,000	-	(250,000)	4,875,000	275,000
Capital Lease	1,745,535		(713,981)	1,031,554	701,642
Lease Liability	1,166,387	1,289,377	(736,315)	1,719,449	650,466
Compensated Absences	904,133	943,534	(904,133)	943,534	196,027
Net OPEB Obligation	6,351,334	-	53,115	6,404,449	-
Post-closure Costs	<u>818,635</u>	<u>-</u>	<u>(59,085)</u>	<u>759,550</u>	<u>-</u>
Total	<u>\$ 25,951,024</u>	<u>\$ 2,232,911</u>	<u>\$ (2,905,399)</u>	<u>\$ 25,278,536</u>	<u>\$ 2,118,135</u>
<i>Business-type Activities:</i>					
2008A G.O. Bonds	\$ 1,438,211	\$ -	\$ (320,797)	\$ 1,117,414	\$ 328,076
2008B G.O. Bonds	668,070	-	(668,070)	-	-
SRF G.O. Bonds	3,804,713	-	(331,305)	3,473,408	337,458
Compensated Absences	<u>91,076</u>	<u>158,710</u>	<u>(91,076)</u>	<u>158,710</u>	<u>-</u>
Total	<u>\$ 6,002,070</u>	<u>\$ 158,710</u>	<u>\$ (1,411,248)</u>	<u>\$ 4,749,532</u>	<u>\$ 665,534</u>

Note 11. Restricted Cash

Certain resources, which have been set aside for Capital, 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 \$16,499,173 as of June 30, 2024.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

Note 12. Debt Limitations

The amount of legal debt margin as of June 30, 2024, is computed as follows:

Total Assessed Value	\$ <u>329,773,831</u>
Debt Limit 8% of Assessed Value	26,381,906
Amount of Debt Applicable to Limit	<u>(5,425,000)</u>
Legal Debt Margin	<u>\$ 20,956,906</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 retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems’ five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds’ assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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

KERSHAW COUNTY, SOUTH CAROLINA
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June 30, 2024
(Continued)

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

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to newly hired state, public higher education institution and public school district employees, as well as individuals first elected to the South Carolina 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 first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

State ORP - As an alternative to membership in SCRS, newly hired state, public school and higher education employees, as well as individuals first elected to the S.C. General Assembly at or after the general election in November 2012 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.

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

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

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 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.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

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

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

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

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

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

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June 30, 2024
(Continued)

Required employer contributions rates ¹ are as follows:

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>
SCRS		
Employer Class Two	18.41%	17.41%
Employer Class Three	18.41%	17.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	20.84%	19.84%
Employer Class Three	20.84%	19.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

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

Actuarial Assumptions and Methods- Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study 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.

The June 30, 2023, 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, 2022. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in benefit provisions for any of the systems. The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023.

	SCRS	PORS
Actuarial Cost Method	Entry age normal	Entry Age Normal
¹ Investment rate of return	7%	7%
Projected Salary Increase	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Benefit Adjustments	lessor of 1% or \$500 annually	lessor of 1% or \$500 annually
¹ Includes inflation at 2.25%		

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% Scale UMP projected from the year 2020. Assumptions used in the determination of the June 30, 2023, TPL are as follows.

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

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 67 less that system’s fiduciary net position. NPL totals, as of June 30, 2023, 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	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%
PORS	9,450,021,576	6,405,925,370	3,044,096,206	67.8%

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.

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 2023 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

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below. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

<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>
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity ¹	9.0%	10.91%	0.98%
Real Assets	12.0%		
Real Estate ¹	9.0%	6.41%	0.58%
Infrastructure ¹	3.0%	6.62%	0.20%
Total Expected Return ²	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
			7.56%

¹ RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity and Private Real Assets exceeds 30 percent of total plan assets.

² Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 15% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

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

Sensitivity Analysis- The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

System	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
SCRS	\$ 32,134,826	\$ 24,870,321	\$ 18,832,315
PORS	\$ 18,472,309	\$ 13,094,881	\$ 8,690,096

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions- At June 30, 2024, The County reported a liability of \$37,965,202 for its proportionate share of the NPL. The NPL was measured as of June 30, 2023, 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-

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(Continued)

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, 2024, the County recognized pension benefit of \$204,979 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, 2024.

At June 30, 2024, the county reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,048,049	\$ 230,401
Changes of assumptions	666,048	-
Net difference between projected and actual earnings on pension plan investments		56,515
Changes in proportion and differences between County contributions and proportionate share of contributions	1,846,206	105,360
County contributions subsequent to measurement date	<u>4,357,274</u>	<u>-</u>
Total	<u>\$ 7,917,577</u>	<u>\$ 392,276</u>

The amount of \$4,357,274 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, 2024. 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>
2024	\$ 830,860	\$ 806,176	\$ 1,637,036
2025	(63,559)	18,061	(45,498)
2026	826,611	778,161	1,604,772
2027	<u>(14,587)</u>	<u>(13,698)</u>	<u>(28,285)</u>
Total	<u>\$ 1,579,325</u>	<u>\$ 1,588,700</u>	<u>\$ 3,168,025</u>

Payables to the Pension Plan- The County reported a payable to the SCRS as of June 30, 2024, in the amount of \$516,936.

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(Continued)

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, 2024, the measurement date, there were 438 covered participants; sixty (61) members are retirees receiving benefits and 377 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 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.

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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, 2023
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:	3.97% as of June 30, 2024
Demographic Assumptions:	Based on the Experience Study Performed for Kershaw County
Mortality:	The Rates used for July, 1, 2022, SCRS Valuation
Health Cost Trend:	Initial Trend Starting at 6.00% and Gradually Decreasing to an Ultimate Trend rate of 4.00% 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 3.97 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 and average rating of AA/Aa higher.

OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB: The net OPEB liability (“NOL”) is calculated separately and represents the system’s Total OPEB liability determined in accordance with GASB No. 74 less its fiduciary net position.

NOL totals as of the June 30, 2024, measurement date are presented in the following table:

		Total OPEB Liability as a Percentage of Covered Payroll	
<u>Total OPEB Liability</u>	<u>Total Covered Payroll</u>		
\$ 6,404,449	\$ 19,834,199	32.29%	

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As of June 30, 2024, the County reported a liability of approximately \$6,404,449 for the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability was determined based on the most recent actuarial valuation report as of July 1, 2022. For the year ended June 30, 2024, the County recognized OPEB expense of \$309,947. At June 30, 2024, the County reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 785,921
Changes of assumptions	499,877	1,121,989
Net difference between projected and actual earnings on pension plan investments	-	-
Total	<u>\$ 499,877</u>	<u>\$ 1,907,910</u>

Collective amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future years as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Year Ended June 30:		
2025	182,311	(441,268)
2026	178,751	(435,145)
2027	131,737	(376,802)
2028	6,996	(376,802)
2029	82	(258,028)
Thereafter	-	(19,865)

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 3.97%, as well as what the OPEB liability would be if it were calculated using a discount rate 1% point lower or 1% point higher:

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB Liability	\$ 7,205,566	\$ 6,404,449	\$ 5,727,285

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

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 6,146,631	\$ 6,404,449	\$ 6,699,362

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, 2024, open contracts and project budgets for construction totaled \$11,562,384 of which \$8,014,896 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

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 \$1,002,696 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 \$659,316 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

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

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 (24) years. The Lugoff-Elgin landfill was closed in 1997 and the remaining closure period is now seventeen (19) years. The estimated liability for closure and post-closure care costs is \$939,284 as of June 30, 2018, which is based on total post closure-costs for the Park Road and Lugoff-Elgin landfills of \$508,387 and \$371,813, 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, 2018. 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 \$59,085.

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.

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.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

Note 20. Inter-fund Transfers

Transfer from (to) other funds for the year ended June 30, 2024, consist of the following:

<i>General Fund</i>	
Transfer to Special Revenue Fund	\$ (2,972,827)
Transfer from Special Revenue - ARPA	<u>400,000</u>
Net Total Transfer To	<u>(2,572,827)</u>
<i>Special Revenue Fund</i>	
Transfer to Proprietary Fund	(401,896)
Transfer to General Fund	(400,000)
Transfer from General Fund	<u>2,972,827</u>
Net Total Transfer From	<u>2,170,931</u>
<i>Capital Project Fund</i>	
Transfer to Proprietary Fund	<u>(550,332)</u>
Net Total Transfer To	<u>(550,332)</u>
<i>Debt Service Fund</i>	
Transfer to Proprietary Fund	<u>(678,497)</u>
Net Total Transfer From	<u>(678,497)</u>
<i>Proprietary Fund</i>	
Transfer from Special Revenue Fund	401,896
Transfer from Debt Service Fund	678,497
Transfer from Capital Project Fund	<u>550,332</u>
Net Total Transfer From	<u>1,630,725</u>
Net Total Transfers between Funds	<u><u>\$ -</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 Special Revenue Fund – ARPA (interest earned); State and Local Fiscal Recovery Funds (SLFRF) are not subject to program restrictions.

Special Revenue Fund

Transfers to: Funds were transferred from the Special Revenue Fund into the Proprietary Fund-Infrastructure-Sewer-Governor’s Hill WasteWater Expansion, EMS Capital Lease Payable, and General Fund, SLFRF interest earned.

Transfers from: Funds were transferred into the Special Revenue Fund from the General Fund and the Capital Projects Fund to fund capital equipment costs.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

Capital Project Fund

Transfers to: Funds were transferred from the Capital Project Fund into the Proprietary Fund for capital projects costs for the EMS Station.

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 the Special Revenue Fund, Debt Service Fund, and Capital Projects fund to fund Infrastructure-Sewer Governor's Hill Waste Water Expansion and Sewer Line, debt payments on the 2008 GO Bonds and capital projects costs for EMS Station and Capital Equipment costs.

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 March 1, 2024. Either party may terminate the rental agreement at any time. Rent is payable the first day of each month in the amount of \$15,000. Rental expense amounted to \$156,000 for the fiscal ended June 30, 2024.

The County has two operating leases with Dell Financial Services for computers and various related equipment. The lease term is for 5 years starting May 1, 2022, and May 2023. Either party may terminate the rental agreement at any time. Rent is payable on a yearly basis in the amount of \$59,179, and \$42,993 respectively.

The County has five operating leases with Enterprise FM Trust and Enterprise Fleet Management for vehicles and vehicle services. The lease terms are four to six years starting 8, June 2019, June 2020 and July 2021, July 2022 and July 2023. Either party may terminate the rental agreement at any time. Rent is payable on a yearly basis in the amount of \$11,641, \$68,789, \$155,073, \$163,064, \$142,105 with a final payment due at end of lease term.

Note 22. Subsequent Events

The County has evaluated subsequent events through December 2, 2024, which is the date the financial statements were available to be issued.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

Note 23. 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 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 \$8,274,618 in tax year 2023.

According to South Carolina Department of Revenue reports, capital investment committed to in the existing FILOT agreements was \$436,620,000. Actual capital investment made through 2023 was \$767,742,291. This investment resulted in FILOT payments of \$5,390,577 in tax year 2023.

The manufacturing companies utilizing the FILOT program currently employ nearly 3,400 employees. At the current average wage in Kershaw County, \$25.32 this employment results in annual wages paid of \$172,176,000.

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 2022 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 \$53,908.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024
(Continued)

Note 24. Leases

The County adopted the new lease accounting standard GASB 87 during the fiscal year ended June 30, 2022. The County has entered into numerous monthly lease arrangements with Enterprise as Lessee for vehicles. An initial lease liability was recorded in the amount of \$2,129,032 and an initial right of use assets was recorded in the amount of \$2,138,417. Kershaw County is required to make monthly fixed payments and the interest rates vary from .1850% to 2.0927%. The value right to use asset as of June 30, 2024, of \$2,717,256 with accumulated amortization of \$1,084,523. The value of the lease liability as of June 30, 2024, is \$1,719,449.

Annual lease payment requirements to maturity for lease liability are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 650,466	\$ 20,542	\$ 671,008
2026	610,929	11,964	622,893
2027	382,863	4,617	387,480
2028	73,256	574	73,830
2029	1,935	7	1,942
	<u>\$ 1,719,449</u>	<u>\$ 37,704</u>	<u>\$ 1,757,153</u>

Note 25. Prior Period Adjustment

Governmental Activities

Net Position, beginning of the year, as previously stated	\$ 52,141,874
Decrease for health insurance liability overstatement	<u>(229,317)</u>
Net Position, beginning of the year, as restated	<u>\$ 51,912,557</u>

General Fund

Fund Balance, beginning of the year, as previously stated	\$ 16,468,782
Decrease for health insurance liability overstatement	<u>(229,317)</u>
Fund Balance, beginning of the year, as restated	<u>\$ 16,239,465</u>

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
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2024

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Positive <u>(Negative)</u>
Revenues			
Taxes			
Property Taxes - Net	\$ 11,650,659	\$ 11,823,661	\$ 173,002
Vehicle Taxes - Net	2,219,834	2,458,913	239,079
Delinquent Taxes - Net	316,778	504,240	187,462
Watercraft Taxes - Net	135,736	222,556	86,820
Fee In Lieu of Taxes	1,347,245	1,043,067	(304,178)
Local Option Sales Tax	4,846,090	5,651,442	805,352
Homestead Exemption	987,922	906,496	(81,426)
Manufacturer Reimbursement	326,771	653,210	326,439
Inventory Replacement	64,097	55,245	(8,852)
	<u>21,895,132</u>	<u>23,318,830</u>	<u>1,423,698</u>
Total Taxes			
Licenses, Fees and Permits			
Planning and Zoning	758,010	692,432	(65,578)
Delinquent Tax Collector	335,500	341,028	5,528
Clerk of Court	202,000	171,512	(30,488)
Register of Deeds	803,788	716,682	(87,106)
Probate Court	141,000	161,811	20,811
Master in Equity	85,200	27,454	(57,746)
Sheriff	39,350	8,418	(30,932)
Motor Carrier Fees	200,000	259,443	59,443
Cable Franchise Fees	182,000	148,716	(33,284)
	<u>2,746,848</u>	<u>2,527,496</u>	<u>(219,352)</u>
Total Licenses, Fees and Permits			
Intergovernmental Revenue			
Aid to Subdivisions	2,919,768	2,794,836	(124,932)
DSS Rent Reimbursement	53,870	53,779	(91)
DSS Unit Cost	139,000	139,274	274
Veterans Service Offices	5,478	6,073	595
Election Commission	45,400	4,767	(40,633)
Accommodations Tax	30,000	28,628	(1,372)
Library Aid	140,000	150,000	10,000
Retirement Supplements	150,000	147,975	(2,025)
Salary Supplements	48,152	97,500	49,348
	<u>3,531,668</u>	<u>3,422,832</u>	<u>(108,836)</u>
Total Intergovernmental Revenue			
Charges for Services			
Library	11,000	20,081	9,081
Recreation	197,900	207,233	9,333
Other	402,901	507,628	104,727
	<u>611,801</u>	<u>734,941</u>	<u>123,140</u>
Total Charges for Services			

KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2024
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Fines and Forfeitures			
Magistrate	\$ 350,000	\$ 483,484	\$ 133,484
Library	2,000	3,394	1,394
Rental and Leases	8,760	-	(8,760)
Litter Pickup	50	-	(50)
Interest Earned	<u>1,000,953</u>	<u>2,343,550</u>	<u>1,342,597</u>
Total Fines and Forfeitures	<u>1,361,763</u>	<u>2,830,428</u>	<u>1,468,665</u>
Miscellaneous			
Other	<u>845,095</u>	<u>859,119</u>	<u>14,024</u>
Total Miscellaneous	<u>845,095</u>	<u>859,119</u>	<u>14,024</u>
Total Revenues	<u>30,992,307</u>	<u>33,693,646</u>	<u>2,701,339</u>
Expenditures			
General Government			
County Council			
Operating	89,202	77,732	11,470
Personnel	<u>218,595</u>	<u>229,326</u>	<u>(10,731)</u>
Total County Council	<u>307,797</u>	<u>307,058</u>	<u>739</u>
County Administrator			
Operating	104,036	87,942	16,094
Personnel	<u>685,822</u>	<u>515,057</u>	<u>170,765</u>
Total County Administrator	<u>789,858</u>	<u>602,999</u>	<u>186,859</u>
Finance			
Operating	125,413	120,442	4,971
Personnel	<u>647,822</u>	<u>562,461</u>	<u>85,361</u>
Total Finance	<u>773,235</u>	<u>682,903</u>	<u>90,332</u>
Human Resources			
Operating	93,785	82,906	10,879
Personnel	<u>283,095</u>	<u>286,787</u>	<u>(3,692)</u>
Total Human Resources	<u>376,880</u>	<u>369,693</u>	<u>7,187</u>

**KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2024
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
County Attorney			
Operating	\$ 386,138	\$ 386,138	\$ -
Total County Attorney	<u>386,138</u>	<u>386,138</u>	<u>-</u>
Information Technology			
Operating	608,711	560,550	48,161
Personnel	<u>374,077</u>	<u>322,328</u>	<u>51,749</u>
Total Information Technology	<u>982,788</u>	<u>882,878</u>	<u>99,910</u>
Building Maintenance			
Operating	548,966	489,474	59,492
Personnel	<u>469,710</u>	<u>435,243</u>	<u>34,467</u>
Total Building Maintenance	<u>1,018,676</u>	<u>924,717</u>	<u>93,959</u>
Planning and Zoning			
Operating	281,301	231,823	49,478
Personnel	<u>666,602</u>	<u>603,088</u>	<u>63,514</u>
Total Planning and Zoning	<u>947,903</u>	<u>834,911</u>	<u>112,992</u>
Assessor			
Operating	67,790	60,702	7,088
Personnel	<u>645,969</u>	<u>616,808</u>	<u>29,161</u>
Total Assessor	<u>713,759</u>	<u>677,510</u>	<u>36,249</u>
Auditor			
Operating	110,839	89,008	21,831
Personnel	<u>280,982</u>	<u>302,584</u>	<u>(21,602)</u>
Total Auditor	<u>391,821</u>	<u>391,592</u>	<u>229</u>

KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2024
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Delinquent Tax Collector			
Operating	\$ 230,073	\$ 208,709	\$ 21,364
Personnel	<u>149,197</u>	<u>148,947</u>	<u>250</u>
Total Delinquent Tax Collector	<u>379,270</u>	<u>357,656</u>	<u>21,614</u>
 Treasurer			
Operating	148,750	138,622	10,128
Personnel	<u>410,251</u>	<u>412,658</u>	<u>(2,407)</u>
Total Treasurer	<u>559,001</u>	<u>551,280</u>	<u>7,721</u>
 Clerk of Court			
Operating	89,953	71,585	18,368
Personnel	<u>410,194</u>	<u>376,282</u>	<u>33,912</u>
Total Clerk of Court	<u>500,147</u>	<u>447,867</u>	<u>52,280</u>
 Family Court			
Operating	25,828	14,443	11,385
Personnel	<u>280,243</u>	<u>291,613</u>	<u>(11,370)</u>
Total Family Court	<u>306,071</u>	<u>306,056</u>	<u>15</u>
 Summary Court			
Operating	90,326	79,350	10,976
Personnel	<u>884,159</u>	<u>853,069</u>	<u>31,090</u>
Total Summary Court	<u>974,485</u>	<u>932,419</u>	<u>42,066</u>
 Probate Court			
Operating	52,379	38,462	13,917
Personnel	<u>525,478</u>	<u>523,324</u>	<u>2,154</u>
Total Probate Court	<u>577,857</u>	<u>561,786</u>	<u>16,071</u>
 Register of Deeds			
Operating	108,544	88,069	20,475
Personnel	<u>268,747</u>	<u>289,142</u>	<u>(20,395)</u>
Total Register of Deeds	<u>377,291</u>	<u>377,211</u>	<u>80</u>

KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2024
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive <u>(Negative)</u>
Master-in-Equity			
Operating	\$ 16,723	\$ 9,571	\$ 7,152
Personnel	<u>84,264</u>	<u>41,531</u>	<u>42,733</u>
Total Master-in-Equity	<u>100,987</u>	<u>51,102</u>	<u>49,885</u>
Coroner			
Operating	148,797	141,646	7,151
Personnel	<u>189,815</u>	<u>196,945</u>	<u>(7,130)</u>
Total Coroner	<u>338,612</u>	<u>338,591</u>	<u>21</u>
Special Services			
Operating	179,394	111,805	67,589
Personnel	<u>265,932</u>	<u>257,569</u>	<u>8,363</u>
Total Special Services	<u>445,326</u>	<u>369,374</u>	<u>75,952</u>
Veterans Office			
Operating	11,562	9,786	1,776
Personnel	<u>120,262</u>	<u>120,225</u>	<u>37</u>
Total Veterans Office	<u>131,824</u>	<u>130,011</u>	<u>1,813</u>
Voter Registration			
Operating	179,185	140,532	38,653
Personnel	<u>616,018</u>	<u>362,562</u>	<u>253,456</u>
Total Voter Registration	<u>795,203</u>	<u>503,094</u>	<u>292,109</u>
Social Services			
Operating	<u>168,000</u>	<u>164,251</u>	<u>3,749</u>
Health Department			
Operating	<u>16,445</u>	<u>10,165</u>	<u>6,280</u>
GIS Mapping			
Operating	100,790	85,854	14,936
Personnel	<u>189,172</u>	<u>168,235</u>	<u>20,937</u>
Total GIS Mapping	<u>289,962</u>	<u>254,089</u>	<u>35,873</u>
Legislative Delegation			
Personnel	<u>32,000</u>	<u>35,003</u>	<u>(3,003)</u>

KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2024
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Library			
Operating	\$ 366,704	\$ 375,451	\$ (8,747)
Personnel	<u>854,024</u>	<u>789,417</u>	<u>64,607</u>
Total Library	<u>1,220,728</u>	<u>1,164,868</u>	<u>55,860</u>
Total General Government	<u>13,902,064</u>	<u>12,615,220</u>	<u>1,286,844</u>
Public Safety			
Central Communications			
Operating	152,132	131,656	20,476
Personnel	<u>1,543,575</u>	<u>1,153,831</u>	<u>389,744</u>
Total Central Communications	<u>1,695,707</u>	<u>1,285,487</u>	<u>410,220</u>
Law Enforcement			
Operating	1,471,473	1,380,702	90,771
Personnel	<u>6,160,268</u>	<u>6,288,814</u>	<u>(128,546)</u>
Total Law Enforcement	<u>7,631,741</u>	<u>7,669,516</u>	<u>(37,775)</u>
Detention Center			
Operating	1,288,932	1,300,440	(11,508)
Personnel	<u>2,184,827</u>	<u>2,173,278</u>	<u>11,549</u>
Total Detention Center	<u>3,473,759</u>	<u>3,473,718</u>	<u>41</u>
Total Public Safety	<u>12,801,207</u>	<u>12,428,721</u>	<u>372,486</u>

KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2024
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Culture and Recreation			
Recreation			
Operating	\$ 849,815	\$ 787,659	\$ 62,156
Personnel	<u>1,030,828</u>	<u>1,092,922</u>	<u>(62,094)</u>
Total Culture and Recreation	<u>1,880,643</u>	<u>1,880,581</u>	<u>62</u>
Other Objects			
Contribution Agencies			
Clemson Extension	5,000	5,000	-
Community Medical Clinic	15,000	15,000	-
Board of Disabilities	5,000	5,000	-
Clean Community Commission	3,500	3,500	-
Sistercare	15,000	15,000	-
KC Conservation District	8,000	8,000	-
Regional Transit Authority	1,000	1,000	-
Alpha Center	15,000	15,000	-
KC Mental Health	25,000	25,000	-
Camden Rescue	10,000	10,000	-
United Way	30,000	30,000	-
Humane Society	350,000	350,000	-
Food for the Soul	50,000	50,000	-
Santee Lynches COG	13,495	10,700	2,795
Mt. Moriah Outreach	<u>9,500</u>	<u>9,500</u>	<u>-</u>
Total Contribution Agencies	<u>555,495</u>	<u>552,700</u>	<u>2,795</u>
Emergency Preparedness			
Operating	<u>85,474</u>	<u>44,224</u>	<u>41,250</u>
Indigent Care			
Operating	<u>95,080</u>	<u>95,082</u>	<u>(2)</u>

**KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2024
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Dues and Publications	\$ 95,250	\$ 89,800	\$ 5,450
Unemployment Insurance	8,243	8,243	-
Telephone	159,159	159,159	-
Other Operations	29,500	29,032	468
Public Defender	325,000	325,000	-
Solicitor	543,228	543,228	-
Retiree Insurance	246,508	246,507	1
Insurance	<u>995,458</u>	<u>995,458</u>	<u>-</u>
 Total General Operating	 <u>2,402,346</u>	 <u>2,396,427</u>	 <u>5,919</u>
 Total Other Objects	 <u>3,138,395</u>	 <u>3,088,433</u>	 <u>49,962</u>
 Capital Outlay			
Coroner	<u>51,171</u>	<u>51,157</u>	<u>14</u>
 Total Capital Outlay	 <u>51,171</u>	 <u>51,157</u>	 <u>14</u>
 Total Expenditures	 <u>31,773,480</u>	 <u>30,064,112</u>	 <u>1,709,368</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(781,173)</u>	 <u>3,629,534</u>	 <u>4,410,707</u>
 Other Financing Sources (Uses)			
Sale of Capital Assets	4,000	76,680	72,680
Transfer from Reserves	3,100,000	-	(3,100,000)
Transfer from Proprietary Fund	250,000	-	(250,000)
Transfer to Proprietary Fund	400,000	400,000	-
Transfer to Special Revenue	<u>(2,972,827)</u>	<u>(2,972,827)</u>	<u>-</u>
 Total Other Financing Sources	 <u>781,173</u>	 <u>(2,496,147)</u>	 <u>(3,277,320)</u>
 Net Change in Fund Balance	 <u>\$ -</u>	 <u>1,133,387</u>	 <u>\$ 1,133,387</u>
 Fund Balance, Beginning of Year, as restated		 <u>16,239,465</u>	
 Fund Balance, End of Year		 <u>\$ 17,372,852</u>	

**KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Revenues				
Taxes	\$ 21,895,132	\$ 21,895,132	\$ 23,318,830	\$ 1,423,698
Licenses, Fees and Permits	2,746,848	2,746,848	2,527,496	(219,352)
Intergovernmental	3,531,668	3,531,668	3,422,832	(108,836)
Charges for Services	611,801	611,801	734,941	123,140
Fines and Forfeitures	1,361,763	1,361,763	2,830,428	1,468,665
Miscellaneous	<u>845,095</u>	<u>845,095</u>	<u>859,119</u>	<u>14,024</u>
Total Revenues	<u>30,992,307</u>	<u>30,992,307</u>	<u>33,693,646</u>	<u>2,701,339</u>
Expenditures				
Current:				
General Government	13,902,064	13,902,064	12,615,220	1,286,844
Public Safety	12,801,207	12,801,207	12,428,721	372,486
Culture and Recreation	1,880,643	1,880,643	1,880,581	62
Other Objects	3,138,395	3,138,395	3,088,433	49,962
Capital Outlay	<u>51,171</u>	<u>51,171</u>	<u>51,157</u>	<u>14</u>
Total Expenditures	<u>31,773,480</u>	<u>31,773,480</u>	<u>30,064,112</u>	<u>1,709,368</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(781,173)</u>	<u>(781,173)</u>	<u>3,629,534</u>	<u>4,410,707</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	4,000	4,000	76,680	72,680
Transfer from Reserves	3,100,000	3,100,000	-	(3,100,000)
Transfer from Proprietary Fund	250,000	250,000	-	(250,000)
Transfer to Proprietary Fund	400,000	400,000	400,000	-
Transfer to Special Revenue Fund	<u>(2,972,827)</u>	<u>(2,972,827)</u>	<u>(2,972,827)</u>	<u>-</u>
Total Other Financing Sources	<u>781,173</u>	<u>781,173</u>	<u>(2,496,147)</u>	<u>(3,277,320)</u>
Net Change in Fund Balance	-	-	1,133,387	1,133,387
Fund Balance, Beginning of Year, as restated	<u>16,239,465</u>	<u>16,239,465</u>	<u>16,239,465</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 16,239,465</u>	<u>\$ 16,239,465</u>	<u>\$ 17,372,852</u>	<u>\$ 1,133,387</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, 2024**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Applicable to Fiscal Year Ending	Annual OPEB Cost	Contribution for Fiscal Year	Annual Percentage Contributed	Net OPEB Obligation
June 30, 2024	\$ 309,947	\$ 321,381	103.69%	\$ 6,404,449
June 30, 2023	\$ 423,765	\$ 329,993	77.87%	\$ 6,351,334
June 30, 2022	\$ 590,268	\$ 392,292	66.46%	\$ 6,913,722
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	0.00%	\$ 11,044,824	56%
July 1, 2018	\$ -	\$ 6,269,998	\$ 6,269,998	0.00%	\$ 13,374,016	47%
July 1, 2019	\$ -	\$ 7,692,189	\$ 7,692,189	0.00%	\$ 13,374,016	58%
July 1, 2020	\$ -	\$ 7,746,123	\$ 7,746,123	0.00%	\$ 14,438,564	54%
July 1, 2021	\$ -	\$ 6,913,722	\$ 6,913,722	0.00%	\$ 14,438,564	48%
July 1, 2022	\$ -	\$ 6,351,334	\$ 6,351,334	0.00%	\$ 19,834,199	32%
July 1, 2023	\$ -	\$ 6,404,449	\$ 6,404,449	0.00%	\$ 19,834,199	32%

**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, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
SCRS										
County's proportion of the net pension liability	0.102866%	0.100632%	0.095155%	0.097074%	0.1028680%	0.1066540%	0.1068890%	0.1029910%	0.0837500%	0.0838680%
County's proportionate share of the net pension liability (asset)	\$ 24,870,321	\$ 24,395,291	\$ 20,592,849	\$ 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	\$ 14,097,440	\$ 12,999,056	\$ 11,985,471	\$ 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	176.42%	187.67%	171.82%	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	24.58%	27.27%	28.12%	22.61%	41.09%	42.94%	46.15%	42.17%	31.79%	21.17%
PORS										
County's proportion of the net pension liability (asset)	0.430173%	0.405925%	0.390970%	0.374686%	0.351851%	0.359420%	0.361440%	0.352810%	0.345330%	0.329970%
County's proportionate share of the net pension liability (asset)	\$ 13,094,881	\$ 12,173,604	\$ 10,059,318	\$ 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	\$ 8,454,585	\$ 7,543,606	\$ 6,421,392	\$ 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	154.88%	161.38%	156.65%	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	8.35%	8.43%	8.77%	5.36%	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, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 4,412,211	\$ 3,795,572	\$ 3,209,322	\$ 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>4,412,211</u>	<u>3,795,572</u>	<u>3,209,322</u>	<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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 22,552,025	\$ 20,542,662	\$ 18,406,863	\$ 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	19.56%	18.48%	17.44%	16.51%	16.48%	15.42%	14.39%	12.38%	11.89%	11.70%

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
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
June 30, 2024

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, 2024**

Assets

Restricted Cash	\$ 14,049,759
Receivables	
Property Taxes, Net	130,412
Intergovernmental	1,165,725
Other	333,492
Due from Other Funds	9,160,394

Total Assets \$ 24,839,782

Liabilities, Deferred Inflows of Resources and Fund Balance

Liabilities	
Compensated Absences	\$ 38,404

Total Liabilities 38,404

Deferred Inflows	
Unavailable Revenue - Property Taxes	72,705
Unavailable Revenue - Grants	1,348,030
Unavailable Revenue - American Rescue Plan Act	7,374,540

Total Deferred Inflows of Resources 8,795,275

Fund Balance	
Restricted for Debt Service	350,463
Restricted for Capital Projects	6,458,288
Assigned	9,197,352

Total Fund Balance 16,006,103

Total Liabilities, Deferred Inflows of Resources and Fund Balance \$ 24,839,782

KERSHAW COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2024

Revenues

Taxes

Property Taxes - Net	\$ 1,589,086
Vehicle Taxes - Net	366,658
Watercraft Taxes - Net	36,587
Delinquent Taxes - Net	70,860
Fee In Lieu of Taxes	695,451
Local Option Sales Tax	785,919
Homestead Exemption	128,800
Manufacturer Reimbursement	54,585
Liquor Excise Tax	71,336
Inventory Replacement	<u>11,631</u>

Total Taxes	<u>3,810,913</u>
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Licenses, Fees and Permits

Residential	3,534,165
Landfill	390,177
Airport	507,932
Road Maintenance Fees	2,322,200
Fire Services - Fees	<u>1,500,003</u>

Total Licenses, Fees and Permits	<u>8,254,477</u>
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Intergovernmental Revenue

Aid to Subdivisions	161,838
CTC Funds	2,792,309
Title IV-D	42,537
1% Fire Assistance	230,002
Accommodations Tax	<u>291,143</u>

Total Intergovernmental Revenue	<u>3,517,829</u>
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Fines and Forfeitures

Sheriff	245,589
Interest Earned	<u>337</u>

Total Fines and Forfeitures	<u>245,926</u>
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Miscellaneous

Other	772,558
E-911 Tariff	591,622
Grants	<u>7,580,791</u>

Total Miscellaneous	<u>8,944,971</u>
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Total Revenues	<u>24,774,116</u>
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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, 2024
(Continued)**

Expenditures

General Government

E-911 Tariff	
Operating	\$ 386,291
Personnel	<u>183,769</u>
Total E-911 Tariff	<u>570,060</u>
Mini Bottle Pass Thru	
Operating	<u>233,174</u>
Library	
Operating	4,374
Personnel	<u>54,193</u>
Total Library	<u>58,567</u>
Economic Development	
Operating	251,137
Personnel	<u>220,505</u>
Total Economic Development	<u>471,642</u>
Airport	
Operating	393,789
Personnel	<u>91,716</u>
Total Airport	<u>485,505</u>
American Rescue Plan Act	
Operating	<u>528,359</u>
Total American Rescue Plan Act	<u>528,359</u>
Total General Government	<u>2,347,308</u>

KERSHAW COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2024
(Continued)

Public Safety

Detention Center Operating	\$ 89,791
Fire Services Operating	1,230,453
Personnel	<u>2,307,135</u>
Total Fire Services	<u>3,537,588</u>
Coroner Operating	7,737
Personnel	<u>29,581</u>
Total Coroner	<u>37,318</u>
Victim's Advocate Operating	5,875
Personnel	<u>73,118</u>
Total Victim's Advocate	<u>78,993</u>
Sheriff County Seizures Operating	<u>7,367</u>
SRO State Allocation Operating	4,498
Personnel	<u>461,589</u>
Total SRO State Allocation	<u>466,087</u>
Highway Safety Grant Personnel	<u>88,835</u>
Total Highway Safety	<u>88,835</u>
Total Public Safety	<u>4,305,979</u>

Highways and Streets

Waste Tire Operating	<u>42,205</u>
Total Highways and Streets	<u>42,205</u>

Public Works

Solid Waste Operating	1,801,186
Personnel	<u>1,681,296</u>
Total Solid Waste	<u>3,482,482</u>
Public Works Operating	875,515
Personnel	<u>1,067,237</u>
Total Public Works	<u>1,942,752</u>
Total Public Works	<u>5,425,234</u>

KERSHAW COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2024
(Continued)

General Operating	
Other Operations	\$ 1,583,597
Total Other Objects	<u>1,583,597</u>
Capital Outlay	
Solid Waste/Public Works	196,815
Governor's Hill Generator	95,303
CTC Funds	2,395,086
Recreation Department	748,330
Information Technology	725,417
Fire -Cassastt Fire Station /One Boat	522,036
Economic Development - Waste Water Expansion - Governors Hill	691,076
Economic Development -Mega Site Engineering	2,000
ARPA - Public Safety Radios	3,388,229
Airport - Conference Room/Scissor Lift	45,633
Court House Renovations	208,625
Detention Center Renovations	313,692
General Capital	<u>703,917</u>
Total Capital Outlay	<u>10,036,159</u>
Debt Service	
Principal	1,366,336
Interest	<u>173,571</u>
Total Debt Service	<u>1,539,907</u>
Total Expenditures	<u>25,280,389</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(506,273)</u>
Other Financing Sources (Uses)	
Sale of Capital Assets	38,688
Transfers from General Fund	2,972,827
Transfer to General Fund	(400,000)
Transfers to Proprietary Fund	<u>(401,895)</u>
Total Other Financing Sources	<u>2,209,620</u>
Net Change in Fund Balance	1,703,347
Fund Balance, Beginning of Year	<u>14,302,756</u>
Fund Balance, End of Year	<u>\$ 16,006,103</u>

KERSHAW COUNTY, SOUTH CAROLINA
LIBRARY OPERATIONS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2024

	<u>County</u>	<u>State</u>	<u>State Lottery</u>	<u>Federal Grant</u>	<u>Total</u>
Revenues					
Charges for Services	\$ 283	\$ -	\$ -	\$ -	\$ 283
Fines	3,394	-	-	-	3,394
Intergovernmental	-	150,000	-	-	150,000
Miscellaneous	<u>26,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,711</u>
 Total Revenues	 <u>30,388</u>	 <u>150,000</u>	 <u>-</u>	 <u>-</u>	 <u>180,388</u>
Expenditures					
Books, Periodicals and Departmental Supplies	<u>83,816</u>	<u>153,966</u>	<u>-</u>	<u>-</u>	<u>237,782</u>
 Total Expenditures	 <u>83,816</u>	 <u>153,966</u>	 <u>-</u>	 <u>-</u>	 <u>237,782</u>
Excess of Revenues Over (Under) Expenditures	(53,428)	(3,966)	-	-	(57,394)
Fund Balance, Beginning of Year	<u>(320,199)</u>	<u>(6,845)</u>	<u>53,924</u>	<u>25,087</u>	<u>(248,033)</u>
Fund Balance, End of Year	<u><u>\$ (373,627)</u></u>	<u><u>\$ (10,811)</u></u>	<u><u>\$ 53,924</u></u>	<u><u>\$ 25,087</u></u>	<u><u>\$ (305,427)</u></u>

KERSHAW COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
(per ACT 96)
For the Fiscal Year Ended June 30, 2024

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	422,427	944,129	-	1,366,556
Court fines and assessments remitted to State Treasurer	228,227	408,767	-	636,994
Total Court Fines and Assessments retained	194,200	535,362	-	729,562
Court Surcharges:				
Court surcharges collected	16,770	183,958	-	200,728
Court surcharges remitted to State Treasurer	8,273	172,615	-	180,888
Total Court Surcharges retained	8,498	11,343	-	19,841
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	8,498	11,343	-	19,841
Assessments retained	459	41,985	-	42,444
Total Surcharges and Assessments retained for victim services	8,957	53,328	-	62,285

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance		13,927	13,927
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	-	42,444	42,444
Victim Service Surcharges Retained by City/County Treasurer	-	19,841	19,841
Interest Earned	-	-	-
Grant Funds Received			
Grant from:	-	-	-
General Funds Transferred to Victim Service Fund		55,640	55,640
Contribution Received from Victim Service Contracts:			
(1) Town of	-	-	-
(2) Town of	-	-	-
(3) City of	-	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	-	131,852	131,852
Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	-	73,118	73,118
Operating Expenditures	-	5,792	5,792
Victim Service Contract(s):		-	-
(1) Lancaster County Sheriff Department	-	-	-
(2) Entity's Name	-	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	-	-	-
(2) Rape Crisis Center:	-	-	-
(3) Other local direct crime victims service agency:	-	-	-
Transferred to General Fund	-	-	-
Total Expenditures from Victim Service Fund/Program (B)	-	78,910	78,910
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	52,942	52,942
Less: Prior Year Fund Deficit Repayment	-	-	-
Carryforward Funds – End of Year	-	52,942	52,942

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
E-911 FUND
For the Fiscal Year Ended June 30, 2024

Revenues

Intergovernment Revenue	
State	\$ 296,638
Fees and Service Charges	<u>294,984</u>
Total Revenues all Sources	<u>591,622</u>

Expenditures

Public Safety Communications	
Personnel Services	184,163
General Operating	207,866
Repairs and Maintenance	167,028
Contractual Services	9,829
Supplies	<u>1,175</u>

Total Public Safety Communications 570,061

Capital Outlay 58,342

Total Expenditures 628,403

Excess (Deficiency) of Revenues Over (Under) Expenditures (36,781)

Net Change in Fund Balance (36,781)

Fund Balance, Beginning of Year 1,028,398

Fund Balance, End of Year \$ 991,617

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, 2024**

Assets

Cash	\$ 120,681
Property Taxes Receivable, Net	106,104
Intergovernmental Receivable	67,220
Due from Other Funds	<u>938,107</u>

Total Assets \$ 1,232,112

Liabilities, Deferred Inflows and Fund Balance

Liabilities

Short Term Bond Payable	\$ <u>550,000</u>
Total Deferred Inflows	<u>550,000</u>

Deferred Inflows

Unavailable Revenue - Property Taxes	<u>65,559</u>
Total Deferred Inflows	<u>65,559</u>

Fund Balance

Restricted for Debt Service	<u>616,553</u>
Total Fund Balance	<u>616,553</u>

Total Liabilities, Deferred Inflows and Fund Balance \$ 1,232,112

**KERSHAW COUNTY, SOUTH CAROLINA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2024**

Revenues

Taxes	
Property Taxes - Net	\$ 835,206
Vehicle Taxes - Net	174,089
Watercraft Taxes - Net	15,838
Delinquent Taxes - Net	36,232
Fee In Lieu of Taxes	73,069
Local Option Sales Tax	400,137
Homestead Exemption	64,033
Manufacturer Reimbursement	46,141
Inventory Replacement	<u>3,902</u>
 Total Taxes	 <u>1,648,647</u>
 Licenses, Fees and Permits	
Motor Carrier Fees	<u>23,118</u>
 Total Licenses, Fees and Permits	 <u>23,118</u>
 Total Revenues	 <u>1,671,765</u>

Expenditures

Principal Retirement	545,000
Interest and Other Charges	<u>452,148</u>
 Total Expenditures	 <u>997,148</u>

Excess of Revenues Over Expenditures 674,617

Other Financing Sources (Uses)

Cost of Bond Issuance	(22,950)
Transfer to Proprietary Fund	<u>(678,497)</u>
 Total Other Financing Sources (Uses)	 <u>(701,447)</u>

Net Change in Fund Balance (26,830)

Fund Balance, Beginning of Year 643,383

Fund Balance, End of Year \$ 616,553

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, 2024**

Assets

Intergovernmental Receivable \$ 296,572

Total Assets \$ 296,572

Liabilities and Fund Balances

Liabilities

Due to Other Funds \$ 406,451

Total Liabilities 406,451

Fund Balances

Restricted for Capital Projects (109,879)

Total Liabilities and Fund Balances \$ 296,572

**KERSHAW COUNTY, SOUTH CAROLINA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2024**

Revenues

Grants	\$ <u> -</u>
Total Revenues	<u> -</u>

Expenditures

Capital Outlay

Other	<u> -</u>
Total Capital Outlay	<u> -</u>
Total Expenditures	<u> -</u>

Net Change in Fund Balance

-

Fund Balance, Beginning of Year

(109,879)

Fund Balance, End of Year

\$ (109,879)

**KERSHAW COUNTY, SOUTH CAROLINA
KERSHAW FACILITIES PROJECTS FUND
BALANCE SHEET
June 30, 2024**

Assets

Restricted Cash	\$ 2,328,733
Due from Other Funds	<u>1,746,543</u>

Total Assets \$ 4,075,276

Liabilities and Fund Balances

Liabilities	<u>\$ -</u>
-------------	-------------

Fund Balances	
Restricted for Capital Projects	<u>4,075,276</u>

Total Liabilities and Fund Balances \$ 4,075,276

**KERSHAW COUNTY, SOUTH CAROLINA
KERSHAW FACILITIES PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2024**

Revenues

Miscellaneous	\$ <u>300,881</u>
Total Revenues	<u>300,881</u>

Expenditures

Capital Outlay

Public Works Bldg	282,701
Fire Station	337,136
FAA Runway Construction	<u>300,879</u>
Total Expenditures	<u>920,716</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures (619,835)

Other Financing Sources (Uses)

Interest Income	155,228
Transfer to Proprietary Fund	<u>(550,332)</u>
Total Other Financing Sources	<u>(395,104)</u>

Net Change in Fund Balance (1,014,939)

Fund Balance, Beginning of Year 5,090,215

Fund Balance, End of Year \$ 4,075,276

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, 2024

Operating Revenues

Charges for Sewer Service	\$ 1,829,352
Impact Fees and Other Charges	3,632,288
Miscellaneous	86,088
Taxes	
Local Option Sales Tax	18,549
Total Revenues	5,566,277

Operating Expenses

Salaries and Benefits	850,862
Contractual Services	490,197
Supplies	234,166
Repairs and Maintenance	406,646
Fuel	19,955
Utilities and Telephone	376,179
Engineering	171,263
Postage	14,752
Fleet Maintenance	8,953
Miscellaneous	152,445
Retirement System Pension Expense	(5,680)
Depreciation	795,566
Total Operating Expenses	3,515,304

Operating Income 2,050,973

Non-Operating Income (Expense)

Interest Expense	(102,978)
Total Non-Operating Income (Expense)	(102,978)

Income Before Contributions and Transfers 1,947,995

Sale of Capital Assets	800
Transfer From Special Revenue Fund	369,364
Transfer From Debt Service Fund	678,497
Total Contributions and Transfers	1,048,661

Change in Net Position 2,996,656

Net Position, Beginning of Year 33,068,995

Net Position, End of Year \$ 36,065,651

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, 2024

Operating Revenues

Charges for EMS Service	\$	3,473,152
Miscellaneous		51,094
Motor Carrier Fees		36,653
Taxes		
Property Taxes - Net		1,670,364
Vehicle Taxes - Net		347,158
Watercraft Taxes - Net		31,357
Deliquent Taxes - Net		90,583
Fee In Lieu of Taxes		147,798
Local Option Sales Tax		797,901
Homestead Exemption		128,065
Manufacturer Reimbursement		92,282
Inventory Replacement		7,805
Total Taxes		<u>3,313,313</u>
Total Revenues		<u>6,874,212</u>

Operating Expenses

Salaries and Benefits		4,069,177
Contractual Services		437,270
Office Supplies		130,012
Repairs and Maintenance		44,958
Fuel		125,430
Utilities and Telephone		48,156
Uniforms		32,928
Fleet Maintenance		106,442
Equipment and Supplies		66,569
Bad Debt		525,571
Training		16,695
Miscellaneous		23,702
Retirement System Pension Expense		(25,364)
Depreciation		391,880
Total Operating Expenses		<u>5,993,426</u>

Income Before Contributions and Transfers

880,786

Sale of Capital Assets		5,810
Transfer from Special Revenue Fund		32,532
Transfer from Capital Project Fund		550,332

588,674

Change in Net Position

1,469,460

Net Position, Beginning of Year

4,237,273

Net Position, End of Year

\$ 5,706,733

COMPLIANCE SECTION

KERSHAW COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through SC Emergency Management Division :			
Staffing for Adequate Fire and Emergency Response Grant (SAFER)	200.308	N/A	\$ 43,182
Emergency Management Performance Grant	97.042	N/A	<u>75,783</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>118,965</u>
U.S. DEPARTMENT OF JUSTICE			
Direct Program:			
SC Department of Public Safety -In Car Video Cameras	16.738	N/A	15,037
SC Department of Public Safety - Body-Worn Cameras	16.738	N/A	<u>49,283</u>
			64,320
Passed Through SC Department of Public Safety :			
Traffic Enforcement Grant	20.600	N/A	<u>88,835</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>153,155</u>
U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION			
Direct Program:			
Airport Improvement Grant	20.106	3-45-0011-28 *	13,000
Airport Improvement Grant	20.106	3-45-0011-31 *	60,263
Airport Improvement Grant	20.106	3-45-0011-32 *	<u>224,781</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>298,044</u>
U.S. DEPARTMENT OF EDUCATION			
Passed Through SC State Library:			
Library Service & Tech Act	45.310	N/A	<u>28,440</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>28,440</u>
U.S. DEPARTMENT OF TREASURY			
Direct Program:			
American Rescue Plan Act	21.018	N/A	<u>4,485,660</u>
TOTAL U.S. DEPARTMENT OF TREASURY			<u>4,485,660</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Program:			
Provider Relief Fund			
Passed Through Sc Department of Social Services:			
Child Support Enforcement-Unit Cost	93.563	N/A	<u>139,274</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>139,274</u>
TOTAL FEDERAL ASSISTANCE EXPENDED			<u>\$ 5,223,538</u>

* Tested as major program

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2024

- 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, 2024. 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 Fund and Proprietary Fund.
- Note 4. Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.
- Note 5. 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

CERTIFIED PUBLIC ACCOUNTANTS

1011 FAIR STREET

P.O. DRAWER 428

CAMDEN, SOUTH CAROLINA 29021

FOUNDED 1959

AUSTIN M. SHEHEEN, JR., CPA (1963-2020)
TERRY M. HANCOCK, CPA, (1970-2023)
LARRY F. GODWIN, CPA, EMERITUS (1973-2023)
THOMAS B. MYERS, CPA
DARYL W. TAYLOR, CPA
ANTHONY E. BOYKIN, CPA
JANE M. PEACOCK, CPA RETIRED
MATTHEW C. IRICK, CPA
J. RICHARD PARKER, CPA
R. MARC WOOD
SHANE E. KIRKLEY, CPA
B. KEACH JORDAN, CPA
JOHN C. BOYKIN, III, CPA
MEREDITH A. BLAKE, CPA
JOHN F. MARTIN, CPA
TRACY L. FAILE, CPA

M. EMILY SKUFCA, CPA, CIA, CFE
STEPHANIE G. CARO
JORDAN E. SLAGLE

MEMBERS OF
AMERICAN INSTITUTE OF CPA'S

SOUTH CAROLINA ASSOCIATION OF CPA'S

TELEPHONE
(803) 432-1424
FAX
(803) 432-1831

WEBSITE: WWW.SHGCPA.COM

December 2, 2024

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, 2024, and the related notes to the financial statements, which collectively comprise Kershaw County's basic financial statements and have issued our report thereon dated December 2, 2024.

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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SOUTH CAROLINA ASSOCIATION OF CPA'S

TELEPHONE
(803) 432-1424
FAX
(803) 432-1831

WEBSITE: WWW.SHGCPA.COM

December 2, 2024

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

Opinion on Each Major Federal Program

We have audited Kershaw County, South Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Kershaw County, South Carolina's major federal programs for the year ended June 30, 2024. Kershaw County, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Sheheen, Hancock & Godwin, LLP

Sheheen, Hancock and Godwin, LLP
Camden, South Carolina

KERSHAW COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Fiscal Year Ended June 30, 2024

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.
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
8. Type A programs are those exceeding \$750,000. Type B programs are those not exceeding \$750,000.
9. Kershaw County did qualify as a low-risk auditee.

B. FINDINGS RELATED TO FINANCIAL STATEMENTS

NONE

C. FINDINGS RELATED TO FEDERAL AWARDS

NONE
