



ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

COUNTY COUNCIL

Steven D. Murdaugh
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COUNTY ADMINISTRATOR

J. Kevin Griffin

FINANCE DIRECTOR

Jon Carpenter

Prepared by:
Finance Department

COLLETON COUNTY, SOUTH CAROLINA

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FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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INTRODUCTORY SECTION



January 27, 2023

To The Honorable Chairman & Honorable Members of County Council and the Citizens of Colleton County, South Carolina:

State law requires that all general purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (“GAAP”) and audited in accordance with generally accepted accounting standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (“ACFR”) of Colleton County, South Carolina (the “County”) for the fiscal year ended June 30, 2022.

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

The County's financial statements have been audited by Mauldin & Jenkins LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The County was founded in 1682 through a land grant to Sir John Colleton by King Charles II, of England and was one of the original proprietary counties in the present-day Carolinas. It was officially formed in 1798 and is in the southeastern part of South Carolina bordering on the Atlantic Ocean. The County is in the Lowcountry region of South Carolina, and it is located midway between Charleston, South Carolina and Savannah, Georgia on the I-95 corridor. The County occupies a large land area that is 1,056.48 square miles and has a population of roughly 38,600.

The County is empowered to levy a property tax on both real and personal properties located within its boundaries. The County operates under the Council-Administrator form of government. Policy-making and legislative authority are vested in a governing Council consisting of five members. In addition to policy-making and legislative authority that are vested with the Council, they also have the responsibility to pass ordinances, adopt the budget, appoint committees, and hire both the County Administrator and County Attorney. The County Administrator is responsible for the administration of all the departments of the County government which County Council has the authority to control. The powers and duties of the County Administrator include: (1) executing policies, directives, and legislative actions of County Council; (2) directing operational and administrative activities of the County; (3) preparing annual budgets; (4) supervising the expenditure of funds; and (5) employing and discharging personnel. The five Council members are each elected from residence districts or at-large for four-year staggered terms, with three Council members elected every two years, and two elected every two years. County elections occur in the fall of even-numbered years.

The County provides a full range of services including:

- (1) Public Safety (including law enforcement, County-wide emergency dispatch services and detention facilities).
- (2) Fire and Rescue (including emergency preparedness, emergency medical services and fire protection in the unincorporated areas of the County through 34 fire stations).
- (3) Animal and Environmental Control.
- (4) Public Works (including street and drainage maintenance).
- (5) Solid Waste Management (waste disposal and recycling at County landfill and 15 convenience sites).
- (6) Judicial Administration (including prosecuting and public defender legal services, criminal, civil, probate and family court administration).
- (7) Tax Collection and Disbursal.
- (8) Libraries.
- (9) Recreation (Recreation Center, Community Centers, Dogwood Hills Golf Course and Restaurant, Colleton County Museum and Commercial Kitchen, Colleton Civic Center and Colleton County Farmers Market).
- (10) Planning and Zoning Administration.
- (11) Veterans Assistance.

The annual budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriations to administration during the spring of each year. The County Administrator uses these requests as the starting point for developing a proposed budget. The County Administrator then presents this proposed budget to the Council for review during May of each year. The Council is required to hold a public hearing on the proposed budget and to adopt a final budget prior to June 30th, the close of the County's fiscal year. The appropriated budget is prepared by fund and department. Budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the Administrator at the fund level and may be amended as necessary during the fiscal year. Budget-to-actual comparisons are provided in the report for each individual department by governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the required supplementary information for governmental funds.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Economic Factors

The County's fiscal year 2022 assessable property tax base is \$205, 536, 66, which represented growth of 6.4% from 2021's assessable property tax base of \$193,167,536. This growth in assessed values was driven by growth in real property, which increased by 9.2%, as a result of the continued high volume of home sales (up 9.4% from the prior year) and home refinancing activity due to mortgage rates remaining near historical lows. Home refinancing has led residents to undertake existing home renovations as seen in the over 1,765 building permits issued that total valuation of \$61.8 million. Personal property assessed values remained flat from the prior year when we saw significant growth based on previously announced business expansions as well as new businesses beginning operations in the County. As reported by the U.S. Census Bureau, median household income for the County in 2022 was forecasted to increase slightly from the prior year amount of \$36,324 to \$37,748. The County continues to be roughly 65% of the median household income of the State of South Carolina that was reported at \$58,234. The County's unemployment level has returned to pre-pandemic levels with unemployment on June 30, 2022 at 3.6%. Unemployment in the County was slightly higher than the rate for South Carolina of 3.2% and significantly lower than the U.S. rate of 7.0%. The County continued to see strong growth in retail sales, as seen in the growth of sales tax which increased by over 8% for the year and drove double digit increases in the collection of the 1% local option taxes and the 1% capital projects taxes. In addition to the growth in retail sales, the County saw a strong rebound in tourism with both the County share of State Accommodations Taxes and Local Accommodations Taxes growing by over 20% from the prior year. The U.S. Census Bureau forecasted the population for the County to be 38,462 as compared to the April 2020 census of 38,604, which represents less than a 0.5% decrease in population. County population continues to be primarily located within the Walterboro City Census Division ("CCD") as well as near the other CCDs within the County, including the Hendersonville CCD and Cottageville CCD. Given the stagnant population, the median age of the County dipped slightly to 42.3 which is 6.5% higher than median age in South Carolina of 39.7 and in the United States of 38.5. Housing in the County continues to be dominated with owner occupied units with over 75% as compared to the State of South Carolina average of 70% based on the most recently available data. Median home values have increased to \$207,614, which is up 13% from the previously reported amount of \$183,035 though it is still lower than the State of South Carolina average of \$372,800, which is up 18.4% from the prior year.

A large part of the County is served with easy access to Interstate 95 with five interchanges that include exits 42, 53, 57, 62 and 68. In addition to this major interstate artery, the County has direct access to both Highway 17 and Highway 17A that provide connection to the cities and towns of Charleston, Beaufort, Savannah, and Summerville. The City of Walterboro is situated between exits 53 and 57 off Interstate 95 and is currently finishing up the infrastructure work related to the final phase of the I-95 business loop improvement project that is funded with a portion of the proceeds from the Capital Project Sales Tax referendum that voters approved in November 2014. This project is geared to improve the access of visitors into the downtown area from I-95 as well as from SC Highways 17A and 64 that connect to SC Highway 17.

Economic Development Goals and Strategies

With international pandemic travel restrictions lifted and continued strong national consumer demand, prospect activity has been strong through fiscal year 2021-2022. As noted above, given the low unemployment rate of the County at June 30th of 3.6% that are persisting, and with a comparatively small labor force, we point to our population of "out-commuters" who leave the County every morning to drive to (presumably better) jobs in Charleston, Berkeley, Dorchester, Beaufort and other neighboring counties, most times commuting for over an hour. The out-commuter number is presently over 10,000. Companies that are willing to pay well above average wages, with very good benefit packages, should be able to capture some of those out-commuters under the premise that commute times could be cut for similar or better wages and benefits. An important factor with being able to attract companies that are willing to pay above average wages is having an attractive site, at a competitive per acre price for company decision makers to consider, and that is what the County has been working on over the recent few years. Investments in financing the purchase of the H&B Railroad (now known as the 42-mile long Salkehatchie Railroad), acquisition of the 870-acre

Colleton Mega Site (“CMS”) and optioning an adjoining 600 acres, underwriting the cost of engineering and permitting to construct the CMS sewer line, conducting due diligence and making site improvements to CMS, Colleton Venture Park and Colleton County Commerce Center are hallmarks of the County’s efforts to set the stage to attract game-changer scale projects to the County. We expected companies investing in the hundreds of millions of dollars to locate on these sites, and the first such company just announced their plans to locate on 90 acres at the Colleton Industrial Campus. Pomega, a subsidiary of Kontrolmatic, announced on December 8, 2022 that they will invest \$279 million and hire over 500 employees to build an electrical grid-scale battery plant. Their electrical storage batteries are essential to support renewable electric generation and to stabilize the power grid. Pomega is expected to break ground in the spring of 2023. It is these types of investments that we have been preparing our sites to attract, and as Pomega and other large-scale manufacturers locate in the County, it can be expected that national home builders, population growth, services and retail companies will follow.

In addition to the Pomega win, we landed two other new manufacturing companies and one distribution company. Trison Wells, a contract blending and bottling company, focused on household cleaning products, announced that they plan to invest \$1.2 million and to create 35 jobs. A larger win came from Gehl Foods Southeast. Gehl acquired the County’s 100,000 square foot speculative building and plans to invest \$46 million and create 106 new jobs to manufacture shelf-stable dairy products. Lastly, Boise Cascade announced their plans to build a lumber distribution center at the Stokes Tract. Their investment will top \$9 million and will cause the creation of 30 jobs. However, even more exciting is that this project will mark the first company that the County has recruited that will use the Salkehatchie Railroad, boosting our return on investment in saving the railroad and helping to pay off the financing with each railcar that comes to their site.

We will continue to improve our large sites and begin construction on a new speculative building in the new year. Much of this work will hinge on our ability to secure grants and other resources that are essential to these efforts.

Recreation and Culture

The County continues to offer some of the best opportunities for residents and visitors to enjoy both indoor and outdoor activities. The County’s recreation center, known as the ACE Basin Sports Complex, continues to be a prime venue in the area as it hosts numerous baseball and softball tournaments. During fiscal year 2022, the recreation center hosted a busy spring youth sports season with over 425 children registered to play baseball and softball. The gym and fitness center continue to be a popular recreation venue for residents with revenue up over 20% and monthly check-ins averaging over 1,987. Planning is continuing on the development of a miracle league field (inclusive ball field) at the recreation center that will be funded with funds allocated in the State budget.

The County-owned Dogwood Hills Golf Course and Restaurant did see a mixed year, with the golf course seeing a drop in activity while the restaurant benefited from some events that had been postponed due to the pandemic. The golf course underwent a number of course renovations which led to some periodic hole closures. Though these renovations led to a drop in revenue by 12%, the renovations were necessary and should reduce the cost of course maintenance in future years. All renovation work was completed in the spring of 2022, which should lead to a strong fiscal year 2023 for the golf course. The restaurant did continue to see strong growth in both dine-in services and event (catering) services. Dine-in service saw a 16% growth in sales, though part of this growth (10%) was due to increasing prices in an attempt to keep pace with rising food costs. Catering services did not see the double digit revenue growth that was seen in dine-in services, though we did see steady growth of over 3.5% in number of events. Given the continued rising prices for food as well as difficulty in staffing, the County did make the decision to close the restaurant for dine-in services in August 2022, though the venue is still available for catered functions.

Colleton County Commercial Kitchen, Museum and Farmers Market all continue to grow in popularity with various local vendors that utilize the commercial kitchen space in development of their products as well as the centrally located museum and farmers' market retail venues that are continuing to see strong attendance. In addition to vendors, the Commercial Kitchen is heavily utilized by the County's Summer Feeding and After-School Programs, which are providing over 8,000 meals per day that are delivered via centralized sites. Planning is still ongoing for renovations of a separate site that will support the feeding program so that the Commercial Kitchen will be able to offer additional availability to local vendors. Museum staff is planning to offer more events and festivals during the upcoming year, which will allow our food and other vendors retail opportunities. The Colleton Civic Center was renovated as one of the projects under the voter-approved Capital Project Sales Tax and has been busy hosting a variety of community events, including film festivals and local artist concerts.

Colleton County Memorial Library continues to be busy with over 51,000 in-person visits to all locations. In addition to the main library in Walterboro, the library has branches in both Edisto Beach and Cottageville that are open three days a week as well as continuing to operate the book mobile that provides service throughout the County. One of the most popular services offered by the library is computer usage, as there were over 16,750 sessions during the past fiscal year. In addition, the library provides wireless devices for checkout that were utilized over 5,000 times during the past year. The previous two years had seen COVID-19 impacts to some of the library classes and programs. This fiscal year, the library was able to resume a pre-pandemic schedule and held over 500 different classes and programs that saw a combined attendance of over 13,000.

In addition to all the opportunities sponsored through County venues, the area boasts easy access to many of South Carolina's best eco-tourism spots, including the ACE Basin, the Walterboro Wildlife Sanctuary, Edisto State Park, Colleton State Park, and several other South Carolina Department of Natural Resources wildlife management areas.

Long-Term Financial Planning

The County closed fiscal year 2022 with a continued strong financial performance and continues to hold ratings of Aa3 with Moody's Investor Services and AA- with Standard and Poor's Rating Services. Both Moody's and Standard and Poor's ratings were reaffirmed in February 2022 as part of the general obligation bonds and fire protection service general obligation bonds that were issued in March 2022. The ratings cited the County's below average resident income indices offset by solid financial position that is supported by improved reserves and growth in major operating revenues and an above average, yet manageable, debt and pension burden. Total fund balance as of June 30, 2022 in the General Fund was \$10,780,672 of which \$9,705,545 was unassigned which represents an \$853,010 increase in total fund balance when compared to total fund balance as of June 30, 2021 of \$9,927,226, of which \$9,131,378 was unassigned. These total fund balance figures represent 31% and 31% of total expenditures, respectively. The County budget ordinance requires the total general fund balance to be a minimum of 20% of total expenditures. An additional reference point to the strength of the County's general fund balance position, The Government Finance Officers Association of the United States and Canada ("GFOA") recommends at a minimum that a general purpose government maintain an unrestricted fund balance of no less than two months operating expenditures as outlined in its September 2015 Appropriate Level of Unrestricted Fund Balance in the General Fund "Best Practice" bulletin and currently the County has roughly 101 days in its General Fund unassigned fund balance.

Relevant Financial Policies

The County's financial processes are guided by formal and informal policies that have been designed to provide a consistent and measurable framework for County decision makers.

The County, as a political subdivision of the State of South Carolina, is required to prepare and maintain a balanced budget. For the fiscal year ended June 30, 2022, the County's budget was balanced.

The County maintains an open budget process by providing for input from County administration, department directors, elected officials, community agencies, County municipal governments and the public as budget priorities and funding is determined for the upcoming year.

The County constantly updates the various forecasting models used in both revenue and expenditure forecasting to reduce the risk of miscalculation. These models do utilize a number of factors that could contribute to a change in a particular revenue or expenditure. For example, building permits would be forecasted based on any planned developments, historical permit volume of existing home improvements and known economic commercial development. In contrast, building repairs and maintenance would be forecasted based on age and condition rating applied to a particular building and forecasted change in the consumer price index that would impact materials and contract labor costs. In all cases, the starting point is to evaluate prior year actual and trends and to then apply any positive or negative adjustment related to the appropriate forecast model. The overall goal of revenue forecasting is to minimize the risk of overstating or understating revenues that could lead to overspending available resources or arbitrarily restricting expenditures and thus limiting services to residents.

Major Initiatives

The remaining projects as approved by voters under the Penny Capital Project Sales Tax are ongoing, including the County Taxpayer Service Center, which will house the Auditor, Treasurer and Delinquent Tax offices. Construction has been slowed due to delays in receiving materials, though construction was completed and the center began serving residents in August 2022. In addition, work is ongoing on the second phase of the City of Walterboro's Interstate 95 business loop. This project was undertaken to rehab and provide appeal to the Jefferies Blvd/Bells Highway span between exits 53 and 57 on I-95 to attract more visitors and tourists to the historic downtown of Walterboro.

On November 8, 2022, voters approved the reissuance of the Penny Capital Project Sales Tax for the next eight years. The tax is forecasted to generate over \$40 million and will go towards the following projects:

1. Colleton County Animal Services Facility	\$3,330,550
2. Veterans Park	988,200
3. Town of Smoaks – Johnsville/Smoaks Community Center	937,000
4. Colleton County Emergency Operations Center	2,719,185
5. Colleton County Recreation Center Additions (Gym and Activity Rooms)	2,953,575
6. Colleton County Recreation Center Additions (Pool)	2,029,690
7. Town of Cottageville – Park Expansion	455,000
8. Town of Williams – Water Infrastructure Improvements	250,000
9. City of Walterboro – I-95 Business Loop Phase 3	6,802,045
10. Edisto Municipal Emergency Operations Center and Town Hall Complex	10,000,000
11. City of Walterboro – Ireland Creek Greenway Park and Stream Restoration	9,889,816
Total Amount of Sales and Use Tax Proceeds	<u>\$40,355,061</u>

The referendum did allow for the County to issue general obligation bonds in an amount not to exceed \$40,355,061, with the proceeds of such bonds applied to defray the costs of the above purposes. The County expects to issue the bond during fiscal year 2023.

In November 2021, the County closed on a \$5.5 million lease purchase with South State Bank, N.A. after conducting a request for proposal that saw eleven very competitive responses. The financing with South State is a five-year lease purchase with an interest cost of 1.0%. The proceeds of the lease purchase will be used to purchase Fire/Rescue ambulances (4) and fire trucks (4), Roads and Bridges motor graders (3) and dump trucks (2), Solid Waste landfill compactor (1), backhoe (1), and roll-off trucks (2). The trucks and equipment have been ordered and will be received during fiscal year 2023 and 2024, due to some delays in some manufacturing processes.

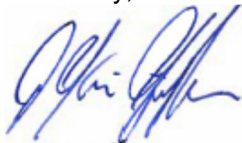
The County has continued to move from purchasing fleet vehicles, including Sheriff vehicles, to a leased vehicle. As of June 30, 2022, roughly 100 of the 115 County fleet vehicles have been moved to a leased vehicle. Due to record sales prices of used vehicles over the last two years, the County has been able to early cycle a number of its existing leased vehicles for a new leased vehicle. This early cycle process leads to a sales price that can provide \$10,000-\$20,000 in equity. The County uses this equity to reduce the lease price of the new vehicle to an amount that is below the leased price of the older leased vehicle that was early cycled. This opportunity has allowed the County to reduce our annual lease cost by over 10% while maintaining a safe and more fuel-efficient fleet.

Awards and Acknowledgments


GFOA awards a Certificate of Achievement in Financial Reporting. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. Since 2014, the County has been awarded a Certificate of Achievement for Excellence in Financial Reporting award. A Certificate of Achievement is valid for a period of one year only. We believe our current report will conform to certificate of achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

The preparation of the ACFR would not have been possible without the assistance of the Finance Department staff, the Treasurer's office and several other County departments and staff. The arduous work and dedication of these individuals significantly contributed to the completion of this document. Moreover, the support and leadership of the County Council has been instrumental in the development of this project.

Sincerely,



J. Kevin Griffin
County Administrator



Jon Carpenter
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Colleton County
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

COLLETON COUNTY VOTERS

COLLETON COUNTY GOVERNMENT

BOARD OF EDUCATION

SUPERINTENDENT OF EDUCATION

SCHOOL OPERATIONS

CONSTITUTIONAL & GENERAL ASSEMBLY CREATED OFFICES

AUDITOR

CLERK OF COURT

CORONER

SHERIFF

E-911

JAIL

TREASURER

COLLETON COUNTY COUNCIL

COUNTY ATTORNEY

ALCOHOL & DRUG COMMISSION

CLERK TO COUNCIL

LIBRARY BOARD

COUNTY ADMINISTRATOR

Chief Financial Officer
 Accounts Payable/Payroll
 Accounting/Audits
 Debt Management
 Fixed Assets/ Reporting
 Purchasing

Administrative Services Director
 Public Relations
 Governmental Affairs
 Insurance Services
 Legal Liaison

County Engineer
 Project Management
 CTC

Capital Projects

JUDICIAL

PROBATE JUDGE

PUBLIC DEFENDER

SOLICITOR

CIRCUIT COURT

FAMILY COURT

MAGISTRATES

LEGISLATIVE DELEGATION

BOARD of ELECTIONS & VOTER REGISTRATION

VETERAN'S AFFAIRS OFFICE

COUNTY TRANSPORTATION COMMITTEE (CTC)

DELEGATION SECRETARY

ANIMAL & ENVIRONMENTAL CONTROL

- Adoptions
- Pickup and Protection
- Ordinance Enforcement
- Emergency

Register of Deeds

- Plats
- Deeds
- Recording

FACILITIES MGMT

- Building Maintenance
- Custodial Services
- Landings
- Grounds Maintenance

ECONOMIC DEVELOPMENT

- Industrial Parks
- Project Recruiting
- Expansion & Retention
- Workforce Dev.
- Partnerships

Recreation

- Parks
- Active Recreation
- Fitness
- Golf Course

Risk Management

- Safety
- Workers' Comp.

GENERAL COUNTY OPERATIONS

TECHNOLOGY

- IS Plan
- IS Operations & Installations
- LAN/WAN Maintenance
- IP Phone System
- GIS System

MUSEUM

- Operations Community Activities
- Farmers Market
- Commercial Kitchen
- Fundraising

PLANNING & DEVELOPMENT

- Land Use Planning/ Administration
- Flood Plain Administration
- Building Inspection
- Nuisance Enforcement

Human Resources

- Personnel
- Benefits
- Title VI

ROADS & BRIDGES

- Road Repair Maintenance
- Paved Road Repairs

SOLID WASTE

- Transfer Station
- Convenience Centers
- C&D Landfill

TAX ASSESSOR

- Land Use/Tax Determinations
- Re-Appraisal

FLEET MGMT

- Vehicle Repair Maintenance
- Vehicle Purchasing
- Project Management

DELINQUENT TAX

- Delinquent Property Tax Collection
- Mobile Home Decal



COLLETON COUNTY, SOUTH CAROLINA

**LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2022**

County Administrator	J. Kevin Griffin
Chairman.....	Steven D. Murdaugh
Council Member	Art Williams
Council Member	Phillip M. Taylor Sr.
Council Member	Gene Whetsell
Council Member	Joseph F. Flowers, MD
Finance Director.....	Jon Carpenter
Auditor.....	Jeff Slocum
Clerk of Court	Rebecca H. Hill
Treasurer.....	Becky S. Hill
Sheriff.....	Guerry Hill
Coroner	Richard M. Harvey
Probate Judge	Arthur C. Utsey
Chief Magistrate	Harriet A. Bonds

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**County Council of Colleton County
Colleton County, South Carolina
Walterboro, South Carolina**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Colleton County, South Carolina** (the "County"), as of and for the year ended June 30, 2022, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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.

Change in Accounting Principle

As discussed in Notes 1, 6, and 7 to the financial statements, the County implemented Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as of July 1, 2021. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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, the Budgetary Comparison Schedule of the General Fund, the Budgetary Comparison Schedule of the Special Revenue Fund, the Schedules of the Proportionate Share of the Net Pension Liability, the Schedules of Pension Contributions, and the Schedules of Change in Total OPEB Liability and Related Ratios as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, combining statement of fiduciary net position and combining statement of changes in fiduciary net position, the individual financial statements and schedules of the County's discretely presented component units, and the Uniform Schedule of Court Fines, Assessments, and Surcharges (per Act 96), as required by the State of South Carolina (collectively referred to as the "Other Supplementary Information" as listed in the table of contents) 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
January 27, 2023

COLLETON COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

As management of Colleton County, South Carolina, (the "County") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2022. Please read this information in conjunction with the detail statements and notes to the financial statements to achieve a better understanding of the County's financial performance for the fiscal year.

Financial Highlights

- The assets plus deferred outflows of resources of the County exceed its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$41,839,303 (net position). The County's net position increased by \$5,770,891 due to growth in general revenues (property taxes and other local taxes) of \$2.8 million, charges for services (planning and development fees and recording fees) of \$654 thousand and operating grants (Local Fiscal Recovery Funds) of \$1.7 million.
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$33,510,412, an increase of \$2,319,795. This increase in fund balance was primarily due to an increase in the General fund of \$853 thousand and Capital Projects fund of \$1.9 million offset by a \$263 thousand reduction in nonmajor funds.
- Governmental funds reported a total combined revenues of \$61.9 million which represents growth of \$4.71 million and 8.2% from the prior year. The growth was driven by tax revenues which increased \$1.46 million and 4.4% (assessed values growth and return of pre-pandemic travel and spending), Intergovernmental revenues (Treasury fiscal recovery funds) which increased \$2.84 million and 17.7% and Fees and Fines revenues which increased \$460 thousand and 6.5% (increase in planning and development fee structure).
- Governmental funds reported total combined expenditures of \$68.3 million, which is an increase of \$13.76 million and 25.2% from the prior year. The total increase in expenditures was made of a \$3.16 million in general, a \$9.54 million in capital projects and a \$3.64 million increase in nonmajor that were offset by a (\$2.61 million) decrease in special revenue. The details of these changes are included in the governmental funds expenses section below.

Overview of the Financial Statements

This Management's Discussion and Analysis ("MD&A") is intended to serve as an introduction to the County's basic financial statements, which are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

Government-wide Financial Statements – Government-wide financial statements are designed to provide readers with a broad overview of the financial position of the County and are like financial statements issued in the private sector. They include a statement of net position and a statement of activities. These statements appear on pages 22 and 23 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Component units, which are other governmental units over which the County can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the government-wide statements and as combining statements of activities in the fund financial statements. The focus of the statements is clearly on the primary government and the presentation allows the reader to address the relative relationship with the component units to the primary government. The nonmajor component units to the primary government are the Colleton County Memorial Library, the Colleton County Fire and Rescue Commission, and Pillars4Hope.

The statement of net position shows the County's assets less its liabilities on June 30, 2022. The difference between these assets and liabilities is reported as net position. Changes in net position over time may be helpful in indicating an improving or deteriorating financial position.

The statement of activities follows the statement of net position and presents information showing how the net position changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of related cash flows. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in a future fiscal period. This report includes all major and nonmajor funds of the County.

Both statements attempt to distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The County has no business-type activities. Governmental activities reported in the statements include general government, judicial, public safety, roads and bridges, solid waste, recreation and culture, health and human services, economic development and intergovernmental.

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

Governmental Funds – Governmental funds, presented on pages 24 – 28, essentially account for the same functions as those reported under the government-wide statement of net position and statement of activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of available resources as well as on the balance available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating the County's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds individually presented in the County's statements include five major funds: the General Fund, the Special Revenue Fund, the Coronavirus Local Fiscal Recovery Fund, the Capital Projects Fund, and the Capital Sales Tax Debt Service Fund. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor funds is provided in the form of combining statements elsewhere in this report.

Custodial Funds – Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The single aggregated presentation of custodial fund financial statements can be found on page 30 and 31 of this report. Individual fund data for each of these nonmajor funds is provided in the form of combining statements elsewhere in this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements. Notes to the financial statements are presented on pages 32 – 81 of this report.

Other Information – In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the County's budget on pages 82 and 83. Historical pension and OPEB information is located on pages 84 – 93 for the County and its component units.

The combining statements referred to earlier in connection with nonmajor governmental and custodial funds are presented immediately following the required supplementary information and other budgetary schedules. Combining and individual fund statements and schedules for nonmajor governmental funds can be found on pages 94 – 110 of this report and combining fund statements for custodial funds can be found on pages 115 – 123.

Component unit financial statements are presented for the Memorial Library and the Fire and Rescue Commission on pages 96 to 106 of this report.

Government-wide Financial Analysis

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. The government-wide statements encompass all the funds of the County, not just the general operational fund. The County's total assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$41,839,303 on June 30, 2022, as compared to restated net total position of \$36,068,412 on June 30, 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS

COLLETON COUNTY, SOUTH CAROLINA NET POSITION

	Governmental Activities	
	2022	2021
Assets		
Current and other assets	\$ 50,311,576	\$ 41,214,246
Capital assets	60,042,383	57,568,095
Total assets	110,353,959	98,782,341
Deferred Outflows of Resources	7,678,032	7,783,917
Liabilities		
Long-term liabilities	58,411,162	61,060,259
Other liabilities	12,128,203	8,627,050
Total liabilities	70,539,365	69,687,309
Deferred Inflows of Resources	5,653,323	810,357
Net Position		
Net investment in capital assets	42,262,227	43,815,008
Fund balance		
Restricted	10,118,153	10,571,627
Unrestricted	(10,541,077)	(18,318,223)
Change in Accounting Principle	-	-
Total net position, as restated	\$ 41,839,303	\$ 36,068,412

Total assets did increase by \$11,571,618 with most of this change coming from the increase in investments of \$8,074,436, \$2,831,961 in lease assets, net of accumulated amortization and \$2,474,288 in total capital assets, net of depreciation that was offset by a decrease in cash and cash equivalents of (\$3,206,326). The increase in investments was due to the Treasurer investing \$8 million of existing cash and cash equivalents into certificate of deposits that have maturity schedules based forecasted cash flow needs. Moving these funds from cash and cash equivalents did lead to a decrease in cash and cash equivalents that was offset by the receipt of the remaining \$3.7 million in Treasury Local Fiscal Recovery funds. Lease assets, net of accumulated amortization of \$2,831,961 represents the adoption of GASB 87 and the County's fleet vehicle lease program. The increase in capital assets was due to the \$6.67 million in asset additions for the year offset by \$3.8 million in depreciation expense. More detail information about the asset additions can be found below in the capital assets section. Total deferred outflows decreased slightly by (\$105,885). Deferred outflows for pension did decrease by (\$1,384,619) and was due to actual earnings exceeding projected earnings on pension plan assets. OPEB deferred outflows did increase by \$1,278,374 and were due to an increase in headcount, an increase in per capita claims along with a decrease in the discount rate.

Total liabilities did increase by \$852,056 with most of the change due to the increase in other liabilities of \$3,501,153 that was offset by a decrease in long-term liabilities of (\$2,649,097). The increase in other liabilities was due to a \$549,876 increase in payroll liabilities based on timing of pay period end dates as well as pay adjustments effective with the first pay date in the new fiscal year. In addition, unearned revenue increased by \$2,768,970 based on unspent state appropriations for specific County projects of \$1,801,220 and unspent Treasury local recovery funds of \$4,307,567. The decrease in long-term debt was the result of a reduction in our net pension liability and other scheduled bond payments that were offset by the issuance of a \$5.5 million lease financing agreement. Deferred inflows increased by \$4,842,786 based on deferred outflows related to pension. The change in deferred outflows related to pension was due to actual earnings exceeding projected earnings on pension plan assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

By far the largest portion of the County net position in the amount of \$42,262,227 (101%) represents its net investment in capital assets (e.g., land, buildings, machinery, and equipment) for governmental activities plus net value of leased assets, less any related debt used to acquire those assets that is still outstanding on June 30, 2022 plus any remaining bond proceeds on hand, as compared to \$43,815,008 (121.5%) on June 30, 2021. The decrease of (\$1,552,781) was primarily the result of a net increase of \$2,474,287 in capital assets as the supply chain issues that had hampered projects in the prior year improved and thus lead to a decrease of (\$4,812,783) in the amount of unspent bond proceeds in hand. Although the County's investment in capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate those liabilities. On June 30, 2022, the County had a net position restricted for debt service in the amount of \$7,035,132 (16.8%), which was a decrease of (\$603,931) from June 30, 2021. This decrease was due to transferring of \$2,013,645 of excess capital projects sales tax collections to the capital projects fund to fund final capital projects sales tax projects that are seeing price increases for materials and labor. Overall debt service property tax collections increased 5.6% and the one cent capital project sales tax increased by 11.2% which partially offset the transfer of excess collections.

The restricted portion of net position of \$10,118,153 (24.2%) represents the balances of net position that have restricted resources and are not available to fund other commitments. The restricted net position relates to solid waste landfill post-closure, debt service, economic development, emergency and law enforcement services, and other revenue sources that are earmarked for specific County functions. The decrease of (\$453,474) from June 30, 2021, was a result of the decrease of (\$603,931) discussed above related to usage of excess prior year capital projects debt service collections and decreases in court administration, law enforcement and local hospitality tax. The decrease in court administration net position was based on increased operating expenses related to the court system operations returning to a pre-COVID schedule. The decrease in law enforcement net position was due to additional expenses related to hiring a second victim advocate in the Sheriff's office. The decrease in local hospitality tax net position (other purposes) was the result of implementing a County-wide contract litter pick-up service to combat the growing litter problem throughout the County. These decreases in net position were offset by increases in the 14th Circuit Solicitor net position (other purposes) based on resuming pre-COVID court schedule and in Emergency Telephone net position (emergency services) based on an increase in tariff collections.

The remaining net position represents a deficit balance of (\$10,541,077) (-25.2%) in unrestricted net position which is an increase of \$7,777,146 from June 30, 2021. This increase was the result of the overall net position increase \$5,770,891 and when combined with the decrease of (\$1,552,781) in our net investment in capital assets and the decrease in restricted net position of (\$453,474). The increase in our unrestricted net position is the result of strong growth in revenues as represented in the overall increase in cash, cash equivalents and investments that partially offset an increase in liabilities, primarily unearned revenues.

Governmental Activities

The County's total net position increased \$5,770,891 in 2022 compared to an increase of \$2,950,916 in 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS

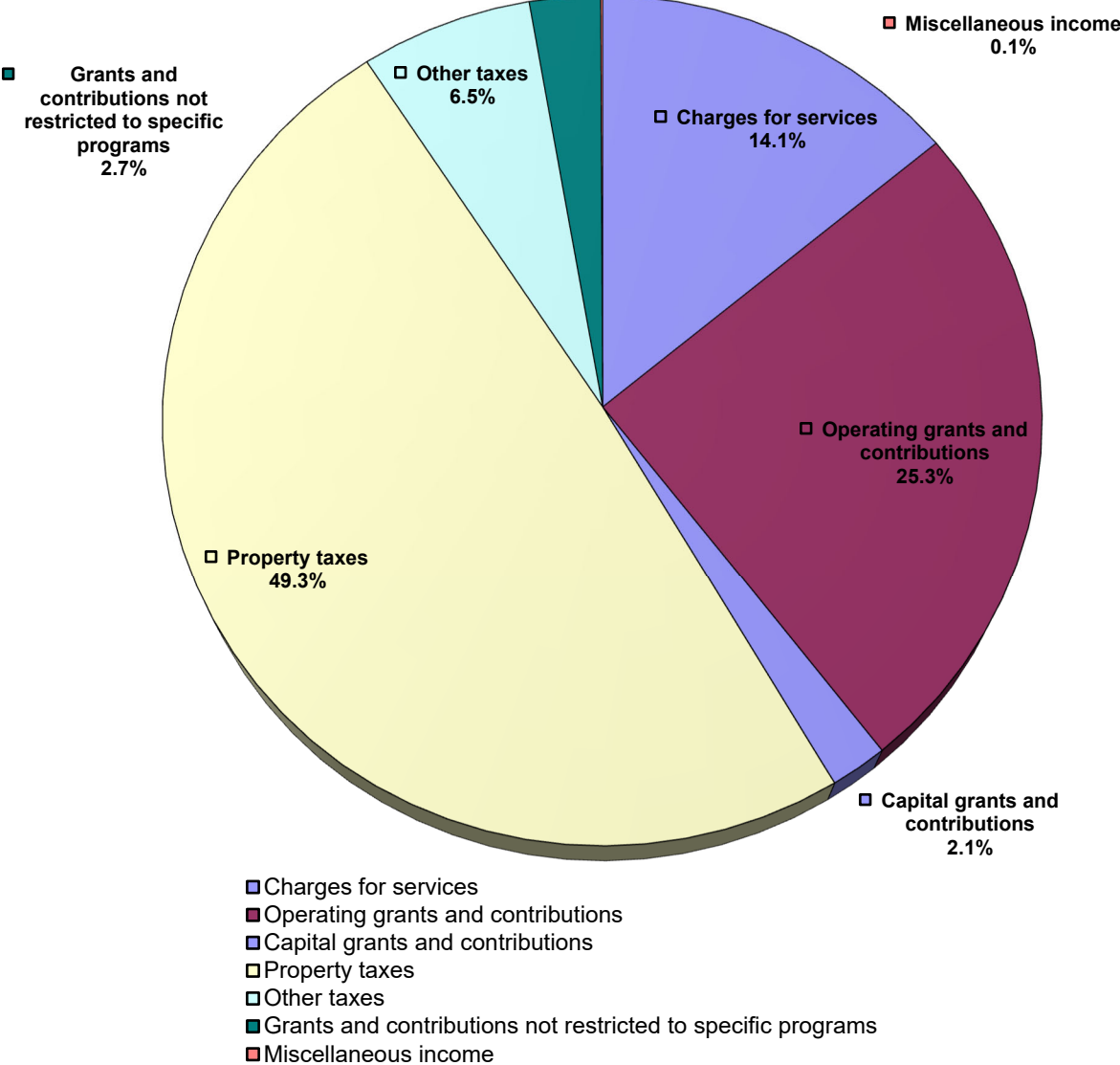
COLLETON COUNTY, SOUTH CAROLINA CHANGES IN NET POSITION

	2022	2021
Revenues		
Program Revenues		
Charges for services	\$ 8,809,303	\$ 8,155,558
Operating grants and contributions	15,847,272	14,117,874
Capital grants and contributions	1,284,059	940,550
General Revenues		
Property taxes	30,826,620	28,560,290
Other taxes	4,079,010	3,592,375
Grants and contributions not restricted to specific programs	1,683,290	1,701,639
Miscellaneous income	48,519	327,711
Total Revenues	62,578,073	57,395,997
Expenses		
Governmental Activities:		
General government	11,224,373	10,882,562
Judicial	6,773,058	7,005,856
Public safety	15,965,105	15,683,920
Roads and bridges	2,988,544	6,192,937
Solid waste	6,717,388	4,403,242
Recreation and culture	4,925,318	4,684,331
Health and human services	3,034,859	3,738,071
Economic development	4,653,832	1,194,174
Interest and fiscal charges	524,705	659,988
Total Expenses	56,807,182	54,445,081
Change in Net Position	5,770,891	2,950,916
Net Position, beginning of year, as restated	36,068,412	33,117,496
Net Position, end of year	\$ 41,839,303	\$ 36,068,412

Net position at the end of the fiscal year was \$41,839,303, increasing by \$5,770,891 and 16%. This increase in net position was driven by growth in total revenues of \$5,182,076 that was offset by growth in expenses of \$2,362,101. The increase in revenues was due to the \$2,266,330 growth in property taxes, the \$1,729,398 growth in operating grants and contributions and the \$653,745 growth in charges for services. Additional details on these revenue changes can be found under the Revenue by Source – Governmental Activities chart on the following page. The growth in expenses was due to the \$341,811 increase in General Government, the \$281,185 increase in Public Safety, the \$2,314,146 increase in Solid Waste and \$3,459,658 in Economic Development offset by a decrease of (\$3,204,393). Additional details on these expense changes can be found under the Expenses – Governmental Activities chart on the following pages.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Revenue by Source-Governmental Activities

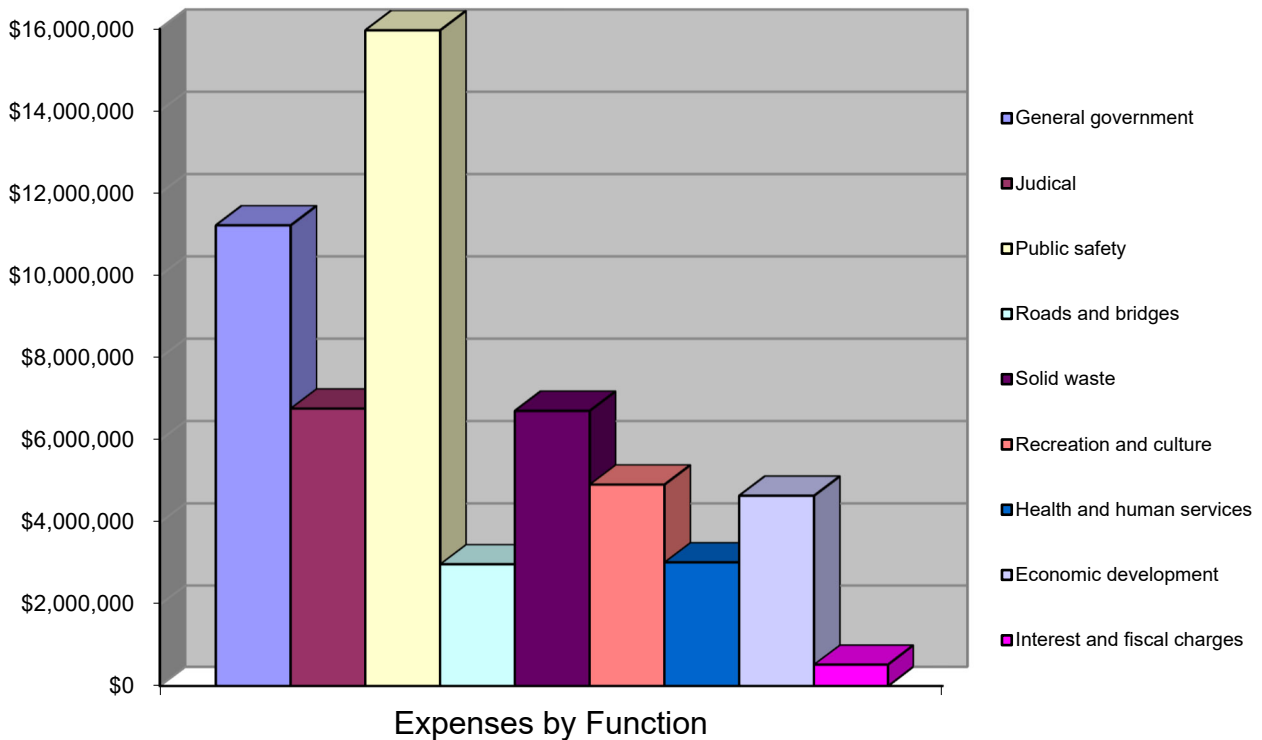


- Property Taxes continue to be the largest source of revenue for the County at 49.3% though with the County seeing growth in other revenue lines, the overall impact of property taxes has remained below 50%. Property taxes did increase by \$2.27 million and 7.9% due to the continued strong growth of 6.4% in assessed values, as Council did not approve any millage increase. This growth continues to be based on the robust real estate market that has been increasing sales and growing sales values. This is evidenced in our real property assessed values increasing.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Operating Grants and Contributions did increase slightly to 25.3% from roughly 24.6% in the prior fiscal year. The growth in operating grants and contributions is primarily focused in general government, roads and bridges and economic development. General government increased \$2.77 million and was due primarily to the use of \$3 million in Treasury local fiscal recovery funds to provide funding for personnel. Roads and bridges increased \$449 thousand and was due in part to the additional \$1.075 million received from the state in road maintenance funds. Economic Development increased by \$379 thousand and was due to grant funds received to continue work on water/wastewater services in rural parts of the County.
- Charges for services did dip slightly to 14.1% from 14.2% though revenue did increase by \$654 thousand and 8%. General government increased by \$625 thousand and was concentrated in the areas of planning and development building permits and register deeds document recording fees. Both of these fees have seen significant growth over this fiscal year and last fiscal year based on the low mortgage rates that made refinancing and buying and selling homes a popular choice for many County residents.

Expenses-Governmental Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS

- Expenses for General Government increased by \$341,809 and was primarily due to increases provided to personnel as part of the 2022 approved budget. Staff were provided a 5% adjustment and when coupled with the 1% mandated increase in employer retirement matching, personnel increased by 18% from the prior year. The increase related to the pay adjustment was offset by higher vacancy rate than the average historical rate. In addition to the budget personnel adjustments, an increase of over 10% in facility utility fees were incurred which was due in part to the age of some of the facilities still in use.
- Public Safety expenses increased by \$281,185 and was due to the 5-20% pay adjustments that were included in the 2022 budget. The pay adjustments were needed to maintain adequate staffing in the Sheriff's office, the Detention Center, and 911 Dispatch. In addition, the appropriation provided to the County Fire Rescue Commission did increase by 20% to provide additional funds to cover pay adjustments to Firefighter/EMTs and Firefighter/Paramedics.
- Expenses for Roads and Bridges did decrease by (\$3,204,392) and was due to a number of road projects completed in fiscal year 2021 and new road improvements project did not begin until the last quarter of fiscal year 2022.
- Expenses for Solid Waste increased by \$2,314,146 and was due to one-time expenses related to the replacement of some aging landfill equipment. During the fiscal year, investment of over \$2.2 million was used to purchase various replacement pieces of heavy equipment at the landfill. This did include the purchase of a \$1 million compactor for better compaction at the landfill and extend the remaining life.
- Economic Development expenses did increase by \$3,459,658 and was related to improving water/wastewater to rural parts of the County as well as to potential industrial sites that are within the County. More details on these sites are found in the Transmittal Letter under the Economic Development Goals and Strategies. These improvements were funded in part with funds from the U.S. Economic Development Agency and the SC Rural Infrastructure Authority.

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Unassigned fund balance may serve as a useful measure of the County's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for purposes by the County Council.

MANAGEMENT'S DISCUSSION AND ANALYSIS

On June 30, 2022, the County's governmental funds reported combined fund balances of \$33,510,412, an increase of \$2,319,795 in comparison with the prior year. Approximately 28.96% of this amount, or \$9,705,545, constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is either nonspendable, restricted, assigned, or committed, to indicate that it is: 1) not in spendable form (\$751,932), 2) restricted for purposes (\$9,728,951), 3) assigned for purposes (\$1,430,926), or 4) committed for purposes (\$11,893,058).

The general fund is the chief operating fund of the County. On June 30, 2022, unassigned fund balance of the general fund was \$9,705,545. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 27.6% of total general expenditures, while total fund balance represents approximately 30.6%. County ordinance requires that total fund balance be maintained at 20% of total general fund expenditures. During the current fiscal year, the fund balance of the County's general fund increased by \$853,010. This represents an increase of 8.6% in fund balance that was based on revenues increasing by 4.5% while expenditures grew significantly by 9.9%. This higher growth in expenditures as compared to revenues was offset by a \$1,535,871 increase in other financing sources that that was due to transfers in from other funds, primarily from the local fiscal recovery fund.

- Tax revenues did increase by 2.5% that was due solely to growth in assessed values of 6.4% that were offset by a dip in levy collections. The growth in assessed values are based on mortgage rates remaining at historical lows for most of fiscal year 2022, which continue to drive robust home sales and refinancing activity. County Council did not approve any operating millage increase for fiscal 2022.
- Intergovernmental revenues did increase 16.3% based on new state revenues. Included in the fiscal year 2022 state budget, rural stabilization funds (\$322,581) were created to aid the majority of counties that saw a small or no population change from the 2010 to 2020 census and, therefore, would receive less state aid to local government funds beginning in fiscal year 2022. In addition, the state funded the 25% cost share (\$49,087) associated previously with declared federal disasters.
- Fines and fees did increase by 7.3% from the prior year based on continuing to see increased volume/value of building permits and recording document fees related to mortgage liens. A building permit fee change was put into place with the fiscal year 2021 budget and no additional fee increase was budgeted in fiscal year 2022. In addition, County recreational venues did see a busier fiscal year 2022 as compared to 2021 that was up 18% and was driven by residents returning to pre-COVID activities (youth sports, gym visits, restaurant dining and large gathering events).

Total expenditures grew at 9.9%, or \$3,156,600, with every function showing growth from the prior year. The largest increases were seen in general government of \$606,491 (6.4%), judicial of \$149,710 (11.3%), public safety of \$1,012,155 (12.0%) and intergovernmental of \$449,901 (8.6%).

- Governmental expenditures increased based on a 5% pay adjustment provided in the fiscal year as well as a mandated 1% increase in employer retirement matching. These two led to an increase of roughly \$440,672 in expenditures. In addition to personnel, utilities and supplies saw significant increases in fiscal year 2022. Overall facility operating costs increased by 8% due to rate and usage increases and supply expenditures were impacted by the significant jump in fuel prices during the last quarter of the fiscal year which did lead to a \$76,377 increase in fuel expense for the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The increase seen in judicial was primarily due to increase in wages, associated employer benefits and jury expenses. Court staff were provided a minimum 5% salary adjustment in fiscal year 2022 as well as the mandated 1% increase in employer retirement matching which led to \$140,335 in additional expenditures. With courts resuming their pre-COVID schedule, jury fees and associated expenditures did increase by 75%, or \$30,191.
- In order to maintain necessary public safety staffing in the Sheriff's office, the Detention Center and 911, pay adjustments of 5-20% were provided in fiscal year 2022. These pay adjustments factored with the 1% mandated employer retirement matching, increased expenditures by \$720,882. Other than personnel expenditures, supply expense experienced 31% growth. The rapid rise in fuel prices during the last quarter of the fiscal year lead to a 50%, or additional \$130,922, in fuel expenditures for the year.
- The increase in intergovernmental expenditures was caused by an increase of \$409,542 in funding to Colleton County Fire Rescue. This additional funding support was provided to cover additional personnel expenditures, medical/drug/blood supplies and fuel expenses.

The fund balance of the County's special revenue fund did decrease by (\$155,290) and (12.7%) from the prior year. During fiscal year 2020 and 2021, the Department of Agriculture's summer feeding program for children was expanded year-round so that children attending school virtually would have access to nutritious meals while at home. During this time, the County did receive per meal reimbursements that exceeded the meal cost and these additional prior year reimbursements were used during fiscal year 2022 to upgrade program related equipment as well as cover the increasing cost for food.

During the current fiscal year, the fund balance of the County's capital projects fund increased by \$1,943,231 million and 19.2%. Revenues increased by \$2,077,424 from the prior year and included \$1,075,108 in additional state appropriated road improvement funds, \$769,539 in federal economic development grant funds and \$500,000 in South Carolina rural infrastructure grant funds. Expenditures increased to \$13,364,110 from \$3,819,447 in the prior year. Major expenditures included \$971,870 for a vacant retail building that will be renovated for use as the voter registration office, \$2,309,063 for the ongoing construction of the taxpayer service center building (Capital Projects Sales Tax ("CPST") funded), \$2,196,818 for six pieces of heavy equipment, including a solid waste compactor (\$5.5 million lease purchase financing), \$904,616 in fleet vehicle lease expenses, \$3,499,200 for road improvements (CPST and state gas tax) and \$1,863,271 in water/sewer improvements (U.S. Economic Development Administration grant and South Carolina Rural Infrastructure Authority grant). Included in other financing sources is \$5,500,000 from the November 2021 lease purchase financing.

Capital Projects Sales Tax Debt Service did report a slight decrease of (\$69,328) in fund balance. Total tax collections were \$6,034,800 while debt service was \$4,095,400. As part of the fiscal year 2022 budget, The County Council approved the use of (\$2,013,645) in excess collections to cover cost increases on remaining CPST approved projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Budgetary Highlights

The County's general fund actual amounts reported for revenues of \$35,008,499 were \$1,414,325 higher than the final budget amount of \$33,594,174.

- Tax revenue was higher than final budget by \$519,893 and 2.1% due to assessed values growth of 6.4% as compared to a budgeted historical average of slightly more than 2%. Property taxes did see lower collections at 93% compared to 96%, which did lessen the positive impact of the assessed values growth rate.
- Intergovernmental revenues were higher than final budget by \$388,283 and 16.8% due to collection cost reimbursements of previously declared disasters from both Federal Emergency Management Agency ("FEMA") and the State of South Carolina (25% funding). These reimbursements totaled \$180,861 and had not been included in the final budget. In addition, the County received June primary reimbursements of \$49,586 that were not included in the final budget.
- Fines and fees revenues were higher than final budget by \$670,132 and 10.6%. The increase was due to higher volumes and values related to building permits as well as document fees related to mortgage filings. Building permits were \$163,199 over final budget and recording document fees were \$194,084 over budget. With mortgages rising during the last part of fiscal year 2022 and continuing in fiscal year 2023, revenues are forecasted to return to more historical amounts. In addition to these two fees, County recreational venues saw volumes and revenues that mirrored or exceeded pre-COVID years. Between the ACE Basin Recreation Complex, Dogwood Hills Golf Course and Restaurant, and the Museum, revenues exceeded final budget by \$201,587.

Total actual expenditures of \$35,208,708 were (\$473,696) and (1.3%) under final budget of \$35,682,404. The expenditure savings were seen in general government of \$904,049 that was offset by over budget expenditures, in public safety of \$202,484, recreation and culture of \$64,996 and intergovernmental of \$159,101.

General government expenditures were under budget by \$904,049 and 8.3% and were due to the following:

- Vacant clerical positions of 8.5 FTEs that equated to salaries and retirement match and FICA match savings of \$484,540.
- Health Insurance (employer matching) budgeted with 4% increase which did not occur and led to savings of \$226,128.
- Workers' compensation premium is based on budgeted salaries and due to vacant positions, savings that were offset by higher overtime usage (see Public Safety), actual premium savings of \$81,113 was seen.
- Additional fuel contingency added to final budget based on fourth quarter price increases. Only a partial amount of contingency was needed – savings \$95,226

Public safety expenditures were over budget by \$202,484 and 2.2% and were due to the following:

- Overtime for Sheriff, Detention Center and 911 Dispatch is budgeted at a total of 10.5 ftes (historical average) though actual overtime usage was 13.1 ftes. The 2.6 ftes of additional overtime equated to additional salaries, retirement match and FICA match of \$136,472. This was partially offset by vacant position savings of \$82,732.
- Average census budgeted at the Detention Center is 90 per day, actual average census per day was 98. This created additional expense related to contract medical and food service at the Detention Center. This additional expense totaled \$60,433.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The County has moved roughly 70% of its fleet of vehicles (including Sheriff) from County-owned to lease vehicles. This has brought the average age of a County vehicle from over eight years to four years. This was especially important in the Sheriff's department since their vehicles are heavily utilized. With the slowdown in vehicle manufacturing over the last two years, we have not been able to replace vehicles as planned, especially in the Sheriff's office. This has caused the Sheriff to keep older vehicles in service and created additional vehicle repair expense. This additional expense totaled \$17,947.61.

Recreation expenditures were over budget by \$64,996 and 3.7% and were due to the following:

- Based on the higher usage volumes at Ace Basin and Dogwood Hills Restaurant, food costs associated with the concession stand operation and restaurant was over budget by \$20,026.11.
- Museum retail sales are partially made from goods on consignment from local merchants. With museum sales being over budget by 22%, payments to consignors was over budget by 18% and \$21,866.
- Unbudgeted repairs and maintenance were required at the golf course (down tree removal and dam repairs) which totaled \$11,703.

Intergovernmental expenditures were over budget by \$159,101 and 2.9% and were due to additional appropriation provided to the Fire and Rescue Commission to cover higher than budgeted personnel costs that were due to providing additional pay adjustments to retain essential personnel.

Total actual other financing sources (uses) were less than final budget by (\$1,357,414) and (56.3%) due to additional transfers out of \$1,343,927 and 46.8%. Final actual transfers out included an additional amount of \$1,343,927 to the capital projects to provide additional funding related to planned capital projects as well as funding for vehicle lease expense.

Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$60,042,383 (net of accumulated depreciation) as compared to \$57,568,095 on June 30, 2021. Capital additions, including construction in progress totaled \$6.67 million, which were offset by disposals in the amount of \$615 thousand.

Major capital asset additions during the fiscal year 2022 include the following:

- Taxpayer Service Center construction (CPST funded) - \$2.1 million
- Gadsden Loop Infrastructure (CDBG funded – partially) - \$265 thousand
- Benson/Klein Street Parking Lot - \$241 thousand
- Chehaw Public Landing Improvements (U.S. Fish and Wildlife funded) - \$167 thousand
- Purchase of vacant retail site - Elections/Voter Registration Office - \$972 thousand
- Kenworth Dump Truck - \$186 thousand
- John Deere Motor Graders (3) - \$893 thousand
- Sun Machinery Landfill Compactor - \$1 million
- Building Improvement - 215 Lemacks Street - \$124 thousand

MANAGEMENT'S DISCUSSION AND ANALYSIS

Construction in Progress completed and placed in service during fiscal year 2022 include the following:

- Land - Demo of damaged building - \$282 thousand
- Chehaw Public Landing Improvements (U.S. Fish and Wildlife funded) - \$167 thousand
- Recreation Center - Generator and Transfer Switch - \$364 thousand

Disposals of assets acquired in prior years include the following:

- \$364 thousand in vacant land
- \$251 thousand in County fleet vehicles (moving to vehicle lease program)

Additional information on the County's capital assets can be found in note 5 on page 46 in the notes to the financial statements.

COLLETON COUNTY, SOUTH CAROLINA CAPITAL ASSETS, NET OF DEPRECIATION		
Govertal Activities		
	2022	2021
Land and land infrastructure	\$ 7,956,667	\$ 8,073,207
Construction in progress	3,501,789	1,446,850
Buildings and improvements	29,449,233	29,753,153
Improvements other than buildings	4,888,039	5,074,071
Equipment and vericles	8,574,654	7,342,227
Infrastructure	5,672,001	5,878,587
Total	\$ 60,042,383	\$ 57,568,095

Debt Administration

On June 30, 2022, the County had long-term obligations of \$58,411,162 compared to outstanding debt on June 30, 2021, totaling \$63,676,105. During fiscal year 2022, the County did complete two general obligation bond issues. The first issue closed in October 2021 and was a short-term bond in the amount of \$578 thousand that has a maturity of August 2022. The second issue closed in March 2022 and was a 10-year refunding bond in the amount \$1.985 million. The bonds refunded the outstanding principle on the Series 2012 General Obligation Bonds and provided debt service savings of \$125 thousand. In addition to the two general obligation bond issues, the County issued a new five-year lease purchase financing agreement in the amount \$5.5 million that will allow the County to address heavy trucks and equipment replacements. All scheduled debt service payments for fiscal year 2022 were made when due.

MANAGEMENT'S DISCUSSION AND ANALYSIS

COLLETON COUNTY, SOUTH CAROLINA LONG-TERM OBLIGATIONS		
	Governmental Activities	
	2022	2021
General Obligation Bonds	\$ 14,682,077	\$ 19,111,299
Special Revenue Bonds	-	-
Financed Purchaes	4,962,221	833,292
Leases	2,346,540	2,615,846
Net OPEB Obligation	6,228,852	4,360,196
Note Payable	-	-
Landfill Closure and Post-Closure Cost	606,560	583,878
Compensated Absences	997,844	852,547
Net Pension Liability	28,587,068	35,319,047
Total	\$ 58,411,162	\$ 63,676,105

Additional information on the County's long-term obligations can be found in note 7 on page 49 in the notes to the financial statements.

In accordance with State Law, the amount of General Obligation Bonds ("GOB") a government entity may issue (without referendum) is equal to 8% of its total assessed value. The current General Obligation Bond debt limitation for the County based on information received from the County Auditor related to the 2022 tax assessment value of \$205,536,665 is \$16,442,933 for fiscal year ended June 30, 2022. As of June 30, 2022, the County has net debt applicable to the limit of \$6,510,127, which equals a 39.59% total net debt applicable to the limit percentage.

Debt Rating – As part of the refunding bond issuance discussed above, both Moody's Investor Services and Standard and Poor's reaffirmed their ratings previously issued to the County. The County continued to receive a rating of Aa3 from Moody's and a rating of AA- from Standard and Poor's. In each of their analysis, the following positive attributes of the County and its management were noted:

- Solid financial position that is supported by improved reserves and growth in major revenue lines;
- Manageable debt burden with limited pension pressure;
- Standard management and strong institutional framework score with a steady financial profile supported by conservative budgeting practices;
- Below average resident income indices, though local economy is evolving beyond agriculture.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budget

The County passed budget ordinance No. 22-O-06 to provide for the levy of taxes in Colleton County, South Carolina with the third and final reading on June 2, 2022, to be effective July 1, 2022, through June 30, 2023. The highlights of the budget are provided below:

- Operating millage at 116.31 mills and debt service millage at 10.24 mills – unchanged from fiscal year 2022.
- Property tax revenues were budgeted at a growth rate of 4.6% based on a corresponding growth in assessed values and fiscal year 2022 actual growth.
- Fees and fines were budgeted flat from forecasted fiscal year 2022 collections for the areas of planning and development, the courts and recording documents. The budget for planning and development and recording documents is based on the continued increase in interest rates which will further slow existing home sales, new home construction and home refinances. In the previous fiscal year, the courts had to address case backlog and though some backlog continues to exist, case volumes are forecasted to remain constant.
- Intergovernmental revenues were primarily budgeted flat, though adjustments were included related to additional school resource officer funding from the South Carolina Department of Public Safety and continuation of the rural stabilization fund that was funded again in fiscal year 2023. The rural stabilization fund was enacted in fiscal year 2022 to help with funding losses that rural counties saw in their share of local government funds based on the 2020 census.
- Local option sales tax and capital project sales taxes are budgeted to grow at 5-7% in fiscal year 2023. Capital project sales tax was budgeted through April 2023, which is the current expiration of the tax, since it is unknown if voters will approve another eight years of tax.
- Local accommodations and hospitality taxes are projected to grow at 5% based on prior actual growth and expectation that travel will remain robust in fiscal year 2023.
- Recreation was budgeted to grow slightly except for the golf course, which was budgeted to grow at 25% (back to their fiscal year 2021 amounts) based on course renovations which were completed late in fiscal year 2022. The restaurant was budgeted to cease operations during the first quarter of fiscal year 2023.
- Minimum of 5% cost of living salary adjustment was provided to all employees and all full-time were moved to a minimum hourly rate of \$15 per hour.
- A years of service pay plan was put into place for fire/rescue first responders. This pay plan provides an annual wage increase for each year of continuous service.
- Four new positions were included in the budget, one in planning and development, one in the museum/commercial kitchen and two firefighter/paramedics.
- Mandated employer retirement contribution increase of 1% for all participating employees effective July 1, 2022.
- Mandated employer health insurance premiums increase effective January 1, 2023 (exact not known, factor of 8% was used).
- Continuation of funding 50% of the cost of individual health/dental insurance for eligible retirees.
- Staffing of two armed security officers at the Magistrate Court building.
- Continuation of direct assistance funding to 20 County agencies providing various essential services and programs for residents.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following budgets and millage rates are currently in effect based on Budget Ordinance 22-O-06:

COLLETON COUNTY, SOUTH CAROLINA 2021-2022 ORIGINAL FUND BUDGET		
	Amount	Millage
General Fund	\$ 33,655,166	116.31
Debt Service Fund	2,059,700	10.24
Fire and Rescue Commission	13,371,849	37.56
Fire and Rescue Commission Debt Service	2,562,300	22.66
Capital Projects Sales Tax Debt Service	4,111,950	-
Capital Fund	1,453,300	-
Special Revenue Fund (various grants)	1,339,090	-
State Aid to Library	150,000	-
Memorial Library Fund	814,573	-
IV-D Sheriff Unit Costs	14,900	-
IV-D Clerk of Court Unit Costs	175,000	-
Accommodations Tax Tourism Infrastructure	41,000	-
Victim Witness Services	110,494	-
Animal Care and Control	15,000	-
Non-GOB Related Debt Service	1,130,476	-
Emergency Telephone Fund	559,182	-
Infrastructure/Industrial Development Fund	222,500	-
CC 2015 \$5.4M GOB Proceeds	172,782	-
Coronavirus Local Recovery Fund	3,898,828	-
County Hospitality Tax Fund	645,800	-
County Accommodations Tax Fund	755,975	-
Recreation Fund	1,732,409	-
Road and Bridges Fund	2,298,284	-
School District	-	116.42
Solid Waste Fund	3,454,314	-
Total	\$ 74,744,872	303.19

Requests for Information

This financial report is designed to provide a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Any questions about this report or request for information may be addressed to Colleton County, Director of Finance, P.O. Box 157, Walterboro, South Carolina 29488.

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF NET POSITION
JUNE 30, 2022**

	Governmental Activities	Component Units		
		Memorial Library	Fire and Rescue Commission	Pillars4Hope
ASSETS				
Cash and cash equivalents	\$ 29,599,387	\$ 215,356	\$ 5,518,007	\$ 388,096
Investments	8,076,613	-	-	105,371
Receivables, net of allowances	9,051,683	4,601	1,902,528	38,781
Due from state agency	-	-	-	69,703
Prepays and deposits	751,932	14,920	158,018	-
Lease assets, net of accumulated amortization	2,831,961	-	-	-
Capital assets:				
Nondepreciable	11,837,304	-	1,804,842	-
Depreciable, net	48,205,079	287,832	9,561,800	41,156
Total assets	<u>110,353,959</u>	<u>522,709</u>	<u>18,945,195</u>	<u>643,107</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows for pension	5,778,924	140,187	2,624,236	-
Deferred outflows for other post-employment benefits	1,899,108	230,343	346,646	-
Total deferred outflows of resources	<u>7,678,032</u>	<u>370,530</u>	<u>2,970,882</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,593,343	15,830	409,263	14,947
Payroll liabilities	1,219,845	19,615	335,762	28,206
Accrued liabilities	155,026	-	103,090	-
Unearned revenues	8,159,989	8,309	-	-
Non-current liabilities:				
Due within one year	7,023,106	2,071	1,450,938	17,013
Due in more than one year	51,388,056	1,520,464	23,290,250	149,900
Total liabilities	<u>70,539,365</u>	<u>1,566,289</u>	<u>25,589,303</u>	<u>210,066</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows for pension	5,348,653	129,283	2,445,144	-
Deferred inflows for other post-employment benefits	304,670	36,953	55,612	-
Total deferred inflows of resources	<u>5,653,323</u>	<u>166,236</u>	<u>2,500,756</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	42,262,227	287,832	4,022,633	41,156
Restricted:				
Emergency services	529,506	-	-	-
Court administration	93,834	-	-	-
Law enforcement	218,641	-	-	-
Solid waste	345,850	-	-	-
Non-expendable	751,932	-	-	-
Debt service	7,035,132	-	5,127,108	-
Other purposes	1,143,258	-	-	-
Unrestricted (deficit)	(10,541,077)	(1,127,118)	(15,323,723)	391,885
Total net position	<u>\$ 41,839,303</u>	<u>\$ (839,286)</u>	<u>\$ (6,173,982)</u>	<u>\$ 433,041</u>

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

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Changes in Net Position						
		Program Revenues			Primary Government	Component Units		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Memorial Library	Fire and Rescue Commission	Pillars4Hope
Primary government								
Governmental activities:								
General government	\$ 11,224,373	\$ 2,075,308	\$ 3,222,243	\$ -	\$ (5,926,822)	\$ -	\$ -	\$ -
Judicial	6,773,058	758,945	4,729,046	-	(1,285,067)	-	-	-
Public safety	16,225,863	1,778,525	1,351,638	-	(13,095,700)	-	-	-
Roads and bridges	2,727,786	1,060,879	3,732,088	1,284,059	3,349,240	-	-	-
Solid waste	6,717,388	2,184,009	65,610	-	(4,467,769)	-	-	-
Recreation and culture	4,925,318	951,637	331,389	-	(3,642,292)	-	-	-
Health and human services	3,034,859	-	1,976,293	-	(1,058,566)	-	-	-
Economic development	4,653,832	-	438,965	-	(4,214,867)	-	-	-
Interest and fiscal charges	524,705	-	-	-	(524,705)	-	-	-
Total governmental activities	<u>\$ 56,807,182</u>	<u>\$ 8,809,303</u>	<u>\$ 15,847,272</u>	<u>\$ 1,284,059</u>	<u>(30,866,548)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component Units								
Memorial Library	\$ 958,193	\$ 25,458	\$ 839,849	\$ -	-	(92,886)	-	-
Fire and Rescue Commission	13,607,239	1,861,972	4,851,447	-	-	-	(6,893,820)	-
Pillars4Hope	1,310,263	169,170	1,172,625	1,510	-	-	-	33,042
Total component units	<u>\$ 15,875,695</u>	<u>\$ 2,056,600</u>	<u>\$ 6,863,921</u>	<u>\$ 1,510</u>	<u>-</u>	<u>(92,886)</u>	<u>(6,893,820)</u>	<u>33,042</u>
			General revenues:					
			Property taxes		30,826,620	-	6,697,310	-
			Alcohol excise tax		-	-	-	52,998
			Local options sales tax		2,535,440	-	-	-
			Local accommodations tax		802,523	-	-	-
			Hospitality tax		614,120	-	-	-
			Franchise fees		126,927	-	-	-
			Grants and contributions not restricted to specific programs		1,683,290	-	-	-
			Miscellaneous		48,519	33,939	39,146	-
			Total general revenues		<u>36,637,439</u>	<u>33,939</u>	<u>6,736,456</u>	<u>52,998</u>
			Change in net position		5,770,891	(58,947)	(157,364)	86,040
			Net position, beginning of year		36,068,412	(780,339)	(6,016,618)	347,001
			Net position, end of year		<u>\$ 41,839,303</u>	<u>\$ (839,286)</u>	<u>\$ (6,173,982)</u>	<u>\$ 433,041</u>

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

COLLETON COUNTY, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>General</u>	<u>Special Revenue</u>	<u>Coronavirus Local Fiscal Recovery</u>
ASSETS			
Cash and cash equivalents	\$ 2,635,590	\$ 2,849,480	\$ 4,320,075
Investments	8,076,613	-	-
Receivables, net	4,292,636	461,877	-
Prepaid expenditures	729,277	-	-
Total assets	<u>\$ 15,734,116</u>	<u>\$ 3,311,357</u>	<u>\$ 4,320,075</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 879,617	\$ 166,788	\$ -
Accrued payroll and benefits	1,137,343	-	-
Accrued liabilities	1,337	-	-
Unearned revenue	1,053,169	2,073,091	4,307,567
Total liabilities	<u>3,071,466</u>	<u>2,239,879</u>	<u>4,307,567</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - fees	6,703	-	-
Unavailable revenue - property taxes	1,554,213	-	-
Unavailable revenue - spec assessments	321,062	-	-
Total deferred inflows of resources	<u>1,881,978</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Non-spendable:			
Prepaid expenditures	729,277	-	-
Restricted for:			
Public safety	-	-	-
Recreation and culture	-	-	-
Judicial services	-	-	-
Solid waste reserve	345,850	-	-
Economic development	-	-	-
Debt service	-	-	-
Other purposes	-	1,071,478	-
Assigned:			
Judicial services	-	-	-
Committed:			
Recreation and culture	-	-	-
Capital projects	-	-	12,508
Unassigned	9,705,545	-	-
Total fund balances	<u>10,780,672</u>	<u>1,071,478</u>	<u>12,508</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,734,116</u>	<u>\$ 3,311,357</u>	<u>\$ 4,320,075</u>

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

Capital Projects	Capital Sales Tax Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
\$ 12,373,466	\$ 5,228,150	\$ 2,192,626	\$ 29,599,387
-	-	-	8,076,613
1,915,822	1,571,855	809,493	9,051,683
-	-	22,655	751,932
<u>\$ 14,289,288</u>	<u>\$ 6,800,005</u>	<u>\$ 3,024,774</u>	<u>\$ 47,479,615</u>
\$ 1,491,985	\$ -	\$ 54,953	\$ 2,593,343
-	-	82,502	1,219,845
-	-	-	1,337
726,162	-	-	8,159,989
<u>2,218,147</u>	<u>-</u>	<u>137,455</u>	<u>11,974,514</u>
-	-	-	6,703
-	-	112,711	1,666,924
-	-	-	321,062
<u>-</u>	<u>-</u>	<u>112,711</u>	<u>1,994,689</u>
-	-	22,655	751,932
-	-	-	-
-	-	748,147	748,147
-	-	71,780	71,780
-	-	93,834	93,834
-	-	-	345,850
362,730	-	-	362,730
-	6,800,005	235,127	7,035,132
-	-	-	1,071,478
-	-	-	-
-	-	1,430,926	1,430,926
-	-	172,139	172,139
11,708,411	-	-	11,720,919
-	-	-	9,705,545
<u>12,071,141</u>	<u>6,800,005</u>	<u>2,774,608</u>	<u>33,510,412</u>
<u>\$ 14,289,288</u>	<u>\$ 6,800,005</u>	<u>\$ 3,024,774</u>	<u>\$ 47,479,615</u>

COLLETON COUNTY, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2022

Total governmental fund balances:	\$	33,510,412
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Amounts reported for governmental activities in the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds.		60,042,383
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Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds.

Lease assets	\$	3,455,143	
Accumulated amortization		<u>(623,182)</u>	2,831,961

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Property taxes and other special assessments	\$	1,987,986	
Solid waste receivables		<u>6,703</u>	1,994,689

Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources consist of pension related experience differences, assumption changes and differences between projected and actual earnings on Plan investments.

Deferred outflows related to pensions	\$	5,778,924	
Deferred outflows related to other post-employment benefits		<u>1,899,108</u>	7,678,032

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

General obligation bonds	\$	(14,273,398)	
Bond premiums		(408,679)	
Capital leases		(4,962,221)	
Lease liabilities		(2,346,540)	
Compensated absences		(997,844)	
Landfill closure and post-closure cost		(606,560)	
Accrued interest		(153,689)	
Net pension liability		(28,587,068)	
Total other post-employment benefits liability		<u>(6,228,852)</u>	(58,564,851)

Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on Plan investments.

Deferred inflows related to pensions	\$	(5,348,653)	
Deferred inflows related to other post-employment benefits		<u>(304,670)</u>	<u>(5,653,323)</u>

Net position of governmental activities	\$	<u>41,839,303</u>
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The accompanying notes are an integral part of these financial statements.

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	General	Special Revenue	Coronavirus Local Fiscal Recovery
REVENUES			
Taxes	\$ 24,936,740	\$ -	\$ -
Intergovernmental	2,698,043	3,583,694	3,010,749
Fines and fees	7,022,524	-	-
Other income	351,192	2,812	11,591
Total revenues	<u>35,008,499</u>	<u>3,586,506</u>	<u>3,022,340</u>
EXPENDITURES			
Current:			
General government	10,036,349	3,000	-
Judicial	1,477,138	509,379	-
Public safety	9,423,341	439,918	-
Roads and bridges	2,107,645	12,896	-
Solid waste	3,286,186	-	-
Recreation and culture	1,829,931	27,755	-
Health and human services	957,257	1,992,210	-
Economic development	300,040	94,293	-
Intergovernmental	5,655,281	169,560	-
Capital outlay:			
General government	85,650	-	-
Judicial	-	23,780	-
Public safety	-	58,123	16,553
Roads and bridges	-	870,520	-
Solid waste	38,068	-	-
Recreation and culture	11,822	182,449	-
Health and human services	-	-	-
Economic development	-	78,183	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>35,208,708</u>	<u>4,462,066</u>	<u>16,553</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(200,209)</u>	<u>(875,560)</u>	<u>3,005,787</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	1,597	-	-
Issuance of debt	-	-	-
Insurance recoveries	190,014	-	-
Transfers in	5,076,786	720,270	-
Transfers out	<u>(4,215,178)</u>	<u>-</u>	<u>(2,994,196)</u>
Total other financing sources (uses)	<u>1,053,219</u>	<u>720,270</u>	<u>(2,994,196)</u>
Net change in fund balances	853,010	(155,290)	11,591
Fund balances, beginning of year	<u>9,927,662</u>	<u>1,226,768</u>	<u>917</u>
Fund balances, end of year	<u>\$ 10,780,672</u>	<u>\$ 1,071,478</u>	<u>\$ 12,508</u>

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

Capital Projects	Capital Sales Tax Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 6,034,800	\$ 3,526,093	\$ 34,497,633
4,769,631	-	4,847,000	18,909,117
-	-	510,738	7,533,262
497,633	4,917	43,018	911,163
<u>5,267,264</u>	<u>6,039,717</u>	<u>8,926,849</u>	<u>61,851,175</u>
918,736	-	57,211	11,015,296
-	-	4,601,034	6,587,551
83,331	-	507,704	10,454,294
-	-	5,856	2,126,397
1,981,174	-	-	5,267,360
526,210	-	602,507	2,986,403
708	-	-	2,950,175
601,983	-	124,152	1,120,468
3,381,297	-	31,702	9,237,840
-	-	-	-
3,333,625	-	-	3,419,275
-	-	29,464	53,244
17,604	-	33,420	125,700
-	-	-	870,520
2,196,822	-	19,049	2,253,939
198,328	-	-	392,599
124,292	-	-	124,292
-	-	-	78,183
-	3,875,000	4,677,164	8,552,164
-	220,400	423,587	643,987
<u>13,364,110</u>	<u>4,095,400</u>	<u>11,112,850</u>	<u>68,259,687</u>
<u>(8,096,846)</u>	<u>1,944,317</u>	<u>(2,186,001)</u>	<u>(6,408,512)</u>
-	-	73,080	74,677
6,078,398	-	2,249,475	8,327,873
133,615	-	2,128	325,757
4,178,064	-	1,508,555	11,483,675
<u>(350,000)</u>	<u>(2,013,645)</u>	<u>(1,910,656)</u>	<u>(11,483,675)</u>
<u>10,040,077</u>	<u>(2,013,645)</u>	<u>1,922,582</u>	<u>8,728,307</u>
1,943,231	(69,328)	(263,419)	2,319,795
<u>10,127,910</u>	<u>6,869,333</u>	<u>3,038,027</u>	<u>31,190,617</u>
<u>\$ 12,071,141</u>	<u>\$ 6,800,005</u>	<u>\$ 2,774,608</u>	<u>\$ 33,510,412</u>

COLLETON 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, 2022

Net change in fund balances - total governmental funds	\$	2,319,795
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 6,674,181		
Depreciation expense	<u>(3,831,921)</u>		2,842,260

Governmental funds report lease assets as expenditures. However, in the statement of activities, the cost of all lease asset additions are allocated over their estimated useful lives and reported as amortization expense. This is the amount by which lease asset additions exceeded amortization expense in the current period.

Lease asset additions	\$ 1,154,398		
Amortization expense	<u>(623,182)</u>		531,216

The net effect of various miscellaneous transactions involving capital assets and lease assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(683,073)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes and other special assessments	\$ 407,997		
Solid waste receivables	<u>(6,856)</u>		401,141

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effects of these items are as follows.

Leases	\$ (1,154,398)		
Repayment of the principal of long-term debt	8,552,164		
Repayment of the principal of lease liability	1,423,704		
Issuance of long-term debt	(8,063,398)		
Premium on bond issuance	(264,475)		
Amortization of premium on long-term debt	<u>76,002</u>		569,599

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following amounts represent the net liability changes using the full accrual method of accounting.

Pension liability	\$ 443,336		
Landfill closure and post-closure liability	(22,682)		
Compensated absences	(145,297)		
Accrued interest on long-term debt	43,280		
Other post-employment benefits liability	<u>(528,684)</u>		<u>(210,047)</u>

	\$	<u>5,770,891</u>
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The accompanying notes are an integral part of these financial statements.

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2022**

ASSETS	
Cash and cash equivalents	\$ 13,741,995
Other receivable	4,627
Total assets	<u>\$ 13,746,622</u>
LIABILITIES	
Due to others	\$ 8,788,808
Total liabilities	<u>\$ 8,788,808</u>
NET POSITION	
Restricted for individuals, organizations and other governments	\$ 4,957,814
	<u>\$ 4,957,814</u>

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

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

ADDITIONS	
Taxes	\$ 21,242,703
Fines and fees	4,901,940
Miscellaneous	<u>71,076,097</u>
Total additions	<u>97,220,740</u>
DEDUCTIONS	
Taxes and fees paid to other governments	81,073,277
Other custodial disbursements	<u>14,112,639</u>
Total deductions	<u>95,185,916</u>
Change in fiduciary net position	2,034,824
Net position, beginning of year	<u>2,922,990</u>
Net position, end of year	<u><u>\$ 4,957,814</u></u>

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

COLLETON COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Reporting Entity

Colleton County, South Carolina (the "County"), is governed by a five-member County Council (the "Council") under the Council-Administrator form of government, pursuant to the South Carolina Home Rule Act. Members of the Council are elected from resident districts. The Council acts as the governing body of the County with power to pass ordinances and adopt resolutions. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The County does not have any blended component units as of June 30, 2022.

Discretely Presented Component Units

The nine members of the **Colleton County Memorial Library's (the "Memorial Library")** governing board are appointed by the Council. The Memorial Library is fiscally dependent upon the government because the Council approves the Memorial Library's budgets, and can significantly influence the decisions of the Memorial Library. The Memorial Library does not issue separate financial statements.

The five members of the **Colleton County Fire and Rescue Commission (the "Fire and Rescue Commission")** are selected by the Council from ten members presented by the Fire Control Board, an advisory board comprised of a member from each of the participating fire departments. The Fire and Rescue Commission is fiscally dependent upon the government because the Council approves the Fire and Rescue Commission's budgets, levies taxes and must approve any debt issuances. The Fire and Rescue Commission does not issue separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

The nine members of **Pillars4Hope**, previously known as the **Colleton County Commission on Alcohol and Drug Abuse (the “Organization”)** governing board are appointed by the Council. The Organization is fiscally dependent upon the County because the Council approves the Organization’s budgets and can significantly influence the decisions of the Organization. Separately issued financial statements may be obtained at 1439 Thunderbolt Drive, Walterboro, South Carolina, 29488.

Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has three discretely presented component units. While the Alcohol and Drug Commission is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds are eliminated or reclassified in the government-wide financial statements. Eliminations have been made in the statement of activities to remove the “doubling-up” effect of internal service fund activity. Interfund services provided and used are not eliminated in the process of consolidation. Also, the County allocates indirect cost to each of its funds. The indirect costs are eliminated in the government-wide financial statements.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the County’s funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are reported by type.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Basis of Presentation – Fund Financial Statements (Continued)

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Special Revenue Fund** accounts for all grants and contributions awarded to the County.

The **Coronavirus Local Fiscal Recovery Fund** accounts for grant funds awarded to the County from the U.S. Department of Treasury as part of the State and Local Fiscal Recovery Fund under the American Rescue Plan Act.

The **Capital Projects Fund** accounts for the transactions of the acquisition of capital assets and construction of major capital projects.

The **Capital Sales Tax Debt Service Fund** is used to collect local option special purpose taxes and disburse debt payments for the Capital Penny Sales Tax Bond that was passed by voter referendum.

In addition, the County reports the following nonmajor fund types:

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects) such as grants, fire and other special purpose fees, and economic development.

The **Debt Service Funds** account for the accumulation of resources for, and payment of, long-term debt principal and interest. The County's Debt Service Fund was established and is maintained in accordance with acts passed by the General Assembly of South Carolina authorizing the sale of general obligation bonds of the County. The Non-GOB Debt Service Fund accounts for the accumulation of funds and payment of various capital leases and notes payable.

Additionally, the County reports the following fund types:

The **Custodial Funds** are used to account for monies held on behalf of school districts, special districts and other agencies that use the County as a depository, or property taxes that are collected on behalf of the other governments.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Basis of Presentation – Fund Financial Statements (Continued)

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the presentation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within the first 60 days of the end of the current fiscal period, except for grant reimbursements for which the availability period is 120 days. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and, therefore, have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (“GAAP”) for the General Fund, the Fire and Rescue Commission, and the Memorial Library. All other special revenue funds and debt service funds (excludes the GO Bond Fund, State Accommodations Fund, Sheriff’s Discretionary Fund and the 14th Circuit Court Solicitor Fund) that have appropriated budgets, also conform to GAAP but tend to follow the revenue source generated by those funds (i.e., grant awards and projects funds). All annual appropriations lapse at fiscal year-end. Due to the late receipt of funding for the Coronavirus Local Fiscal Recovery Fund, a formal budget was not adopted during the fiscal year. However, the County has established a project-length budget for this fund.

The appropriated budget is prepared by fund, function, and department. The government’s departmental heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the County Administrator. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The Council may make supplemental budgetary appropriations throughout the year.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods and services (i.e., purchase order, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under executor contract is expected in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents and Deposits

The "deposits" classification is used only in the notes, not on the face of the statement of net position. Deposits include cash on hand, pooled money market funds and certificates of deposit.

The County considers cash and cash equivalents for cash flow purposes to be currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts, and liquid investments with an original maturity of three months or less when purchased.

Investments

In accordance with Governmental Accounting Standards Board ("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.

The County and its component units have a number of financial instruments, none of which are held for trading purposes. Except for non-participating investment contracts, investments are reported at fair value, which is based on quoted market prices. Debt securities are reported at cost or amortized cost.

Prepaid Items

Certain payments to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method by recording the asset for the prepaid amount and reflecting the expenditure/expense in the year which the services are consumed. Prepaid items of governmental funds in the fund financial statements are offset by an equal amount with a reserve of fund balance to indicate that they are not available for general appropriation.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

Capital Assets and Right to Use Lease Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and right to use lease assets are reported in the governmental activities in the government-wide financial statements. Capital assets other than infrastructure are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The capitalization threshold for infrastructure assets is \$50,000 for individual items and networks. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction of governmental-type activities is not capitalized.

All reported capital assets except land and certain infrastructure assets are depreciated. Useful lives for infrastructure are estimated based on the County's historical records of necessary improvements and replacements. Depreciation and amortization is provided using the straight-line method over the following estimated useful lives:

Asset Class	County	Component Units		
		Memorial Library	Fire and Rescue Commission	Pillars4Hope
Buildings and improvements				
Buildings	45	45	45	N/A
Building improvements	10	10	10	N/A
Improvements other than buildings				
Improvements other than buildings	10	10	10	N/A
Radio and fire towers	10	10	10	N/A
Library materials	N/A	5	5	N/A
Machinery and equipment				
Furniture and office equipment	5	5	5	3 - 20
Fire and medical equipment	5	5	5	N/A
Heavy vehicles and equipment	10	10	10	N/A
Vehicles				
Airplanes	6	N/A	N/A	N/A
Law enforcement vehicles	3	N/A	N/A	N/A
Leased vehicles	5	N/A	N/A	N/A
Other vehicles	5	5	5	3 - 20
Infrastructure	20	N/A	N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows related to its net pension liability and total other post-employment benefits liability in the statement of net position. These amounts are deferred and recognized as an outflow of resources in the period in which the amounts become available.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The County has unavailable revenues from property taxes and special assessments, fees, and intergovernmental revenue that arise under the modified accrual basis of accounting that qualifies for reporting in this category and is reported in the governmental funds balance sheet. The statement of net position reports deferred inflows related to its net pension liability, and total other post-employment benefits liability. These amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

Leases

Colleton County is a lessee for noncancellable leases of buildings and equipment. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$25,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

Leases (Continued)

Key estimates and judgments related to leases include how the County determines: 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments.

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

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

Net Position Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The governing Council is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The governing Council has, by resolution, authorized the administrator to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Expenditures/Expenses (Continued)

Property Taxes

The County ordinance provides for the taxation of all real and personal property located within the County limits on the first day of January. Motor vehicle taxes are billed and collected by the County Treasurer on a monthly basis. Other personal and real property taxes are levied by the County after September of each year and become due and payable immediately upon receipt by the taxpayer. Real property taxes are delinquent after January 15th. Assessed property is subject to lien one year from the levy date if taxes remain unpaid.

Compensated Absences

Vacation – The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from County service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignation or retirement. The liability for compensated absences includes salary-related benefits, where applicable, and is paid from the general fund for the most part with a small portion related to other nonmajor governmental funds.

Sick Leave – Accumulated sick leave lapses when employees leave the employment of the County and, upon separation from service, no monetary obligation exists.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. DEPOSITS AND INVESTMENTS

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer to an investment will not fulfill its obligations. In accordance with South Carolina state statutes, the County's investment decisions are at the discretion of the elected County Treasurer, subject to the statutes that authorize the County and its component units to invest in the following:

1. Obligations of the United States and agencies thereof;
2. Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating agencies;
3. General obligations of the State of South Carolina or any of its political units;
4. Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation;
5. Certificates of Deposit and repurchase agreements collateralized by securities of the type described in 1. and 2. above, held by a third-party as escrow agent or custodian, of a fair value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and
6. No-load open and closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company, savings and loan association, or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit.

In addition, South Carolina state statutes authorize the County to invest in the South Carolina Local Government Investment Pool ("SCLGIP"). The SCLGIP is an investment mechanism authorized by the Legislature and signed into law on May 13, 1983, to provide local governments an opportunity to acquire maximum returns on investments by pooling available funds with funds from other political subdivisions. The SCLGIP is permitted under South Carolina 1976 Code of Laws Section 6-6-10, Section 12-45-220 and Section 11-1-60 to purchase obligations of the United States government treasuries, United States government agencies, repurchase agreements fully collateralized by United States government treasuries or agencies, corporate securities and commercial paper that bear an investment grade rating of at least two nationally recognized rating services.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. The County places no limit on the amount that may be invested in any one issuer. See below for additional information regarding the County's deposits. All funds of the Fire and Rescue Commission and the Library are included in the funds administered by the County Treasurer. The only exception to this is that the funds of the Pillars4Hope are not included in the funds administered by the County Treasurer.

	Fair Value	Percentage of Portfolio
Repurchase agreements	\$ 31,969,310	56%
Certificates of deposit	8,078,795	14%
Savings accounts	98,208	0%
Checking accounts	17,001,374	30%
Cash on hand	3,671	0%
Deposits held by County Treasurer	\$ 57,151,358	100%

Custodial Credit Risk – Deposits

In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. Deposits of the County are subject to South Carolina state statutes for custodial credit risk. The statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina, political subdivisions of South Carolina, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation. Driven by the aforementioned statute, the County's informal policy requires deposits to be secured by collateral valued at fair or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation ("FDIC") insurance. Deposited funds may be invested in demand or time deposits, continuously and fully secured with direct obligations of or obligations guaranteed by the United States of America having a fair value not less than the amount of such monies. Custodial credit risk for deposits is not formally addressed by bond indentures. Indentures require that restricted deposits be maintained by the trustee bank, as custodian, specified in the indenture.

As of June 30, 2022, the County's bank balance of \$57,274,460 was fully collateralized by pledging financial institutions trust departments in the County's name.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments

In the case of investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The County does not have a formal investment policy regarding custodial credit risk.

NOTE 3. RECEIVABLES

Receivables as of year-end for the County's individual major funds, nonmajor funds in the aggregate and component units, including the applicable allowances for uncollectible accounts, are as follows:

	Primary Government					Total Primary Government
	General	Special Revenue	Capital Projects	Capital Sales Tax Debt Service	Nonmajor Governmental	
Taxes receivable	\$ 7,675,980	\$ -	\$ -	\$ -	\$ 491,798	\$ 8,167,778
Accounts receivable	287,339	-	-	-	-	287,339
Other receivables	2,071,061	461,877	1,915,822	1,571,855	680,278	6,700,893
Less: allowance	(5,741,744)	-	-	-	(362,583)	(6,104,327)
Net receivables	\$ 4,292,636	\$ 461,877	\$ 1,915,822	\$ 1,571,855	\$ 809,493	\$ 9,051,683

	Component Units			Total Component Units
	Fire and Memorial Library	Fire and Rescue Commission	Pillars4Hope	
Taxes receivable	\$ -	\$ 2,110,053	\$ -	\$ 2,110,053
Accounts receivable	-	16,701,637	46,072	16,747,709
Other receivables	4,601	30,153	69,703	104,457
Less: allowance	-	(16,939,315)	(7,291)	(16,946,606)
Net receivables	\$ 4,601	\$ 1,902,528	\$ 108,484	\$ 2,015,613

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022, consisted of the following:

Major Governmental Funds	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 5,076,786	\$ 4,215,178
Special Revenue Fund	720,270	-
Coronavirus Local Fiscal Recovery Fund	-	2,994,196
Capital Projects Fund	4,178,064	350,000
Capital Sales Tax Debt Service Fund	-	2,013,645
Nonmajor Governmental Funds	1,508,555	1,910,656
Component Unit	817,508	817,508
Total interfund balances	<u>\$ 12,301,183</u>	<u>\$ 12,301,183</u>

Transfers are used: 1) to move revenues from the fund with collection authorization to the fund with expenditure authorization, and 2) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

Governmental activities	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2022</u>
Capital assets not being depreciated:					
Land	\$ 3,477,276	\$ 343,821	\$ (363,930)	\$ 282,416	\$ 3,739,583
Land - infrastructure	4,595,932	-	-	-	4,595,932
Construction in progress	1,446,849	2,937,692	-	(882,752)	3,501,789
Total capital assets not being depreciated	<u>9,520,057</u>	<u>3,281,513</u>	<u>(363,930)</u>	<u>(600,336)</u>	<u>11,837,304</u>
Capital assets being depreciated:					
Buildings and improvements	46,469,973	825,396	-	-	47,295,369
Improvements other than buildings	12,268,437	198,960	-	167,207	12,634,604
Equipment and vehicles	26,201,472	2,368,312	(251,374)	433,129	28,751,539
Infrastructure	14,436,202	-	-	-	14,436,202
Total capital assets being depreciated	<u>99,376,084</u>	<u>3,392,668</u>	<u>(251,374)</u>	<u>600,336</u>	<u>103,117,714</u>
Less accumulated depreciation:					
Buildings and improvements	(16,716,821)	(1,129,315)	-	-	(17,846,136)
Improvements other than buildings	(7,194,365)	(552,200)	-	-	(7,746,565)
Equipment and vehicles	(18,859,245)	(1,564,972)	247,332	-	(20,176,885)
Infrastructure	(8,557,615)	(585,434)	-	-	(9,143,049)
Total accumulated depreciation	<u>(51,328,046)</u>	<u>(3,831,921)</u>	<u>247,332</u>	<u>-</u>	<u>(54,912,635)</u>
Total capital assets being depreciated, net	<u>48,048,038</u>	<u>(439,253)</u>	<u>(4,042)</u>	<u>600,336</u>	<u>48,205,079</u>
Governmental activities capital assets, net	<u>\$ 57,568,095</u>	<u>\$ 2,842,260</u>	<u>\$ (367,972)</u>	<u>\$ -</u>	<u>\$ 60,042,383</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

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

Governmental Activities	
General government	\$ 226,235
Judicial	70,376
Roads and bridges	1,202,635
Public safety	941,877
Solid waste	355,921
Recreation and culture	932,218
Health and human services	102,659
Total Governmental Activities Depreciation Expense	\$ 3,831,921

Discretely Presented Component Units

Fire and Rescue Commission activity for the year ended June 30, 2022 is as follows:

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Fire and Rescue Commission					
Capital assets not being depreciated:					
Land	\$ 542,365	\$ -	\$ -	\$ -	\$ 542,365
Construction in progress	935,473	327,004	-	-	1,262,477
Total capital assets not being depreciated	1,477,838	327,004	-	-	1,804,842
Capital assets being depreciated:					
Buildings and improvements	7,353,862	-	-	-	7,353,862
Improvements other than buildings	147,532	-	-	-	147,532
Equipment and vehicles	21,081,940	384,504	-	-	21,466,444
Total capital assets being depreciated	28,583,334	384,504	-	-	28,967,838
Less accumulated depreciation:					
Buildings and improvements	(2,496,670)	(184,412)	-	-	(2,681,082)
Improvements other than buildings	(135,864)	(2,466)	-	-	(138,330)
Equipment and vehicles	(15,712,138)	(874,488)	-	-	(16,586,626)
Total accumulated depreciation	(18,344,672)	(1,061,366)	-	-	(19,406,038)
Total capital assets being depreciated, net	10,238,662	(676,862)	-	-	9,561,800
Fire and rescue commission capital assets, net	\$ 11,716,500	\$ (349,858)	\$ -	\$ -	\$ 11,366,642

Depreciation expense incurred by the Fire and Rescue Commission for the fiscal year ended June 30, 2022 was \$1,061,366.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Units (Continued)

Memorial Library activity for the year ended June 30, 2022 is as follows:

Memorial Library	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Capital assets being depreciated:					
Buildings and improvements	\$ 119,026	\$ -	\$ -	\$ -	\$ 119,026
Library materials	2,154,624	83,309	(34,789)	-	2,203,144
Equipment and vehicles	361,423	-	-	-	361,423
Total capital assets being depreciated	<u>2,635,073</u>	<u>83,309</u>	<u>(34,789)</u>	<u>-</u>	<u>2,683,593</u>
Less accumulated depreciation:					
Buildings and improvements	(119,026)	-	-	-	(119,026)
Library materials	(1,936,097)	(87,006)	34,789	-	(1,988,314)
Equipment and vehicles	(271,174)	(17,247)	-	-	(288,421)
Total accumulated depreciation	<u>(2,326,297)</u>	<u>(104,253)</u>	<u>34,789</u>	<u>-</u>	<u>(2,395,761)</u>
Total capital assets being depreciated, net	<u>308,776</u>	<u>(20,944)</u>	<u>-</u>	<u>-</u>	<u>287,832</u>
Memorial library capital assets, net	<u>\$ 308,776</u>	<u>\$ (20,944)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287,832</u>

Depreciation expense incurred by the Memorial Library for the fiscal year ended June 30, 2022 was \$104,253.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LEASES

Lessee – Lease Assets

A schedule of lease asset activity for the County for the year ended for June 30, 2022 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Deductions</u>	<u>Ending Balance</u>
Governmental activities:					
Lease assets:					
Equipment	\$ 3,183,316	\$ 1,154,398	\$ -	\$ (468,220)	\$ 3,869,494
Total	<u>3,183,316</u>	<u>1,154,398</u>	<u>-</u>	<u>(468,220)</u>	<u>3,869,494</u>
Less accumulated amortization for:					
Equipment	(567,470)	(623,182)	-	153,119	(1,037,533)
Total accumulated amortization	<u>(567,470)</u>	<u>(623,182)</u>	<u>-</u>	<u>153,119</u>	<u>(1,037,533)</u>
Total lease assets, net	<u>\$ 2,615,846</u>	<u>\$ 531,216</u>	<u>\$ -</u>	<u>\$ (315,101)</u>	<u>\$ 2,831,961</u>

NOTE 7. LONG-TERM OBLIGATIONS

Long-term obligations for the year ended June 30, 2022 is as follows:

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Due Within One Year</u>
Primary Government					
Governmental activities:					
Bonds:					
General obligation	\$ 18,891,093	\$ 2,563,398	\$ 7,181,093	\$ 14,273,398	\$ 5,028,398
Bond premiums	220,206	264,475	76,002	408,679	-
Financed purchases	833,292	5,500,000	1,371,071	4,962,221	1,083,556
Leases	2,615,846	1,154,398	1,423,704	2,346,540	761,475
Net pension liability	35,319,047	3,602,831	10,334,810	28,587,068	-
Total OPEB liability	4,360,196	1,898,327	29,671	6,228,852	-
Compensated absences	852,547	354,301	209,004	997,844	149,677
Landfill closure and post-closure costs	583,878	22,682	-	606,560	-
Governmental activity long-term liabilities	<u>\$ 63,676,105</u>	<u>\$ 15,360,412</u>	<u>\$ 20,625,355</u>	<u>\$ 58,411,162</u>	<u>\$ 7,023,106</u>

Landfill post-closure costs, net pension liability, compensated absences, and total OPEB liability are generally liquidated by the General Fund.

The County implemented the provisions of GASB Statement No. 87 *Leases*, as of July 1, 2021. Beginning balances were restated as a result of this implementation. As the lease liability and leased assets were the same, there was no effect on net position.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

Component Units	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Fire and rescue commission					
Bonds:					
General obligation	\$ 7,415,000	\$ 7,000,000	\$ 3,035,000	\$ 11,380,000	\$ 1,060,000
Bond premiums	63,652	198,728	13,672	248,708	-
Financed purchases	985,331	-	320,980	664,351	328,366
Net pension liability	13,983,150	2,048,184	5,137,308	10,894,026	-
Total OPEB liability	795,869	346,504	5,416	1,136,957	-
Compensated absences	346,396	219,284	148,534	417,146	62,572
Governmental activity long-term liabilities	<u>\$ 23,589,398</u>	<u>\$ 9,812,700</u>	<u>\$ 8,660,910</u>	<u>\$ 24,741,188</u>	<u>\$ 1,450,938</u>
Memorial library					
Net pension liability	\$ 915,621	\$ 75,601	\$ 237,989	\$ 753,233	\$ -
Total OPEB liability	528,849	230,248	3,598	755,499	-
Compensated absences	18,430	19,372	23,999	13,803	2,071
Governmental activity long-term liabilities	<u>\$ 1,462,900</u>	<u>\$ 325,221</u>	<u>\$ 265,586</u>	<u>\$ 1,522,535</u>	<u>\$ 2,071</u>

Primary Government

Bonds Payable

There are a number of limitations and restrictions contained in the various bond indentures. Management believes the County is in compliance with all significant limitations and restrictions.

The South Carolina constitution permits the County to incur general obligation (general purpose) bonded indebtedness not to exceed 8% of the assessed value of taxable property in the County. At June 30, 2022, the County was in compliance with this requirement.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government (Continued)

Bonds Payable (Continued)

The following is a summary of each long-term bond obligation of the governmental activities of the County at June 30, 2022:

General Obligation Bonds	Amount
\$5,395,000 General Obligation Bond, Series 2015, with interest of 3.498%, annual principal and interest payments beginning in 2017, matures 2032, for the purpose of refunding the special source revenue bond and for economic development purposes.	\$ 3,650,000
\$29,000,000 General Obligation Bond, Series 2015, 1.82% annual interest, annual principal and interest payments beginning in 2016, matures 2024, for the purpose of County-wide projects by voters.	8,060,000
\$578,398 General Obligation Bond, Series 2021, 1.27% annual interest, annual principal and interest payments beginning in 2021, matures 2022, for the purpose of funding shortfalls in revenues to pay debt service.	578,398
\$1,985,000 General Obligation Bond, Series 2022, 4.00% annual interest, annual principal and interest payments beginning in 2023, matures 2027, for the purpose of refunding outstanding General Obligation Bonds, Series 2012 for debt service savings.	1,985,000
	\$ 14,273,398

The annual requirements to amortize the bonds are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2023	\$ 5,028,398	\$ 351,105	\$ 5,379,503
2024	4,580,000	243,943	4,823,943
2025	510,000	176,468	686,468
2026	525,000	158,748	683,748
2027	550,000	139,818	689,818
2028 – 2032	3,080,000	369,810	3,449,810
	\$ 14,273,398	\$ 1,439,892	\$ 15,713,290

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government (Continued)

Refunding

During the current year, the County issued \$1.985 million General Obligation Bond Series 2022 that fully refunded the \$4 million General Obligation Bonds Series 2012. The refunding resulted in the County saving \$435,000 in debt service required from 2023 through 2032 to service the Series 2012 Bonds versus servicing the new debt Series 2022 General Obligation Bonds including the costs associated with completing the refunding.

Financed Purchase Agreements

The County has entered into a financed purchase agreement for financing the acquisition of certain equipment. The agreements qualify as financed purchases for accounting purposes (titles transfer at the end of the agreement). Interest rates are 1.00%, payments are made monthly, and the terms extend through 2027.

The following is a schedule of debt service to maturity as of June 30, 2022:

Year Ending June 30,	Financed Purchases		
	Principal	Interest	Total
2023	\$ 1,083,556	\$ 24,811	\$ 1,108,367
2024	1,094,418	36,058	1,130,476
2025	1,105,390	25,086	1,130,476
2026	1,116,472	14,005	1,130,477
2027	562,385	2,812	565,197
	\$ 4,962,221	\$ 102,772	\$ 5,064,993

Lessee – Lease Liabilities

The County entered into numerous lease agreements as lessee for the use of equipment ranging from four to five years. An initial lease liability was recorded in the amount of \$2,615,846. As of June 30, 2022, the value of the lease liability was \$2,346,540. The County is required to make monthly principal and interest payments ranging from \$322 to \$913. The leases have an interest rate of 2.5%. The right to use assets have a useful life from five to ten years. The value of the right-to-use assets as of the end of the current fiscal year were \$2,831,961 and had accumulated amortization of \$1,037,533.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government (Continued)

Lessee – Lease Liabilities (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 761,475	\$ 96,975	\$ 858,450
2024	731,399	93,964	825,363
2025	481,408	68,468	549,876
2026	262,216	42,829	305,045
2027	110,042	21,816	131,858
Total	<u>\$ 2,346,540</u>	<u>\$ 324,052</u>	<u>\$ 2,670,592</u>

Landfill Closure and Post-Closure Care Costs

State and federal laws and regulations require the County to place a final cover on its landfill sites when each site stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 20 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The \$606,560 reported as an accrual for landfill closure and post-closure care costs at June 30, 2022, includes the cumulative amount reported less amounts paid to date for the open site based on the following information.

<u>Estimated Remaining Landfill Life</u>	<u>Percentage Balance of Capacity Used</u>	<u>Estimated Total Costs</u>			<u>Remaining to be Recognized</u>
		<u>Closure</u>	<u>Post-closure</u>	<u>Total</u>	
9 years	73%	<u>\$ 680,520</u>	<u>\$ 116,568</u>	<u>\$ 797,088</u>	<u>\$ 190,528</u>

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2022. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The Council has restricted cash of \$606,560 for payment of closure and post-closure care costs.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

Primary Government (Continued)

Discretely Presented Component Units

Fire and rescue general obligation bonds payable at June 30, 2022, consist of the following:

General Obligation Bonds	Amount
\$6,000,000 Fire Protection Service General Obligation Bonds, Series 2018, 3.0% annual interest, annual principal and interest payments beginning in 2020, matures 2029.	\$ 4,380,000
\$7,000,000 Fire Protection Service General Obligation Bonds, Series 2022, variable interest rate of 2.0% - 3.0%, annual principal and interest payments beginning in 2023, matures 2036.	7,000,000
	\$ 11,380,000

Future debt service requirements for fire and rescue general obligation bonds outstanding at June 30, 2022 are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2023	\$ 1,060,000	\$ 280,944	\$ 1,340,944
2024	1,085,000	264,250	1,349,250
2025	1,105,000	236,650	1,341,650
2026	1,140,000	208,500	1,348,500
2027	645,000	179,450	824,450
2028 – 2032	3,390,000	612,500	4,002,500
2033 – 2036	2,955,000	183,175	3,138,175
	\$ 11,380,000	\$ 1,965,469	\$ 13,345,469

Financed Purchase Agreements

The Fire and Rescue Commission has entered into a financed purchase agreement for financing the acquisition of certain equipment. The agreements qualify as financed purchases for accounting purposes (titles transfer at the end of the agreement). Interest rates are 2.32%, payments are made monthly, and the terms extend through 2024. Principal payments for the fiscal year ended June 2023 and 2024 are \$328,366 and \$335,985, respectively. Interest payments for the fiscal year ended June 30, 2023 and 2024 are \$15,413 and \$7,724, respectively.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Administration and Benefits

The County, as authorized by the County Commission, administers a single-employer defined benefit healthcare plan (the "Retiree Health Plan"). The Retiree Health Plan provides lifetime healthcare insurance for eligible retirees and their spouses through the County's group health insurance plan, which covers both active and retired members. Benefit provisions are established by the County Council. Retiree medical coverage levels for retirees and their families are the same as coverage provided to active County employees in accordance with the terms and conditions of the current State Health Insurance Plan. The cost assistance provided by the County is calculated based on 50% of the cost of the single plan under which the employee is covered for healthcare added to 50% of the cost of the single plan for dental coverage. The employees pay the remaining 50% plus any additional coverage for spouse or children and a \$3.00 administrative charge. Retirees not meeting the condition stated above must pay 100% of the total premium plus the \$3.00 administrative charge.

Even the provided benefits shown above are only "promised" on an annual basis and are not guaranteed beyond the annual appropriation and sufficiency of the annual appropriation to cover 50% of the cost. There are no "opt-out" benefits paid under any conditions nor are employees granted and sick-leave "pay-out" credit toward health insurance costs.

An employee who retires with 20 years of full-time employment, but is not age 62 at retirement may continue under the County's benefit program paying 100% of the plan costs until reaching the age of 62 at which time, he or she will be eligible for the 50% cost assistance for the employee.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the PHCB Plan.

Plan Membership

Membership of the Retiree Health Plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

Active participants	410
Retirees and beneficiaries currently receiving benefits	50
Total plan members	<u>460</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Contributions

Contribution requirements are established annually by the County Council. The required contribution is based on projected “pay as you go” financing requirements. For the year ended June 30, 2022, the County contributed \$38,681 for the pay as you go benefits for the Retiree Health Plan.

Total OPEB Liability of the County

Effective July 1, 2017, the County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, which significantly changed the County’s accounting for OPEB amounts. The information disclosed below is presented in accordance with this new standard.

The County’s total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021.

Actuarial assumptions. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	2.16% as of June 30, 2021.
Healthcare cost trend rate:	Initial rate of 6.40% declining to an ultimate rate of 4.00% after 15 years. Ultimate trend rate includes a 0.15% adjustment for the excise tax.
Inflation rate:	2.25%
Salary increase:	3.50% to 10.50% for PORS and 3.00% to 9.50% for SCRS, including inflation.
Participation rate:	70% if retiree has at least 20 years of service and is at least 60 years old at retirement. 35% if retiree has at least 20 years of service and younger than 60 years old at retirement. 20% for retirees that have fewer than 20 years of service.

Mortality rates were based on the 2020 Public Retirees of South Carolina Mortality Table for males or females, as appropriate, with adjustments for mortality improvements based on Scale UMP.

The actuarial assumptions used in the June 30, 2021 valuation was based on the results of an actuarial experience study for 2020..

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Discount rate

The discount rate used to measure the total OPEB liability was 2.16%. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate changed from 2.45% as of June 30, 2020 to 2.16% as of June 30, 2021.

Changes in the Total OPEB Liability of the County

The changes in the total OPEB liability of the County, and respective component units, for the year ended June 30, 2022, were as follows:

	Total OPEB Liability		
	Primary Government	Fire & Rescue Commission	Memorial Library
Beginning Balance	\$ 4,360,196	\$ 795,869	\$ 528,849
Changes for the year:			
Service cost	281,668	51,413	34,153
Interest	106,464	19,433	12,909
Difference between expected and actual experience	1,069,692	195,250	129,702
Effect of assumption changes	440,503	80,408	53,484
Benefit payments	(29,671)	(5,416)	(3,598)
Net changes	1,868,656	341,088	226,650
Ending Balance	\$ 6,228,852	\$ 1,136,957	\$ 755,499

The required schedule of changes in the County's total OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

The following presents the total OPEB liability of the County, and the respective component units, as well as what the County's, and respective component unit's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate				
	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)	
Primary Government	\$ 7,637,243	\$ 6,228,852	\$ 5,134,027	
Component Units				
Fire and Rescue Commission	1,394,021	1,136,957	937,111	
Memorial Library	926,028	755,499	622,509	

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

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

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates				
	1% Decrease	Current Healthcare Cost Trend Assumption Rate	1% Increase	
Primary Government	\$ 4,933,951	\$ 6,228,852	\$ 7,984,001	
Component Units				
Fire and Rescue Commission	900,591	1,136,957	1,457,314	
Memorial Library	598,250	755,499	968,073	

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 947,862	\$ 131,392
Assumption changes	909,065	173,278
Employer contributions subsequent to the measurement date	42,181	-
Total	\$ 1,899,108	\$ 304,670

County contributions subsequent to the measurement date of \$42,181, for the Retiree Health Plan are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2023.

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

Year ending June 30,	
2023	\$ 187,927
2024	187,927
2025	187,927
2026	187,927
2027	215,953
Thereafter	584,596
Total	\$ 1,552,257

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

At June 30, 2022, the Fire and Rescue Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 173,013	\$ 23,983
Assumption changes	165,934	31,629
Employer contributions subsequent to the measurement date	7,699	-
Total	\$ 346,646	\$ 55,612

Fire and Rescue Commission contributions subsequent to the measurement date of \$7,699, for the Retiree Health Plan are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2023.

Amounts reported as deferred outflows of resources and deferred inflows of resources for the Fire and Rescue Commission related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	
2023	\$ 34,302
2024	34,302
2025	34,302
2026	34,302
2027	39,418
Thereafter	106,709
Total	\$ 283,335

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

At June 30, 2022, the Memorial Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 114,930	\$ 15,931
Assumption changes	110,298	21,022
Employer contributions subsequent to the measurement date	5,115	-
Total	\$ 230,343	\$ 36,953

Memorial Library contributions subsequent to the measurement date of \$5,115, for the Retiree Health Plan are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2023.

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

Year ending June 30,		
2023	\$	22,786
2024		22,786
2025		22,786
2026		22,786
2027		26,185
Thereafter		70,946
Total	\$	188,275

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Expense

For the year ended June 30, 2022, the County, Fire and Rescue Commission, and the Memorial Library recognized OPEB expense of \$576,058; \$105,148; and \$69,848, respectively.

OPEB expense for the Retiree Health Plan is calculated as follows:

Description	Primary Government	Fire & Rescue Commission	Memorial Library
Service cost	\$ 281,668	\$ 51,413	\$ 34,153
Interest on the total OPEB liability	106,464	19,433	12,909
Recognition of deferred outflows/inflows of resources due to liabilities	14,333	2,616	1,738
Amortization of prior year deferred outflows/inflows of resources due to liabilities	173,593	31,686	21,048
Total employer OPEB expense	<u>\$ 576,058</u>	<u>\$ 105,148</u>	<u>\$ 69,848</u>

NOTE 9. RETIREMENT PLAN

Description of the Entity

The South Carolina Public Employee Benefit Authority (“PEBA”), created July 1, 2012, is the state agency responsible for the administration and management of the various retirement systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems’ (“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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

Description of the Entity (Continued)

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with GAAP. 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 – Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the PEBA – Insurance Benefits’ link on PEBA’s website at www.peba.sc.gov or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and, therefore, OPEB Trust fund financial information is also included in the Annual Comprehensive Financial Report (“ACFR”) of the state.

Plan Description

The County contributes to the South Carolina Retirement System (“SCRS”), a cost-sharing multiple-employer defined benefit pension plan that was established effective 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 allowances and other benefits for employees of the state, its public school districts and political subdivisions.

In addition to the SCRS pension plan, the County also contributes to the PORS, a cost-sharing multiple-employer defined benefit pension plan that was established effective 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 allowances and other benefits for police officers and firemen of the state and its political subdivisions.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

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 described below.

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

South Carolina Police Officers’ Retirement System (“PORS”) – To be eligible for PORS membership, an employee must be required by the terms of his/her 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; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the System with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the System with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

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

South Carolina Retirement System (“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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

Benefits (Continued)

South Carolina Retirement System (“SCRS”) (Continued)

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 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.

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

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (“UAAL”) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS and 9.75% for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85%. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the System (the funded ratio) that is equal to or greater than 85%, then the Board, effective on the following July 1st, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%.

If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the System shows a funded ratio of less than 85%, then effective on the following July 1st, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the System shows a funded ratio that is equal to or greater than 85%.

Required employee contribution rates for the year ended June 30, 2022 are as follows:

South Carolina Retirement System

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

South Carolina Police Officers' Retirement System

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

Contributions (Continued)

Required employer contribution rates for the year ended June 30, 2022 are as follows:

South Carolina Retirement System

Employee Class Two	16.41% of earnable compensation
Employee Class Three	16.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers' Retirement System

Employee Class Two	18.84% of earnable compensation
Employee Class Three	18.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

Net Pension Liability

The June 30, 2021 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, 2020. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year-end, June 30, 2021, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The net pension liability is calculated separately for each System and represents that particular System's total pension liability determined in accordance with GASB No. 67, less that System's fiduciary net position. As of June 30, 2022 (measurement date of June 30, 2021), the net pension liability amounts for the County's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

As of June 30, 2022, the County's net pension liability amounts for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a percentage of the Total Pension Liability	County's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 52,598,755	\$ 31,951,813	\$ 20,646,942	60.7%	0.095406%
PORS	26,801,024	18,860,898	7,940,126	70.4%	0.308604%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

Net Pension Liability (Continued)

As of June 30, 2022, the Fire and Rescue Commission's net pension liability amounts for SCRS and PORS are as follows:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employer's Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</u>	<u>Fire and Rescue Commission's Proportionate Share of the Collective Net Pension Liability</u>
SCRS	\$ 1,426,578	\$ 866,594	\$ 559,984	60.7%	0.002588%
PORS	34,881,425	24,547,383	10,334,042	70.4%	0.401648%

As of June 30, 2022, the Memorial Library's net pension liability amount for SCRS is as follows:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employer's Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</u>	<u>Memorial Library's Proportionate Share of the Collective Net Pension Liability</u>
SCRS	\$ 1,918,887	\$ 1,165,654	\$ 753,233	60.7%	0.003481%

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ended June 30, 2019 for first use in the July 1, 2021 actuarial valuation.

The June 30, 2021 total pension liability, net pension liability, 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, 2020. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year-end, June 30, 2021, using generally accepted actuarial principles.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2020 valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry Age	Entry Age
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service)	3.0% to 10.5% (varies by service)
Inflation rate	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

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

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

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the next page. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the TPL includes a 4.75% real rate of return and a 2.25% inflation component.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions and Methods (Continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity	9.0%	9.68%	0.87%
Private Debt	7.0%	5.47%	0.39%
Real Assets	12.0%		
Real Estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
	100.0%		
	Total expected real return		5.18%
	Inflation for actuarial purposes		2.25%
	Total expected nominal return		7.43%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 State Code of Laws. Based on those assumptions, the County's fiduciary net position was projected to be available to make all 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 total pension liability.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

Discount Rate (Continued)

The following table presents the sensitivity of the net pension liability to changes in the discount rate for the County and the respective component units.

Sensitivity of the Net Position Liability to Changes in the Discount Rate			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Primary Government			
SCRS	\$ 27,045,054	\$ 20,646,942	\$ 15,328,970
PORS	11,520,112	7,940,126	5,007,576
Component Units			
Fire and Rescue Commission			
SCRS	733,513	559,984	415,751
PORS	14,993,380	10,334,042	6,517,340
Memorial Library			
SCRS	986,647	753,233	559,225

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

Pension Expense

For the year ended June 30, 2022, pension expense was recognized as follows:

Primary Government	SCRS	PORS
Proportionate share of aggregate plan pension expense	\$ 1,507,667	\$ 868,652
Deferred amounts from changes in proportion and differences between employer contributions and proportionate share on plan contributions	(98,449)	147,116
Employer pension expense	\$ 1,409,218	\$ 1,015,768
Fire and Rescue Commission	SCRS	PORS
Proportionate share of aggregate plan pension expense	\$ 40,891	\$ 1,130,546
Deferred amounts from changes in proportion and differences between employer contributions and proportionate share on plan contributions	(2,670)	191,472
Employer pension expense	\$ 38,221	\$ 1,322,018
Memorial Library	SCRS	
Proportionate share of aggregate plan pension expense	\$ 55,002	
Deferred amounts from changes in proportion and differences between employer contributions and proportionate share on plan contributions	(3,592)	
Employer pension expense	\$ 51,410	

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

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

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 351,697	\$ 27,866
Net difference between projected and actual earnings on pension plan investments	-	2,999,241
Assumption changes	1,130,146	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	474,273	516,678
Employer contributions subsequent to the measurement date	1,886,565	-
Total	<u>\$ 3,842,681</u>	<u>\$ 3,543,785</u>
	Deferred Outflows of Resources	Deferred Inflows of Resources
PORS		
Differences between expected and actual experience	\$ 270,116	\$ 24,728
Net difference between projected and actual earnings on pension plan investments	-	1,780,140
Assumption changes	566,327	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	118,045	-
Employer contributions subsequent to the measurement date	981,755	-
Total	<u>\$ 1,936,243</u>	<u>\$ 1,804,868</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

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

County contributions subsequent to the measurement date of \$1,886,565 and \$981,755, for the SCRS plan and the PORS plan, respectively, and changes in proportion and differences between employer contributions and proportionate share of contributions are deferred outflows/inflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	SCRS	PORS
2023	\$ 28,532	\$ (9,857)
2024	(79,819)	(59,821)
2025	(414,105)	(151,233)
2026	(1,122,277)	(629,469)
Total	\$ (1,587,669)	\$ (850,380)

At June 30, 2022, the Fire and Rescue Commission reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 9,539	\$ 756
Net difference between projected and actual earnings on pension plan investments	-	81,345
Assumption changes	30,652	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,863	14,013
Employer contributions subsequent to the measurement date	51,167	-
Total	\$ 104,221	\$ 96,114

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
PORS		
Differences between expected and actual experience	\$ 351,556	\$ 32,184
Net difference between projected and actual earnings on pension plan investments	-	2,316,846
Assumption changes	737,073	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	153,636	-
Employer contributions subsequent to the measurement date	1,277,750	-
Total	\$ 2,520,015	\$ 2,349,030

The Fire and Rescue Commission contributions subsequent to the measurement date of \$51,167 and \$1,277,750, for the SCRS plan and the PORS plan, respectively, and changes in proportion and differences between employer contributions and proportionate share of contributions are deferred outflows/inflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2023	\$ 774	\$ (12,828)
2024	(2,165)	(77,856)
2025	(11,231)	(196,829)
2026	(30,438)	(819,252)
Total	\$ (43,060)	\$ (1,106,765)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

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

At June 30, 2022, the Memorial Library reported deferred outflows of resources and deferred inflows of resources related to the SCRS pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 12,830	\$ 1,017
Net difference between projected and actual earnings on pension plan investments	-	109,417
Assumption changes	41,230	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,302	18,849
Employer contributions subsequent to the measurement date	68,825	-
Total	\$ 140,187	\$ 129,283

The Memorial Library contributions subsequent to the measurement date of \$68,825 for the SCRS plan and changes in proportion and differences between employer contributions and proportionate share of contributions are deferred outflows/inflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	SCRS
2023	\$ 1,041
2024	(2,912)
2025	(15,107)
2026	(40,943)
Total	\$ (57,921)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for SCRS and PORS. The ACFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, South Carolina 29211-1960.

NOTE 10. OTHER INFORMATION

Deferred Compensation Plans

Internal Revenue Code Section 457 Plan

The County offers its employees a deferred compensation plan, offered through the State of South Carolina, created in accordance with Internal Revenue Code Section 457. The plan, available to all regular full-time employees, permits participants to defer a portion of their salaries until future years. The deferred compensation is not available to the employee or his/her beneficiaries until termination, retirement, death, disability, or an approved hardship.

All amounts of compensation deferred under the plan are held in trust for the contributing employee and are not subject to claims of the County's general creditors. The plan is administered by the State of South Carolina.

Internal Revenue Code Section 401(k) Plan

The County also offers its participation in a deferred compensation plan, offered through the State of South Carolina, created in accordance with internal Revenue Code Section 401(k). The 401(k) plan has the same eligibility requirements as the 457 plan, although the withdrawal provisions are more lenient under the 401(k) plan. All amounts of compensation deferred under the plan are held in trust for the contributing employee and are not subject to claims of the County's general creditors. The funds are administered by the State of South Carolina.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. OTHER INFORMATION (CONTINUED)

Risk Management

The County and its component units are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters, for which the County carries commercial insurance, and policies with the South Carolina Insurance Reserve Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. The County and its component units are covered under the same risk management umbrella and pay a pro-rata share of an annual premium for general insurance coverage. The County pays annual premiums to the State Insurance Reserve Fund for certain general insurance coverage. The State Insurance Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims.

Contingent Liabilities

Grants

Amounts received or receivable from grantor agencies in previous years are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, could become a liability of the general fund or other applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

Litigation

The County is party to various legal proceedings which normally occur in governmental operations. These lawsuits involve environmental issues, alleged failure to appropriate proper budgets, employment matters, and certain claims under contractual agreements. In the opinion of County management, based on the advice of legal counsel with respect to litigation, the ultimate disposition of these lawsuits and claims will not have a material adverse effect on the County's financial position. Additionally, the County would be allowed to appropriate any required funds in a subsequent year.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. OTHER INFORMATION (CONTINUED)

Commitments

Construction Commitments

On June 30, 2022, the County has commitments under contracts for various architectural and engineering services and construction projects not completed of approximately \$4,723,787 that relate to the Capital Penny Sales Tax Project approved by voter referendum.

As discussed earlier in Note 1, budgetary basis of accounting, the encumbrances and related appropriation lapse at the end of the year, but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

Encumbrances

As discussed in Note 1, budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

<u>Governmental Fund</u>	<u>Amount</u>
Capital Projects Funds	\$ 546,351
Special Revenue Funds	74,225
Total	<u>\$ 620,576</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. NET INVESTMENT IN CAPITAL ASSETS

The following summarizes the amounts included in the calculation for the net investment in capital assets. The County received the bond proceeds of \$30,272,627 in May 2015 and has unspent funds on hand of \$1,378,721. The list of projects includes asset acquisitions as well as assistance to other entities within the County. The Fire and Rescue Commission received proceeds of \$6,100,337 in November 2018 and \$5,000,000 in March 2022 and has unspent funds on hand of \$124,165 and \$4,824,885, respectively. The list of projects include asset acquisitions as well as improvements to fire stations. The net investment in capital assets is summarized below:

	<u>County</u>	<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Fire & Rescue Commission</u>	<u>Memorial Library</u>
Capital assets, net	\$ 60,042,383	\$ 11,366,642	\$ 287,832
Lease assets, net	2,831,961	-	-
Long-term obligations	(21,990,838)	(12,293,059)	-
Bond proceeds on hand	1,378,721	4,949,050	-
Net Investment in capital assets	<u>\$ 42,262,227</u>	<u>\$ 4,022,633</u>	<u>\$ 287,832</u>

NOTE 12. TAX ABATEMENTS

The County negotiates property tax abatement agreements on an individual basis. The County has tax abatement agreements with the following as of June 30, 2022:

Purpose	Percentage of Taxes Abated during the Fiscal Year	Amount of County Taxes Abated during the Fiscal Year	Term of Agreement
Manufacturing facility locates in the area and provides employment opportunities for citizens	43%	\$ 29,966	25 Years
Manufacturing facility locates in the area and provides employment opportunities for citizens	43%	\$ 41,459	25 Years
Provide healthcare to citizens in the area	48%	\$ 19,062	25 Years
Manufacturing facility locates in the area and provides employment opportunities for citizens	48%	\$ 14,143	25 Years

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. TAX ABATEMENTS (CONTINUED)

Industries that invest at least \$2.5 million within a five to six-year investment period in South Carolina may negotiate for a fee-in-lieu of property taxes under the authority of South Carolina Code of Laws Title 12 Chapter 44, Title 4 Chapter 29 and Chapter 12. This can result in a savings of about 40% on property taxes otherwise due for a project. Certain large investments may be able to further reduce their liability by negotiating the assessment ratio from 10.5% down to 6%. For large investments, the assessment ratio can be reduced to 4% and the investment period is extended to an eight-year investment period. The County and the industry may agree to either set the millage rate for the entire agreement period or have the millage change every five years in step with the average millage rate for the area where the project is located. Any personal property subject to the fee in lieu of property taxes depreciates in accordance with South Carolina law, while the real property is either set at cost for the life of the agreement or can be appraised every five years.

If the project would incur costs of designing, acquiring, constructing, improving, or expanding improved or unimproved real estate or personal property to be used in the operation of a manufacturing or commercial enterprise, infrastructure servicing the project or certain aircraft, the industries may negotiate a Special Source Revenue Credit under the authority of South Carolina Code of Laws Section 4-29-68, 4-1-170 and 12-44-70. This can result in additional savings of 15% on property taxes otherwise due for a project and is applied manually as credit to the applicable tax bill.

In each of the agreements disclosed above, the County has provided no additional commitments other than the abatement of taxes which would continue in effect for the term of the agreement as long as the industry complies with investment and job creation that are outlined in each agreement within the investment period of not to exceed five years.

REQUIRED SUPPLEMENTARY INFORMATION

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 23,912,900	\$ 24,416,847	\$ 24,936,740	\$ 519,893
Intergovernmental	2,259,304	2,309,760	2,698,043	388,283
Fines and fees	6,105,725	6,352,392	7,022,524	670,132
Other income	331,200	515,175	351,192	(163,983)
Total revenues	<u>32,609,129</u>	<u>33,594,174</u>	<u>35,008,499</u>	<u>1,414,325</u>
EXPENDITURES				
Current:				
General government	10,270,148	10,940,398	10,036,349	904,049
Judicial	1,509,929	1,522,433	1,477,138	45,295
Public safety	8,946,952	9,220,857	9,423,341	(202,484)
Roads and bridges	2,221,284	2,186,599	2,107,645	78,954
Solid waste	3,024,925	3,212,910	3,286,186	(73,276)
Recreation and culture	1,757,351	1,764,935	1,829,931	(64,996)
Health and human services	930,211	936,662	957,257	(20,595)
Economic development	315,443	299,801	300,040	(239)
Intergovernmental	3,850,673	5,496,180	5,655,281	(159,101)
Capital outlay:				
General government	29,650	101,129	85,650	15,479
Solid waste	500	500	38,068	(37,568)
Recreation and culture	-	-	11,822	(11,822)
Total expenditures	<u>32,857,066</u>	<u>35,682,404</u>	<u>35,208,708</u>	<u>473,696</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(247,937)</u>	<u>(2,088,230)</u>	<u>(200,209)</u>	<u>1,888,021</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	-	-	1,597	1,597
Insurance recoveries	-	12,998	190,014	177,016
Transfers in	3,566,834	5,268,886	5,076,786	(192,100)
Transfers out	<u>(2,873,621)</u>	<u>(2,871,251)</u>	<u>(4,215,178)</u>	<u>(1,343,927)</u>
Total other financing sources, net	<u>693,213</u>	<u>2,410,633</u>	<u>1,053,219</u>	<u>(1,357,414)</u>
Net change in fund balances	445,276	322,403	853,010	530,607
Fund balances, beginning of year	<u>9,927,662</u>	<u>9,927,662</u>	<u>9,927,662</u>	<u>-</u>
Fund balances, end of year	<u>\$ 10,372,938</u>	<u>\$ 10,250,065</u>	<u>\$ 10,780,672</u>	<u>\$ 530,607</u>

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,104,220	\$ 11,152,164	\$ 3,583,694	\$ (7,568,470)
Other revenues	-	4,064	2,812	(1,252)
Total revenues	<u>1,104,220</u>	<u>11,156,228</u>	<u>3,586,506</u>	<u>(7,569,722)</u>
EXPENDITURES				
General government	-	169,960	3,000	166,960
Judicial services	-	1,392,704	509,379	883,325
Public safety	401,389	465,862	439,918	25,944
Roads and bridges	-	64,940	12,896	52,044
Recreation and culture	-	861,825	27,755	834,070
Health and human services	702,831	2,270,221	1,992,210	278,011
Economic development	-	2,083,267	94,293	1,988,974
Intergovernmental	-	204,535	169,560	34,975
Capital outlay				
General government	-	350,000	-	350,000
Judicial	-	1,000,000	23,780	976,220
Public safety	-	81,274	58,123	23,151
Roads and bridges	-	1,642,183	870,520	771,663
Recreation and culture	-	988,422	182,449	805,973
Health and human services	-	169,200	-	169,200
Economic development	-	149,093	78,183	70,910
Total expenditures	<u>1,104,220</u>	<u>11,893,486</u>	<u>4,462,066</u>	<u>7,431,420</u>
Deficiency of revenues under expenditures	-	(737,258)	(875,560)	(138,302)
OTHER FINANCING SOURCES				
Insurance proceeds	-	29,150	-	(29,150)
Transfers in	-	701,179	720,270	19,091
Total other financing sources	-	<u>730,329</u>	<u>720,270</u>	<u>(10,059)</u>
Net change in fund balance	-	(6,929)	(155,290)	(148,361)
FUND BALANCES, beginning of year	<u>1,226,768</u>	<u>1,226,768</u>	<u>1,226,768</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,226,768</u>	<u>\$ 1,219,839</u>	<u>\$ 1,071,478</u>	<u>\$ (148,361)</u>

COLLETON COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30,

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY SOUTH CAROLINA RETIREMENT SYSTEM – PRIMARY GOVERNMENT

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.095406%	\$ 20,646,942	\$ 10,784,699	191%	60.75%
2020	0.098225%	25,098,134	10,717,988	234%	53.34%
2019	0.095718%	21,856,367	10,105,559	216%	53.34%
2018	0.092094%	20,635,403	9,569,920	216%	53.34%
2017	0.097985%	22,085,045	10,023,134	220%	53.34%
2016	0.092799%	19,526,510	8,800,266	222%	52.90%
2015	0.092174%	17,480,579	8,710,229	201%	57.00%
2014	0.094651%	16,295,759	8,614,344	189%	59.90%

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY POLICE OFFICERS' RETIREMENT SYSTEM – PRIMARY GOVERNMENT

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.308604%	\$ 7,940,126	\$ 4,640,451	171%	70.37%
2020	0.308210%	10,220,913	4,655,962	220%	58.79%
2019	0.305935%	8,767,915	4,437,460	198%	62.69%
2018	0.296210%	8,393,222	4,461,857	188%	60.94%
2017	0.316857%	8,680,534	4,547,825	191%	60.94%
2016	0.318141%	7,795,862	3,956,317	197%	60.40%
2015	0.330253%	7,197,930	3,964,012	182%	64.60%
2014	0.314595%	6,022,663	3,641,573	165%	67.50%

Notes to the Schedules:

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

COLLETON COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30,

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY SOUTH CAROLINA RETIREMENT SYSTEM – FIRE AND RESCUE COMMISSION

Plan Year Ended June 30,	Commission's proportion of the net pension liability	Commission's proportionate share of the net pension liability	Commission's covered payroll	Commission's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.002588%	\$ 559,984	\$ 292,501	191%	60.75%
2020	0.002664%	680,710	290,692	234%	50.71%
2019	0.002596%	592,786	274,082	216%	54.40%
2018	0.002498%	559,670	231,432	242%	54.10%
2017	0.002370%	533,436	128,815	414%	53.34%
2016	0.001193%	525,824	297,612	177%	52.90%
2015	0.003117%	591,963	243,862	243%	57.00%
2014	0.002650%	456,236	189,312	241%	59.90%

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY POLICE OFFICERS' RETIREMENT SYSTEM – FIRE AND RESCUE COMMISSION

Plan Year Ended June 30,	Commission's proportion of the net pension liability	Commission's proportionate share of the net pension liability	Commission's covered payroll	Commission's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.401648%	\$ 10,334,042	\$ 6,039,529	171%	70.37%
2020	0.401133%	13,302,440	6,059,715	220%	58.79%
2019	0.398173%	11,411,400	5,775,336	198%	62.69%
2018	0.385515%	10,923,745	4,973,240	220%	61.73%
2017	0.353173%	9,675,427	4,473,174	216%	60.94%
2016	0.312920%	8,210,866	4,078,445	201%	60.40%
2015	0.340447%	7,420,061	4,404,638	168%	64.60%
2014	0.349565%	6,692,122	4,343,910	154%	67.50%

Notes to the Schedules:

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

COLLETON COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30,

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY SOUTH CAROLINA RETIREMENT SYSTEM – MEMORIAL LIBRARY

Plan Year Ended June 30,	Memorial Library's proportion of the net pension liability	Memorial Library's proportionate share of the net pension liability	Memorial Library's covered payroll	Memorial Library's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.003481%	\$ 753,233	\$ 393,443	191%	60.75%
2020	0.003583%	915,621	391,009	234%	50.71%
2019	0.003492%	797,355	368,667	216%	54.10%
2018	0.003360%	752,812	349,178	216%	54.10%
2017	0.003575%	804,833	335,043	240%	53.34%
2016	0.003102%	686,800	320,215	214%	52.90%
2015	0.003354%	635,958	322,367	197%	57.00%
2014	0.003503%	603,114	350,642	172%	59.90%

Notes to the Schedules:

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

COLLETON COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30,

SCHEDULE OF CONTRIBUTIONS SOUTH CAROLINA RETIREMENT SYSTEM – PRIMARY GOVERNMENT

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions relative to statutorily required	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2022	\$ 1,886,565	\$ 1,886,565	\$ -	\$ 11,392,298	16.56%
2021	1,678,099	1,678,099	-	10,784,699	15.56%
2020	1,667,718	1,667,718	-	10,717,988	15.56%
2019	1,511,797	1,511,797	-	10,105,559	14.96%
2018	1,297,681	1,297,681	-	9,569,920	13.56%
2017	1,158,674	1,158,674	-	10,023,134	11.56%
2016	973,309	973,309	-	8,800,266	11.06%
2015	949,415	949,415	-	8,710,229	10.90%

SCHEDULE OF CONTRIBUTIONS POLICE OFFICERS' RETIREMENT SYSTEM – PRIMARY GOVERNMENT

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2022	\$ 981,755	\$ 981,755	\$ -	\$ 5,156,276	19.04%
2021	846,418	846,418	-	4,640,451	18.24%
2020	849,246	849,246	-	4,655,962	18.24%
2019	765,018	765,018	-	4,437,460	17.24%
2018	724,610	724,610	-	4,461,857	16.24%
2017	647,610	647,610	-	4,547,825	14.24%
2016	543,598	543,598	-	3,956,317	13.74%
2015	531,574	531,574	-	3,964,012	13.41%

Notes to the Schedules:

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

COLLETON COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30,

SCHEDULE OF CONTRIBUTIONS SOUTH CAROLINA RETIREMENT SYSTEM – FIRE AND RESCUE COMMISSION

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	Commission's covered payroll	Contributions as a percentage of covered payroll
2022	\$ 51,167	\$ 51,167	\$ -	\$ 308,981	16.56%
2021	45,513	45,513	-	292,501	15.56%
2020	45,232	45,232	-	290,692	15.56%
2019	41,003	41,003	-	274,082	14.96%
2018	31,380	31,380	-	231,432	13.56%
2017	14,891	14,891	-	128,815	11.56%
2016	32,916	32,916	-	297,612	11.06%
2015	26,581	26,581	-	243,862	10.90%

SCHEDULE OF CONTRIBUTIONS POLICE OFFICERS' RETIREMENT SYSTEM – FIRE AND RESCUE COMMISSION

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	Commission's covered payroll	Contributions as a percentage of covered payroll
2022	\$ 1,277,750	\$ 1,277,750	\$ -	\$ 6,710,872	19.04%
2021	1,101,610	1,101,610	-	6,039,529	18.24%
2020	1,105,291	1,105,291	-	6,059,715	18.24%
2019	995,668	995,668	-	5,775,336	17.24%
2018	807,740	807,740	-	4,973,240	16.24%
2017	636,980	636,980	-	4,473,174	14.24%
2016	560,378	560,378	-	4,078,445	13.74%
2015	590,662	590,662	-	4,404,638	13.41%

Notes to the Schedules:

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

COLLETON COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30,

SCHEDULE OF CONTRIBUTIONS SOUTH CAROLINA RETIREMENT SYSTEM – MEMORIAL LIBRARY

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	Memorial Library's covered payroll	Contributions as a percentage of covered payroll
2022	\$ 68,825	\$ 68,825	\$ -	\$ 415,609	16.56%
2021	61,219	61,219	-	393,443	15.56%
2020	60,841	60,841	-	391,009	15.56%
2019	55,153	55,153	-	368,667	14.96%
2018	47,349	47,349	-	349,178	13.56%
2017	38,731	38,731	-	335,043	11.56%
2016	35,416	35,416	-	320,215	11.06%
2015	35,138	35,138	-	322,367	10.90%

Notes to the Schedules:

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

COLLETON COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION RETIREMENT PLAN ASSUMPTIONS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The following represents the assumptions used for the County, Fire and Rescue Commission and the Memorial Library.

System	SCRS	PORS
Calculation date	July 1, 2019	July 1, 2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	Five-year smoothed	Five-year smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	28 year maximum, closed	28 year maximum, closed
Investment return	7.25%	7.25%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service.	3.50% plus step-rate increases for members with less than 21 years of service.
Mortality	The 2016 Public Retirees of South Carolina Mortality Tables for males and females, both projected at Scale AA from the year 2016. Males rates multiplied by 100% for noneducators and 92% for educators. Female rates multiplied by 111% for noneducators and 98% for educators.	The 2016 Public Retirees of South Carolina Mortality Tables for males and females, both projected at Scale AA from the year 2016. Males rates are multiplied by 125% and female rates are multiplied by 111%.

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
OPEB RETIREMENT PLAN – SCHEDULE OF CHANGES IN THE PRIMARY
GOVERNMENT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 281,668	\$ 273,464	\$ 220,060	\$ 224,176	\$ 260,008
Interest on total OPEB liability	106,464	114,920	119,093	107,751	89,458
Difference between expected and actual experience	1,069,692	1,434	(191,897)	(3,268)	-
Effect of assumption changes	440,503	454,267	241,956	(32,142)	(338,163)
Benefit payments	<u>(29,671)</u>	<u>(37,269)</u>	<u>(31,099)</u>	<u>(31,555)</u>	<u>(29,153)</u>
Net change in total OPEB liability	1,868,656	806,816	358,113	264,962	(17,850)
Total OPEB liability - beginning	4,360,196	3,553,380	3,195,267	2,930,305	2,948,155
Total OPEB liability - ending	\$ 6,228,852	\$ 4,360,196	\$ 3,553,380	\$ 3,195,267	\$ 2,930,305
Covered employee payroll	\$ 13,349,149	\$ 14,712,492	\$ 13,976,210	\$ 13,463,416	\$ 12,826,065
Total OPEB liability as a percentage of covered employee payroll	46.7%	29.6%	25.4%	23.7%	22.8%

Notes to the Schedule:

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

The discount rate changed from 2.45% as of June 30, 2021 to 2.16% as of June 30, 2022.

The County is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
OPEB RETIREMENT PLAN – SCHEDULE OF CHANGES IN THE FIRE AND RESCUE
COMMISSION'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 51,413	\$ 49,915	\$ 40,169	\$ 40,920	\$ 47,459
Interest on total OPEB liability	19,433	20,976	21,738	19,668	16,329
Difference between expected and actual experience	195,250	262	(35,027)	(597)	-
Effect of assumption changes	80,408	82,916	44,164	(5,867)	(61,725)
Benefit payments	<u>(5,416)</u>	<u>(6,803)</u>	<u>(5,676)</u>	<u>(5,760)</u>	<u>(5,321)</u>
Net change in total OPEB liability	341,088	147,266	65,368	48,364	(3,258)
Total OPEB liability - beginning	795,869	648,603	583,235	534,871	538,129
Total OPEB liability - ending	<u>\$ 1,136,957</u>	<u>\$ 795,869</u>	<u>\$ 648,603</u>	<u>\$ 583,235</u>	<u>\$ 534,871</u>
Covered employee payroll	\$ 2,436,611	\$ 2,685,461	\$ 2,551,068	\$ 2,457,468	\$ 2,341,133
Total OPEB liability as a percentage of covered employee payroll	46.7%	29.6%	25.4%	23.7%	22.8%

Notes to the Schedule:

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

The discount rate changed from 2.45% as of June 30, 2021 to 2.16% as of June 30, 2022.

The County is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

COLLETON COUNTY, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
OPEB RETIREMENT PLAN – SCHEDULE OF CHANGES IN THE MEMORIAL
LIBRARY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 34,153	\$ 33,158	\$ 26,693	\$ 27,192	\$ 31,526
Interest on total OPEB liability	12,909	13,934	14,440	13,065	10,847
Difference between expected and actual experience	129,702	174	(23,268)	(396)	-
Effect of assumption changes	53,484	55,115	29,338	(3,897)	(41,003)
Benefit payments	<u>(3,598)</u>	<u>(4,519)</u>	<u>(3,771)</u>	<u>(3,826)</u>	<u>(3,535)</u>
Net change in total OPEB liability	226,650	97,862	43,432	32,138	(2,165)
Total OPEB liability - beginning	528,849	430,987	387,555	355,417	357,582
Total OPEB liability - ending	<u>\$ 755,499</u>	<u>\$ 528,849</u>	<u>\$ 430,987</u>	<u>\$ 387,555</u>	<u>\$ 355,417</u>
Covered employee payroll	\$ 1,618,606	\$ 1,783,914	\$ 1,694,638	\$ 1,632,461	\$ 1,555,181
Total OPEB liability as a percentage of covered employee payroll	46.7%	29.6%	25.4%	23.7%	22.9%

Notes to the Schedule:

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

The discount rate changed from 2.45% as of June 30, 2021 to 2.16% as of June 30, 2022.

The County is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Sheriff's Discretionary Funds – to account for the program and activities associated with the Sheriff's department.

Clerk of Court IV Incentives Fund – to account for federal child enforcement incentives received and disbursed by the Clerk of Court.

Clerk of Court IV Unit Costs Fund – to account for federal child enforcement funds received and disbursed by the Clerk of Court.

Victim Witness Services Fund – to account for victims' funds for the County.

14th Circuit Court Solicitor Fund – to account for the activities of the 14th Circuit Court Solicitor mandated by State Statute to prosecute within the 14th Circuit Court System that Colleton County acts as Host County.

Animal Care Control Donations Fund – to account for projects and activities for animal control.

Emergency Telephone Fund – to account for operations of the County's Emergency 911 communication system.

County Hospitality Tax Fund – to account for local hospitality tax collected by the County.

County Accommodations Tax Fund – to account for local accommodations tax collected by the County.

State Accommodations Tax Fund – to account for state accommodations tax collected by the State.

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

Debt Service Fund – used for the accumulation of resources for payment of principal and interest on County general obligation debt.

GO Bond Fund – used to set aside funds to pay interest and principal related to the General Obligation Bond Series 2015.

Debt Service Non-GOB – used to set aside funds to pay interest and principal on County non-general obligation debt.

COLLETON COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds			
	Sheriff's Discretionary	Clerk of Court IV Incentives	Clerk of Court IV Unit Costs	Victim Witness Services
ASSETS				
Cash and cash equivalents	\$ 151,719	\$ 92,824	\$ -	\$ 66,059
Receivables, net	512	1,010	21,733	3,902
Prepaid expenditures	-	-	-	-
Total assets	<u>\$ 152,231</u>	<u>\$ 93,834</u>	<u>\$ 21,733</u>	<u>\$ 69,961</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 477	\$ -	\$ 18,277	\$ 848
Accrued payroll and benefits	-	-	3,456	2,226
Total liabilities	<u>477</u>	<u>-</u>	<u>21,733</u>	<u>3,074</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Non-spendable:				
Prepaid expenditures	-	-	-	-
Restricted for:				
Public safety	151,754	-	-	66,887
Debt service	-	-	-	-
Recreation and culture	-	-	-	-
Judicial services	-	93,834	-	-
Assigned:				
Judicial services	-	-	-	-
Committed				
Recreation and culture	-	-	-	-
Total fund balances	<u>151,754</u>	<u>93,834</u>	<u>-</u>	<u>66,887</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 152,231</u>	<u>\$ 93,834</u>	<u>\$ 21,733</u>	<u>\$ 69,961</u>

(Continued)

Special Revenue Funds

14th Circuit Court Solicitor	Animal Care Control Donations	Emergency Telephone	County Hospitality Tax	County Accommodations Tax	State Accommodations Tax
\$ 1,085,879	\$ -	\$ 496,171	\$ 7,450	\$ 28,205	\$ 48,550
427,408	-	42,590	57,427	99,612	23,230
22,655	-	-	-	-	-
<u>\$ 1,535,942</u>	<u>\$ -</u>	<u>\$ 538,761</u>	<u>\$ 64,877</u>	<u>\$ 127,817</u>	<u>\$ 71,780</u>
\$ 21,945	\$ -	\$ 5,278	\$ -	\$ 8,128	\$ -
60,416	-	3,977	-	12,427	-
82,361	-	9,255	-	20,555	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
22,655	-	-	-	-	-
-	-	529,506	-	-	-
-	-	-	-	-	-
-	-	-	-	-	71,780
-	-	-	-	-	-
1,430,926	-	-	-	-	-
-	-	-	64,877	107,262	-
<u>1,453,581</u>	<u>-</u>	<u>529,506</u>	<u>64,877</u>	<u>107,262</u>	<u>71,780</u>
<u>\$ 1,535,942</u>	<u>\$ -</u>	<u>\$ 538,761</u>	<u>\$ 64,877</u>	<u>\$ 127,817</u>	<u>\$ 71,780</u>

COLLETON COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Debt Service Funds			Totals
	Debt Service	GO Bond	Debt Service Non-GOB	
ASSETS				
Cash and cash equivalents	\$ 41,876	\$ 173,893	\$ -	\$ 2,192,626
Receivables, net	132,069	-	-	809,493
Prepaid expenditures	-	-	-	22,655
Total assets	<u>\$ 173,945</u>	<u>\$ 173,893</u>	<u>\$ -</u>	<u>\$ 3,024,774</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 54,953
Accrued payroll and benefits	-	-	-	82,502
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,455</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	112,711	-	-	112,711
Total deferred inflows of resources	<u>112,711</u>	<u>-</u>	<u>-</u>	<u>112,711</u>
FUND BALANCES				
Non-spendable:				
Prepaid expenditures	-	-	-	22,655
Restricted for:				
Public safety	-	-	-	748,147
Debt service	61,234	173,893	-	235,127
Recreation and culture	-	-	-	71,780
Judicial services	-	-	-	93,834
Assigned:				
Judicial services	-	-	-	1,430,926
Committed				
Recreation and culture	-	-	-	172,139
Total fund balances	<u>61,234</u>	<u>173,893</u>	<u>-</u>	<u>2,774,608</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 173,945</u>	<u>\$ 173,893</u>	<u>\$ -</u>	<u>\$ 3,024,774</u>

COLLETON COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds			
	Sheriff's Discretionary	Clerk of Court IV Incentives	Clerk of Court IV Unit Costs	Victim Witness Services
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,538	44,216	126,268	51,106
Fines and fees	-	-	-	-
Other revenues	19,991	106	-	130
Total revenues	<u>24,529</u>	<u>44,322</u>	<u>126,268</u>	<u>51,236</u>
Expenditures				
Current:				
General government	-	-	-	-
Judicial services	-	43,372	147,754	-
Public safety	46,192	-	-	119,732
Roads and bridges	-	-	-	-
Recreation and culture	-	-	-	-
Economic development	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay				
Judicial services	-	-	-	-
Public safety	33,420	-	-	-
Recreation and culture	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>79,612</u>	<u>43,372</u>	<u>147,754</u>	<u>119,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(55,083)</u>	<u>950</u>	<u>(21,486)</u>	<u>(68,496)</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	73,080	-	-	-
Proceeds from issuance of debt	-	-	-	-
Insurance recoveries	-	-	-	-
Transfers in	4,108	-	7,124	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>77,188</u>	<u>-</u>	<u>7,124</u>	<u>-</u>
Net change in fund balances	22,105	950	(14,362)	(68,496)
Fund balances, beginning of year	<u>129,649</u>	<u>92,884</u>	<u>14,362</u>	<u>135,383</u>
Fund balances end of year	<u>\$ 151,754</u>	<u>\$ 93,834</u>	<u>\$ -</u>	<u>\$ 66,887</u>

(Continued)

Special Revenue Funds

14th Circuit Court Solicitor	Animal Care Control Donations	Emergency Telephone	County Hospitality Tax	County Accommodations Tax	State Accommodations Tax
\$ -	\$ -	\$ -	\$ 614,120	\$ 750,970	\$ 51,553
4,337,325	-	87,658	-	-	-
195,184	15,440	290,110	-	-	-
10,053	10,287	562	223	253	83
<u>4,542,562</u>	<u>25,727</u>	<u>378,330</u>	<u>614,343</u>	<u>751,223</u>	<u>51,636</u>
-	-	-	57,211	-	-
4,409,908	-	-	-	-	-
-	39,398	302,382	-	-	-
-	-	-	-	5,856	-
-	-	-	137,348	424,159	41,000
-	-	-	124,152	-	-
-	-	-	6,000	25,702	-
29,464	-	-	-	-	-
-	-	-	-	-	-
-	-	-	19,049	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,439,372</u>	<u>39,398</u>	<u>302,382</u>	<u>343,760</u>	<u>455,717</u>	<u>41,000</u>
103,190	(13,671)	75,948	270,583	295,506	10,636
-	-	-	-	-	-
-	-	-	-	-	-
2,128	-	-	-	-	-
291,168	-	-	-	-	-
(137,058)	-	-	(292,443)	(275,000)	-
<u>156,238</u>	<u>-</u>	<u>-</u>	<u>(292,443)</u>	<u>(275,000)</u>	<u>-</u>
259,428	(13,671)	75,948	(21,860)	20,506	10,636
1,194,153	13,671	453,558	86,737	86,756	61,144
<u>\$ 1,453,581</u>	<u>\$ -</u>	<u>\$ 529,506</u>	<u>\$ 64,877</u>	<u>\$ 107,262</u>	<u>\$ 71,780</u>

COLLETON COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Debt Service Funds			Totals
	Debt Service	GO Bond	Debt Service Non-GOB	
Revenues				
Taxes	\$ 2,109,450	\$ -	\$ -	\$ 3,526,093
Intergovernmental	-	-	195,889	4,847,000
Fines and fees	10,004	-	-	510,738
Other revenues	1,066	219	45	43,018
Total revenues	<u>2,120,520</u>	<u>219</u>	<u>195,934</u>	<u>8,926,849</u>
Expenditures				
Current:				
General government	-	-	-	57,211
Judicial services	-	-	-	4,601,034
Public safety	-	-	-	507,704
Roads and bridges	-	-	-	5,856
Recreation and culture	-	-	-	602,507
Economic development	-	-	-	124,152
Intergovernmental	-	-	-	31,702
Capital outlay				
Judicial services	-	-	-	29,464
Public safety	-	-	-	33,420
Recreation and culture	-	-	-	19,049
Debt service:				
Principal	3,306,093	-	1,371,071	4,677,164
Interest and fiscal charges	268,273	-	155,314	423,587
Total expenditures	<u>3,574,366</u>	<u>-</u>	<u>1,526,385</u>	<u>11,112,850</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,453,846)</u>	<u>219</u>	<u>(1,330,451)</u>	<u>(2,186,001)</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	73,080
Proceeds from issuance of debt	2,249,475	-	-	2,249,475
Insurance recoveries	-	-	-	2,128
Transfers in	-	-	1,206,155	1,508,555
Transfers out	(1,206,155)	-	-	(1,910,656)
Total other financing sources (uses)	<u>1,043,320</u>	<u>-</u>	<u>1,206,155</u>	<u>1,922,582</u>
Net change in fund balances	(410,526)	219	(124,296)	(263,419)
Fund balances, beginning of year	<u>471,760</u>	<u>173,674</u>	<u>124,296</u>	<u>3,038,027</u>
Fund balances, end of year	<u>\$ 61,234</u>	<u>\$ 173,893</u>	<u>\$ -</u>	<u>\$ 2,774,608</u>

COLLETON COUNTY, SOUTH CAROLINA

**CLERK OF COURT IV INCENTIVES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 39,500	\$ 39,500	\$ 44,216	\$ 4,716
Other revenues	500	500	106	(394)
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>44,322</u>	<u>4,322</u>
EXPENDITURES				
Judicial services	40,000	40,000	43,372	(3,372)
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>43,372</u>	<u>(3,372)</u>
Net change in fund balance	-	-	950	950
FUND BALANCES, beginning of year	<u>92,884</u>	<u>92,884</u>	<u>92,884</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 92,884</u>	<u>\$ 92,884</u>	<u>\$ 93,834</u>	<u>\$ 950</u>

COLLETON COUNTY, SOUTH CAROLINA

**CLERK OF COURT IV UNIT COSTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 146,543	\$ 169,613	\$ 126,268	\$ (43,345)
Other revenues	500	500	-	(500)
Total revenues	<u>147,043</u>	<u>170,113</u>	<u>126,268</u>	<u>(43,845)</u>
EXPENDITURES				
Judicial services	182,810	176,330	147,754	28,576
Total expenditures	<u>182,810</u>	<u>176,330</u>	<u>147,754</u>	<u>28,576</u>
Deficiency of revenues under expenditures	<u>(35,767)</u>	<u>(6,217)</u>	<u>(21,486)</u>	<u>(15,269)</u>
OTHER FINANCING SOURCES				
Transfers in	6,217	6,217	7,124	907
Total other financing sources	<u>6,217</u>	<u>6,217</u>	<u>7,124</u>	<u>907</u>
Net change in fund balance	(29,550)	-	(14,362)	(14,362)
FUND BALANCES, beginning of year	<u>14,362</u>	<u>14,362</u>	<u>14,362</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ (15,188)</u>	<u>\$ 14,362</u>	<u>\$ -</u>	<u>\$ (14,362)</u>

COLLETON COUNTY, SOUTH CAROLINA

**VICTIM WITNESS SERVICES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 95,165	\$ 98,334	\$ 51,106	\$ (47,228)
Other revenues	2,000	2,000	130	(1,870)
Total revenues	<u>97,165</u>	<u>100,334</u>	<u>51,236</u>	<u>(49,098)</u>
EXPENDITURES				
Public safety	99,619	104,288	119,732	(15,444)
Total expenditures	<u>99,619</u>	<u>104,288</u>	<u>119,732</u>	<u>(15,444)</u>
Deficiency of revenues under expenditures	(2,454)	(3,954)	(68,496)	(64,542)
OTHER FINANCING SOURCES				
Transfers in	3,954	3,954	-	(3,954)
Total other financing sources	<u>3,954</u>	<u>3,954</u>	<u>-</u>	<u>(3,954)</u>
Net change in fund balance	1,500	-	(68,496)	(68,496)
FUND BALANCES, beginning of year	<u>135,383</u>	<u>135,383</u>	<u>135,383</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 136,883</u>	<u>\$ 135,383</u>	<u>\$ 66,887</u>	<u>\$ (68,496)</u>

COLLETON COUNTY, SOUTH CAROLINA

**ANIMAL CARE CONTROL DONATIONS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Fines and fees	\$ 18,000	\$ 18,000	\$ 15,440	\$ (2,560)
Other revenues	-	-	10,287	10,287
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>25,727</u>	<u>7,727</u>
EXPENDITURES				
Public safety	<u>18,000</u>	<u>18,000</u>	<u>39,398</u>	<u>(21,398)</u>
Total expenditures	<u>18,000</u>	<u>18,000</u>	<u>39,398</u>	<u>(21,398)</u>
Net change in fund balance	-	-	(13,671)	(13,671)
FUND BALANCES, beginning of year	<u>13,671</u>	<u>13,671</u>	<u>13,671</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 13,671</u>	<u>\$ 13,671</u>	<u>\$ -</u>	<u>\$ (13,671)</u>

COLLETON COUNTY, SOUTH CAROLINA

**EMERGENCY TELEPHONE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 52,850	\$ 52,850	\$ 87,658	\$ 34,808
Fines and fees	246,383	266,383	290,110	23,727
Other revenues	-	27,748	562	(27,186)
Total revenues	<u>299,233</u>	<u>346,981</u>	<u>378,330</u>	<u>31,349</u>
EXPENDITURES				
Public safety	304,986	352,734	302,382	50,352
Total expenditures	<u>304,986</u>	<u>352,734</u>	<u>302,382</u>	<u>50,352</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,753)</u>	<u>(5,753)</u>	<u>75,948</u>	<u>81,701</u>
OTHER FINANCING SOURCES				
Transfers in	5,753	5,753	-	(5,753)
Total other financing sources	<u>5,753</u>	<u>5,753</u>	<u>-</u>	<u>(5,753)</u>
Net change in fund balance	-	-	75,948	75,948
FUND BALANCES, beginning of year	<u>453,558</u>	<u>453,558</u>	<u>453,558</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 453,558</u>	<u>\$ 453,558</u>	<u>\$ 529,506</u>	<u>\$ 75,948</u>

COLLETON COUNTY, SOUTH CAROLINA

**COUNTY HOSPITALITY TAX
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 550,000	\$ 550,000	\$ 614,120	\$ 64,120
Other revenues	1,200	1,200	223	(977)
Total revenues	<u>551,200</u>	<u>551,200</u>	<u>614,343</u>	<u>63,143</u>
EXPENDITURES				
General government	-	-	57,211	(57,211)
Recreation and culture	72,045	178,730	137,348	41,382
Economic development	124,152	124,152	124,152	-
Intergovernmental	6,000	6,000	6,000	-
Capital outlay	-	-	19,049	(19,049)
Total expenditures	<u>202,197</u>	<u>308,882</u>	<u>343,760</u>	<u>(34,878)</u>
Excess of revenues over expenditures	<u>349,003</u>	<u>242,318</u>	<u>270,583</u>	<u>28,265</u>
OTHER FINANCING USES				
Transfers out	(248,318)	(248,318)	(292,443)	(44,125)
Total other financing uses	<u>(248,318)</u>	<u>(248,318)</u>	<u>(292,443)</u>	<u>(44,125)</u>
Net change in fund balance	100,685	(6,000)	(21,860)	(15,860)
FUND BALANCES, beginning of year	<u>86,737</u>	<u>86,737</u>	<u>86,737</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 187,422</u>	<u>\$ 80,737</u>	<u>\$ 64,877</u>	<u>\$ (15,860)</u>

COLLETON COUNTY, SOUTH CAROLINA

**COUNTY ACCOMMODATIONS TAX
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 484,499	\$ 484,499	\$ 750,970	\$ 266,471
Other revenues	-	-	253	253
Total revenues	<u>484,499</u>	<u>484,499</u>	<u>751,223</u>	<u>266,724</u>
EXPENDITURES				
Roads and bridges	7,614	7,614	5,856	1,758
Recreation and culture	496,129	496,129	424,159	71,970
Intergovernmental	25,702	25,702	25,702	-
Total expenditures	<u>529,445</u>	<u>529,445</u>	<u>455,717</u>	<u>73,728</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,946)</u>	<u>(44,946)</u>	<u>295,506</u>	<u>340,452</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	44,946	44,946	-	(44,946)
Transfers out	-	-	(275,000)	(275,000)
Total other financing sources (uses)	<u>44,946</u>	<u>44,946</u>	<u>(275,000)</u>	<u>(319,946)</u>
Net change in fund balance	-	-	20,506	20,506
FUND BALANCES, beginning of year	<u>86,756</u>	<u>86,756</u>	<u>86,756</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 86,756</u>	<u>\$ 86,756</u>	<u>\$ 107,262</u>	<u>\$ 20,506</u>

COLLETON COUNTY, SOUTH CAROLINA

**DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 1,981,560	\$ 2,010,010	\$ 2,109,450	\$ 99,440
Fines and fees	9,100	9,100	10,004	904
Other revenues	13,000	13,000	1,066	(11,934)
Total revenues	<u>2,003,660</u>	<u>2,032,110</u>	<u>2,120,520</u>	<u>88,410</u>
EXPENDITURES				
Debt service:				
Principal	1,080,000	1,076,093	3,306,093	(2,230,000)
Interest and fiscal charges	202,099	206,006	268,273	(62,267)
Total expenditures	<u>1,282,099</u>	<u>1,282,099</u>	<u>3,574,366</u>	<u>(2,292,267)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>721,561</u>	<u>750,011</u>	<u>(1,453,846)</u>	<u>(2,203,857)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	-	-	2,249,475	2,249,475
Transfers out	(721,561)	(750,011)	(1,206,155)	(456,144)
Total other financing sources (uses)	<u>(721,561)</u>	<u>(750,011)</u>	<u>1,043,320</u>	<u>1,793,331</u>
Net change in fund balance	-	-	(410,526)	(410,526)
FUND BALANCES, beginning of year	<u>471,760</u>	<u>471,760</u>	<u>471,760</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 471,760</u>	<u>\$ 471,760</u>	<u>\$ 61,234</u>	<u>\$ (410,526)</u>

COLLETON COUNTY, SOUTH CAROLINA

**CAPITAL SALES TAX DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 6,146,610	\$ 6,463,644	\$ 6,034,800	\$ (428,844)
Other revenues	25,000	25,000	4,917	(20,083)
Total revenues	<u>6,171,610</u>	<u>6,488,644</u>	<u>6,039,717</u>	<u>(448,927)</u>
EXPENDITURES				
Debt service:				
Principal	4,254,600	4,254,600	3,875,000	379,600
Interest and fiscal charges	220,400	220,400	220,400	-
Total expenditures	<u>4,475,000</u>	<u>4,475,000</u>	<u>4,095,400</u>	<u>379,600</u>
Excess of revenues over expenditures	<u>1,696,610</u>	<u>2,013,644</u>	<u>1,944,317</u>	<u>(69,327)</u>
OTHER FINANCING USES				
Transfers out	<u>(1,696,610)</u>	<u>(2,013,644)</u>	<u>(2,013,645)</u>	<u>(1)</u>
Total other financing uses	<u>(1,696,610)</u>	<u>(2,013,644)</u>	<u>(2,013,645)</u>	<u>(1)</u>
Net change in fund balance	-	-	(69,328)	(69,328)
FUND BALANCES, beginning of year	<u>6,869,333</u>	<u>6,869,333</u>	<u>6,869,333</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 6,869,333</u>	<u>\$ 6,869,333</u>	<u>\$ 6,800,005</u>	<u>\$ (69,328)</u>

COLLETON COUNTY, SOUTH CAROLINA

**DEBT SERVICE NON-GOB
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 195,889	\$ 195,889	\$ 195,889	\$ -
Other revenues	-	-	45	45
Total revenues	<u>195,889</u>	<u>195,889</u>	<u>195,934</u>	<u>45</u>
EXPENDITURES				
Debt service:				
Principal	923,333	912,054	1,371,071	(459,017)
Interest and fiscal charges	276,667	287,946	155,314	132,632
Total expenditures	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,526,385</u>	<u>(326,385)</u>
Deficiency of revenues under expenditures	<u>(1,004,111)</u>	<u>(1,004,111)</u>	<u>(1,330,451)</u>	<u>(326,340)</u>
OTHER FINANCING SOURCES				
Transfers in	1,200,000	1,200,000	1,206,155	6,155
Total other financing sources	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,206,155</u>	<u>6,155</u>
Net change in fund balance	195,889	195,889	(124,296)	(320,185)
FUND BALANCES, beginning of year	<u>124,296</u>	<u>124,296</u>	<u>124,296</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 320,185</u></u>	<u><u>\$ 320,185</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (320,185)</u></u>

COLLETON COUNTY, SOUTH CAROLINA

**CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 75,000	\$ 3,785,775	\$ 4,769,631	\$ 983,856
Other revenues	135,000	5,219,041	497,633	(4,721,408)
Total revenues	<u>210,000</u>	<u>9,004,816</u>	<u>5,267,264</u>	<u>(3,737,552)</u>
EXPENDITURES				
General government	598,090	601,840	918,736	(316,896)
Public safety	-	63,746	83,331	(19,585)
Solid waste	-	3,445,214	1,981,174	1,464,040
Recreation and culture	212,000	1,125,548	526,210	599,338
Health and human services	-	-	708	(708)
Economic development	784,265	784,265	601,983	182,282
Intergovernmental	1,650,000	7,087,423	3,381,297	3,706,126
Capital outlay:				
General government	2,312,758	5,275,013	3,333,625	1,941,388
Public safety	-	2,835,895	17,604	2,818,291
Solid waste	-	2,723,006	2,196,822	526,184
Recreation and culture	-	423,620	198,328	225,292
Health and human services	-	142,292	124,292	18,000
Total expenditures	<u>5,557,113</u>	<u>24,507,862</u>	<u>13,364,110</u>	<u>11,143,752</u>
Deficiency of revenues under expenditures	<u>(5,347,113)</u>	<u>(15,503,046)</u>	<u>(8,096,846)</u>	<u>7,406,200</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	159,611	159,611	-	(159,611)
Issuance of debt	584,265	6,084,265	6,078,398	(5,867)
Insurance proceeds	-	-	133,615	133,615
Transfers in	2,125,090	2,877,287	4,178,064	1,300,777
Transfers out	-	(350,000)	(350,000)	-
Total other financing sources, net	<u>2,868,966</u>	<u>8,771,163</u>	<u>10,040,077</u>	<u>1,268,914</u>
Net change in fund balance	(2,478,147)	(6,731,883)	1,943,231	8,675,114
FUND BALANCES, beginning of year	<u>10,127,910</u>	<u>10,127,910</u>	<u>10,127,910</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 7,649,763</u>	<u>\$ 3,396,027</u>	<u>\$ 12,071,141</u>	<u>\$ 8,675,114</u>

FIDUCIARY FUNDS

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the County as an agent for individuals, private organizations, and other governments.

Sheriff Trust Funds – to account for the receipts and disbursements by the Sheriff's office related to seized assets from offenders.

Inmate Trust Funds – to account for the funds held for the offenders that are incarcerated.

Jail Commissary Funds – to account for the resources used to operate the County detention center commissary.

Willow Swamp Water Shed Fund – to account for the resources used for the Willow Swamp water shed.

Law Officer's Memorial Fund – to account for contributions on behalf of law enforcement officials.

Treasurer Fund – to account for receipts and disbursements by the Treasurer that will be disbursed to other entities.

14th Circuit Court Solicitor Fund – to account for receipts and disbursements by the 14th Circuit Court Solicitor that will be disbursed to other entities.

Delinquent Tax Fund – to account for delinquent taxes collected.

Clerk of Court Fund – to account for child support payments, bonds, restitution, and fines collected by the Clerk of Court and held in trust for others.

Magistrate's Fund – to account for fines collected that have not been disposed of by the court.

Firemen's Fund – represents the receipts and disbursements by the Treasurer that will be disbursed to the various fire departments within the County.

Colleton County School Fund – used to account for receipts and disbursements by the Treasurer of assets earmarked for the school district.

COLLETON COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2022**

ASSETS	<u>Sheriff Trust</u>	<u>Inmate Trust</u>	<u>Jail Commissary</u>	<u>Willow Swamp Water Shed</u>	<u>Law Officer's Memorial</u>
Cash and cash equivalents	\$ 249,897	\$ 166,311	137,028	\$ 54,729	\$ 2,864
Other receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>249,897</u>	<u>166,311</u>	<u>137,028</u>	<u>54,729</u>	<u>2,864</u>
 LIABILITIES					
Due to others	<u>183,262</u>	<u>68,789</u>	<u>108,500</u>	<u>15,000</u>	<u>-</u>
Total liabilities	<u>183,262</u>	<u>68,789</u>	<u>108,500</u>	<u>15,000</u>	<u>-</u>
 NET POSITION					
Restricted: Individuals, organizations, and other governments	<u>66,635</u>	<u>97,522</u>	<u>28,528</u>	<u>39,729</u>	<u>2,864</u>
Total net position	<u>\$ 66,635</u>	<u>\$ 97,522</u>	<u>28,528</u>	<u>\$ 39,729</u>	<u>\$ 2,864</u>

<u>Treasurer</u>	<u>14th Circuit Court Solicitor</u>	<u>Delinquent Tax</u>	<u>Clerk of Court</u>	<u>Magistrate</u>	<u>Firemen</u>	<u>Colleton County School</u>	<u>Total</u>
\$ 758,317 4,627	\$ 7,541 -	\$ 3,501,133 -	\$ 322,518 -	\$ 102,123 -	\$ 127,946 -	\$ 8,311,588 -	\$ 13,741,995 4,627
<u>762,944</u>	<u>7,541</u>	<u>3,501,133</u>	<u>322,518</u>	<u>102,123</u>	<u>127,946</u>	<u>8,311,588</u>	<u>13,746,622</u>
 504,555	 -	 1,848,290	 141,380	 53,663	 90,845	 5,774,524	 8,788,808
<u>504,555</u>	<u>-</u>	<u>1,848,290</u>	<u>141,380</u>	<u>53,663</u>	<u>90,845</u>	<u>5,774,524</u>	<u>8,788,808</u>
 258,389	 7,541	 1,652,843	 181,138	 48,460	 37,101	 2,537,064	 4,957,814
<u>\$ 258,389</u>	<u>\$ 7,541</u>	<u>\$ 1,652,843</u>	<u>\$ 181,138</u>	<u>\$ 48,460</u>	<u>\$ 37,101</u>	<u>\$ 2,537,064</u>	<u>\$ 4,957,814</u>

COLLETON COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Sheriff Trust</u>	<u>Inmate Trust</u>	<u>Jail Commissary</u>	<u>Willow Swamp Water Shed</u>	<u>Law Officer's Memorial</u>
ADDITIONS					
Taxes	\$ -	\$ -	\$ -	\$ 33,928	\$ -
Fines and fees	13,521	79,775	-	-	-
Miscellaneous	311	-	187,346	66	5
Total additions	<u>13,832</u>	<u>79,775</u>	<u>187,346</u>	<u>33,994</u>	<u>5</u>
DEDUCTIONS					
Taxes and fees paid to other governments	-	-	-	-	-
Other custodial disbursements	5,663	19,279	182,036	-	-
Total deductions	<u>5,663</u>	<u>19,279</u>	<u>182,036</u>	<u>-</u>	<u>-</u>
Net increase in fiduciary net position	8,169	60,496	5,310	33,994	5
Net position, beginning of year	<u>58,466</u>	<u>37,026</u>	<u>23,218</u>	<u>5,735</u>	<u>2,859</u>
Net position, end of year	<u>\$ 66,635</u>	<u>\$ 97,522</u>	<u>\$ 28,528</u>	<u>\$ 39,729</u>	<u>\$ 2,864</u>

<u>Treasurer</u>	<u>14th Circuit Court Solicitor</u>	<u>Delinquent Tax</u>	<u>Clerk of Court</u>	<u>Magistrate</u>	<u>Firemen</u>	<u>Colleton County School</u>	<u>Total</u>
\$ 4,515,048	\$ -	\$ 5,376,649	\$ -	\$ -	\$ 80,866	\$ 11,236,212	\$ 21,242,703
3,601,499	-	-	581,317	625,828	-	-	4,901,940
33,572	28,947	1,153	22	-	188	70,824,487	71,076,097
<u>8,150,119</u>	<u>28,947</u>	<u>5,377,802</u>	<u>581,339</u>	<u>625,828</u>	<u>81,054</u>	<u>82,060,699</u>	<u>97,220,740</u>
8,145,491	-	4,641,799	-	-	-	68,285,987	81,073,277
-	24,618	-	477,382	569,062	64,351	12,770,248	14,112,639
<u>8,145,491</u>	<u>24,618</u>	<u>4,641,799</u>	<u>477,382</u>	<u>569,062</u>	<u>64,351</u>	<u>81,056,235</u>	<u>95,185,916</u>
4,628	4,329	736,003	103,957	56,766	16,703	1,004,464	2,034,824
253,761	3,212	916,840	77,181	(8,306)	20,398	1,532,600	2,922,990
<u>\$ 258,389</u>	<u>\$ 7,541</u>	<u>\$ 1,652,843</u>	<u>\$ 181,138</u>	<u>\$ 48,460</u>	<u>\$ 37,101</u>	<u>\$ 2,537,064</u>	<u>\$ 4,957,814</u>

COMPONENT UNITS

MAJOR COMPONENT UNITS

Component units are used to account for organizations that raise and hold economic resources for the direct benefit of the governmental unit and for which the elected officials of the primary government are financially accountable.

Fire and Rescue Commission – used to account for programs and activities of the fire and rescue department.

Memorial Library Fund – used to account for programs and activities for the Memorial Library.

COLLETON COUNTY, SOUTH CAROLINA

**BALANCE SHEET
COMPONENT UNIT
FIRE AND RESCUE COMMISSION
JUNE 30, 2022**

	<u>General</u>	<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 107,315	\$ 132,929	\$ 5,277,763	\$ 5,518,007
Receivables, net	1,688,193	214,335	-	1,902,528
Prepaid expenditures	158,018	-	-	158,018
Total assets	<u>\$ 1,953,526</u>	<u>\$ 347,264</u>	<u>\$ 5,277,763</u>	<u>\$ 7,578,553</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 100,657	\$ -	\$ 308,606	\$ 409,263
Accrued payroll and benefits	335,762	-	-	335,762
Total liabilities	<u>436,419</u>	<u>-</u>	<u>308,606</u>	<u>745,025</u>
 DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - fees	1,060,627	-	-	1,060,627
Unavailable revenue - property taxes	293,557	189,313	-	482,870
Unavailable revenue - intergovernmental	15,280	-	-	15,280
Total deferred inflows of resources	<u>1,369,464</u>	<u>189,313</u>	<u>-</u>	<u>1,558,777</u>
 FUND BALANCES				
Nonspendable	158,018	-	-	158,018
Restricted	-	157,951	4,969,157	5,127,108
Unassigned	(10,375)	-	-	(10,375)
Total fund balances	<u>147,643</u>	<u>157,951</u>	<u>4,969,157</u>	<u>5,274,751</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,953,526</u>	<u>\$ 347,264</u>	<u>\$ 5,277,763</u>	<u>\$ 7,578,553</u>

COLLETON COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
COMPONENT UNIT – FIRE AND RESCUE COMMISSION
JUNE 30, 2022**

Total Fire and Rescue fund balance:	\$	5,274,751
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Amounts reported for governmental activities in the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds.		11,366,642
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Property taxes and other special assessments	\$	482,870	
EMS fee receivables		1,060,627	
Intergovernmental revenues		<u>15,280</u>	1,558,777

Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources consist of pension related experience differences, assumption changes, and differences between projected and actual earnings on plan investments.

Deferred outflows related to pensions	\$	2,624,236	
Deferred outflows related to other post-employment benefits		<u>346,646</u>	2,970,882

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

General obligation bonds	\$	(11,380,000)	
Bond premiums		(248,708)	
Capital leases		(664,351)	
Compensated absences		(417,146)	
Accrued interest		(103,090)	
Net pension liability		(10,894,026)	
Total other post-employment benefits liability		<u>(1,136,957)</u>	(24,844,278)

Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan investments.

Deferred inflows related to pensions	\$	(2,445,144)	
Deferred inflows related to other post-employment benefits		<u>(55,612)</u>	(2,500,756)

Net position of governmental activities		<u>\$ (6,173,982)</u>
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COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
COMPONENT UNIT - FIRE AND RESCUE COMMISSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>General</u>	<u>Debt Service</u>	<u>Capital</u>	<u>Total</u>
REVENUES				
Taxes	\$ 3,913,183	\$ 2,638,552	\$ -	\$ 6,551,735
Intergovernmental	4,886,515	-	-	4,886,515
Fines and fees	2,222,645	-	-	2,222,645
Other income	35,390	897	2,859	39,146
Total revenues	<u>11,057,733</u>	<u>2,639,449</u>	<u>2,859</u>	<u>13,700,041</u>
EXPENDITURES				
Current:				
Public safety	11,796,793	195,889	472,316	12,464,998
Capital outlay:				
Public safety	146,155	-	185,637	331,792
Debt service:				
Principal	-	3,355,980	-	3,355,980
Interest	-	373,479	-	373,479
Total expenditures	<u>11,942,948</u>	<u>3,925,348</u>	<u>657,953</u>	<u>16,526,249</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(885,215)</u>	<u>(1,285,899)</u>	<u>(655,094)</u>	<u>(2,826,208)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	2,198,728	5,000,000	7,198,728
Insurance recoveries	113,090	-	-	113,090
Transfers in	817,508	-	-	817,508
Transfers out	-	(817,508)	-	(817,508)
Total other financing sources (uses)	<u>930,598</u>	<u>1,381,220</u>	<u>5,000,000</u>	<u>7,311,818</u>
Net change in fund balances	45,383	95,321	4,344,906	4,485,610
Fund balances, beginning of year	<u>102,260</u>	<u>62,630</u>	<u>624,251</u>	<u>789,141</u>
Fund balances, end of year	<u>\$ 147,643</u>	<u>\$ 157,951</u>	<u>\$ 4,969,157</u>	<u>\$ 5,274,751</u>

COLLETON COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
COMPONENT UNIT – FIRE AND RESCUE COMMISSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Net change in fund balances - total governmental funds \$ 4,485,610

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 711,508	
Depreciation expense	<u>(1,061,366)</u>	(349,858)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes and other special assessments	\$ 145,575	
EMS fees receivable	(360,673)	
Intergovernmental revenues	<u>(35,068)</u>	(250,166)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effects of these items are as follows.

Repayment of the principal of long-term debt	\$ 3,355,980	
Issuance of long-term debt	(7,000,000)	
Premium on bond issuance	(198,728)	
Amortization of premium on long-term debt	<u>13,672</u>	(3,829,076)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following amounts represent the net liability changes using the full accrual method of accounting.

Pension liability	\$ (31,321)	
Compensated absences	(70,750)	
Accrued interest on long-term debt	(15,301)	
Other post-employment benefits liability	<u>(96,502)</u>	<u>(213,874)</u>
		<u>\$ (157,364)</u>

COLLETON COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
COMPONENT UNIT - FIRE AND RESCUE COMMISSION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Taxes	\$ 6,045,388	\$ 6,249,988	\$ 6,551,735	\$ 301,747
Intergovernmental	4,507,934	4,710,815	4,886,515	175,700
Fines and fees	1,750,000	1,815,395	2,222,645	407,250
Other revenues	12,859	511,463	39,146	(472,317)
Total revenues	<u>12,316,181</u>	<u>13,287,661</u>	<u>13,700,041</u>	<u>412,380</u>
EXPENDITURES				
Public safety	11,431,503	12,302,648	12,464,998	(162,350)
Capital outlay:				
Public safety	185,637	347,115	331,792	15,323
Debt service:				
Principal	1,350,921	1,350,980	3,355,980	(2,005,000)
Interest and fiscal charges	229,078	229,019	373,479	(144,460)
Total expenditures	<u>13,197,139</u>	<u>14,229,762</u>	<u>16,526,249</u>	<u>(2,296,487)</u>
Deficiency of revenues under expenditures	<u>(880,958)</u>	<u>(942,101)</u>	<u>(2,826,208)</u>	<u>(1,884,107)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	5,000,000	5,000,000	7,198,728	2,198,728
Insurance proceeds	-	-	113,090	113,090
Transfers in	1,120,946	1,192,196	817,508	(374,688)
Transfers out	(879,519)	(950,769)	(817,508)	133,261
Total other financing sources, net	<u>5,241,427</u>	<u>5,241,427</u>	<u>7,311,818</u>	<u>2,070,391</u>
Net change in fund balance	4,360,469	4,299,326	4,485,610	186,284
FUND BALANCES, beginning of year	<u>789,141</u>	<u>789,141</u>	<u>789,141</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 5,149,610</u>	<u>\$ 5,088,467</u>	<u>\$ 5,274,751</u>	<u>\$ 186,284</u>

COLLETON COUNTY, SOUTH CAROLINA

**BALANCE SHEET
COMPONENT UNIT
MEMORIAL LIBRARY
JUNE 30, 2022**

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 210,875	\$ 4,481	\$ 215,356
Receivables, net	4,601	-	4,601
Prepaid expenditures	14,920	-	14,920
Total assets	<u>\$ 230,396</u>	<u>\$ 4,481</u>	<u>\$ 234,877</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 11,349	\$ 4,481	\$ 15,830
Accrued payroll and benefits	19,615	-	19,615
Unearned revenue	8,309	-	8,309
Total liabilities	<u>39,273</u>	<u>4,481</u>	<u>43,754</u>
FUND BALANCES			
Nonspendable	14,920	-	14,920
Unassigned	176,203	-	176,203
Total fund balances	<u>191,123</u>	<u>-</u>	<u>191,123</u>
Total liabilities and fund balances	<u>\$ 230,396</u>	<u>\$ 4,481</u>	<u>\$ 234,877</u>

COLLETON COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
COMPONENT UNIT – MEMORIAL LIBRARY
JUNE 30, 2022**

Total Memorial Library fund balance:		\$	191,123
<p>Amounts reported for governmental activities in the statement of net position are different because of the following:</p>			
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds.</p>			
			287,832
<p>Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources consist of pension related experience differences, assumption changes, and differences between projected and actual earnings on plan investments.</p>			
Deferred outflows related to pensions	\$	140,187	
Deferred outflows related to other post-employment benefits		<u>230,343</u>	370,530
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>			
Compensated absences	\$	(13,803)	
Net pension liability		(753,233)	
Total other post-employment benefits liability		<u>(755,499)</u>	(1,522,535)
<p>Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan investments.</p>			
Deferred inflows related to pensions	\$	(129,283)	
Deferred inflows related to other post-employment benefits		<u>(36,953)</u>	<u>(166,236)</u>
Net position of governmental activities			<u><u>\$ (839,286)</u></u>

COLLETON COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
COMPONENT UNIT - MEMORIAL LIBRARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Total</u>
REVENUES			
Intergovernmental	\$ 739,849	\$ 100,000	\$ 839,849
Fines and fees	25,458	-	25,458
Other income	33,920	19	33,939
Total revenues	<u>799,227</u>	<u>100,019</u>	<u>899,246</u>
EXPENDITURES			
Current:			
Recreation and culture	792,056	102,496	894,552
Capital outlay	615	-	615
Total expenditures	<u>792,671</u>	<u>102,496</u>	<u>895,167</u>
Net change in fund balances	6,556	(2,477)	4,079
Fund balances, beginning of year	<u>184,567</u>	<u>2,477</u>	<u>187,044</u>
Fund balances, end of year	<u>\$ 191,123</u>	<u>\$ -</u>	<u>\$ 191,123</u>

COLLETON COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - COMPONENT UNIT - MEMORIAL LIBRARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Net change in fund balances - total governmental funds \$ 4,079

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$	83,309	
Depreciation expense		<u>(104,253)</u>	(20,944)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following amounts represent the net liability changes using the full accrual method of accounting.

Pension liability	\$	17,415	
Compensated absences		4,627	
Other post-employment benefits liability		<u>(64,124)</u>	<u>(42,082)</u>
			<u>\$ (58,947)</u>

COLLETON COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
COMPONENT UNIT - MEMORIAL LIBRARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 812,660	\$ 843,660	\$ 839,849	\$ (3,811)
Fines and fees	-	-	25,458	25,458
Other revenues	-	30,886	33,939	3,053
Total revenues	<u>812,660</u>	<u>874,546</u>	<u>899,246</u>	<u>24,700</u>
EXPENDITURES				
Current:				
Recreation and culture	799,481	913,319	894,552	18,767
Capital outlay	-	-	615	(615)
Total expenditures	<u>799,481</u>	<u>913,319</u>	<u>895,167</u>	<u>18,152</u>
Net change in fund balance	13,179	(38,773)	4,079	42,852
FUND BALANCES, beginning of year	<u>187,044</u>	<u>187,044</u>	<u>187,044</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 200,223</u>	<u>\$ 148,271</u>	<u>\$ 191,123</u>	<u>\$ 42,852</u>

COLLETON COUNTY, SOUTH CAROLINA

UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
(per ACT 96)
For The Year Ended June 30, 2022

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	\$ 365,868.00	\$ 551,509.00	\$ -	\$ 917,377.00
Court fines and assessments remitted to State Treasurer	\$ (214,221.00)	\$ (275,612.00)	\$ -	\$ (489,833.00)
Total Court Fines and Assessments retained	\$ 151,647.00	\$ 275,897.00	\$ -	\$ 427,544.00
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	\$ 8,379.00	\$ 6,338.00	\$ -	\$ 14,717.00
Assessments retained	\$ 426.00	\$ 21,515.00	\$ -	\$ 21,941.00
Total Surcharges and Assessments retained for victim services	\$ 8,805.00	\$ 27,853.00	\$ -	\$ 36,658.00

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		\$ 135,383.00	\$ 135,383.00
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	\$ -	\$ -	\$ -
Victim Service Assessments Retained by City/County Treasurer	\$ -	\$ 21,941.00	\$ 21,941.00
Victim Service Surcharges Retained by City/County Treasurer	\$ -	\$ 14,716.00	\$ 14,716.00
Interest Earned	\$ -	\$ 130.00	\$ 130.00
Grant Funds Received			
Grant from:	\$ -	\$ -	\$ -
General Funds Transferred to Victim Service Fund	\$ -	\$ -	\$ -
Contribution Received from Victim Service Contracts:			
(1) Town of Edisto Beach	\$ -	\$ 4,449.00	\$ 4,449.00
(2) Town of Cottageville	\$ -	\$ 10,000.00	\$ 10,000.00
(3) City of	\$ -	\$ -	\$ -
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ -	\$ 186,619.00	\$ 186,619.00

COLLETON COUNTY, SOUTH CAROLINA

UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
 (per ACT 96)
 For The Year Ended June 30, 2022

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ -	\$ 103,192.00	\$ 103,192.00
Operating Expenditures	\$ -	\$ 11,540.00	\$ 11,540.00
Victim Service Contract(s):			
(1) Entity's Name	\$ -	\$ -	\$ -
(2) Entity's Name	\$ -	\$ -	\$ -
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	\$ -	\$ -	\$ -
(2) Rape Crisis Center: Hopeful Horizons	\$ -	\$ 5,000.00	\$ 5,000.00
(3) Other local direct crime victims service agency:	\$ -	\$ -	\$ -
Transferred to General Fund	\$ -	\$ -	\$ -
Total Expenditures from Victim Service Fund/Program (B)	\$ -	\$ 119,732.00	\$ 119,732.00
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	\$ -	\$ 66,887.00	\$ 66,887.00
Less: Prior Year Fund Deficit Repayment	\$ -	\$ -	\$ -
Carryforward Funds – End of Year	\$ -	\$ 66,887.00	\$ 66,887.00

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Colleton County, South Carolina's (the "County") Annual Comprehensive Financial Report ("ACFR") presents detailed information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	127 – 130
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity	131 – 134
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	
Debt Capacity	135 – 139
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information	140 and 141
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help comparisons over time and with other governments.	
Operating Information	142 – 144
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	

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

COLLETON COUNTY, SOUTH CAROLINA

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital										
assets	\$ 29,208,570	\$ 31,257,962	\$ 33,464,047	\$ 31,778,627	\$ 37,187,490	\$ 35,243,087	\$ 40,730,332	\$ 42,289,669	\$ 43,815,008	\$ 42,262,227
Restricted	8,976,701	10,305,751	9,738,050	17,017,936	12,733,361	14,691,101	7,998,775	8,295,818	10,571,627	10,118,153
Unrestricted	10,997,674	14,202,852	(8,369,151)	(11,885,105)	(9,606,502)	(13,477,153)	(14,118,289)	(17,448,244)	(18,318,223)	(10,541,077)
Total governmental activities										
net position	<u>\$ 49,182,945</u>	<u>\$ 55,766,565</u>	<u>\$ 34,832,946</u>	<u>\$ 36,911,458</u>	<u>\$ 40,314,349</u>	<u>\$ 36,457,035</u>	<u>\$ 34,610,818</u>	<u>\$ 33,137,243</u>	<u>\$ 36,068,412</u>	<u>\$ 41,839,303</u>

Source: County Audit Reports

COLLETON COUNTY, SOUTH CAROLINA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 8,178,472	\$ 10,740,147	\$ 8,811,200	\$ 9,227,968	\$ 9,810,028	\$ 8,428,469	\$ 9,253,826	\$ 10,607,610	\$ 10,882,564	\$ 11,224,373
Judicial	4,594,583	4,957,014	5,255,325	5,871,221	6,309,402	6,498,833	6,194,472	6,856,354	7,005,856	6,773,058
Public safety	8,410,210	8,589,140	8,642,672	8,319,638	8,702,190	13,309,631	14,133,924	15,820,923	15,683,920	16,225,863
Roads and bridges	2,496,358	4,182,236	4,949,171	6,405,248	2,975,077	3,398,083	4,699,060	7,154,129	6,192,936	2,727,786
Solid waste	2,449,740	2,568,610	2,509,851	2,418,936	2,575,815	3,215,275	3,903,706	4,104,787	4,403,242	6,717,388
Recreation and culture	1,313,153	1,743,106	2,906,984	2,627,302	2,927,170	3,825,057	4,813,076	4,691,384	4,684,331	4,925,318
Health and human services	1,789,799	1,925,374	1,928,313	1,908,438	1,888,520	2,392,807	2,249,725	2,734,348	3,738,071	3,034,859
Economic development	3,373,628	1,569,363	1,568,862	1,650,684	1,377,821	11,530,791	7,777,710	1,943,153	1,194,174	4,653,832
Intergovernmental	3,360,676	3,661,372	3,836,524	5,590,873	9,763,973	-	-	-	-	-
Interest and fiscal changes	500,152	437,611	469,185	895,063	759,085	704,723	622,477	761,664	659,989	524,705
Totals expenses	<u>36,466,771</u>	<u>40,373,973</u>	<u>40,878,087</u>	<u>44,915,371</u>	<u>47,089,081</u>	<u>53,303,669</u>	<u>53,647,976</u>	<u>54,674,352</u>	<u>54,445,083</u>	<u>56,807,182</u>
Revenues										
Governmental activities:										
Charges for services										
General government	483,659	568,195	531,064	1,231,180	1,407,234	1,547,365	1,583,830	1,657,588	1,450,666	2,075,308
Judicial	2,769,668	1,159,451	1,117,461	1,058,359	1,090,259	1,004,415	987,001	837,494	724,092	758,945
Public safety	364,705	357,982	342,051	282,939	296,497	1,234,198	1,229,173	1,558,802	1,544,459	1,778,525
Roads and bridges	1,015,102	911,965	895,833	934,318	1,071,442	1,031,641	967,055	959,775	1,113,770	1,060,879
Solid waste	1,636,460	1,737,436	1,802,512	2,071,414	2,150,225	2,035,603	2,383,073	2,446,487	2,494,106	2,184,009
Recreation and culture	210,835	330,566	326,236	464,510	500,940	987,145	685,064	601,487	828,465	951,637
Health and human services	627,354	633,729	33,107	25,911	40,276	39,191	39,310	33,188	-	-
Economic development	-	1,541,360	677,045	-	-	-	-	-	-	-
Operating grants and contributions	3,073,637	9,860,851	8,629,703	11,726,799	12,448,200	9,796,813	8,959,746	11,937,834	14,117,874	15,847,272
Capital grants and contributions	-	-	4,473,000	-	-	315,071	2,303,722	81,496	940,550	1,284,059
General revenues:										
Taxes	22,956,394	21,029,359	21,343,703	27,045,537	28,691,017	29,319,480	30,191,429	30,286,642	32,152,665	34,905,630
Grants and contributions not restricted to specific program	1,430,665	1,436,657	1,445,663	1,875,873	1,508,783	2,577,176	1,810,480	2,024,709	1,701,639	1,683,290
Interest and investment earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous	271,784	438,004	428,830	724,951	1,287,099	638,280	661,876	775,275	327,713	48,519
Gain (loss) on sale of assets	66,667	-	-	-	-	-	-	-	-	-
Transfer in (out)	(52,796)	90,713	-	-	-	-	-	-	-	-
Total revenues	<u>34,854,134</u>	<u>40,096,268</u>	<u>42,046,208</u>	<u>47,441,791</u>	<u>50,491,972</u>	<u>50,526,378</u>	<u>51,801,759</u>	<u>53,200,777</u>	<u>57,395,999</u>	<u>62,578,073</u>
Change in net position	(1,612,637)	(277,705)	1,168,121	2,526,420	3,402,891	(2,777,291)	(1,846,217)	(1,473,575)	2,950,916	5,770,891
Net position - beginning	50,982,093	49,182,945	55,766,565	34,832,946	36,911,458	40,314,349	36,457,035	34,610,818	33,137,243	36,068,412
Prior period adjustment	(186,511)	6,861,325	(22,101,740)	(447,908)	-	(1,080,023)	-	-	(19,747)	-
Net position - ending	<u>\$ 49,182,945</u>	<u>\$ 55,766,565</u>	<u>\$ 34,832,946</u>	<u>\$ 36,911,458</u>	<u>\$ 40,314,349</u>	<u>\$ 36,457,035</u>	<u>\$ 34,610,818</u>	<u>\$ 33,137,243</u>	<u>\$ 36,068,412</u>	<u>\$ 41,839,303</u>

Source: County Audit Reports

Note 1: Net position was restated at June 30, 2015 for GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

Note 2: Net position was restated at June 30, 2018 for GASB Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions.

COLLETON COUNTY, SOUTH CAROLINA

**FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL FUND										
Non-spendable	\$ 6,076	\$ 14,004	\$ 10,534	\$ 11,570	\$ 3,333	\$ 258,279	\$ 280,929	\$ 375,765	\$ 400,434	\$ 729,277
Restricted	2,101	362,911	363,272	363,636	364,000	797,008	797,008	797,088	395,850	345,850
Committed	-	-	-	-	219,674	-	-	-	-	-
Assigned	-	695,942	893,097	968,193	199,057	-	-	-	-	-
Unassigned	7,921,046	5,981,162	5,746,897	7,085,015	7,739,608	8,158,084	8,420,259	7,787,399	9,131,378	9,705,545
Total General Fund	<u>\$ 7,929,223</u>	<u>\$ 7,054,019</u>	<u>\$ 7,013,800</u>	<u>\$ 8,428,414</u>	<u>\$ 8,525,672</u>	<u>\$ 9,213,371</u>	<u>\$ 9,498,196</u>	<u>\$ 8,960,252</u>	<u>\$ 9,927,662</u>	<u>\$ 10,780,672</u>
CAPITAL PROJECTS FUND										
Non-spendable	\$ -	\$ 2,700,933	\$ 2,922,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	5,214,418	4,954,705	10,170,294	4,504,276	5,478,472	435,104	214,746	362,730	362,730
Committed	-	4,221,199	34,062,547	29,554,382	26,972,788	16,873,105	14,074,528	9,804,070	9,765,180	11,708,411
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ 12,136,550</u>	<u>\$ 41,939,490</u>	<u>\$ 39,724,676</u>	<u>\$ 31,477,064</u>	<u>\$ 22,351,577</u>	<u>\$ 14,509,632</u>	<u>\$ 10,018,816</u>	<u>\$ 10,127,910</u>	<u>\$ 12,071,141</u>
FUNDS										
Non-spendable	\$ 7,728,952	\$ 2,027,489	\$ 1,497,835	\$ 6,484,006	\$ 7,865,085	\$ 22,397	\$ 15,146	\$ 19,142	\$ 22,532	\$ 22,655
Restricted	3,136,266	1,238,084	831,384	573,094	594,006	8,415,621	1,772,320	7,318,569	10,115,541	9,383,101
Committed	567,675	38,487	-	-	-	416,430	213,692	9,906,021	9,938,673	11,880,550
Assigned	162,302	1,811,461	1,625,160	1,485,895	1,503,575	1,136,948	886,929	1,187,171	1,185,292	1,430,926
Total All Other Governmental Funds	<u>\$ 11,595,195</u>	<u>\$ 5,115,521</u>	<u>\$ 3,954,379</u>	<u>\$ 8,542,995</u>	<u>\$ 9,962,666</u>	<u>\$ 9,991,396</u>	<u>\$ 2,888,087</u>	<u>\$ 18,430,903</u>	<u>\$ 21,262,038</u>	<u>\$ 22,717,232</u>

Source: County Audit Reports

COLLETON COUNTY, SOUTH CAROLINA

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 23,885,157	\$ 21,090,421	\$ 21,299,184	\$ 27,396,764	\$ 28,629,297	\$ 29,130,415	\$ 30,142,378	\$ 30,420,830	\$ 33,041,207	\$ 34,497,633
Fines and fees	7,107,783	7,212,428	10,075,366	13,602,672	13,956,983	6,465,956	6,760,008	6,586,845	7,073,699	7,533,262
Intergovernmental	4,504,302	11,297,508	5,811,340	6,030,559	6,516,583	13,534,245	13,122,440	15,383,606	16,070,709	18,909,117
Interest	-	-	-	-	-	-	-	-	-	-
Other	173,666	300,227	302,635	627,055	1,239,266	1,121,298	1,729,253	862,474	958,647	911,163
Total revenues	35,670,908	39,900,584	37,488,525	47,657,050	50,342,129	50,251,914	51,754,079	53,253,755	57,144,262	61,851,175
Expenditures										
Current:										
General government	7,688,345	10,293,376	8,357,765	8,705,075	9,233,056	8,462,845	8,920,357	10,108,898	10,395,349	11,015,296
Judicial	4,157,881	4,456,189	4,658,249	5,275,752	5,679,392	6,007,996	6,152,386	6,216,595	6,342,332	6,587,551
Public safety	7,468,560	7,723,408	7,668,476	7,348,907	7,713,186	8,122,142	8,906,780	10,383,578	9,861,093	10,454,294
Roads and bridges	1,833,460	3,466,507	4,257,082	5,644,622	2,096,123	1,751,263	2,016,790	2,044,893	2,484,941	2,126,397
Solid waste	2,156,449	2,240,650	2,208,389	2,127,950	2,256,218	2,585,498	3,168,898	3,648,480	4,000,181	5,267,360
Recreation and culture	1,055,271	1,300,883	2,462,699	2,038,864	2,329,422	2,163,441	2,520,632	2,082,911	2,362,008	2,986,403
Health and human services	1,674,861	1,794,798	1,797,883	1,780,141	1,751,754	1,875,826	2,142,595	2,656,161	3,505,444	2,950,175
Economic development	3,101,594	1,097,322	1,110,361	1,186,504	902,674	1,986,024	5,355,199	1,812,260	1,111,992	1,120,468
Intergovernmental	3,360,676	3,661,372	3,836,524	5,590,873	9,763,973	7,560,938	10,012,911	11,088,354	8,075,258	9,237,840
Capital outlay	3,082,720	3,332,868	7,569,037	3,178,051	11,689,652	13,281,825	7,049,156	1,947,079	386,473	7,317,752
Debt service:										
Principal	2,246,834	2,294,878	2,528,493	2,286,585	4,860,166	4,925,632	6,990,718	5,108,333	5,198,333	8,552,164
Interest	536,892	466,532	393,567	768,914	854,370	795,505	722,984	886,356	779,712	643,987
Total expenditures	38,363,543	42,128,783	46,848,525	45,932,238	59,129,986	59,518,935	63,959,406	57,983,898	54,503,116	68,259,687
Excess (deficiency) of revenues over expenditures	(2,692,635)	(2,228,199)	(9,360,000)	1,724,812	(8,787,857)	(9,267,021)	(12,205,327)	(4,730,143)	2,641,146	(6,408,512)
Other financing sources (uses)										
Proceeds from sale of capital assets	66,667	90,713	46,578	184,544	-	143,459	194	131,655	18,332	74,677
Issuance of debt	-	-	33,362,384	5,395,000	2,000,000	582,353	2,500,000	-	581,093	8,327,873
Donation of capital asset	-	-	4,473,000	-	-	-	-	-	-	-
Legal settlement	-	-	7,411	-	-	-	-	-	-	-
Bond premium	-	-	-	51,278	-	-	-	-	-	-
Payment to refund bond escrow	-	-	-	(3,710,000)	-	-	-	-	-	-
Gain/loss on sale of asset	-	-	-	5,295	-	-	-	-	-	-
Insurance proceeds	98,118	137,777	72,206	137,487	57,074	132,251	39,047	99,385	578,638	325,757
Transfers in	4,251,121	6,220,775	4,255,156	8,423,212	6,530,977	6,401,391	6,305,753	5,497,580	5,593,537	11,483,675
Transfers out	(4,303,917)	(6,220,775)	(4,255,156)	(8,423,212)	(6,530,977)	(6,401,391)	(6,305,753)	(5,497,580)	(5,593,537)	(11,483,675)
Total other financing sources	111,989	228,490	37,961,579	2,063,604	2,057,074	858,063	2,539,241	231,040	1,178,063	8,728,307
Net change in fund balances	(2,580,646)	(1,999,709)	28,601,579	3,788,416	(6,730,783)	(8,408,958)	(9,666,086)	(4,499,103)	3,819,209	2,319,795
Other changes in fund balance	513,218	6,781,381	-	-	-	-	-	-	-	-
Fund balances, beginning	-	(2,067,428)	2,714,244	31,315,823	35,104,239	28,373,456	19,964,498	10,298,412	27,391,155	31,190,617
Prior period adjustment	-	-	-	-	-	-	-	-	(19,747)	-
Fund balances, ending	\$ (2,067,428)	\$ 2,714,244	\$ 31,315,823	\$ 35,104,239	\$ 28,373,456	\$ 19,964,498	\$ 10,298,412	\$ 5,799,309	\$ 31,190,617	\$ 33,510,412
Debt service as a percentage of non-capital expenditures	7.9%	7.1%	7.4%	7.1%	12.0%	12.4%	13.6%	11.1%	11.3%	15.2%

Source: County Audit Reports

COLLETON COUNTY, SOUTH CAROLINA

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value			Market Value			Total Direct Tax Rate
	Real Property	Personal Property	Total	Real Property	Personal Property	Total	
2013 *	\$ 124,529,285	\$ 45,681,967	\$ 170,211,252	\$ 3,677,288,314	\$ 577,742,213	\$ 4,255,030,527	115.86
2014	124,290,470	46,322,848	170,613,318	3,675,411,178	542,309,703	4,217,720,881	115.86
2015	124,833,360	38,508,140	163,341,500	3,743,314,532	459,532,616	4,202,847,148	115.86
2016	125,463,400	41,403,580	166,866,980	3,792,357,210	512,687,036	4,305,044,246	125.05
2017	126,695,930	44,408,120	171,104,050	3,848,082,492	548,235,970	4,396,318,462	125.05
2018 *	130,485,880	45,527,140	176,013,020	3,997,547,588	562,409,403	4,559,956,991	125.05
2019	132,774,320	44,873,240	177,647,560	4,085,126,499	543,980,519	4,629,107,018	126.55
2020	136,463,280	44,446,986	180,910,266	4,075,367,609	494,862,138	4,570,229,747	126.55
2021	141,139,420	52,028,116	193,167,536	2,494,924,194	607,783,263	3,102,707,457	126.55
2022	154,190,550	51,346,115	205,536,665	2,803,142,591	574,641,148	3,377,783,739	126.55

* Reassessment Year.

Source: County Auditor

COLLETON COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	County Direct Rates			Overlapping Rates					
	County Operations	County Debt	Total Direct Rate	School Operations	School Debt Service	County Fire Protection	County Fire Debt Service	Town of Edisto Beach	City of Walterboro
2013	108.45	7.41	115.86	104.31	46.50	33.56	17.67	19.53	88.00
2014	108.45	7.41	115.86	104.31	46.50	33.56	17.67	20.23	88.00
2015	108.45	7.41	115.86	104.31	46.50	33.56	17.67	20.23	88.00
2016	114.81	10.24	125.05	110.42	49.50	33.56	22.66	20.23	88.00
2017	114.81	10.24	125.05	110.42	49.50	33.56	22.66	20.71	88.00
2018	114.81	10.24	125.05	110.42	49.50	33.56	22.66	23.44	86.40
2019	116.31	10.24	126.55	113.42	54.50	33.56	22.66	23.44	86.40
2020	116.31	10.24	126.55	116.42	54.50	33.56	22.66	24.07	86.40
2021	116.31	10.24	126.55	116.42	54.50	33.56	22.66	24.07	86.40
2022	116.31	10.24	126.55	116.42	54.50	33.56	22.66	25.15	86.40

Source: County Auditor

COLLETON COUNTY, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Customer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Dominion Energy South Carolina (SCE&G)	\$ 8,574,800	1	4.13%	\$ 11,934,910	1	6.73%
Coastal Electric Coop	3,210,600	2	1.56%	2,526,060	2	1.42%
CSX Transportation, Inc.	999,320	3	0.49%	N/A	-	-
Central Electric Power Coop	832,210	4	0.40%	N/A	-	-
Cellco Partnership DBA Verizon Wireless	823,220	5	0.40%	N/A	-	-
Wyndham Vacation Resorts, Inc. Etal	799,740	6	0.39%	N/A	-	-
Lawyers Title Insurance Corporation	753,630	7	0.37%	N/A	-	-
Cherokee Plantation Owners, Inc.	747,310	8	0.36%	569,376	5	0.32%
Walterboro Community Hospital	740,426	9	0.36%	486,000	6	0.27%
Walmart Real Estate Business Trust	735,000	10	0.36%	765,000	4	0.43%
SCE&G	N/A	-	-	1,202,710	3	0.68%
Dayco Products, LLC	N/A	-	-	434,570	7	0.24%
Walterboro/SAV LLC	N/A	-	-	387,300	8	0.22%
Smithers Oasis Company	N/A	-	-	392,900	9	0.22%
Comcast Cablevision of Carolina	N/A	-	-	346,560	10	0.20%
	<u>\$ 18,216,256</u>		<u>8.82%</u>	<u>\$ 19,045,386</u>		<u>10.73%</u>

Source: County Auditor

N/A - Information is not applicable

COLLETON COUNTY, SOUTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 52,100,048	\$ 44,052,013	84.55%	\$ 7,642,810	\$ 51,694,823	99.22%
2014	48,000,778	46,192,180	96.23%	1,557,717	47,749,897	99.48%
2015	14,791,090	13,733,646	92.85%	841,436	14,575,082	98.54%
2016	16,482,359	15,385,339	93.34%	981,225	16,366,564	99.30%
2017	16,903,737	15,970,838	94.48%	786,423	16,757,261	99.13%
2018	20,208,055	19,219,246	95.11%	780,057	19,999,303	98.97%
2019	20,658,725	19,796,004	95.82%	588,624	20,384,628	98.67%
2020	21,028,987	20,449,213	97.24%	388,343	20,837,556	99.09%
2021	22,018,103	21,256,691	96.54%	413,896	21,670,587	96.54%
2022	23,523,755	21,843,632	92.86%	-	21,843,632	92.86%

* Reassessment year.

Source: Delinquent Tax Collector, County Finance Office, County Auditor, County Treasurer.

Note 1: 2013 and 2014 figures include County, Fire and Rescue and School District.

COLLETON COUNTY, SOUTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Capital Per Capita
	General Obligation Bond	Notes Payable	Financed Purchases	Special Revenue Bond			
2013	\$ 7,280,000	\$ 517,977	\$ 1,526,344	\$ 4,455,000	\$ 13,779,321	11.57%	361.16
2014	6,110,000	352,290	932,153	4,090,000	11,484,443	9.44%	295.29
2015	35,012,627	1,059,759	2,535,947	3,710,000	42,318,333	33.86%	1,120.39
2016	38,989,949	880,032	1,854,089	-	41,724,070	33.39%	1,105.83
2017	35,440,618	880,032	2,473,965	-	38,794,615	31.18%	1,022.98
2018	31,897,356	880,032	1,603,333	-	34,380,721	26.60%	914.11
2019	27,138,079	-	2,680,000	-	29,818,079	22.62%	791.77
2020	22,879,822	-	1,756,667	-	24,636,489	18.03%	653.89
2021	19,111,299	-	833,292	-	19,944,591	14.22%	516.65
2022	14,682,077	-	4,962,221	-	19,644,298	13.90%	510.75

Source: County Audit Report, US Census Bureau

Note 1: Details of the County's outstanding debt can be found in the notes to the financial statements.

Note 2: The ratios are calculated using personal income and population for the prior calendar year.

COLLETON COUNTY, SOUTH CAROLINA

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less Amounts Available in Debt Service Funds</u>	<u>Total</u>	<u>Percentage of Estimated Taxable Value of Property</u>	<u>Per Capita</u>
2013	\$ 7,280,000	\$ 1,031,180	\$ 6,248,820	3.7%	164
2014	6,110,000	919,745	5,190,255	3.0%	133
2015	35,012,627	411,973	34,600,654	21.2%	916
2016	38,989,949	5,496,753	33,493,196	20.1%	888
2017	35,440,618	6,325,794	29,114,824	17.0%	768
2018	31,897,356	7,010,933	24,886,423	14.1%	662
2019	27,138,079	5,519,838	21,618,241	12.2%	574
2020	22,879,822	6,059,526	16,820,296	9.3%	446
2021	19,111,299	7,639,063	11,472,236	5.9%	297
2022	14,682,077	7,035,133	7,646,944	3.7%	199

COLLETON COUNTY, SOUTH CAROLINA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2022**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Colleton County School District	\$ 71,317,151	100.00%	\$ 71,317,151
Fire and Rescue Commission	12,293,059	100.00%	12,293,059
City of Walterboro	4,071,878	100.00%	4,071,878
Town of Edisto Beach	<u>1,720,000</u>	<u>100.00%</u>	<u>1,720,000</u>
Subtotal overlapping debt	89,402,088		89,402,088
County direct debt	<u>19,644,298</u>	100.00%	<u>19,644,298</u>
Total direct and overlapping debt	<u><u>\$ 109,046,386</u></u>		<u><u>\$ 109,046,386</u></u>

Source: Assessed value data used to estimate applicable percentage provided by Colleton County Auditor.

Note: Debt outstanding data provided by each governmental unit.

COLLETON COUNTY, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 10,536,276	\$ 13,649,065	\$ 13,067,320	\$ 13,349,358	\$ 13,688,324	\$ 14,081,042	\$ 14,211,805	\$ 14,472,821	\$ 15,453,403	\$ 16,442,933
Total net debt applicable to limit	<u>7,280,000</u>	<u>6,110,000</u>	<u>4,740,000</u> *	<u>8,758,832</u>	<u>8,301,301</u>	<u>8,416,034</u>	<u>7,370,970</u>	<u>6,898,164</u>	<u>6,991,353</u>	<u>6,510,127</u>
Legal debt margin	<u>\$ 3,256,276</u>	<u>\$ 7,539,065</u>	<u>\$ 8,327,320</u>	<u>\$ 4,590,526</u>	<u>\$ 5,387,023</u>	<u>\$ 5,665,008</u>	<u>\$ 6,840,835</u>	<u>\$ 7,574,657</u>	<u>\$ 8,462,050</u>	<u>\$ 9,932,806</u>
Total net debt applicable to the limit as a percentage of debt limit	69.09%	44.76%	36.27%	65.61%	60.65%	59.77%	51.87%	47.66%	45.24%	39.59%

Legal Debt Margin Calculation for Fiscal Year 2022

Total assessed value	\$ 205,536,665
Debt limit (8% of assessed value)	16,442,933
Debt applicable to limit	<u>6,510,127</u>
Legal debt margin	<u>\$ 9,932,806</u>

Note: Under State finance law, the County's outstanding general obligation debt should not exceed 8% of the total assessed property value.

* Excludes \$29,000,000 Bond Series 2015 because voter approval was obtained for the issuance of the bonds.

Source: County Audit Reports, County Auditor.

COLLETON COUNTY, SOUTH CAROLINA

**PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Debt Service Collections	Principal	Interest	Coverage
2013	\$ 1,361,755	\$ 578,701	\$ 218,444	1.71
2014	1,266,976	365,000	186,708	2.30
2015	1,253,752	1,370,000	172,260	0.81
2016	5,487,307	1,425,000	573,371	2.75
2017	6,003,018	3,480,000	801,890	1.40
2018	6,159,788	4,055,000	740,378	1.28
2019	6,441,766	4,687,353	757,213	1.18
2020	6,559,092	4,185,000	670,685	1.35
2021	7,465,237	4,275,000	584,694	1.54
2022	8,160,237	7,181,093	430,106	1.07

Source: County Auditor

COLLETON COUNTY, SOUTH CAROLINA

DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate Percentage
2013	38,153	\$ 1,190,505	\$ 31,505	N/A	5,830	10.8%
2014	38,892	1,216,892	31,289	40.7	5,763	7.7%
2015	37,771	1,249,641	33,120	40.0	5,713	7.5%
2016	37,731	1,249,641	33,120	41.5	6,545	6.1%
2017	37,923	1,244,027	32,804	43.0	6,889	4.8%
2018	37,611	1,292,389	34,362	42.5	6,799	4.2%
2019	37,660	1,317,949	34,996	42.7	6,458	4.0%
2020	37,677	1,366,771	36,276	42.2	6,802	8.2%
2021	38,604	1,402,252	36,324	42.5	6,616	4.7%
2022	38,462	1,413,402	36,748	42.3	6,222	3.6%

Source: (1) U.S. Census Bureau
 (2) S.C. Department of Employment and Workforce
 N/A - Information is not available

COLLETON COUNTY, SOUTH CAROLINA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2022			2013		
	FTE Employees	Rank	Percentage of Total County Employment	FTE Employees	Rank	Percentage of Total County Employment
Colleton County School District	750	1	4.4%	1,000	1	6.6%
Colleton County Government	474	2	2.8%	503	2	3.3%
Colleton Medical Center	420	3	2.4%	475	3	3.1%
Walmart	300	4	1.7%	350	4	2.3%
City of Walterboro	100	5	0.6%	N/A	-	-
Carolina Composites	100	6	0.6%	N/A	-	-
Rockford Manufacturing	100	7	0.6%	N/A	-	-
Carolina Visuals, LLC	75	8	0.4%	N/A	-	-
Crescent Dairy and Beverages, LLC	60	9	0.3%	N/A	-	-
Floralife	60	10	0.3%	110	7	0.7%
Palmetto Rural Telephone Cooperative	60	-	0.3%	N/A	-	-
Dayco Products, LLC	N/A	-	N/A	150	5	1.0%
Heritage Healthcare - Walterboro	N/A	-	N/A	137	6	0.9%
Colleton County Disabilities	N/A	-	N/A	100	8	0.7%
Sunward Consolidated Group	N/A	-	N/A	100	9	0.7%
Walterboro Veneer Co, Inc.	N/A	-	N/A	95	10	0.6%
Total of Top Ten Employees	2,499		14.4%	3,020		19.9%

Data Source:

(1) Colleton County Economic Development

(2) U.S. Census Bureau

N/A - Information is not available.

COLLETON COUNTY, SOUTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES
BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	93.0	77.0	76.5	84.0	79.0	78.0	81.0	85.3	87.0	83.0
Judicial	18.5	58.0	55.0	78.0	80.5	74.0	71.0	79.7	76.0	81.0
Public safety	132.0	116.0	103.0	135.0	144.5	115.0	123.0	137.6	144.0	138.0
Roads and bridges	27.5	17.0	15.0	25.0	24.0	23.0	23.0	23.0	22.0	21.0
Solid waste	15.5	12.0	23.5	44.0	31.2	14.5	10.0	12.2	14.0	14.0
Recreation and culture	9.0	13.0	15.0	28.0	23.0	19.0	20.0	20.2	21.0	16.0
Health and human services	1.5	2.0	6.0	17.0	6.5	5.0	5.0	2.0	9.0	6.0
Economic development	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Alcohol and drug	10.5	9.0	8.5	11.0	8.0	9.0	10.0	14.0	14.0	15.0
Library	5.0	10.0	12.5	16.0	12.8	10.0	10.0	13.0	12.0	12.0
Fire and rescue	77.5	76.0	77.5	82.0	78.0	83.0	85.0	85.0	92.0	103.0
Total	<u>392.00</u>	<u>392.00</u>	<u>394.50</u>	<u>522.00</u>	<u>489.50</u>	<u>432.50</u>	<u>440.00</u>	<u>473.85</u>	<u>493.00</u>	<u>491.0</u>

Source: County Human Resource Department.

COLLETON COUNTY, SOUTH CAROLINA

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Judicial	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public Safety	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EMS Transports	6,137	6,542	6,749	7,358	7,416	7,523	7,688	7,887	9,269	9,839
Roads and Bridges	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Solid Waste	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recreation and Culture	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Health and Human Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information is not available. Schedule is currently a work in progress and will be updated in subsequent years as information becomes available.

COLLETON COUNTY, SOUTH CAROLINA

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Recreation and Culture										
Community Centers	13	13	13	13	13	14	14	15	15	15
Recreation Complex	1	1	1	1	1	1	1	1	1	1
Golf Course	-	-	1	1	1	1	1	1	1	1
Emergency Services										
Number of Fire Stations	33	34	34	34	34	34	34	34	34	34
Number of Fire Trucks	119	106	106	115	103	119	119	119	118	118
Number of Ambulances	12	12	12	16	11	14	14	14	14	14
Streets and Highways										
Miles of Roads	347.8	362.7	362.7	362.7	362.7	352.7	352.7	352.7	353	353
Collection Sites	13	13	13	13	15	15	15	15	15	15
Sheriff										
Patrol Units	86	86	86	92	96	88	88	88	90	90
Health, Education and Welfare										
County Libraries	1	1	1	1	2	3	3	3	3	3
Book Mobiles	1	1	1	1	1	1	1	1	1	1

Sources: County Engineering, Fleet, and Facilities Departments.

N/A - Information is not available.

COLLETON COUNTY, SOUTH CAROLINA
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

COLLETON COUNTY, SOUTH CAROLINA

SINGLE AUDIT REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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**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**

**County Council
of Colleton County
Colleton County, South Carolina
Walterboro, South Carolina**

We have audited, 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Colleton County, South Carolina** (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Colleton County, South Carolina's basic financial statements, and have issued our report thereon dated January 27, 2023. Our report includes a reference to an emphasis of a matter relative to the change in accounting principle resulting from the implementation of GASB Statement No. 87, *Leases*.

Internal Control Over Financial Reporting

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

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

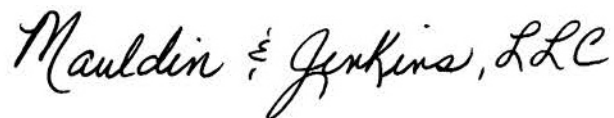
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Savannah, Georgia
January 27, 2023



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

**Colleton County Council
of Colleton County
Colleton County, South Carolina
Walterboro, South Carolina**

Opinion on Each Major Federal Program

We have audited Colleton County, South Carolina's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the County's major federal program for the year ended June 30, 2022.

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County'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 the County'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 the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County'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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 27, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Mauldin & Jenkins, LLC

Savannah, Georgia
January 27, 2023

COLLETON COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal AL Number	Pass-through Entity Identifying Number	Federal Expenditures	Sub-Recipient
U.S. Department of Agriculture:				
Passed through S.C. Department of Social Services Child and Adult Care Food Program	10.558 Total 10.558	AR2-00108	\$ 300,360 <u>300,360</u>	\$ - <u>-</u>
Passed through S.C. Department of Education Office of Health and Nutrition Child Nutrition Cluster Summer Food Service Program for Children	10.559 Total 10.559	SF-6388	<u>808,167</u> <u>808,167</u>	<u>-</u> <u>-</u>
Total U.S. Department of Agriculture			<u>1,108,527</u>	<u>-</u>
U.S. Department of Commerce:				
Direct EDA Investments for Public Works and Economic Development Facilities	11.300	04-01-07417	<u>769,539</u>	<u>-</u>
Total U.S. Department of Commerce			<u>769,539</u>	<u>-</u>
U.S. Department of Health and Human Services:				
Passed through S.C. Department of Social Services Child Support Enforcement IV-D Incentive Payments	93.563	C70015C-4	44,216	-
Child Support Enforcement IV-D Sheriff's Department	93.563	C70061C-3	4,537	-
Child Support Enforcement IV-D Family Court	93.563	C70015C-3	126,269	-
	Total 93.563		<u>175,022</u>	<u>-</u>
Passed through S.C. Department of Health and Environmental Control National Bioterrorism Hospital Preparedness Program	93.889 Total 93.889	LC-2-407	<u>74,125</u> <u>74,125</u>	<u>-</u> <u>-</u>
Total U.S. Department of Health and Human Services			<u>249,147</u>	<u>-</u>
U.S. Department of Homeland Security:				
Passed through S.C. Department of Health and Environmental Control Pre-Disaster Mitigation ("PDM") Competitive Grant	97.017 Total 97.017	PDMC-PJ-04-SC-2019-001	<u>32,224</u> <u>32,224</u>	<u>-</u> <u>-</u>
Passed through S.C. Emergency Management Agency Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036 Total 97.036	029-99029-00	<u>131,774</u> <u>131,774</u>	<u>-</u> <u>-</u>
Passed through S.C. Emergency Management Agency Emergency Management Performance Grant	97.042	20EMPG01	61,301	-
Emergency Management Performance Grant	97.042	20EMPG-S01	18,357	-
	Total 97.042		<u>79,658</u>	<u>-</u>
Passed through S.C. Emergency Management Agency Hazard Mitigation Grant	97.039 Total 97.039	DR-4286-SC-0045	<u>16,600</u> <u>16,600</u>	<u>-</u> <u>-</u>
Total U.S. Department of Homeland Security			<u>260,256</u>	<u>-</u>
U.S. Department of Housing and Urban Development:				
Passed through S.C. Department of Commerce: Community Development Block Grants	14.228	4-A-20-002	3,000	-
Community Development Block Grants	14.228	4-CE-18-007	14,520	-
Community Development Block Grants	14.228	4-CI-19-004	155,557	-
Community Development Block Grants	14.228	4-NR-16-002	257,140	-
	Total 14.228		<u>430,217</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>430,217</u>	<u>-</u>

(Continued)

COLLETON COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Direct				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1551	\$ 17,920	\$ -
Total 16.034			<u>17,920</u>	<u>-</u>
Passed through S.C. Department of Public Safety				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	1CF20072	1,420	-
Total 16.034			<u>1,420</u>	<u>-</u>
Passed through S.C. Office of the Attorney General				
Crime Victim Assistance Grant	16.575	1V20060	14,484	-
Crime Victim Assistance Grant	16.575	1V19107	545	-
Crime Victim Assistance Grant	16.575	1V19069	5,481	-
Crime Victim Assistance Grant	16.575	1V20003	3,690	-
Total 16.575			<u>24,200</u>	<u>-</u>
Passed through S.C. Office of the Attorney General				
Violence Against Women Formula Grants	16.588	1K19004	185,903	-
Violence Against Women Formula Grants	16.588	1K20015	64,541	-
Total 16.588			<u>250,444</u>	<u>-</u>
Direct				
Drug Court Discretionary Grant Program	16585	2020-DC-BX-0063	96,257	-
Total 16.585			<u>96,257</u>	<u>-</u>
Direct				
Bulletproof Vest Partnership Program	16.607	N/A	4,444	-
Total 16.607			<u>4,444</u>	<u>-</u>
Total U.S. Department of Justice			<u>394,685</u>	<u>-</u>
U.S. Department of Transportation:				
Passed through S.C. Department of Transportation				
Highway Planning and Construction	20.205	LPA-3-08	18,251	-
Highway Planning and Construction	20.205	LPA-3-17	4,226	-
Total 20.205			<u>22,477</u>	<u>-</u>
Total U.S. Department of Transportation			<u>22,477</u>	<u>-</u>
U.S. Department of Treasury				
Direct				
Equitable Sharing Program	21.016	N/A	48,557	-
Total 21.016			<u>48,557</u>	<u>-</u>
Direct				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	20-1982-0-1-806	3,010,749	-
Total 21.027			<u>3,010,749</u>	<u>-</u>
Total U.S. Department of Treasury			<u>3,059,306</u>	<u>-</u>
U.S. Department of the Interior				
Passed through S.C. Department of Natural Resources				
Sport Fish Restoration	15.605	P24012412319	125,045	-
Total 15.605			<u>125,045</u>	<u>-</u>
Total U.S. Department of the Interior			<u>125,045</u>	<u>-</u>
U.S. National Endowment for the Humanities				
Passed through S.C. State Library				
Grants to States	45.310	IID-21-340	146	-
COVID-19 Grants to States	45.310	IID-ARPA-063	21,524	-
COVID-19 Grants to States	45.310	IID-ARPA-052	5,519	-
Total 45.310			<u>27,189</u>	<u>-</u>
Total U.S. National Endowment for the Humanities			<u>27,189</u>	<u>-</u>
U.S. National Endowment for the Arts				
Passed through S.C. Arts Commission				
Promotion of the Arts Partnership Agreement	45.025		3,122	-
Total 45.025			<u>3,122</u>	<u>-</u>
Total U.S. National Endowment for the Arts			<u>3,122</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 6,449,510</u>	<u>\$ -</u>

COLLETON COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Colleton County, South Carolina (the "County") and is presented on the accrual basis of accounting.

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

NOTE 2. DE MINIMIS INDIRECT COST RATE

The County chose not to use the 10% de minimis cost rate for the fiscal year ended June 30, 2022.

NOTE 3. NON-CASH AWARDS

The County did not receive non-cash federal awards during the year ended June 30, 2022.

COLLETON COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

Internal control over financial reporting:
 Material weaknesses identified? ___ Yes X No

Significant deficiencies identified not considered to be material weaknesses? ___ Yes X None Reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:
 Material weaknesses identified? ___ Yes X No

Significant deficiencies identified not considered to be material weaknesses? ___ Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ___ Yes X No

Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
10.559	Department of Agriculture Summer Food Service Program for Children
11.300	Department of Commerce EDA Investments for Public Works and Economic Development Facilities
20.027	Department of Treasury Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? X Yes ___ No

COLLETON COUNTY, SOUTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

COLLETON COUNTY, SOUTH CAROLINA

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

None reported.