

**KERSHAW COUNTY, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2025**

**KERSHAW COUNTY, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2025**

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December 2, 2025

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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, 2025, 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, 2025**

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, 2025. 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 \$113,755,968. Of this amount, \$69,925,556 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 \$44,135,767.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$8,500,000.

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, 2025
(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, 2025
(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, 2025
(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 \$113,755,968. Looking at the net position and net expenses of governmental and business-type activities separately reflects that net position from governmental activities make up 61 % of total net position. The following table is a summary of the County’s net position for 2025 compared to 2024.

Table 1
Kershaw County’s Net Position

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Current and Other Assets	\$ 82,258,896	\$ 77,891,311	\$ 4,367,585
Capital Assets	115,464,070	107,805,145	7,658,925
Deferred Outflows	<u>8,908,029</u>	<u>8,417,454</u>	<u>490,575</u>
Total Assets and Deferred Outflows	<u>206,630,995</u>	<u>194,113,910</u>	<u>12,517,085</u>
Long Term Debt Outstanding	65,459,285	68,252,995	(2,793,710)
Other Liabilities	18,072,984	13,647,209	4,425,775
Deferred Inflows	<u>9,342,758</u>	<u>7,205,305</u>	<u>2,137,453</u>
Total Liabilities and Deferred Inflows	<u>92,875,027</u>	<u>89,105,509</u>	<u>3,769,518</u>
Net Investment in Capital Assets	95,664,274	86,043,320	9,620,954
Restricted	18,997,876	9,783,142	9,214,734
Unrestricted	<u>(906,182)</u>	<u>5,366,119</u>	<u>(6,272,301)</u>
Total Net Assets	<u>\$ 113,755,968</u>	<u>\$ 101,192,581</u>	<u>\$ 12,563,387</u>

Change in Net Position. The following table is a summary of the County’s change in net position for 2025.

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2025
(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	\$ 13,203,684	\$ 8,346,020	\$ 21,549,704
Operating Grants	5,516,231	-	5,516,231
Capital Grants	734,305	1,253,621	1,987,926
General Revenues:			
Property Taxes	30,690,352	3,488,406	34,178,758
Miscellaneous	2,992,533	37,222	3,029,755
Unrestricted Investment Earnings	2,666,267	119,526	2,785,793
Intergovernmental Revenues	12,078,909	-	12,078,909
Loss on Disposition of Capital Assets	(600,898)	-	(600,898)
Transfer - Sewer Fund	<u>(401,928)</u>	<u>401,928</u>	<u>-</u>
 Total Revenues	 <u>66,879,455</u>	 <u>13,646,723</u>	 <u>80,526,178</u>
Expenses:			
General Government	18,623,977	-	18,623,977
Public Safety	21,774,316	-	21,774,316
Highways and Streets	131,709	-	131,709
Culture and Recreation	2,345,625	-	2,345,625
Sanitation	6,763,318	-	6,763,318
Other Objects	4,639,922	-	4,639,922
Capital Outlay	1,600,036	-	1,600,036
Interest and Other Charges	495,193	-	495,193
EMS	-	7,112,213	7,112,213
Sewer	<u>-</u>	<u>4,476,482</u>	<u>4,476,482</u>
 Total Expenses	 <u>56,374,096</u>	 <u>11,588,695</u>	 <u>67,962,791</u>
 Change in Net Position	 10,505,359	 2,058,028	 12,563,387
 Net Position, Beginning of Year	 <u>59,420,197</u>	 <u>41,772,384</u>	 <u>101,192,581</u>
 Net Position, End of Year	 <u>\$ 69,925,556</u>	 <u>\$ 43,830,412</u>	 <u>\$ 113,755,968</u>

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2025
(Continued)**

Governmental Activities

Governmental activities increased the County's net position by \$10,505,359. The increase in net position is largely attributable to an overall increase in revenue over last year.

Business-type Activities

Business-type activities had a net position increase of \$2,058,028. 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 \$44,135,767 which is an increase of \$6,174,862 over last year. Of this balance, the General fund makes up \$16,260,330—roughly 37%. The General fund is the main operating fund for the County.

The Special Revenue fund makes up \$22,694,368 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 \$1,335,473 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 \$3,845,596 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 \$7,268,527. Unrestricted net position for the County Emergency Medical System at the end of the year was \$2,611,176. 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, 2025
(Continued)**

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget are due to transfers and budget amendments made by County Administration. These transfers and budget amendments were made for various reasons including line item costs overruns, salary increases, supplemental appropriations, capital expenditures, etc. After considering these budget adjustments, actual revenues were \$1,699,016 over the budgeted amount. Actual expenses for the general fund were \$2,283,751 under budget, and other financing sources and uses were \$5,095,287 under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, Kershaw County had invested \$115,464,070 (net of accumulated depreciation) in a broad range of capital assets, including purchasing 124 Battleship Road for a new Public Safety Center. 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 Layout Plan Update
- 2023 Road Resurfacing Project through the County Transportation Committee
- Purchased two (2) Zero Turn Mowers for the Recreation Department
- Purchased two Compactors, a Compact Track Loader, a Freightliner Dumpster Devil, and a Mack Granite Roll-off Truck for the Solid Waste Department
- Purchased a Hydraulic Excavator for Public Works
- Purchased a Tracker Off-road Vehicle, a PinPoint Radar Cart, a Ford F250 and an Explorer for the Utilities Department
- 3 Sludge Dewatering Boxes for the Waste Water Treatment Plant
- Purchased 6 Tahoes, 7 Explorers, 3 Ford F150s and a used 2019 Ford F150 for the Sheriff Department
- Purchased a Holmatro Extrication Tool Set, a SCBA Air Compressor, a OneBoat 1660 Rescue Boat, a 2024 Freightliner Pumper for Bethune, and 2 used firetrucks for Fire Service
- Purchased 3 new Ambulances and a AmbuMan Advanced IV Mannequin for EMS
- Purchased an Autel Evo Max 4T Drone for the Emergency Management Department
- Purchased 513 Public Safety Radios
- Purchased an APC Symmetra LX Tower UPS for 911 Communications
- Purchased a new Door Control Panel for the Detention Center
- Purchased new Cameras, new Access Controls and an Exterior Lift for the Courthouse
- Purchased new Access Controls for the Government Center
- IT Network Upgrade
- New VDI Servers for the Library
- New Mt. Pisgah Playground Equipment

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2025
(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.

TABLE 3 - KC's Capital Assets - page 10 of report

	Governmental Activities <u>2025</u>	Business -Type Activities <u>2025</u>	Total <u>2025</u>
Land	\$ 14,997,022	\$ 923,932	\$ 15,920,954
Construction in Progress	7,193,259	4,460,408	11,653,667
Building and Improvements	48,872,457	3,359,225	52,231,682
Office Equipment	5,494,920	-	5,494,920
Equipment	16,941,807	1,411,790	18,353,597
Vehicles	16,541,876	3,171,911	19,713,787
Infrastructure	44,558,854	37,325,622	81,884,476
Accumulated Depreciation	(77,890,343)	(13,456,139)	(91,346,482)
Right to Use Assets	3,014,510	-	3,014,510
Accumulated Depreciation	<u>(1,457,041)</u>	<u>-</u>	<u>(1,457,041)</u>
Total Net Assets	<u>\$ 78,267,321</u>	<u>\$ 37,196,749</u>	<u>\$ 115,464,070</u>

Long-term Debt

At year-end, the County had \$65,459,285 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 \$18 million in debt, \$5,147,000 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 \$347,933,496 for the County is \$27,834,680 of which the County has \$22,687,680 available.

**KERSHAW COUNTY, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For The Fiscal Year Ended June 30, 2025
(Continued)**

Table 4
Kershaw County’s Outstanding Debt

	Governmental Activities		Business -Type Activities		Total	
	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>
General Obligation Bonds	\$ 4,875,000	\$ 4,600,000	\$ 4,590,822	\$ 3,925,288	\$ 9,465,822	\$ 8,525,288
IPR Bonds	9,545,000	9,250,000	-	-	9,545,000	9,250,000
Capital Lease	1,031,554	374,821	63,698	36,930	1,095,252	411,751
Lease Liability	1,719,449	1,649,687	-	-	1,719,449	1,649,687
Compensated Absences	943,534	2,249,025	158,710	210,745	1,102,244	2,459,770
Net OPEB Obligation	6,404,449	5,532,966	-	-	6,404,449	5,532,966
Net Pension Liability	34,140,132	33,318,022	3,825,070	3,598,066	37,965,202	36,916,088
Post-Closure Costs	759,550	713,735	-	-	759,550	713,735
Total Net Assets	<u>\$ 59,418,668</u>	<u>\$ 57,688,256</u>	<u>\$ 8,638,300</u>	<u>\$ 7,771,029</u>	<u>\$ 68,056,968</u>	<u>\$ 65,459,285</u>

NEXT YEAR’S BUDGETS AND RATES

The 2025-2026 original budget for the Kershaw County General Fund is \$34,787,701.

The budget for the Kershaw County Sewer System for the 2025-2026 fiscal year is \$25,147,994.

The budget for the Kershaw County EMS for the 2025-2026 fiscal year is \$8,035,426.

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, 2025

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 50,810,136	\$ 1,963,017	\$ 52,773,153
Restricted Cash	17,548,986	-	17,548,986
Accounts Receivable, Net	-	2,861,082	2,861,082
Taxes Receivable, Net	1,736,006	-	1,736,006
Other Receivables	5,697,394	1,557,300	7,254,694
Interfund Balances	(7,846,702)	7,846,702	-
Prepaid Expenses	84,975	-	84,975
Capital Assets:			
Land	14,997,022	923,932	15,920,954
Construction in Progress	7,193,259	4,460,408	11,653,667
Buildings and Improvements	48,872,457	3,359,225	52,231,682
Office Equipment	5,494,920	-	5,494,920
Equipment	16,941,807	1,411,790	18,353,597
Vehicles	16,541,876	3,171,911	19,713,787
Infrastructure	44,558,854	37,325,622	81,884,476
Less: Accumulated Depreciation	(77,890,343)	(13,456,139)	(91,346,482)
Right to Use Asset	3,014,510	-	3,014,510
Less: Accumulated Amortization	(1,457,041)	-	(1,457,041)
Total Net Assets	<u>78,267,321</u>	<u>37,196,749</u>	<u>115,464,070</u>
Deferred Outflows of Resources			
Prepaid OBEB Costs	317,566	-	317,566
Prepaid Pension Cost	7,889,160	701,303	8,590,463
Total Deferred Outflows of Resources	<u>8,206,726</u>	<u>701,303</u>	<u>8,908,029</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 154,504,842</u>	<u>\$ 52,126,153</u>	<u>\$ 206,630,995</u>

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

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT NET POSITION
June 30, 2025
(Continued)

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Liabilities			
Accounts Payable and Accrued Liabilities	\$ 7,828,808	\$ 139,291	\$ 7,968,099
Accrued Interest Payable	66,709	7,249	73,958
Customer Deposits Payable	-	6,149	6,149
Due to Agency Funds	9,477,778	-	9,477,778
Short-Term Bond Payable	547,000	-	547,000
Long-Term Liabilities:			
Due Within One Year:			
General Obligation Bonds	305,000	679,248	984,248
IPR Bonds	300,000	-	300,000
Capital Lease	374,821	36,930	411,751
Lease Liability	736,330	-	736,330
Compensated Absences	203,544	210,745	414,289
Due in More Than One Year:			
General Obligation Bonds	4,295,000	3,246,040	7,541,040
IPR Bonds	8,950,000	-	8,950,000
Lease Liability	913,357	-	913,357
Compensated Absences	2,045,481	-	2,045,481
Net Pension Liability	33,318,022	3,598,066	36,916,088
Net OPEB Obligation	5,532,966	-	5,532,966
Closure and Post Closure Costs	<u>713,735</u>	<u>-</u>	<u>713,735</u>
Total Liabilities	<u>75,608,551</u>	<u>7,923,718</u>	<u>83,532,269</u>
Deferred Inflows of Resources			
Unavailable Revenues - Grants	5,074,877	-	5,074,877
Unavailable Revenues - OPEB	2,433,385	-	2,433,385
Unavailable Revenues - Pension	<u>1,462,473</u>	<u>372,023</u>	<u>1,834,496</u>
Total Deferred Inflows of Resources	<u>8,970,735</u>	<u>372,023</u>	<u>9,342,758</u>
Total Liabilities and Deferred Inflows of Resources	<u>84,579,286</u>	<u>8,295,741</u>	<u>92,875,027</u>
Net Position			
Net Investment in Capital Assets	62,392,813	33,271,461	95,664,274
Restricted for:			
Debt Service	1,685,936	679,248	2,365,184
Capital Projects	16,577,052	-	16,577,052
Victims Assistance	55,640	-	55,640
Unrestricted	<u>(10,785,885)</u>	<u>9,879,703</u>	<u>(906,182)</u>
Total Net Position	<u>\$ 69,925,556</u>	<u>\$ 43,830,412</u>	<u>\$ 113,755,968</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, 2025

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	\$ 18,623,977	\$ 3,474,531	\$ 4,076,412	\$ 128,893	\$ (10,944,141)	\$ -	\$ (10,944,141)
Public Safety	21,774,316	2,786,635	1,439,819	486,025	(17,061,837)	-	(17,061,837)
Sanitation	6,763,318	4,003,763	-	-	(2,759,555)	-	(2,759,555)
Highways and Streets	131,709	2,693,780	-	-	2,562,071	-	2,562,071
Other Objects	4,639,922	-	-	-	(4,639,922)	-	(4,639,922)
Culture and Recreation	2,345,625	244,975	-	119,387	(1,981,263)	-	(1,981,263)
Capital Outlay	1,600,036	-	-	-	(1,600,036)	-	(1,600,036)
Interest and Other Charges	495,193	-	-	-	(495,193)	-	(495,193)
Total Governmental Activities	<u>56,374,096</u>	<u>13,203,684</u>	<u>5,516,231</u>	<u>734,305</u>	<u>(36,919,876)</u>	<u>-</u>	<u>(36,919,876)</u>
Business-Type Activities:							
Emergency Medical Services	7,112,213	3,566,492	-	-	-	(3,545,721)	(3,545,721)
Sewer	4,476,482	4,779,528	-	1,253,621	-	1,556,667	1,556,667
Total Business-Type Activities	<u>11,588,695</u>	<u>8,346,020</u>	<u>-</u>	<u>1,253,621</u>	<u>-</u>	<u>(1,989,054)</u>	<u>(1,989,054)</u>
Total Primary Government	<u>\$ 67,962,791</u>	<u>\$ 21,549,704</u>	<u>\$ 5,516,231</u>	<u>\$ 1,987,926</u>	<u>(36,919,876)</u>	<u>(1,989,054)</u>	<u>(38,908,930)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					19,456,693	2,355,197	21,811,890
Property Taxes, Levied for Debt Service					1,195,163	-	1,195,163
Public Service Taxes					900,868	142,131	1,042,999
Sales and Use Tax					7,021,558	832,913	7,854,471
Payments in Lieu of Taxes					2,116,070	158,165	2,274,235
Miscellaneous					2,992,533	37,222	3,029,755
Unrestricted Investment Earnings					2,666,267	119,526	2,785,793
Intergovernmental Revenues					12,078,909	-	12,078,909
Loss on Disposition of Capital Assets					(600,898)	-	(600,898)
Transfers - Sewer Fund					(401,928)	401,928	-
Total General Revenues					<u>47,425,235</u>	<u>4,047,082</u>	<u>51,472,317</u>
Change in Net Position					10,505,359	2,058,028	12,563,387
Net Position, Beginning of Year					<u>59,420,197</u>	<u>41,772,384</u>	<u>101,192,581</u>
Net Position, End of Year					<u>\$ 69,925,556</u>	<u>\$ 43,830,412</u>	<u>\$ 113,755,968</u>

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

KERSHAW COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 50,810,136	\$ -	\$ -	\$ 50,810,136
Restricted Cash	-	15,248,689	2,300,297	17,548,986
Receivables:				
Property Taxes, Net	1,250,605	367,074	118,327	1,736,006
Intergovernmental	1,445,033	1,874,492	259,533	3,579,058
Other	175,213	1,943,122	-	2,118,335
Due From Other Funds	-	8,608,269	3,391,443	11,999,712
Prepaid Expenses	83,106	1,869	-	84,975
	<u>53,764,093</u>	<u>28,043,515</u>	<u>6,069,600</u>	<u>87,877,208</u>
Total Assets	\$ 53,764,093	\$ 28,043,515	\$ 6,069,600	\$ 87,877,208
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 7,828,808	\$ -	\$ -	\$ 7,828,808
Compensated Absences	121,265	82,279	-	203,544
Short-term Bond Payable	-	-	547,000	547,000
Due to Other Funds	29,025,493	-	298,699	29,324,192
Total Liabilities	<u>36,975,566</u>	<u>82,279</u>	<u>845,699</u>	<u>37,903,544</u>
Deferred Inflows				
Unavailable Revenues - Property Taxes	456,670	261,887	42,832	761,389
Unavailable Revenues - ARPA Funds	-	3,454,289	-	3,454,289
Unavailable Revenues - Other	-	12,298	-	12,298
Unavailable Revenues - Grants	71,527	1,538,394	-	1,609,921
Total Deferred Inflows	<u>528,197</u>	<u>5,266,868</u>	<u>42,832</u>	<u>5,837,897</u>
Fund Balances				
Nonspendable for Prepays	83,106	1,869	-	84,975
Restricted for:				
Debt Service	-	350,463	1,335,473	1,685,936
Capital Projects	-	12,731,456	3,845,596	16,577,052
Victims Assistance	55,640	-	-	55,640
Committed for:				
Library	147,437	-	-	147,437
Capital Fund	4,674,147	-	-	4,674,147
Budget Reserves	2,800,000	-	-	2,800,000
Assigned	-	9,610,580	-	9,610,580
Unassigned	8,500,000	-	-	8,500,000
	<u>16,260,330</u>	<u>22,694,368</u>	<u>5,181,069</u>	<u>44,135,767</u>
Total Fund Balances	\$ 16,260,330	\$ 22,694,368	\$ 5,181,069	\$ 44,135,767
Total Liabilities, Deferred Inflows and Fund Balances	\$ 53,764,093	\$ 28,043,515	\$ 6,069,600	\$ 87,877,208

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, 2025

Total Fund Balances - Governmental Funds (Exhibit C) \$ 44,135,767

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

Receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	
Property Taxes	761,389
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 \$154,600,195 and the accumulated depreciation is \$77,890,343. The costs of right to use assets are \$3,014,510 and the accumulated amortization is \$1,457,041.	78,267,321
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.	(5,532,966)
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.	(66,709)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Pension liability	(33,318,022)
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	7,889,160
Deferred outflows of resources related to OPEB	317,566
Deferred inflows of resources related to pensions (from pension schedule)	(1,462,473)
Deferred inflows of resources related to grants	1,632
Deferred inflows of resources related to OPEB	(2,433,385)
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	(305,000)
General Obligation Bonds - IPR Bonds	(4,295,000)
IPR Bonds - Current	(8,950,000)
Capital Lease - Current	(300,000)
Lease Liability	(374,821)
Lease Liability - Current	(736,330)
Compensated Absences	(913,357)
Closure and Post Closure Costs	(2,045,481)
	(713,735)
Total Net Position - Governmental Activities (Exhibit A)	<u>\$ 69,925,556</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, 2025

	General <u>Fund</u>	Special <u>Revenue Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues				
Taxes	\$ 18,083,166	\$ 10,932,394	\$ 1,726,067	\$ 30,741,627
Licenses, Permits and Fees	3,061,237	8,336,962	-	11,398,199
Intergovernmental Revenues	3,658,540	8,420,369	-	12,078,909
Charges for Services	528,970	-	-	528,970
Fines and Forfeits	2,671,774	575,818	22,738	3,270,330
Miscellaneous	<u>338,371</u>	<u>9,225,985</u>	<u>235,940</u>	<u>9,800,296</u>
Total Revenues	<u>28,342,058</u>	<u>37,491,528</u>	<u>1,984,745</u>	<u>67,818,331</u>
Expenditures				
Current:				
General Government	13,980,116	2,158,912	-	16,139,028
Public Safety	5,568,336	12,990,313	-	18,558,649
Highways and Streets	-	54,349	-	54,349
Culture and Recreation	2,009,267	-	-	2,009,267
Sanitation	-	5,907,278	-	5,907,278
Other Objects	3,474,182	1,165,740	-	4,639,922
Capital Outlay	-	11,155,583	358,437	11,514,020
Debt Service:				
Principal	-	1,412,734	570,000	1,982,734
Interest and Other Charges	<u>-</u>	<u>164,314</u>	<u>438,002</u>	<u>602,316</u>
Total Expenditures	<u>25,031,901</u>	<u>35,009,223</u>	<u>1,366,439</u>	<u>61,407,563</u>
Excess of Revenues Over Expenditures	<u>3,310,157</u>	<u>2,482,305</u>	<u>618,306</u>	<u>6,410,768</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	63,713	13,703	-	77,416
Cost of Bond Issuance	-	-	(26,620)	(26,620)
Interest Income	-	-	115,227	115,227
Transfer to (from) Proprietary Fund	-	(294,135)	(107,794)	(401,929)
Transfer from (to) General Fund	-	4,486,392	-	4,486,392
Transfer to (from) Special Revenue Fund	<u>(4,486,392)</u>	<u>-</u>	<u>-</u>	<u>(4,486,392)</u>
Total Other Financing Sources (Uses)	<u>(4,422,679)</u>	<u>4,205,960</u>	<u>(19,187)</u>	<u>(235,906)</u>
Net Change in Fund Balances	(1,112,522)	6,688,265	599,119	6,174,862
Fund Balances, Beginning of Year	<u>17,372,852</u>	<u>16,006,103</u>	<u>4,581,950</u>	<u>37,960,905</u>
Fund Balances, End of Year	<u>\$ 16,260,330</u>	<u>\$ 22,694,368</u>	<u>\$ 5,181,069</u>	<u>\$ 44,135,767</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, 2025

Total Net Change In Fund Balances - Governmental Funds (Exhibit E)	\$ 6,174,862			
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 \$9,913,984 exceeds depreciation and amortization expense of \$6,247,803 in the period.	3,666,181			
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.	(678,314)			
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	570,000			
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	1,542,062			
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.	(51,275)			
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.	(1,101,944)			
In the Statement of Activities, an amount is expensed for closure and post-closure costs. Such costs are not accrued in the governmental funds.	45,815			
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.	163,697			
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. Accrued interest decreased in the current year.	4,414			
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	\$ (3,926,847)			
Cost of benefits earned net of employee contributions (pension benefit from SCRS benefit schedule)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right; border-bottom: 1px solid black;">4,096,708</td> <td style="text-align: right; border-bottom: 1px solid black;">169,861</td> </tr> </table>		4,096,708	169,861
	4,096,708	169,861		
Change in Net Position of Governmental Activities (Exhibit B)	\$ <u>10,505,359</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, 2025

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Fund</u>	<u>Enterprise Fund</u> <u>Emergency</u> <u>Medical Services</u>	<u>Total</u> <u>Proprietary</u> <u>Funds</u>
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 1,963,017	\$ -	\$ 1,963,017
Accounts Receivable, Net	107,573	2,753,509	2,861,082
Other Receivables	1,255,951	301,349	1,557,300
Due from General Fund	<u>5,260,353</u>	<u>2,586,349</u>	<u>7,846,702</u>
Total Current Assets	<u>8,586,894</u>	<u>5,641,207</u>	<u>14,228,101</u>
Non-Current Assets:			
Capital Assets:			
Land	531,012	392,920	923,932
Construction in Progress	4,460,408	-	4,460,408
Building and Building Improvements	1,443,482	1,915,743	3,359,225
Sewer System Infrastructure	37,325,622	-	37,325,622
Equipment	1,057,070	354,720	1,411,790
Vehicles	-	3,171,911	3,171,911
Less: Accumulated Depreciation	<u>(10,969,232)</u>	<u>(2,486,907)</u>	<u>(13,456,139)</u>
Total Non-Current Assets	<u>33,848,362</u>	<u>3,348,387</u>	<u>37,196,749</u>
Deferred Outflows of Resources			
Prepaid Pension Cost	<u>88,327</u>	<u>612,976</u>	<u>701,303</u>
Total Assets and Deferred Outflows of Resources	<u>42,523,583</u>	<u>9,602,570</u>	<u>52,126,153</u>
Liabilities			
Current Liabilities:			
Accrued Interest Payable	7,249	-	7,249
Retainage Payable	139,291	-	139,291
Customer Deposits Payable	6,149	-	6,149
Compensated Absences	33,372	177,373	210,745
Current Portion of General Obligation Bonds Payable	<u>679,248</u>	<u>-</u>	<u>679,248</u>
Total Current Liabilities	<u>865,309</u>	<u>177,373</u>	<u>1,042,682</u>
Long-term Liabilities:			
Net Pension Liability	465,149	3,132,917	3,598,066
Capital Lease Payable	-	36,930	36,930
General Obligation Bonds Payable	<u>3,246,040</u>	<u>-</u>	<u>3,246,040</u>
Total Long-term Liabilities	<u>3,711,189</u>	<u>3,169,847</u>	<u>6,881,036</u>
Deferred Inflows of Resources			
Unavailable Revenue - Pension	<u>76,236</u>	<u>295,787</u>	<u>372,023</u>
Total Deferred Inflows of Resources	<u>76,236</u>	<u>295,787</u>	<u>372,023</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,652,734</u>	<u>3,643,007</u>	<u>8,295,741</u>
Net Position			
Net Investment in Capital Assets	29,923,074	3,348,387	33,271,461
Restricted for Debt Service	679,248	-	679,248
Unrestricted	<u>7,268,527</u>	<u>2,611,176</u>	<u>9,879,703</u>
Total Net Position	<u>\$ 37,870,849</u>	<u>\$ 5,959,563</u>	<u>\$ 43,830,412</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, 2025

	Enterprise Fund Sewer Fund	Enterprise Fund Emergency Medical Services	Total Proprietary Funds
Operating Revenues			
Charges for Services	\$ 1,925,197	\$ 3,566,492	\$ 5,491,689
Impact Fees and Other Charges	2,854,331	-	2,854,331
Miscellaneous	1,115	36,107	37,222
Motor Carrier Fees	-	45,476	45,476
Taxes			
Property Taxes - Net	-	1,714,102	1,714,102
Vehicle Taxes - Net	-	379,599	379,599
Watercraft Taxes - Net	-	32,549	32,549
Delinquent Taxes - Net	-	100,202	100,202
Fee In Lieu of Taxes	-	158,165	158,165
Local Option Sales Tax	31,351	801,562	832,913
Homestead Exemption	-	128,745	128,745
Manufacturer Reimbursement	-	88,866	88,866
Inventory Replacement	-	7,789	7,789
	<u>4,811,994</u>	<u>7,059,654</u>	<u>11,871,648</u>
Total Revenues			
Operating Expenses			
Salaries and Benefits	1,121,176	5,262,276	6,383,452
Contractual Services	537,482	482,658	1,020,140
Office Supplies	222,834	149,726	372,560
Repairs and Maintenance	602,330	46,917	649,247
Fuel	22,344	117,447	139,791
Utilities and Telephone	399,125	64,669	463,794
Uniforms	-	32,884	32,884
Engineering	114,641	-	114,641
Postage	16,903	-	16,903
Fleet Maintenance	17,723	102,150	119,873
Equipment and Supplies	-	59,683	59,683
Bad Debt	-	499,955	499,955
Training	-	16,444	16,444
Miscellaneous	420,552	25,599	446,151
Retirement System Pension Expense	(20,167)	(89,753)	(109,920)
Depreciation	942,167	331,858	1,274,025
	<u>4,397,110</u>	<u>7,112,213</u>	<u>11,509,323</u>
Total Operating Expenses			
Operating Income (Loss)	<u>414,884</u>	<u>(52,559)</u>	<u>362,325</u>
Non-Operating Income (Expense)			
Interest Income	119,526	-	119,526
Interest Expense	(79,372)	-	(79,372)
	<u>40,154</u>	<u>-</u>	<u>40,154</u>
Total Non-Operating Income (Expense)			
Income (Loss) Before Contributions and Transfers	<u>455,038</u>	<u>(52,559)</u>	<u>402,479</u>
Transfer from Special Revenue Fund	96,539	197,595	294,134
Transfer from Capital Projects Fund	-	107,794	107,794
	<u>96,539</u>	<u>305,389</u>	<u>401,928</u>
Total Transfers			
Capital Contributions	<u>1,253,621</u>	<u>-</u>	<u>1,253,621</u>
Change in Net Position	1,805,198	252,830	2,058,028
Net Position, Beginning of Year	<u>36,065,651</u>	<u>5,706,733</u>	<u>41,772,384</u>
Net Position, End of Year	<u>\$ 37,870,849</u>	<u>\$ 5,959,563</u>	<u>\$ 43,830,412</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, 2025

	<u>Enterprise Funds</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 10,263,966
Cash Paid to Suppliers	(3,822,474)
Cash Paid for Salaries and Employee Benefits	<u>(6,331,417)</u>
Net Cash Provided by Operating Activities	<u>110,075</u>
Cash Flows From Non-Capital Financing Activities	
Operating Transfers to (from) Other Funds	401,928
Increase in Due from Other Funds	<u>3,364,113</u>
Net Cash Provided Non-Capital Financing Activities	<u>3,766,041</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(5,129,512)
Interest Income	119,526
Principal Paid on Revenue Bond Maturities	(692,302)
Capital Contributions	1,253,621
Interest Paid	<u>(82,315)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(4,530,982)</u>
Net Decrease in Cash and Cash Equivalents	(654,866)
Cash and Cash Equivalents, Beginning of Year	<u>2,617,883</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,963,017</u></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, 2025
(Continued)

RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

	Enterprise Funds
Operating Income	\$ 362,325
Adjustments to Reconcile Operating Income to Net Cash Provided	
By Operating Activities:	
Depreciation	1,274,025
(Increase) in Accounts Receivable	(324,433)
(Increase) in Other Receivables	(1,283,249)
(Increase) in Deferred Outflows	(105,997)
Increase in Deferred Inflows	223,082
(Decrease) in Net Pension Liability	(227,004)
Increase in Retainage Payable	139,291
Increase in Compensated Absences	<u>52,035</u>
Net Cash Provided by Operating Activities	<u>\$ 110,075</u>

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

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025

	<u>Agency Funds</u>	<u>Trust Funds</u>
Assets		
Cash and Cash Equivalents	\$ 21,600,999	\$ 4,422,868
Taxes Receivable, Net	5,405,241	-
Other Receivables	45,696	-
Due from General Fund	<u>9,477,778</u>	<u>-</u>
Total Assets	<u><u>36,529,714</u></u>	<u><u>4,422,868</u></u>
Liabilities		
Due to Other Taxing Units	26,899,815	-
Due to Solicitor	7,114,152	-
Due to KC Clean Commission	<u>18,912</u>	<u>-</u>
Total Liabilities	<u><u>34,032,879</u></u>	<u><u>-</u></u>
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes	<u>2,496,835</u>	<u>-</u>
Net Position		
Held in Trust	<u>-</u>	<u>4,422,868</u>
Total Net Position	<u><u>\$ -</u></u>	<u><u>\$ 4,422,868</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, 2025

	<u>Detention</u> <u>Center</u>	<u>Land</u> <u>Sale</u>	<u>Magistrate</u>	<u>Clerk/</u> <u>Family</u> <u>Court</u>	<u>Master in</u> <u>Equity</u>	<u>Sheriff</u> <u>Drug Trust</u>	<u>Total</u>
Additions							
Inmate Deposits	\$ 343,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,481
Land Sales	-	3,919,121	-	-	-	-	3,919,121
Bonds, Fines and Fees	-	-	1,245,772	880,595	-	-	2,126,367
Escrow Funds	-	-	-	-	1,246,843	-	1,246,843
Seizures	-	-	-	-	-	69,514	69,514
Interest	-	-	85	7,604	-	-	7,689
Total Additions	<u>343,481</u>	<u>3,919,121</u>	<u>1,245,857</u>	<u>888,199</u>	<u>1,246,843</u>	<u>69,514</u>	<u>7,713,015</u>
Deductions							
Inmate Withdrawals	323,123	-	-	-	-	-	323,123
Disbursement of Sales Proceeds	-	2,974,484	-	-	-	-	2,974,484
Fines and Fees	-	-	1,267,374	1,003,532	-	-	2,270,906
Disbursement of Escrow Funds	-	-	-	-	953,737	76,981	1,030,718
Total Deductions	<u>323,123</u>	<u>2,974,484</u>	<u>1,267,374</u>	<u>1,003,532</u>	<u>953,737</u>	<u>76,981</u>	<u>6,599,231</u>
Change to Fiduciary Net Position	20,358	944,637	(21,517)	(115,333)	293,106	(7,467)	1,113,784
Net Position, Beginning 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>
Net Position, End of Year	<u>\$ 84,129</u>	<u>\$ 3,061,950</u>	<u>\$ 171,970</u>	<u>\$ 604,792</u>	<u>\$ 317,266</u>	<u>\$ 182,761</u>	<u>\$ 4,422,868</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, 2025

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, 2025
(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, 2025
(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 and Special Revenue 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*, is used to account for the accumulation of resources for and the payment of general long-term debt principle, 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*, 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, 2025
(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, 2025
(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, 2025
(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, 2025
(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, 2025.

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, 2025
(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. 101, *Accounting for Compensated Absences*. The liability for compensated absences is reported in the government-wide, governmental and proprietary fund financial statements and represents the County’s obligation for vacation, sick leave and other paid time off. A liability is recognized for leave that has been earned and for leave that is more likely than not to be used for time off or paid out in cash. The County’s policy allows employees to accumulate earned but unused vacation benefits. Employees accumulate vacation leave based on years of service, with a total of 12 to 18 days of vacation leave per year to a maximum of 45 days. These benefits are paid out at the employee’s current pay rate upon separation from employment. The County’s policy allows employees to accumulate earned but unused sick leave. Employees accumulate sick leave with a total of 12 days per year. All sick leave lapses upon termination, so no monetary obligation is created for unused sick leave at separation. However, a liability is included for the estimated value of sick leave that employees are more likely than not to use for time off in the future before they separate from service.

The liability for compensated absences is measured by multiplying the estimated hours of leave by the employee’s rate at the measurement date, plus any applicable salary-related payments. The liability is reported by separating the short-term and long-term portions. Changes in the liability during the period are disclosed, which may be shown as a net increase or decrease and should be clearly labeled as such.

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.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(Continued)

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 revenue 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 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:

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(Continued)

- 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.).

- 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.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(Continued)

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 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.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(Continued)

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.

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, 2025, \$30,096,804 of the County’s bank balance of \$96,052,478 which has a carrying value of \$96,346,006 was exposed to custodial credit risk as follows:

Uninsured by FDIC, but collateral held by pledging bank not in the County’s name	<u>\$ 30,096,804</u>
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Investments

As of June 30, 2025, 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	\$ 3,138,992	\$ 3,138,992
SC Pooled Investment Fund	Unrated	\$48,042,843	\$48,042,843

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.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(Continued)

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, 2025, none of the County’s investments were exposed to custodial credit risk.

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, 2025, is presented below.

	<u>Governmental Fund Type</u>			<u>Proprietary Fund Type</u>		<u>Fiduciary Fund Type</u>	
	General	Special	Debt		Agency		
	Fund	Revenue	Service	EMS	Fund	Total	
Taxes Receivable	\$ 1,955,013	\$ 573,824	\$ 184,975	\$ 250,157	\$ 8,449,766	\$ 11,413,735	
Less: Allowance for Doubtful Accounts	(704,408)	(206,750)	(66,648)	(90,134)	(3,044,525)	(4,112,465)	
Net Taxes Receivable	<u>\$ 1,250,605</u>	<u>\$ 367,074</u>	<u>\$ 118,327</u>	<u>\$ 160,023</u>	<u>\$ 5,405,241</u>	<u>\$ 7,301,270</u>	

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(Continued)

Note 4. Other Receivables

Other governmental receivables at June 30, 2025, 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.

Note 5. Inter-fund Receivables and Payables

Inter-fund balances at June 30, 2025, (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	\$ -	\$ 29,025,493
Special Revenue Fund	8,608,269	-
Capital Projects Fund	1,474,368	-
Debt Service Fund	1,618,376	-
Proprietary Fund - Sewer	5,260,353	-
Proprietary Fund - EMS	2,586,349	-
Agency Fund	<u>9,477,778</u>	<u>-</u>
Totals	<u>\$ 29,025,493</u>	<u>\$ 29,025,493</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, 2025
(Continued)

Note 6. Capital Assets

Capital Asset activity for the year ended June 30, 2025, 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	\$ 180,000	\$ -	\$ -	\$ 14,997,022
Construction in Progress	6,902,402	6,116,697	(160,000)	(5,665,840)	7,193,259
Depreciable Assets:					
Buildings and Improvements	48,832,606	3,985	-	35,866	48,872,457
Office Equipment	4,577,482	287,155	-	630,283	5,494,920
Equipment	14,809,836	544,797	(1,972,020)	3,559,194	16,941,807
Vehicles	14,257,572	2,602,390	(318,086)	-	16,541,876
Right of Use Assets	2,717,256	815,568	(518,314)	-	3,014,510
Infrastructure	<u>42,939,397</u>	<u>178,960</u>	<u>-</u>	<u>1,440,497</u>	<u>44,558,854</u>
Totals	<u>149,853,573</u>	<u>10,729,552</u>	<u>(2,968,420)</u>	<u>-</u>	<u>157,614,705</u>
Less: Accumulated Depreciation					
Buildings and Improvements	(20,623,327)	(1,171,008)	-	-	(21,794,335)
Office Equipment	(4,061,345)	(215,231)	-	-	(4,276,576)
Equipment	(10,957,836)	(1,717,952)	1,972,020	-	(10,703,768)
Vehicles	(11,618,283)	(1,214,466)	318,086	-	(12,514,663)
Right of Use Assets	(1,084,523)	(372,518)	-	-	(1,457,041)
Infrastructure	<u>(27,044,375)</u>	<u>(1,556,626)</u>	<u>-</u>	<u>-</u>	<u>(28,601,001)</u>
Totals	<u>(75,389,689)</u>	<u>(6,247,801)</u>	<u>2,290,106</u>	<u>-</u>	<u>(79,347,384)</u>
Governmental Activities					
Capital Assets,					
Net	<u>\$ 74,463,884</u>	<u>\$ 4,481,751</u>	<u>\$ (678,314)</u>	<u>\$ -</u>	<u>\$ 78,267,321</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 2,363,177
Highways and Streets	7,958
Public Safety	2,717,475
Sanitation	864,981
Culture and Recreation	<u>294,210</u>
Governmental Activities	
Total Depreciation Expense	<u>\$ 6,247,801</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, 2025
(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	\$ 4,525	\$ -	\$ -	\$ 531,012
Construction in Progress	734,232	3,726,176	-	-	4,460,408
Depreciable Assets:					
Sewer System	38,590,312	178,792	-	-	38,769,104
Equipment	<u>891,499</u>	<u>165,571</u>	<u>-</u>	<u>-</u>	<u>1,057,070</u>
Totals	<u>40,742,530</u>	<u>4,075,064</u>	<u>-</u>	<u>-</u>	<u>44,817,594</u>

Less: Accumulated Depreciation

Sewer System	(9,711,753)	(790,196)	-	-	(10,501,949)
Equipment	<u>(315,313)</u>	<u>(151,970)</u>	<u>-</u>	<u>-</u>	<u>(467,283)</u>
Totals	<u>(10,027,066)</u>	<u>(942,166)</u>	<u>-</u>	<u>-</u>	<u>(10,969,232)</u>

Business-type Activities

Capital Assets,

Net

	<u>\$ 30,715,464</u>	<u>\$ 3,132,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,848,362</u>
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Emergency Medical Services Fund

Non-depreciable Assets:

	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending</u>
Land	\$ 392,920	\$ -	\$ -	\$ -	\$ 392,920
Construction in Progress	378,262	-	-	(378,262)	-

Depreciable Assets:

Building and Improvements	1,509,960	107,793	-	297,990	1,915,743
Equipment	<u>2,691,375</u>	<u>946,655</u>	<u>(191,671)</u>	<u>80,272</u>	<u>3,526,631</u>
Totals	<u>4,972,517</u>	<u>1,054,448</u>	<u>(191,671)</u>	<u>-</u>	<u>5,835,294</u>

Less: Accumulated Depreciation

Building and Improvements	(210,264)	(63,571)	-	-	(273,835)
Equipment	<u>(2,136,456)</u>	<u>(268,287)</u>	<u>191,671</u>	<u>-</u>	<u>(2,213,072)</u>
Totals	<u>(2,346,720)</u>	<u>(331,858)</u>	<u>191,671</u>	<u>-</u>	<u>(2,486,907)</u>

Business-type Activities

Capital Assets,

Net

	<u>\$ 2,625,797</u>	<u>\$ 722,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,348,387</u>
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KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(Continued)

Construction in progress and construction commitments – governmental activities and business-type activities consisted of the following at June 30, 2025:

	Expenditures <u>To Date</u>	Total <u>Contract</u>	Contract Payments <u>Remaining</u>
Business Park Road Extension	\$ 4,130	\$ 4,130	\$ -
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
Kershaw County West Parking Expansion	301,029	1,773,147	1,472,118
Woodward Park Improvements	3,182,193	9,112,898	5,930,705
Boyd Young/Copeland Park Improvements	354,092	1,266,618	912,526
Boat Ramp and Parking Lot At Veterans Park	675,386	1,039,398	364,012
2024 Resurfacing of County Road	815,097	1,516,729	701,632
Runway & Taxiway Lights & Signs Project	229,106	243,352	14,246
Old Amory Building Improvement	41,340	41,340	-
Woodward Park Playground Equipment	255,919	370,919	115,000
Woodward Park Musco Lights	648,000	850,000	202,000
Airport Access Controls	16,190	32,376	16,186
2025 Chev Tahoe vin ending 22405	22,575	76,032	53,457
Public Safety Center Building	567,380	567,380	-
	<u>\$ 7,193,259</u>	<u>\$ 17,032,981</u>	<u>\$ 9,839,722</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	\$ 248,412	\$ 248,412	\$ -
Saddlebrook Drainage	88,506	94,736	6,230
Southern Loop Phase 2	996,085	1,947,410	951,325
Waste Water Treatment Plant Expansion	2,281,955	18,227,676	15,945,721
Standard Warehouse Rd Sewer Upgrade & Extens	12,755	47,000	34,245
Baughman & Ochre Rd Drainage	34,385	45,374	10,989
Pecan Orchard Drainage Project	96,539	138,003	41,464
25 Mile Creek Watershed Sewer Improvements	701,771	1,415,141	713,370
	<u>\$ 4,460,408</u>	<u>\$ 22,163,752</u>	<u>\$ 17,703,344</u>

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(Continued)

Note 7. Accounts Payable and Accrued Expenses

The significant components of accounts payable and accrued expenses for governmental activities at June 30, 2025, are as follows:

Accounts Payable		\$	5,225,633
Accrued Payroll, Withholdings, Fringe and Benefits			<u>2,603,175</u>
Total Accounts Payable and Accrued Expenses - Governmental Activities			<u>\$ 7,828,808</u>

Note 8. Short-term Debt

The following is a summary of changes in short-term debt for the year ended June 30, 2025:

	Balance <u>7/1/2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/2025</u>
<i>Governmental Activities:</i>				
G.O. Bond Taxable Series 2025	\$ <u>550,000</u>	\$ <u>547,000</u>	\$ <u>(550,000)</u>	\$ <u>547,000</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, 2025, 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 principle as of June 30, 2025, was \$9,250,000.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(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 principle as of June 30, 2025, was \$4,600,000.

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	Principle	Interest	Total
June 30,			
2026	\$ 605,000	\$ 412,008	\$ 1,017,008
2027	715,000	394,630	1,109,630
2028	870,000	375,240	1,245,240
2029	935,000	352,773	1,287,773
2030	975,000	325,848	1,300,848
2031-2035	5,105,000	1,035,058	6,140,058
2036-2040	3,710,000	452,413	4,162,413
2041-2042	935,000	35,381	970,381
	<u>\$ 13,850,000</u>	<u>\$ 3,383,351</u>	<u>\$ 17,233,351</u>

Capital Lease Payable

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, 2025, the County had an outstanding balance of \$0.00.

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, 2025, the County had an outstanding balance of \$374,821.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(Continued)

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, 2025.

Year Ending June 30,	
2026	\$ 374,821
Total minimum lease payments	374,821
Less: Amounts representing interest	<u>(12,589)</u>
	<u>\$ 362,232</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, 2025, the County had an outstanding balance of \$127,169

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, 2025.

Year Ending June 30,	
2026	\$ 49,992
2027	49,992
2028	49,992
Total minimum lease payments	149,976
Less: Amounts representing interest	<u>(22,807)</u>
	<u>\$ 127,169</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 principle as of June 30, 2025, was \$789,338.

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 principle as of June 30, 2025, was \$ 900,502.

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 principle as of June 30, 2025, was \$2,235,448.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(Continued)

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

Business-type Activities:

Year Ending	Principle	Interest	Total
June 30,			
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	370,036	27,351	397,387
2031-2035	<u>1,352,161</u>	<u>50,188</u>	<u>1,402,349</u>
	<u>\$ 3,925,288</u>	<u>\$ 276,363</u>	<u>\$ 4,201,651</u>

KERSHAW COUNTY, SOUTH CAROLINA
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June 30, 2025
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Note 10. Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2025.

	<u>CHANGES IN LONG-TERM DEBT</u>					
	Balance				Balance	Due Within
	<u>7/1/2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2025</u>	<u>One Year</u>	
<i>Governmental Activities:</i>						
2021 Facilities IPR Bonds	\$ 9,545,000	\$ -	\$ (295,000)	\$ 9,250,000	\$ 300,000	
2021 GO Bond	4,875,000	-	(275,000)	4,600,000	305,000	
Capital Lease	1,031,554		(656,733)	374,821	374,821	
Lease Liability	1,719,449	815,568	(885,330)	1,649,687	736,330	
Compensated Absences	943,534	2,249,025	(943,534)	2,249,025	203,544	
Net OPEB Obligation	6,404,449	-	(871,483)	5,532,966	-	
Post-closure Costs	<u>759,550</u>	<u>-</u>	<u>(45,815)</u>	<u>713,735</u>	<u>-</u>	
Total	<u>\$ 25,278,536</u>	<u>\$ 3,064,593</u>	<u>\$ (3,972,895)</u>	<u>\$ 24,370,234</u>	<u>\$ 1,919,695</u>	
<i>Business-type Activities:</i>						
2008A G.O. Bonds	\$ 1,117,414	\$ -	\$ (328,076)	\$ 789,338	\$ 435,520	
SRF G.O. Bonds	3,473,408	-	(337,458)	3,135,950	243,728	
Compensated Absences	<u>158,710</u>	<u>210,745</u>	<u>(158,710)</u>	<u>210,745</u>	<u>-</u>	
Total	<u>\$ 4,749,532</u>	<u>\$ 210,745</u>	<u>\$ (824,244)</u>	<u>\$ 4,136,033</u>	<u>\$ 679,248</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 \$17,548,986 as of June 30, 2025.

KERSHAW COUNTY, SOUTH CAROLINA
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June 30, 2025
(Continued)

Note 12. Debt Limitations

The amount of legal debt margin as of June 30, 2025, is computed as follows:

Total Assessed Value	\$ <u>347,933,496</u>
Debt Limit 8% of Assessed Value	27,834,680
Amount of Debt Applicable to Limit	<u>(5,147,000)</u>
Legal Debt Margin	\$ <u>22,687,680</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.

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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.

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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.

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(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 2025¹</u>	<u>Fiscal Year 2024¹</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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(Continued)

Required employer contributions rates ¹ are as follows:

	<u>Fiscal Year 2025¹</u>	<u>Fiscal Year 2024¹</u>
SCRS		
Employer Class Two	18.56% ³	18.56% ³
Employer Class Three	18.56% ³	18.56% ³
PORS		
Employer Class Two	21.24% ⁴	21.24% ⁴
Employer Class Three	21.24% ⁴	21.24% ⁴

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

² Includes incidental death benefit contribution rate of 0.15%.

⁴ Includes incidental death benefit and accidental death benefit contribution rate of 0.20% each.

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. The GASB Statement No.67 valuation report prepared as of June 30, 2024 is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023, and will be used for future valuations.

The June 30, 2024, 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, 2023. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 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, 2024.

	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, 2024, 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, 2024, 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	\$ 61,369,806,968	\$ 37,919,492,3712	\$ 23,450,314,597	61.8%
PORS	10,177,904,231	7,178,118,865	2,999,785,366	70.5%

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 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table

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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.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private Equity ¹	9.0%	9.60%	0.86%
Real Assets	12.0%		
Real Estate ¹	9.0%	4.30%	0.39%
Infrastructure ¹	3.0%	7.30%	0.22%
Total Expected Return ²	100.0%		5.49%
Inflation for Actuarial Purposes			2.25%
			<u>7.74%</u>

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 utilize Hedge funds are not included in the Policy Target, will be 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	\$ 31,185,652	\$ 24,065,101	\$ 17,507,638
PORS	\$ 18,618,619	\$ 12,850,987	\$ 8,126,998

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions- At June 30, 2025, The County reported a liability of \$36,916,088 for its proportionate share of the NPL. The NPL was measured as of June 30, 2024, 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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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, 2025, the County recognized pension benefit of \$ (169,861) 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, 2025.

At June 30, 2025, 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	\$ 1,997,739	\$ 103,543
Changes of assumptions	704,052	
Net difference between projected and actual earnings on pension plan investments		1,647,712
Changes in proportion and differences between County contributions and proportionate share of contributions	932,683	83,241
County contributions subsequent to measurement date	<u>4,955,989</u>	<u>-</u>
Total	<u>\$ 8,590,463</u>	<u>\$ 1,834,496</u>

The amount of \$4,955,989 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>
2025	\$ 52,403	\$ 216,914	\$ 269,317
2026	939,738	973,256	1,912,994
2027	(37,302)	88,962	51,660
2028	<u>(243,501)</u>	<u>(190,492)</u>	<u>(433,993)</u>
Total	<u>\$ 711,338</u>	<u>\$ 1,088,640</u>	<u>\$ 1,799,978</u>

Payables to the Pension Plan- The County reported a payable to the SCRS as of June 30, 2025, in the amount of \$584,204.

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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, 2025, the measurement date, there were 513 covered participants; sixty (70) members are retirees receiving benefits and 443 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, 2025
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:	4.71% as of June 30, 2025
Demographic Assumptions:	Based on the Experience Study Performed for Kershaw County
Mortality:	The Rates used for July, 1, 2024, SCRS Valuation
Health Cost Trend:	Initial Trend Starting at 6.30% and Gradually Decreasing to an Ultimate Trend rate of 4.25% over a period of 14 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 4.71 was used to measure the total OPEB liability. The accounting policy is to set the Single Discount Rate equal to the prevailing rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/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, 2025, 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>	<u>Total OPEB Liability</u>	<u>Total Covered Payroll</u>
\$ 5,532,966	\$ 21,316,406	25.96%	

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As of June 30, 2025, the County reported a liability of approximately \$5,532,966 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, 2025. For the year ended June 30, 2025, the County recognized OPEB expense of \$139,702. At June 30, 2025, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,098,298
Changes of assumptions	317,566	1,335,087
Net difference between projected and actual earnings on pension plan investments	-	-
Total	<u>\$ 317,566</u>	<u>\$ 2,433,385</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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Year Ended June 30:		
2026	178,751	(618,919)
2027	131,737	(560,576)
2028	6,996	(560,576)
2029	82	(441,802)
2030	-	(203,639)
Thereafter	-	(47,873)

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 4.71%, 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 <u>(3.71%)</u>	Current Discount Rate <u>(4.71%)</u>	1% Increase <u>(5.71%)</u>
Total OPEB Liability	\$ 6,200,244	\$ 5,532,966	\$ 4,969,952

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, 2025
(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	\$ 5,345,416	\$ 5,532,966	\$ 5,748,749

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, 2025, open contracts and project budgets for construction totaled \$17,032,981 of which \$7,193,257 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 \$1,045,087 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 \$583,934 for workers' compensation coverage.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(Continued)

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 the Park Road and Lugoff-Elgin landfills for thirty (30) years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are recognized based on the estimated closure and post-closure care costs. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year.

The Park Road landfill was officially closed in 2001 and the remaining closure period is now twenty (24) years. The Lugoff-Elgin landfill was closed in 1997 and the remaining closure period is now seventeen (20) years. The estimated liability for closure and post-closure care costs is \$880,200 as of June 30, 2025, which is based on total post closure-costs for the Park Road and Lugoff-Elgin landfills of \$483,008 and \$351,377, 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 \$45,815.

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, 2025
(Continued)

Note 20. Inter-fund Transfers

Transfer from (to) other funds for the year ended June 30, 2025, consist of the following:

<i>General Fund</i>	
Transfer to Special Revenue Fund	\$ (4,636,392)
Transfer from Special Revenue - ARPA	<u>150,000</u>
Net Total Transfer To	<u>(4,486,392)</u>
<i>Special Revenue Fund</i>	
Transfer to Proprietary Fund	(294,134)
Transfer to General Fund	(150,000)
Transfer from General Fund	<u>4,636,392</u>
Transfer from Capital Project Fund	
Net Total Transfer From	<u>4,192,258</u>
<i>Capital Project Fund</i>	
Transfer to Proprietary Fund	<u>(107,794)</u>
Net Total Transfer To	<u>(107,794)</u>
<i>Proprietary Fund</i>	
Transfer from Special Revenue Fund	294,134
Transfer from Capital Project Fund	<u>107,794</u>
Net Total Transfer From	<u>401,928</u>
Net Total Transfers between Funds	<u>\$ -</u>

General Fund:

Transfers to: Funds were transferred from the General Fund into the Special Revenue Fund to fund 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-Pecan Orchard Drainage, EMS Capital Lease Payable, and General Fund, SLFRF interest earned, and EMS 2024 Ambulance.

Transfers from: Funds were transferred into the Special Revenue Fund from the General Fund and the Capital Projects Fund to fund capital project, capital equipment costs and Grant “Match” for FAA Grants.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(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, Capital Projects fund to fund Infrastructure-Pecan Orchard Drainage, and capital projects costs for the 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 \$180,000 for the fiscal ended June 30, 2025.

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 four operating leases with Enterprise FM Trust and Enterprise Fleet Management for vehicles and vehicle services. The lease terms are four to six years starting , July 2021, July 2022 ,July 2023 and July 2024. Either party may terminate the rental agreement at any time. Rent is payable on a yearly basis in the amount of \$208,895, \$162,252, \$180,643, \$67,488 with a final payment due at end of lease term.

Note 22. Subsequent Events

The County has evaluated subsequent events through December 2, 2025, which is the date the financial statements were available to be issued.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(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 \$14,316,050 in tax year 2024.

According to South Carolina Department of Revenue reports, capital investment committed to in the existing FILOT agreements was \$596,620,000. Actual capital investment made through 2024 was \$930,189,119. This investment resulted in FILOT payments of \$6,022,836 in tax year 2024.

The manufacturing companies utilizing the FILOT program currently employ nearly 3,800 employees. At the current average wage in Kershaw County, \$27.69 this employment results in annual wages paid of \$210,444,000.

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 2023 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 \$60,228.36.

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025
(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 3.5290%. The value right to use asset as of June 30, 2025, of \$3,014,510 with accumulated amortization of \$1,457,041. The value of the lease liability as of June 30, 2025, is \$1,649,687.

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

Year Ending June 30,	Principal	Interest	Total
2026	\$ 736,330	\$ 26,283	\$ 762,613
2027	523,107	14,824	537,931
2028	257,371	6,411	263,782
2028	126,799	1,242	128,041
2030	<u>6,081</u>	<u>35</u>	<u>6,116</u>
	<u>\$ 1,649,687</u>	<u>\$ 48,795</u>	<u>\$ 1,698,482</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, 2025

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Taxes			
Property Taxes - Net	\$ 8,261,877	\$ 8,503,298	\$ 241,421
Vehicle Taxes - Net	1,756,969	2,309,536	552,567
Delinquent Taxes - Net	226,338	578,124	351,786
Watercraft Taxes - Net	153,862	192,362	38,500
Fee In Lieu of Taxes	999,763	788,371	(211,392)
Local Option Sales Tax	4,331,564	4,577,147	245,583
Homestead Exemption	706,315	643,057	(63,258)
Manufacturer Reimbursement	438,031	440,237	2,206
Inventory Replacement	46,098	51,034	4,936
	<u>16,920,817</u>	<u>18,083,166</u>	<u>1,162,349</u>
Total Taxes			
Licenses, Fees and Permits			
Planning and Zoning	850,038	1,202,906	352,868
Delinquent Tax Collector	335,500	329,797	(5,703)
Clerk of Court	202,000	178,266	(23,734)
Register of Deeds	837,788	758,122	(79,666)
Probate Court	135,600	140,151	4,551
Master in Equity	85,200	31,832	(53,368)
Sheriff	250	7,164	6,914
Motor Carrier Fees	200,000	276,831	76,831
Cable Franchise Fees	182,000	136,168	(45,832)
	<u>2,828,376</u>	<u>3,061,237</u>	<u>232,861</u>
Total Licenses, Fees and Permits			
Intergovernmental Revenue			
Aid to Subdivisions	3,067,391	2,940,370	(127,021)
DSS Rent Reimbursement	53,870	80,307	26,437
DSS Unit Cost	125,000	133,383	8,383
Veterans Service Offices	5,784	6,209	425
Election Commission	45,400	67,768	22,368
Accommodations Tax	30,000	30,428	428
Library Aid	150,000	164,443	14,443
Retirement Supplements	150,000	148,132	(1,868)
Salary Supplements	85,000	87,500	2,500
	<u>3,712,445</u>	<u>3,658,540</u>	<u>(53,905)</u>
Total Intergovernmental Revenue			
Charges for Services			
Library	11,000	18,602	7,602
Recreation	216,900	224,173	7,273
Other	231,680	286,195	54,515
	<u>459,580</u>	<u>528,970</u>	<u>69,390</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, 2025
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Fines and Forfeitures			
Magistrate	\$ 350,000	\$ 477,036	\$ 127,036
Library	2,000	2,200	200
Rental and Leases	8,760	-	(8,760)
Litter Pickup	50	-	(50)
Interest Earned	<u>2,103,208</u>	<u>2,192,538</u>	<u>89,330</u>
Total Fines and Forfeitures	<u>2,464,018</u>	<u>2,671,774</u>	<u>207,756</u>
Miscellaneous			
Other	<u>257,806</u>	<u>338,371</u>	<u>80,565</u>
Total Miscellaneous	<u>257,806</u>	<u>338,371</u>	<u>80,565</u>
Total Revenues	<u>26,643,042</u>	<u>28,342,058</u>	<u>1,699,016</u>
Expenditures			
General Government			
County Council			
Operating	110,186	73,653	36,533
Personnel	<u>220,096</u>	<u>255,554</u>	<u>(35,458)</u>
Total County Council	<u>330,282</u>	<u>329,207</u>	<u>1,075</u>
County Administrator			
Operating	171,166	112,172	58,994
Personnel	<u>722,353</u>	<u>637,742</u>	<u>84,611</u>
Total County Administrator	<u>893,519</u>	<u>749,914</u>	<u>143,605</u>
Finance			
Operating	173,383	169,035	4,348
Personnel	<u>674,116</u>	<u>580,047</u>	<u>94,069</u>
Total Finance	<u>847,499</u>	<u>749,082</u>	<u>98,417</u>
Human Resources			
Operating	94,616	84,554	10,062
Personnel	<u>294,011</u>	<u>280,129</u>	<u>13,882</u>
Total Human Resources	<u>388,627</u>	<u>364,683</u>	<u>23,944</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, 2025
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
County Attorney			
Operating	\$ 405,000	\$ 399,957	\$ 5,043
Total County Attorney	<u>405,000</u>	<u>399,957</u>	<u>5,043</u>
Information Technology			
Operating	640,252	534,249	106,003
Personnel	<u>425,490</u>	<u>390,601</u>	<u>34,889</u>
Total Information Technology	<u>1,065,742</u>	<u>924,850</u>	<u>140,892</u>
Building Maintenance			
Operating	634,922	546,290	88,632
Personnel	<u>674,401</u>	<u>590,645</u>	<u>83,756</u>
Total Building Maintenance	<u>1,309,323</u>	<u>1,136,935</u>	<u>172,388</u>
Planning and Zoning			
Operating	262,432	201,728	60,704
Personnel	<u>814,624</u>	<u>758,853</u>	<u>55,771</u>
Total Planning and Zoning	<u>1,077,056</u>	<u>960,581</u>	<u>116,475</u>
Assessor			
Operating	68,812	65,835	2,977
Personnel	<u>612,115</u>	<u>601,162</u>	<u>10,953</u>
Total Assessor	<u>680,927</u>	<u>666,997</u>	<u>13,930</u>
Auditor			
Operating	146,916	130,237	16,679
Personnel	<u>334,126</u>	<u>350,805</u>	<u>(16,679)</u>
Total Auditor	<u>481,042</u>	<u>481,042</u>	<u>-</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, 2025
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Delinquent Tax Collector			
Operating	\$ 237,925	\$ 137,636	\$ 100,289
Personnel	<u>163,655</u>	<u>164,159</u>	<u>(504)</u>
Total Delinquent Tax Collector	<u>401,580</u>	<u>301,795</u>	<u>99,785</u>
Treasurer			
Operating	155,941	140,386	15,555
Personnel	<u>446,815</u>	<u>450,892</u>	<u>(4,077)</u>
Total Treasurer	<u>602,756</u>	<u>591,278</u>	<u>11,478</u>
Clerk of Court			
Operating	104,089	97,679	6,410
Personnel	<u>426,069</u>	<u>367,416</u>	<u>58,653</u>
Total Clerk of Court	<u>530,158</u>	<u>465,095</u>	<u>65,063</u>
Family Court			
Operating	33,111	15,388	17,723
Personnel	<u>287,736</u>	<u>304,380</u>	<u>(16,644)</u>
Total Family Court	<u>320,847</u>	<u>319,768</u>	<u>1,079</u>
Summary Court			
Operating	131,230	86,409	44,821
Personnel	<u>953,889</u>	<u>989,555</u>	<u>(35,666)</u>
Total Summary Court	<u>1,085,119</u>	<u>1,075,964</u>	<u>9,155</u>
Probate Court			
Operating	56,692	41,171	15,521
Personnel	<u>567,198</u>	<u>566,012</u>	<u>1,186</u>
Total Probate Court	<u>623,890</u>	<u>607,183</u>	<u>16,707</u>
Register of Deeds			
Operating	153,535	110,123	43,412
Personnel	<u>302,035</u>	<u>345,423</u>	<u>(43,388)</u>
Total Register of Deeds	<u>455,570</u>	<u>455,546</u>	<u>24</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, 2025
(Continued)**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Master-in-Equity			
Operating	\$ 20,222	\$ 19,834	\$ 388
Personnel	<u>84,781</u>	<u>81,639</u>	<u>3,142</u>
Total Master-in-Equity	<u>105,003</u>	<u>101,473</u>	<u>3,530</u>
Coroner			
Operating	198,449	178,858	19,591
Personnel	<u>201,977</u>	<u>221,568</u>	<u>(19,591)</u>
Total Coroner	<u>400,426</u>	<u>400,426</u>	<u>-</u>
Special Services			
Operating	190,675	92,394	98,281
Personnel	<u>412,088</u>	<u>298,044</u>	<u>114,044</u>
Total Special Services	<u>602,763</u>	<u>390,438</u>	<u>212,325</u>
Veterans Office			
Operating	11,670	7,550	4,120
Personnel	<u>125,852</u>	<u>125,132</u>	<u>720</u>
Total Veterans Office	<u>137,522</u>	<u>132,682</u>	<u>4,840</u>
Voter Registration			
Operating	198,326	66,810	131,516
Personnel	<u>805,853</u>	<u>415,777</u>	<u>390,076</u>
Total Voter Registration	<u>1,004,179</u>	<u>482,587</u>	<u>521,592</u>
Social Services			
Operating	<u>190,960</u>	<u>190,955</u>	<u>5</u>
Health Department			
Operating	<u>16,445</u>	<u>7,485</u>	<u>8,960</u>
GIS Mapping			
Operating	111,457	94,274	17,183
Personnel	<u>249,855</u>	<u>237,504</u>	<u>12,351</u>
Total GIS Mapping	<u>361,312</u>	<u>331,778</u>	<u>29,534</u>
Legislative Delegation			
Personnel	<u>47,356</u>	<u>47,355</u>	<u>1</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, 2025
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive <u>(Negative)</u>
Library			
Operating	\$ 418,917	\$ 438,878	\$ (19,961)
Personnel	<u>917,777</u>	<u>876,184</u>	<u>41,593</u>
Total Library	<u>1,336,694</u>	<u>1,315,062</u>	<u>21,632</u>
Total General Government	<u>15,706,597</u>	<u>13,980,116</u>	<u>1,726,481</u>
Public Safety			
Central Communications			
Operating	159,906	134,567	25,339
Personnel	<u>1,681,973</u>	<u>1,347,052</u>	<u>334,921</u>
Total Central Communications	<u>1,841,879</u>	<u>1,481,619</u>	<u>360,260</u>
Detention Center			
Operating	1,457,443	1,696,305	(238,862)
Personnel	<u>2,667,211</u>	<u>2,390,412</u>	<u>276,799</u>
Total Detention Center	<u>4,124,654</u>	<u>4,086,717</u>	<u>37,937</u>
Total Public Safety	<u>5,966,533</u>	<u>5,568,336</u>	<u>398,197</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, 2025
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Culture and Recreation			
Recreation			
Operating	\$ 923,310	\$ 882,241	\$ 41,069
Personnel	<u>1,178,600</u>	<u>1,127,026</u>	<u>51,574</u>
Total Culture and Recreation	<u>2,101,910</u>	<u>2,009,267</u>	<u>92,643</u>
Other Objects			
Contribution Agencies			
Clemson Extension	6,500	6,500	-
Community Medical Clinic	15,000	15,000	-
Board of Disabilities	5,000	5,000	-
Clean Community Commission	6,000	6,000	-
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	30,000	30,000	-
Camden Rescue	10,000	10,000	-
United Way	175,000	175,000	-
Humane Society	350,000	350,000	-
Food for the Soul	55,000	55,000	-
Boys and Girls Club	30,000	30,000	-
Santee Lynches COG	13,495	-	13,495
Carolina Cup	6,250	6,250	-
Mt. Moriah Outreach	<u>9,500</u>	<u>9,500</u>	<u>-</u>
Total Contribution Agencies	<u>750,745</u>	<u>737,250</u>	<u>13,495</u>
Emergency Preparedness			
Operating	<u>173,832</u>	<u>164,169</u>	<u>9,663</u>
Indigent Care			
Operating	<u>94,439</u>	<u>93,151</u>	<u>1,288</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, 2025
(Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Dues and Publications	\$ 95,250	\$ 90,514	\$ 4,736
Unemployment Insurance	20,000	883	19,117
Telephone	149,000	146,386	2,614
Other Operations	19,698	14,396	5,302
Public Defender	325,000	325,000	-
Solicitor	608,478	608,478	-
Retiree Insurance	274,665	265,237	9,428
Insurance	<u>1,029,503</u>	<u>1,028,718</u>	<u>785</u>
 Total General Operating	 <u>2,521,594</u>	 <u>2,479,612</u>	 <u>41,982</u>
 Total Other Objects	 <u>3,540,610</u>	 <u>3,474,182</u>	 <u>66,428</u>
 Total Expenditures	 <u>27,315,650</u>	 <u>25,031,901</u>	 <u>2,283,749</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(672,608)</u>	 <u>3,310,157</u>	 <u>3,982,765</u>
 Other Financing Sources (Uses)			
 Sale of Capital Assets	 4,000	 63,713	 59,713
Transfer from Reserves	4,945,000	-	(4,945,000)
Transfer from Proprietary Fund	210,000	-	(210,000)
Transfer to Proprietary Fund	150,000	-	(150,000)
Transfer to Special Revenue	<u>(4,636,392)</u>	<u>(4,486,392)</u>	<u>150,000</u>
 Total Other Financing Sources	 <u>672,608</u>	 <u>(4,422,679)</u>	 <u>(5,095,287)</u>
 Net Change in Fund Balance	 <u>\$ -</u>	 <u>(1,112,522)</u>	 <u>\$ (1,112,522)</u>
 Fund Balance, Beginning of Year		 <u>17,372,852</u>	
 Fund Balance, End of Year		 <u>\$ 16,260,330</u>	

**KERSHAW COUNTY, SOUTH CAROLINA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2025**

	Budgeted Amounts			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Revenues				
Taxes	\$ 16,920,817	\$ 16,920,817	\$ 18,083,166	\$ 1,162,349
Licenses, Fees and Permits	2,828,376	2,828,376	3,061,237	232,861
Intergovernmental	3,712,445	3,712,445	3,658,540	(53,905)
Charges for Services	459,580	459,580	528,970	69,390
Fines and Forfeitures	2,464,018	2,464,018	2,671,774	207,756
Miscellaneous	<u>257,806</u>	<u>257,806</u>	<u>338,371</u>	<u>80,565</u>
Total Revenues	<u>26,643,042</u>	<u>26,643,042</u>	<u>28,342,058</u>	<u>1,699,016</u>
Expenditures				
Current:				
General Government	15,706,597	15,706,597	13,980,116	1,726,481
Public Safety	5,966,533	5,966,533	5,568,336	398,197
Culture and Recreation	2,101,910	2,101,910	2,009,267	92,643
Other Objects	<u>3,540,610</u>	<u>3,540,610</u>	<u>3,474,182</u>	<u>66,428</u>
Total Expenditures	<u>27,315,650</u>	<u>27,315,650</u>	<u>25,031,901</u>	<u>2,283,749</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(672,608)</u>	<u>(672,608)</u>	<u>3,310,157</u>	<u>3,982,765</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	4,000	4,000	63,713	59,713
Transfer from Reserves	4,945,000	4,945,000	-	(4,945,000)
Transfer from Proprietary Fund	210,000	210,000	-	(210,000)
Transfer to Proprietary Fund	150,000	150,000	-	(150,000)
Transfer to Special Revenue Fund	<u>(4,636,392)</u>	<u>(4,636,392)</u>	<u>(4,486,392)</u>	<u>150,000</u>
Total Other Financing Sources	<u>672,608</u>	<u>672,608</u>	<u>(4,422,679)</u>	<u>(5,095,287)</u>
Net Change in Fund Balance	-	-	(1,112,522)	(1,112,522)
Fund Balance, Beginning of Year	<u>17,372,852</u>	<u>17,372,852</u>	<u>17,372,852</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 17,372,852</u>	<u>\$ 17,372,852</u>	<u>\$ 16,260,330</u>	<u>\$ (1,112,522)</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, 2025**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Applicable to Fiscal Year Ending	Annual OPEB Cost	Contribution for Fiscal Year	Annual Percentage Contributed	Net OPEB Obligation
June 30, 2025	\$ 139,702	\$ 287,908	206.09%	\$ 5,532,966
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%
July 1, 2024	\$ -	\$ 5,532,966	\$ 5,532,966	0.00%	\$ 21,316,406	26%

**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, 2025**

SCRS	<u>2025</u>	<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>
County's proportion of the net pension liability (asset)	0.102622%	0.102866%	0.100632%	0.095155%	0.097074%	0.1028680%	0.1066540%	0.1068890%	0.1029910%	0.0837500%
County's proportionate share of the net pension liability (asset)	\$ 24,065,101	\$ 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
County's covered employee payroll	\$ 16,556,260	\$ 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
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	145.35%	176.42%	187.67%	171.82%	230.60%	216.66%	220.01%	218.07%	203.88%	164.26%
Plan fiduciary net position as a percentage of total pension liability	20.50%	24.58%	27.27%	28.12%	22.61%	41.09%	42.94%	46.15%	42.17%	31.79%
PORS	<u>2025</u>	<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>
County's proportion of the net pension liability (asset)	0.428397%	0.430173%	0.405925%	0.390970%	0.374686%	0.351851%	0.359420%	0.361440%	0.352810%	0.345330%
County's proportionate share of the net pension liability (asset)	\$ 12,850,987	\$ 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
County's covered employee payroll	\$ 9,155,380	\$ 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
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	140.37%	154.88%	161.38%	156.65%	211.31%	178.51%	199.56%	199.04%	185.59%	167.32%
Plan fiduciary net position as a percentage of total pension liability	7.80%	8.35%	8.43%	8.77%	5.36%	9.88%	9.17%	9.54%	9.25%	8.73%

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, 2025**

	<u>2025</u>	<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>
Contractually required contribution	\$ 5,017,444	\$ 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
Contributions in relation to contractually required contribution	<u>5,017,444</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 25,711,640	\$ 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
Contributions as a percentage of covered-employee payroll	19.51%	19.56%	18.48%	17.44%	16.51%	16.48%	15.42%	14.39%	12.38%	11.89%

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, 2025

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, 2025**

Assets

Restricted Cash	\$ 15,248,689
Receivables	
Property Taxes, Net	367,074
Intergovernmental	1,874,492
Other	1,943,122
Prepaid Expense	1,869
Due from Other Funds	<u>8,608,269</u>
 Total Assets	 <u>\$ 28,043,515</u>

Liabilities, Deferred Inflows of Resources and Fund Balance

Liabilities	
Compensated Absences	<u>\$ 82,279</u>
 Total Liabilities	 <u>82,279</u>

Deferred Inflows	
Unavailable Revenue - Property Taxes	261,887
Unavailable Revenue - Grants	1,538,394
Unavailable Revenue - Other	12,298
Unavailable Revenue - American Rescue Plan Act	<u>3,454,289</u>
 Total Deferred Inflows of Resources	 <u>5,266,868</u>

Fund Balance	
Nonspendable for Prepaids	1,869
Restricted for Debt Service	350,463
Restricted for Capital Projects	12,731,456
Assigned	<u>9,610,580</u>
 Total Fund Balance	 <u>22,694,368</u>

Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 28,043,515</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, 2025

Revenues

Taxes	
Property Taxes - Net	\$ 5,758,628
Vehicle Taxes - Net	826,684
Watercraft Taxes - Net	81,061
Delinquent Taxes - Net	179,664
Fee In Lieu of Taxes	1,246,657
Local Option Sales Tax	2,042,876
Homestead Exemption	435,554
Manufacturer Reimbursement	272,057
Liquor Excise Tax	72,939
Inventory Replacement	<u>16,274</u>
 Total Taxes	 <u>10,932,394</u>
 Licenses, Fees and Permits	
Residential	3,575,808
Landfill	427,955
Airport	411,095
Sheriff	13,210
Road Maintenance Fees	2,394,211
Fire Services - Fees	<u>1,514,683</u>
 Total Licenses, Fees and Permits	 <u>8,336,962</u>
 Intergovernmental Revenue	
Aid to Subdivisions	165,771
CTC Funds	7,578,535
Title IV-D	51,307
1% Fire Assistance	248,631
DSS Unit Cost	9,521
Salary Supplements	15,000
Accommodations Tax	<u>351,604</u>
 Total Intergovernmental Revenue	 <u>8,420,369</u>
 Fines and Forfeitures	
Sheriff	217,316
Interest Earned	<u>358,502</u>
 Total Fines and Forfeitures	 <u>575,818</u>
 Miscellaneous	
Other	2,418,222
E-911 Tariff	557,226
Grants	<u>6,250,537</u>
 Total Miscellaneous	 <u>9,225,985</u>
 Total Revenues	 <u>37,491,528</u>

**KERSHAW COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2025
(Continued)**

Expenditures

General Government

E-911 Tariff	
Operating	\$ 312,768
Personnel	<u>170,519</u>
Total E-911 Tariff	<u>483,287</u>
Mini Bottle Pass Thru	
Operating	<u>238,711</u>
Library	
Personnel	<u>40,966</u>
Total Library	<u>40,966</u>
Economic Development	
Operating	244,393
Personnel	<u>238,846</u>
Total Economic Development	<u>483,239</u>
Airport	
Operating	377,360
Personnel	<u>105,758</u>
Total Airport	<u>483,118</u>
American Rescue Plan Act	
Operating	<u>429,591</u>
Total American Rescue Plan Act	<u>429,591</u>
Total General Government	<u>2,158,912</u>

Public Safety

Detention Center	
Operating	<u>216,695</u>
Fire Services	
Operating	1,346,784
Personnel	<u>2,423,119</u>
Total Fire Services	<u>3,769,903</u>

KERSHAW COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2025
(Continued)

Public Safety

Coroner			
Personnel		\$	29,520
Total Coroner			29,520
Victim's Advocate			
Operating			9,287
Personnel			88,465
Total Victim's Advocate			97,752
Law Enforcement			
Operating			1,383,450
Personnel			6,680,511
Total Law Enforcement			8,063,961
Sheriff County Seizures			
Operating			24,298
Sheriff JAG Grant			
Operating			5,982
School Resource Officer Grant			
Operating			230
Personnel			614,512
Total SRO State Allocation			614,742
Highway Safety Grants			
Operating			100,866
Personnel			66,594
Total Highway Safety			167,460
Total Public Safety			12,990,313

Highways and Streets

Waste Tire			
Operating			54,349
Total Highways and Streets			54,349

Public Works

Solid Waste			
Operating			1,870,244
Personnel			1,843,694
Total Solid Waste			3,713,938
Public Works			
Operating			927,466
Personnel			1,265,874
Total Public Works			2,193,340
Total Public Works			5,907,278

**KERSHAW COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2025
(Continued)**

General Operating	
Other Operations	\$ 1,165,740
	<u>1,165,740</u>
Capital Outlay	
Solid Waste/Public Works	358,721
CTC Funds	2,184,169
Recreation Department	1,864,712
Information Technology	121,523
Fire - 2024 Pumper Truck/ Drone/ 2002 Fire Truck	598,881
Public Safety Center	687,150
Economic Development - Governors Hill	14,858
ARPA - Recreation Department Projects & Veterans Park	3,134,621
Sheriff Vehicles	1,024,870
Airport - Grant Match	55,762
General Capital	1,110,316
	<u>11,155,583</u>
Debt Service	
Principal	1,412,734
Interest	164,314
	<u>1,577,048</u>
	<u>35,009,223</u>
Excess of Revenues Over Expenditures	<u>2,482,305</u>
Other Financing Sources (Uses)	
Sale of Capital Assets	13,703
Transfers from General Fund	4,636,392
Transfer to General Fund	(150,000)
Transfers to Proprietary Fund	(294,135)
	<u>4,205,960</u>
Net Change in Fund Balance	6,688,265
Fund Balance, Beginning of Year	<u>16,006,103</u>
Fund Balance, End of Year	<u>\$ 22,694,368</u>

**KERSHAW COUNTY, SOUTH CAROLINA
LIBRARY OPERATIONS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2025**

	County	State	State Lottery	Federal Grant	Total
Revenues					
Charges for Services	\$ 252	\$ -	\$ -	\$ -	\$ 252
Fines	2,200	-	-	-	2,200
Intergovernmental	-	164,443	-	-	164,443
Miscellaneous	24,941	-	-	-	24,941
Total Revenues	<u>27,393</u>	<u>164,443</u>	<u>-</u>	<u>-</u>	<u>191,836</u>
Expenditures					
Books, Periodicals and Departmental Supplies	<u>104,785</u>	<u>164,582</u>	<u>-</u>	<u>-</u>	<u>269,367</u>
Total Expenditures	<u>104,785</u>	<u>164,582</u>	<u>-</u>	<u>-</u>	<u>269,367</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(77,392)	(139)	-	-	(77,531)
Fund Balance, Beginning of Year	<u>(373,627)</u>	<u>(10,811)</u>	<u>53,924</u>	<u>25,087</u>	<u>(305,427)</u>
Fund Balance, End of Year	<u>\$ (451,019)</u>	<u>\$ (10,950)</u>	<u>\$ 53,924</u>	<u>\$ 25,087</u>	<u>\$ (382,958)</u>

KERSHAW COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
(per ACT 96)
For the Fiscal Year Ended June 30, 2025

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	463,660	942,636	-	1,406,296
Court fines and assessments remitted to State Treasurer	249,604	411,208	-	660,812
Total Court Fines and Assessments retained	214,056	531,428	-	745,484
Court Surcharges:				
Court surcharges collected	16,414	172,233	-	188,647
Court surcharges remitted to State Treasurer	6,647	156,915	-	163,562
Total Court Surcharges retained	9,767	15,318	-	25,085
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	9,767	15,318	-	25,085
Assessments retained	333	40,155	-	40,488
Total Surcharges and Assessments retained for victim services	10,100	55,473	-	65,573

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		52,942	52,942
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	-	40,488	40,488
Victim Service Surcharges Retained by City/County Treasurer	-	25,085	25,085
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)	-	174,155	174,155
<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	-	88,465	88,465
Operating Expenditures	-	9,287	9,287
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)	-	97,752	97,752
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	76,403	76,403
Less: Prior Year Fund Deficit Repayment	-	-	-
Carryforward Funds – End of Year	-	76,403	76,403

KERSHAW COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
E-911 FUND
For the Fiscal Year Ended June 30, 2025

Revenues

Intergovernment Revenue	
State	\$ 269,657
Fees and Service Charges	<u>287,570</u>
Total Revenues all Sources	<u>557,227</u>

Expenditures

Public Safety Communications	
Personnel Services	170,887
General Operating	145,856
Repairs and Maintenance	161,403
Contractual Services	4,200
Supplies	<u>942</u>

Total Public Safety Communications	<u>483,288</u>
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Capital Outlay	<u>40,673</u>
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Total Expenditures	<u>523,961</u>
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Excess of Revenues Over Expenditures	<u>33,266</u>
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Net Change in Fund Balance	33,266
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Fund Balance, Beginning of Year	<u>991,617</u>
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Fund Balance, End of Year	<u><u>\$ 1,024,883</u></u>
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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, 2025**

Assets

Cash	\$ 117,889
Property Taxes Receivable, Net	118,327
Intergovernmental Receivable	70,713
Due from Other Funds	<u>1,618,376</u>

Total Assets \$ 1,925,305

Liabilities, Deferred Inflows and Fund Balance

Liabilities

Short Term Bond Payable	<u>\$ 547,000</u>
Total Deferred Inflows	<u>547,000</u>

Deferred Inflows

Unavailable Revenue - Property Taxes	<u>42,832</u>
Total Deferred Inflows	<u>42,832</u>

Fund Balance

Restricted for Debt Service	<u>1,335,473</u>
Total Fund Balance	<u>1,335,473</u>

Total Liabilities, Deferred Inflows and Fund Balance \$ 1,925,305

KERSHAW COUNTY, SOUTH CAROLINA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2025

Revenues

Taxes	
Property Taxes - Net	\$ 857,066
Vehicle Taxes - Net	190,188
Watercraft Taxes - Net	16,324
Delinquent Taxes - Net	67,212
Fee In Lieu of Taxes	81,042
Local Option Sales Tax	401,535
Homestead Exemption	64,373
Manufacturer Reimbursement	44,433
Inventory Replacement	<u>3,894</u>
 Total Taxes	 <u>1,726,067</u>
 Licenses, Fees and Permits	
Motor Carrier Fees	<u>22,738</u>
 Total Licenses, Fees and Permits	 <u>22,738</u>
 Total Revenues	 <u>1,748,805</u>

Expenditures

Principal Retirement	570,000
Interest and Other Charges	<u>438,002</u>
 Total Expenditures	 <u>1,008,002</u>

Excess of Revenues Over Expenditures 740,803

Other Financing Sources (Uses)

Interest Income	4,237
Cost of Bond Issuance	<u>(26,120)</u>
 Total Other Financing Sources (Uses)	 <u>(21,883)</u>

Net Change in Fund Balance 718,920

Fund Balance, Beginning of Year 616,553

Fund Balance, End of Year \$ 1,335,473

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, 2025**

Assets

Intergovernmental Receivable \$ 188,820

Total Assets \$ 188,820

Liabilities and Fund Balances

Liabilities

Due to Other Funds \$ 298,699

Total Liabilities 298,699

Fund Balances

Restricted for Capital Projects (109,879)

Total Liabilities and Fund Balances \$ 188,820

**KERSHAW COUNTY, SOUTH CAROLINA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2025**

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, 2025**

Assets

Restricted Cash	\$ 2,182,408
Due from Other Funds	<u>1,773,067</u>

Total Assets	<u>\$ 3,955,475</u>
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Liabilities and Fund Balances

Liabilities	<u>\$ -</u>
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Fund Balances	
Restricted for Capital Projects	<u>3,955,475</u>

Total Liabilities and Fund Balances	<u>\$ 3,955,475</u>
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**KERSHAW COUNTY, SOUTH CAROLINA
KERSHAW FACILITIES PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2025**

Revenues

Miscellaneous	\$ <u>235,940</u>
Total Revenues	<u>235,940</u>

Expenditures

Capital Outlay

Public Safety Center	60,230
Fire Station	62,268
FAA Runway Construction	<u>235,939</u>
Total Expenditures	<u>358,437</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures (122,497)

Other Financing Sources (Uses)

Cost of Bond Issuance	(500)
Interest Income	110,990
Transfer to Proprietary Fund	<u>(107,794)</u>
Total Other Financing Sources	<u>2,696</u>

Net Change in Fund Balance (119,801)

Fund Balance, Beginning of Year 4,075,276

Fund Balance, End of Year \$ 3,955,475

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, 2025

Operating Revenues

Charges for Sewer Service	\$ 1,925,197
Impact Fees and Other Charges	2,854,331
Miscellaneous	1,115
Taxes	
Local Option Sales Tax	31,351
Total Revenues	<u>4,811,994</u>

Operating Expenses

Salaries and Benefits	1,121,176
Contractual Services	537,482
Supplies	222,834
Repairs and Maintenance	602,330
Fuel	22,344
Utilities and Telephone	399,125
Engineering	114,641
Postage	16,903
Fleet Maintenance	17,723
Miscellaneous	420,552
Retirement System Pension Expense	(20,167)
Depreciation	942,167
Total Operating Expenses	<u>4,397,110</u>

Operating Income

414,884

Non-Operating Income (Expense)

Interest Income	119,526
Interest Expense	<u>(79,372)</u>
Total Non-Operating Income (Expense)	<u>40,154</u>

Income Before Contributions and Transfers

455,038

Transfer From Special Revenue Fund	<u>96,539</u>
Total Contributions and Transfers	<u>96,539</u>

Capital Contributions

1,253,621

Change in Net Position

1,805,198

Net Position, Beginning of Year

36,065,651

Net Position, End of Year

\$ 37,870,849

**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, 2025**

Operating Revenues

Charges for EMS Service	\$	3,566,492
Miscellaneous		36,107
Motor Carrier Fees		45,476
Taxes		
Property Taxes - Net		1,714,102
Vehicle Taxes - Net		379,599
Watercraft Taxes - Net		32,549
Delinquent Taxes - Net		100,202
Fee In Lieu of Taxes		158,165
Local Option Sales Tax		801,562
Homestead Exemption		128,745
Manufacturer Reimbursement		88,866
Inventory Replacement		7,789
Total Taxes		<u>3,411,579</u>
Total Revenues		<u>7,059,654</u>

Operating Expenses

Salaries and Benefits		5,262,276
Contractual Services		482,658
Office Supplies		149,726
Repairs and Maintenance		46,917
Fuel		117,447
Utilities and Telephone		64,669
Uniforms		32,884
Fleet Maintenance		102,150
Equipment and Supplies		59,683
Bad Debt		499,955
Training		16,444
Miscellaneous		25,599
Retirement System Pension Expense		(89,753)
Depreciation		331,858
Total Operating Expenses		<u>7,112,213</u>

Income (Loss) Before Contributions and Transfers (52,559)

Transfer from Special Revenue Fund		197,595
Transfer from Capital Project Fund		<u>107,794</u>
Total Transfers		<u>305,389</u>

Change in Net Position 252,830

Net Position, Beginning of Year 5,706,733

Net Position, End of Year \$ 5,959,563

COMPLIANCE SECTION

KERSHAW COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

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	\$ 75,537
Emergency Management Performance Grant	97.042	N/A	56,636
Disaster Relief and Emergency Assistance	206.223	N/A	<u>11,571</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>143,744</u>
U.S. DEPARTMENT OF JUSTICE			
Direct Program:			
SC Department of Public Safety -Protective Gear	16.738	N/A	5,982
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>43,297</u>
			64,316
Passed Through SC Department of Public Safety :			
Traffic Enforcement Grant	20.600	N/A	<u>66,594</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>130,910</u>
U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION			
Direct Program:			
Airport Improvement Grant	20.106	3-45-0011-30	32,000
Airport Improvement Grant	20.106	3-45-0011-31	2,389
Airport Improvement Grant	20.106	3-45-0011-32	39,376
Airport Improvement Grant	20.106	3-45-0011-33	<u>113,321</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>187,086</u>
U.S. DEPARTMENT OF TREASURY			
Direct Program:			
American Rescue Plan Act	21.018	N/A	* 3,825,755
American Rescue Plan Act	21.027	N/A	* <u>1,392,913</u>
TOTAL U.S. DEPARTMENT OF TREASURY			<u>5,218,668</u>
U.S. DEPARTMENT OF INTERIOR			
Passed Through The SC Battleground Preservation Trust	200.331	N/A	<u>78,047</u>
TOTAL U.S. DEPARTMENT OF INTERIOR			<u>78,047</u>
U.S. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT			
Direct Program:			
Community Development Block Grant	570.489	N/A	<u>454,540</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>454,540</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>136,145</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>136,145</u>
TOTAL FEDERAL ASSISTANCE EXPENDED			<u>\$ 6,349,140</u>

* Tested as major program

KERSHAW COUNTY, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

- 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, 2025. 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

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December 2, 2025

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, 2025, 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, 2025.

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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December 2, 2025

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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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, 2025

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:
American Rescue Plan Act – CFDA 21.018, 21.027
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
