

FAIRFIELD COUNTY, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

FAIRFIELD COUNTY, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the County Council
of Fairfield County
Winnsboro, South Carolina

Report on the Audit of the Financial Statements

Opinions

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 **Fairfield County, South Carolina** (the "County"), as of and for the year ended June 30, 2023, 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, based on our audit and the reports of the other auditors, the accompanying 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, 2023, 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.

We did not audit the financial statements of Fairfield Behavioral Health Services or Fairfield County Council on Aging, which represent 74 percent, 67 percent, and 133 percent, respectively, of the assets, revenues, and financial position of the aggregate discretely presented component units as of June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Fairfield Behavioral Health Services and Fairfield County Council on Aging, is based solely on the report of the other auditors.

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. The financial statements of the Fairfield County Council on Aging were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 (on pages 5 through 10), the budgetary comparison schedule for the General Fund (on pages 64 through 65), the Schedule of Changes in the Total OPEB Liability and Related Ratios (on page 66), the Schedules of County's Proportionate Share of the Net Pension Liability (on page 67), and the Schedules of County's Pension Contributions (on pages 68 through 69) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended June 30, 2023, was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Comparative Balance Sheet - General Fund, Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund, combining and individual nonmajor fund financial statements and schedules, the Schedule of Budget to Actual Costs - South Carolina Department of Transportation Contract, the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), as required by the State of South Carolina, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for the year ended June 30, 2023, 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 for the year ended June 30, 2023, 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 GAAS.

In our opinion, the Comparative Balance Sheet - General Fund, Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund, combining and individual nonmajor fund financial statements and schedules, the Schedule of Budget to Actual Costs - South Carolina Department of Transportation Contract, the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2023.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the County as of and for the year ended June 30, 2022, (not presented herein), and have issued our report thereon dated June 23, 2023, which contained unmodified opinions on the respective financial statements of the governmental activities, the aggregately discretely presented component units, each major fund, and the aggregate remaining fund information. The Comparative Balance Sheet – General Fund and the Comparative Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund for the year ended June 30, 2022, 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 related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Comparative Balance Sheet – General Fund and the Comparative Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2024, 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.



Columbia, South Carolina
February 29, 2024

FAIRFIELD COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

As management of Fairfield County (the "County"), we offer readers of our financial statements, this narrative overview and analysis of the financial activities for the year ended June 30, 2023. Please read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which immediately follow this section.

Statistical Data

- Approximately 710 square miles
- Within 30 miles of the geographic center of South Carolina (the "State")
- Population of approximately 21,000
- Bordered on the:
 - South by Richland County whose county seat is Columbia, the State capital
 - East by the Wateree River
 - West by the Broad River
 - North by Chester County
- Highways
 - Serviced North and South by Interstate 77 and US Highways 321, 21, 213, 215, and 269
 - Serviced East and West by State Highways 34 and 200
- Rail
 - Serviced North and South by Norfolk Southern Railway
- Air
 - 5,000-foot runway general aviation airport owned and operated by the County.
- Governed by a 7 person County Council elected on a non-partisan basis from their respective districts. Operating under the State of South Carolina Home Rule, County Council has adopted the Council/Administrator form of government.

Geographically, the County is positioned to begin benefiting from the growth of our sister county to the South, Richland County, home of the State capital. We provide a quality of life envied by most, a small town atmosphere and friendliness, with a short commuting distance to more urban economic centers. Our tax base is stable as the largest taxpayer is an energy producing facility; however, we recognize the need to diversify our economy. Therefore, County Council is concentrating many resources to develop several industrial parks where businesses may locate and provide employment to our citizens.

In addition to providing funding to develop the industrial parks, we must be about the business of administering a county government. This is an expensive undertaking. With the cost of doing business at an all-time high, we must look for ways to minimize the tax burden on our citizens. We are approaching this on two fronts: (1) broadening the tax base through increased economic development and (2) having intense operational reviews of expenditures. Our expenditure reviews include the traditional items such as: competitive bidding, extending the period for filling vacancies, eliminating overtime, holding capital equipment purchases or seeking other funding sources such as grants to help with one-time capital expenditures.

FAIRFIELD COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

Financial Highlights

- The County's financial condition has continued to maintain revenues at a relatively constant level over this period.
- **Net position** - The County's governmental activities total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at June 30, 2023, by \$104.3 million (net position).
- **Change in net position** - The County's net position increased over the course of this year's operations. Net position of the governmental activities increased by \$644,559.
- **General fund** - The principal operating fund of the County is the general fund. During fiscal year 2023, general fund revenues and other financing sources, which primarily consisted of property taxes and sales taxes were \$35 million. Expenditures and net transfers out of the general fund were \$37 million. This resulted in a decrease in the fund balance for the year of \$2 million.
- **General fund budget** - The general fund actual revenues were below the final budgeted amounts by \$359,387 due primarily to an increase in the amount of tax revenues the County received during the fiscal year offset by a decrease in "other" revenues. General fund actual expenditures were more than the final budgeted amounts by \$89,911. This variance is primarily due to allocations to local organizations.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This section will not include discussion related to the component units of the County. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements - The government-wide financial statements (Statement of Net Position and Statement of Activities) are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. These statements outline functions of the County that are principally supported by property taxes, State aid, intergovernmental grants and various charges for services, fines and fees. The governmental activities of the County include general government, public safety, public works, environment and housing, health and welfare, judicial, cultural and recreation, and non-departmental allocations expenditures.

The Statement of Net Position presents information on all of the County's total assets and deferred outflows and total liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

FAIRFIELD COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

Overview of the Financial Statements, (Continued)

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

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County'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 between governmental funds and governmental activities.

Custodial funds - The County is the trustee, or custodian, for assets that belong to others. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The County excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 to 63.

Supplementary Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further supports the financial statements with a comparison of the County's budget for the fiscal year and other supplementary information schedules.

Financial Analysis of the County as a Whole

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, total assets and deferred outflows exceeded total liabilities and deferred inflows by \$104.3 million as of June 30, 2023.

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

The County's financial position is the product of the following transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and the disposal of capital assets.

FAIRFIELD COUNTY, SOUTH CAROLINA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Financial Analysis of the County as a Whole, Continued

The following table presents a summary of the County's net position for the following fiscal years ended June 30:

(Dollars in thousands)	2023	2022	Percentage Change
Current and other assets	\$ 90,492	\$ 95,223	(4.97)%
Capital assets, net	<u>85,762</u>	<u>70,847</u>	21.05%
Total assets	<u>176,254</u>	<u>166,070</u>	6.13%
Deferred outflows of resources	<u>9,731</u>	<u>11,758</u>	(17.24)%
Current liabilities	8,457	6,634	27.48%
Long-term liabilities	<u>66,661</u>	<u>60,870</u>	9.51%
Total liabilities	<u>75,118</u>	<u>67,504</u>	11.28%
Deferred inflows of resources	<u>6,479</u>	<u>6,580</u>	(1.55)%
Net position			
Net investment in capital assets	66,440	52,176	27.34%
Restricted	11,398	11,458	(0.52)%
Unrestricted	<u>26,550</u>	<u>40,110</u>	(33.78)%
Total net position	<u>\$ 104,388</u>	<u>\$ 103,744</u>	.62%

Change in net position - The County's total revenues for the fiscal year ended June 30, 2023, were \$ 52.7 million. The total cost of all programs and services was \$52.1 million. The section below presents a summary of the activity that resulted in changes in net position for the following fiscal years ended June 30:

(Dollars in thousands)	2023	2022	Percentage Change
Revenues			
Program revenues			
Charges for services	\$ 2,559	\$ 2,559	0.00 %
Operating grants and contributions	1,958	2,146	(8.76) %
Capital grants and contribution-	-	-	-
General revenues			
Property taxes	27,308	25,325	(7.83) %
Accommodations taxes	486	488	0.41 %
Sales taxes	2,447	2,583	(5.27) %
Investment income	520	446	16.59 %
Intergovernmental	9,965	6,584	51.35 %
Gain on sale of capital assets	1	104	(99.04) %
Other	<u>7,507</u>	<u>74,406</u>	(89.91) %
Total revenues	<u>52,751</u>	<u>114,641</u>	(53.99) %

(Dollars in thousands)	2023	2022	Percentage Change
Expenses			
General government	\$ 20,217	\$ 13,040	55.04 %
Public safety	9,656	9,210	4.84 %
Public works and utilities	6,032	4,897	23.18 %
Health and welfare	11,994	11,962	0.27 %
Judicial	1,429	1,252	14.14 %
Cultural and recreation	1,894	1,860	1.83 %
Interest and fiscal charges	<u>886</u>	<u>997</u>	(11.13) %
Total expenses	<u>52,108</u>	<u>43,218</u>	20.57 %
Change in net position	<u>\$ 643</u>	<u>\$ 71,423</u>	(99.10) %

FAIRFIELD COUNTY, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Financial Analysis of the County as a Whole, Continued

Compared to fiscal year 2023, the County's revenues and expenses changed due primarily to the following:

- During fiscal year 2023, property taxes increased by \$1.9 million from fiscal year 2022. Fiscal year 2023 marks the seventh consecutive year that there has been no millage increase by the County, operational or capital. With no increases in millage, unless the County sees some continued increases in assessments or investment and construction, there can be no long-term expectation for property taxes to maintain a positive trend.
During fiscal year 2023, the County continued to make strong efforts to decrease or hold expenditures as constant as possible. The primary factors that made this possible were putting any capital projects or expenditures on hold unless crucial to operations and freezing vacant positions.

Governmental activities - The table below presents the cost of the seven major functional activities: general government, public safety, public works and utilities, health and welfare, judicial, cultural and recreation, and interest and fiscal charges. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and County's taxpayers by each of these functions.

(Dollars in thousands)
Table with 3 columns: Activity, Total Expenses, Net Expense. Rows include General government, Public safety, Public works and utilities, Health and welfare, Judicial, Cultural and recreation, Interest and fiscal charges, and Total expenses.

The cost of all governmental activities this year was \$52.1 million. Expenses consist primarily of general government, public safety, and health and welfare totaling \$20.2 million, \$9.6 million and \$11.9 million, respectively. The net cost of governmental activities was \$47.5 million which was financed by general revenues. General revenues consist primarily of property taxes of \$27.3 million.

Financial Analysis of the County's Funds

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. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

The financial performance of the County as a whole is reflected in its governmental funds. As the County completed the year, its governmental funds reported a combined fund balance of \$81.9 million. Of this combined fund balance, \$3.2 million or 3.9% is unassigned and, therefore, available for spending at the County's discretion.

FAIRFIELD COUNTY, SOUTH CAROLINA

MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Capital Assets and Debt Administration

Capital Assets - As of June 30, 2023, the County had invested in capital assets, net of related debt, \$66.4 million, including land, land improvements, buildings and improvements, leasehold improvements, infrastructure, machinery and equipment and software. Total depreciation and amortization expense for the year was approximately \$3.5 million.

The schedule below presents capital asset balances (excluding lease assets), net of depreciation, for the fiscal year ended June 30, 2023:

Capital assets, not being depreciated	
Land	\$ 13,999,576
Construction in progress	35,047,035
	<u>49,046,611</u>
Capital assets, being depreciated	
Land improvements	26,355,196
Buildings and improvements	29,703,393
Leasehold improvements	3,175,901
Infrastructure	9,149,808
Machinery and equipment	27,680,169
Software	498,001
	<u>96,562,468</u>
Less accumulated depreciation	<u>(61,216,068)</u>
Total capital assets, being depreciated, net	<u>35,346,400</u>
Net capital assets, excluding lease assets	<u>\$ 84,393,011</u>

Debt Administration - At year-end, the County had \$21.4 million in general obligation and revenue bonds, net of unamortized bond discounts, of which \$2.1 million is due within one year. Additionally, the County reported \$1.4 million in lease liabilities with \$595,000 due within one year.

Economic Factors and Budgetary Projections

Unlike a typical county, the County’s revenue stream is relatively constant. This is due primarily to a licensed electrical generating facility located in our county, which accounts for approximately 43% of our property tax revenues. The facility received an extension to its operating license through 2042. While this piece of the facility remains operational, construction has ceased on an addition to the facility, which has caused some hardship on the County and closed the additional future revenue. The County strongly pursues economic development. Currently, plans for a water treatment plant are underway to open up additional capacity to attract industry to the County, grading for speculative developments and initiatives to construct a new speculative building. However, with consideration of it’s the nuclear power plant still being the primary revenue source and the time duration for economic developments, our budget philosophy is to be socially responsible within a very conservative fiscal approach; this trend will have to continue over future budgets.

Request for Information

This financial report is designed to provide the County’s citizens, taxpayers, customers, and investors and creditors with a general overview of the County’s finances and to demonstrate the County’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, Fairfield County, 250 N. Walnut Street, Post Office Drawer 60, Winnsboro, South Carolina 29180.

Audited financial statements of the County’s component units may be obtained by written request to Fairfield County Council, Post Office Drawer 60, Winnsboro, South Carolina 29180.

FAIRFIELD COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 81,567,741
Receivables:	
Property taxes, net	504,911
Other receivables, net	1,985,738
Lease receivable	29,003
Due from other governments	5,955,418
Prepaid items	449,337
Capital assets:	
Nondepreciable	49,046,611
Depreciable, net of accumulated depreciation and amortization	<u>36,715,536</u>
Total assets	<u>176,254,295</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding	2,323,146
Deferred outflows related to total OPEB liability	3,069,899
Deferred outflows related to net pension liability	<u>4,338,411</u>
Total deferred outflows of resources	<u>9,731,456</u>
LIABILITIES	
Accounts payable	5,135,387
Accrued payroll and related benefits	1,073,400
Due to other governments	149,208
Unearned revenue	2,010,431
Accrued interest payable	88,892
Long-term liabilities:	
Due within one year	2,869,389
Due in more than one year	20,683,153
Total OPEB liability	15,051,896
Net pension liability	<u>28,056,772</u>
Total liabilities	<u>75,118,528</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to total OPEB liability	4,971,056
Deferred inflows related to net pension liability	1,479,116
Deferred lease receipts	28,689
Total deferred inflows of resources	<u>6,478,861</u>
NET POSITION	
Net investment in capital assets	66,440,358
Restricted for:	
General government programs	3,633,335
Public safety	655,146
Health and welfare	3,125,370
Judicial programs	192,309
Cultural and recreation projects	349,523
Debt service and capital projects	3,442,803
Unrestricted	<u>26,549,518</u>
Total net position	<u>\$ 104,388,362</u>

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

FAIRFIELD COUNTY, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue</u>
		<u>Charges for</u>	<u>Operating</u>	<u>(Expense) and</u>
		<u>Sales and</u>	<u>Grants and</u>	<u>Changes in</u>
		<u>Service</u>	<u>Contributions</u>	<u>Net Position</u>
				<u>Governmental</u>
				<u>Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 20,216,767	\$ 2,374,697	\$ 1,957,603	\$ (15,884,467)
Public safety	9,656,023	131,779	-	(9,524,244)
Public works and utilities	6,032,297	53,275	-	(5,979,022)
Health and welfare	11,994,115	-	-	(11,994,115)
Judicial	1,428,914	-	-	(1,428,914)
Cultural and recreation	1,893,319	-	-	(1,893,319)
Interest and fiscal charges	886,301	-	-	(886,301)
Total governmental activities	<u>\$ 52,107,736</u>	<u>\$ 2,559,751</u>	<u>\$ 1,957,603</u>	<u>(47,590,382)</u>
General revenues:				
Property taxes				27,308,177
Sales tax				2,447,107
Accommodations tax				486,149
Investment income				520,241
Intergovernmental				9,964,944
Gain on sale of capital assets				862
Other				7,507,461
Total general revenues				<u>48,234,941</u>
Change in net position				644,559
Net position, beginning of year				<u>103,743,803</u>
Net position, end of year				<u>\$ 104,388,362</u>

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

FAIRFIELD COUNTY, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<u>General Fund</u>	<u>Grant Subfunds</u>	<u>Capital Improvement Projects</u>	<u>Water and Sewer Program</u>	<u>Sewer Treatment Plant</u>	<u>Fairfield Facilities Corporation</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS								
Cash and cash equivalents	\$ 10,773,874	\$ 2,468,895	\$ 8,625,518	\$ -	\$ 47,209,501	\$ 3,060,230	\$ 9,429,723	\$ 81,567,741
Taxes receivable, net	476,887	-	-	-	-	-	28,024	504,911
Accounts receivable, net	578,710	-	719,470	-	-	-	687,558	1,985,738
Leases receivable	29,003	-	-	-	-	-	-	29,003
Due from other funds	4,534,007	-	-	-	-	-	-	4,534,007
Due from other governments	1,550,407	442,792	-	-	-	-	3,962,219	5,955,418
Prepaid items	90,346	-	-	-	-	150,573	208,418	449,337
Total assets	<u>18,033,234</u>	<u>2,911,687</u>	<u>9,344,988</u>	<u>-</u>	<u>47,209,501</u>	<u>3,210,803</u>	<u>14,315,942</u>	<u>95,026,155</u>
LIABILITIES								
Accounts payable	581,991	98,821	2,502,691	89,258	-	190,096	1,672,530	5,135,387
Accrued liabilities	1,051,842	81	-	-	-	-	21,477	1,073,400
Due to other funds	-	315,444	276,740	1,535,793	-	-	2,406,030	4,534,007
Due to other governments	149,208	-	-	-	-	-	-	149,208
Unearned revenue	-	2,010,431	-	-	-	-	-	2,010,431
Total liabilities	<u>1,783,041</u>	<u>2,424,777</u>	<u>2,779,431</u>	<u>1,625,051</u>	<u>-</u>	<u>190,096</u>	<u>4,100,037</u>	<u>12,902,433</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - leases	28,689	-	-	-	-	-	-	28,689
Unavailable revenue - property taxes	108,713	-	-	-	-	-	6,051	114,764
Total deferred inflows of resources	<u>137,402</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,051</u>	<u>143,453</u>
FUND BALANCES								
Nonspendable								
Prepaid expenditures	90,346	-	-	-	-	150,573	31,084	272,003
Restricted								
General government	-	-	-	-	-	-	3,633,335	3,633,335
Public safety	-	486,910	-	-	-	-	168,236	655,146
Health and welfare	2,250,251	-	-	-	-	-	875,119	3,125,370
Judicial	-	-	-	-	-	-	192,309	192,309
Cultural and recreation	-	-	-	-	-	-	349,523	349,523
Debt service and capital projects	-	-	-	-	-	2,870,134	572,669	3,442,803
Committed								
Local option sales tax	490,957	-	-	-	-	-	-	490,957
General government	3,480,000	-	-	-	-	-	-	3,480,000
Health and welfare	760,000	-	-	-	-	-	-	760,000
Public works and utilities	-	-	-	-	-	-	314,647	314,647
Capital outlay	-	-	6,565,557	-	47,209,501	-	4,072,932	57,847,990
Assigned								
General government	4,200,000	-	-	-	-	-	-	4,200,000
Unassigned	4,841,237	-	-	(1,625,051)	-	-	-	3,216,186
Total fund balances	<u>16,112,791</u>	<u>486,910</u>	<u>6,565,557</u>	<u>(1,625,051)</u>	<u>47,209,501</u>	<u>3,020,707</u>	<u>10,209,854</u>	<u>81,980,269</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,033,234</u>	<u>\$ 2,911,687</u>	<u>\$ 9,344,988</u>	<u>\$ -</u>	<u>\$ 47,209,501</u>	<u>\$ 3,210,803</u>	<u>\$ 14,315,942</u>	<u>\$ 95,026,155</u>

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

FAIRFIELD COUNTY, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2023

Total fund balances for governmental funds:		\$ 81,980,269
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets and right-to-use lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		85,762,147
Some of the County's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unavailable revenue in the funds.		114,764
Deferred inflows and deferred outflows related to the pension liability and OPEB liability are not reported in governmental funds.		
Pension related deferred outflows of resources	\$ 4,338,411	
Pension related deferred inflows of resources	(1,479,116)	
OPEB related deferred outflows of resources	3,069,899	
OPEB related deferred inflows of resources	<u>(4,971,056)</u>	958,138
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:		
General obligation bonds payable	\$ (3,911,837)	
Revenue bonds payable	(17,590,000)	
Discount on bonds payable	90,141	
Accrued compensated absences	(747,488)	
Lease liability	(1,393,358)	
Total OPEB liability	(15,051,896)	
Net pension liability	(28,056,772)	
Accrued interest	(88,892)	
Deferred loss on bond refunding	<u>2,323,146</u>	<u>(64,426,956)</u>
Net position of governmental activities		<u>\$ 104,388,362</u>

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

FAIRFIELD COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Grant Subfunds</u>	<u>Capital Improvement Projects</u>	<u>Water and Sewer Program</u>	<u>Sewer Treatment Plant</u>	<u>Fairfield Facilities Corporation</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues								
Property taxes	\$ 25,786,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,428,889	\$ 27,214,950
Sales tax	2,447,107	-	-	-	-	-	486,149	2,933,256
Intergovernmental	2,931,875	1,957,603	-	-	-	-	7,033,069	11,922,547
Licenses, permits, fines and fees	1,247,670	-	-	-	-	-	137,338	1,385,008
Charges for services	1,127,027	-	-	-	-	-	47,716	1,174,743
Investment income	76,852	-	338,067	-	-	105,318	4	520,241
Other	766,046	-	1,493,654	-	1,545,309	-	3,702,452	7,507,461
Total revenues	<u>34,382,638</u>	<u>1,957,603</u>	<u>1,831,721</u>	<u>-</u>	<u>1,545,309</u>	<u>105,318</u>	<u>12,835,617</u>	<u>52,658,206</u>
Expenditures								
General government	11,642,682	12,108	992,918	-	-	-	800,042	13,447,750
Public safety	9,284,095	-	-	-	-	-	309,479	9,593,574
Public works and utilities	1,247,530	-	-	1,625,051	-	-	2,955,564	5,828,145
Health and welfare	8,796,242	1,474,531	-	-	-	-	1,450,845	11,721,618
Judicial	1,383,002	-	-	-	-	-	45,150	1,428,152
Cultural and recreation	1,687,709	-	-	-	-	-	146,676	1,834,385
Capital outlay	-	19,610	11,976,784	-	-	1,457,717	2,783,379	16,237,490
Debt service:								
Principal retirement	593,900	-	-	-	-	990,000	1,278,302	2,862,202
Interest and fiscal charges	9,596	-	-	-	69,243	464,593	151,761	695,193
Total expenditures	<u>34,644,756</u>	<u>1,506,249</u>	<u>12,969,702</u>	<u>1,625,051</u>	<u>69,243</u>	<u>2,912,310</u>	<u>9,921,198</u>	<u>63,648,509</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(262,118)</u>	<u>451,354</u>	<u>(11,137,981)</u>	<u>(1,625,051)</u>	<u>1,476,066</u>	<u>(2,806,992)</u>	<u>2,914,419</u>	<u>(10,990,303)</u>
Other financing sources (uses):								
Issuance of debt	-	-	-	-	-	-	1,383,000	1,383,000
Sale of capital assets	19,773	-	-	-	-	-	-	19,773
Transfers in	433,971	17,190	903,461	-	-	1,333,000	1,212,377	3,899,999
Transfers out	(2,133,028)	-	-	-	-	-	(1,766,971)	(3,899,999)
Total other financing sources (uses), net	<u>(1,679,284)</u>	<u>17,190</u>	<u>903,461</u>	<u>-</u>	<u>-</u>	<u>1,333,000</u>	<u>828,406</u>	<u>1,402,773</u>
Net change in fund balances	<u>(1,941,402)</u>	<u>468,544</u>	<u>(10,234,520)</u>	<u>(1,625,051)</u>	<u>1,476,066</u>	<u>(1,473,992)</u>	<u>3,742,825</u>	<u>(9,587,530)</u>
Fund balance, beginning of year	<u>18,054,193</u>	<u>18,366</u>	<u>16,800,077</u>	<u>-</u>	<u>45,733,435</u>	<u>4,494,699</u>	<u>6,467,029</u>	<u>91,567,799</u>
Fund balance (deficit), end of year	<u>\$ 16,112,791</u>	<u>\$ 486,910</u>	<u>\$ 6,565,557</u>	<u>\$ (1,625,051)</u>	<u>\$ 47,209,501</u>	<u>\$ 3,020,707</u>	<u>\$ 10,209,854</u>	<u>\$ 81,980,269</u>

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

FAIRFIELD 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, 2023

Net change in fund balances - total governmental funds \$ (9,587,530)

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 and amortization expense.

Capital outlay	\$ 19,102,085	
Depreciation and amortization expense	<u>(4,168,008)</u>	14,934,077

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position. (18,911)

Because some revenues will not be collected for several months after the County's fiscal year-end, they are not considered "available" revenues and are deferred in the governmental funds. Unavailable revenues changed by this amount this year. 93,227

Bond and other long-term debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. In the current period, proceeds were received from:

Issuance of general obligation bonds (1,383,000)

Repayment of long-term debt is reported as an expenditure in governmental funds but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consisted of:

General obligation bond principal retirement	\$ 1,278,302	
Revenue bond principal retirement	990,000	
Lease payments	<u>593,900</u>	2,862,202

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.

Total OPEB liability, net of related deferred outflows and deferred inflows	\$ (6,374,321)	
Net pension liability, net of related deferred outflows and deferred inflows	269,803	
Compensated absences	40,120	
Amortization of bond discount	(7,989)	
Amortization of deferred amount on refunding	<u>(193,596)</u>	(6,265,983)

In the Statement of Activities, interest is accrued on outstanding bonds whereas, in governmental funds, interest is expensed when due. 10,477

Change in net position of governmental activities \$ 644,559

FAIRFIELD COUNTY, SOUTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023**

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 16,295,163
Investments	8,062,124
Taxes receivable, net	618,216
Total assets	<u>24,975,503</u>
LIABILITIES	
Amounts held for others	1,392,104
Due to other taxing entities	23,573,462
Total liabilities	<u>24,965,566</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u>9,937</u>
Total net position	<u>\$ 9,937</u>

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

FAIRFIELD COUNTY, SOUTH CAROLINA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Custodial Funds
ADDITIONS	
Current property taxes	\$ 60,393,287
Other custodial receipts	38,475,626
Fines and fees	243,444
Inmate funds collected	<u>18,626</u>
Total additions	<u>99,130,983</u>
DEDUCTIONS	
Other custodial disbursements	<u>99,139,159</u>
Total deductions	<u>99,139,159</u>
Change in net position	(8,176)
NET POSITION, BEGINNING OF YEAR	<u>18,113</u>
NET POSITION, END OF YEAR	<u><u>\$ 9,937</u></u>

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

FAIRFIELD COUNTY, SOUTH CAROLINA

GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNITS

STATEMENT OF NET POSITION

JUNE 30, 2023

	Fairfield County Library Commission	Fairfield Behavioral Health Services	Total Governmental Activities
ASSETS			
Cash and cash equivalents	\$ 377,713	\$ 237,246	\$ 614,959
Investments	29,667	-	29,667
Accounts receivable	-	198,158	198,158
Capital assets being depreciated, net of accumulated depreciation	684,623	1,415,115	2,099,738
Total assets	1,092,003	1,850,519	2,942,522
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to total OPEB liability	154,354	-	154,354
Deferred outflows related to net pension liability	124,094	246,497	370,591
Total deferred outflows of resources	278,448	246,497	524,945
LIABILITIES			
Accounts payable	-	24,877	24,877
Accrued liabilities	15,446	-	15,446
Accrued compensated absences, due within one year	3,021	-	3,021
Long-term liabilities:			
Notes payable	-	500,000	500,000
Accrued compensated absences, due in more than one year	13,382	34,566	47,948
Net pension liability	765,958	1,053,930	1,819,888
Total OPEB liability	682,171	-	682,171
Total liabilities	1,479,978	1,613,373	3,093,351
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to total OPEB liability	249,943	-	249,943
Deferred inflows related to net pension liability	46,833	57,243	104,076
Total deferred inflows of resources	296,776	57,243	354,019
NET POSITION			
Net investment in capital assets	684,623	915,115	1,599,738
Restricted			
Books	193,086	-	193,086
Library projects	21,573	-	21,573
Unrestricted	(1,305,585)	(488,715)	(1,794,300)
Total net position	\$ (406,303)	\$ 426,400	\$ 20,097

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

FAIRFIELD COUNTY, SOUTH CAROLINA

**GOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNITS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Sales and Service	Operating Grants and Contributions	Fairfield County Library Commission	Fairfield Behavioral Health Services	Health Services
Governmental activities:						
Fairfield County Library Commission	\$ 1,144,038	\$ 8,790	\$ 152,000	\$ (983,248)	\$ -	\$ (983,248)
Fairfield Behavioral Health Services	1,494,726	84,981	1,093,650	-	(316,095)	(316,095)
	<u>\$ 2,638,764</u>	<u>\$ 93,771</u>	<u>\$ 1,245,650</u>	<u>(983,248)</u>	<u>(316,095)</u>	<u>(1,299,343)</u>
General revenues:						
County appropriations				707,551	62,945	770,496
Alcohol excise tax				-	70,908	70,908
Investment income				5,674	235	5,909
Gifts and donations				100	-	100
Miscellaneous revenue				12,924	51,043	63,967
Total general revenues				<u>726,249</u>	<u>185,131</u>	<u>911,380</u>
Change in net position				(256,999)	(130,964)	(387,963)
Net position, beginning of year				(149,304)	557,364	408,060
Net position, end of year				<u>\$ (406,303)</u>	<u>\$ 426,400</u>	<u>\$ 20,097</u>

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

FAIRFIELD COUNTY, SOUTH CAROLINA

NONGOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

	Fairfield County Council on Aging
ASSETS	
Cash and cash equivalents	\$ 302,306
Receivables, net	125,023
Prepaid items	6,244
Property and equipment, net of accumulated depreciation	796,913
Total assets	<u>1,230,486</u>
LIABILITIES	
Accounts payable and accrued expenses	19,236
Accrued compensated absences	9,918
Total liabilities	<u>29,154</u>
NET ASSETS	
Without donor restrictions	<u>1,201,332</u>
Total liabilities and net assets	<u>\$ 1,230,486</u>

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

FAIRFIELD COUNTY, SOUTH CAROLINA

NONGOVERNMENTAL DISCRETELY PRESENTED COMPONENT UNIT STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Fairfield County Council on Aging</u>
Changes in net assets without donor restrictions:	
Revenues, gains and other support	
Local	\$ 460,885
County appropriations	93,968
Client fees	92,416
Investment income	558
Other	48,943
Net assets released from restrictions	<u>222,178</u>
Total revenues, gains, and other support	<u>918,948</u>
Expenses	
Program services	598,387
Supporting services	<u>360,970</u>
Total expenses	<u>959,357</u>
Change in net assets without donor restrictions	<u>(40,409)</u>
Changes in net assets with donor restrictions:	
Grants	222,178
Net assets released from restrictions	<u>(222,178)</u>
Change in net assets with donor restrictions	<u>-</u>
Change in net assets	(40,409)
Net assets, beginning of year	
Without donor restrictions	<u>1,241,741</u>
	<u>1,241,741</u>
Net assets, end of year	
Without donor restrictions	1,201,332
	<u>\$ 1,201,332</u>

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

NOTES TO FINANCIAL STATEMENTS

FAIRFIELD COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fairfield County, South Carolina (the "County") is a political subdivision of the State of South Carolina (the "State"), operating under the provisions of South Carolina 2975 Act No. 283 (Home Rule Act) using a Council-Administrator form of government to provide services authorized by its charter. The County is governed by an elected Board (County Council) which is governed by State statutes and regulations.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements are presented in conformity with GASB Codification Sec. 2200, *Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments*. The more significant of the County's accounting policies are described below.

Reporting Entity

Using the criteria of GASB Codification Sec. 2100, the basic financial statements of the County present the reporting entity that consists of the primary government and those organizations for which the primary government is financially accountable and for which the nature and significance of their relationship, with the primary government, are such that exclusion could cause the County's financial statements to be misleading or incomplete.

Financial accountability is defined as appointment of a voting majority of the separate organization's board and either (a) the ability to impose will by the primary government, or (b) the possibility that the separate organization will provide a financial benefit or impose a financial burden on the primary government. "Blended" component units are separate entities that are, substantially, part of the primary government's operations and are combined with financial data of the primary government. "Discretely presented" component units, on the other hand, are reported on separately to emphasize that they are legally separate from the organizations of the primary government. A summary of the County's blended and discretely presented component units follows:

Fairfield Facilities Corporation – During fiscal year 2013, the County created the Fairfield Facilities Corporation (the "Corporation") to facilitate the issuance of debt for the County. The activities of the Corporation have been "blended" with the County and are presented as a major fund for fiscal year 2023. County Council appoints the officers and directors of the Corporation. The Corporation does not issue separate financial statements.

Discretely Presented Component Units – Using the criteria of GASB Codification Sec. 2100, the County has three discretely presented component units and all have a June 30 fiscal year end.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Fairfield County Library Commission – Fairfield County Library Commission (the “Library Commission”) was established as a designated authority to provide a public library system to the residents of the County. The County provides the Library Commission with an annual appropriation which is the majority of the Library Commission’s operating revenue. County Council appoints members of the Library Commission’s Board, which is the Library Commission’s governing authority. The Library Commission’s Board is responsible for the hiring and termination of management personnel. The County can impose its will on the Library Commission. Accordingly, the Library Commission is considered to be a component unit of the County and its financial position and results of operations have been reported in the financial statements of the County.

Fairfield County Council on Aging – Fairfield County Council on Aging (the “Council on Aging”) was created to meet certain needs of the elderly in the County. County Council appoints all of the members of the Council on Aging. Accordingly, the Council on Aging is considered to be a component unit of the County and its assets and liabilities and revenues and expenses have been reported in the financial statements of the County. The County can impose its will on the Council on Aging.

Fairfield Behavioral Health Services – Fairfield Behavioral Health Services (the “Agency”) was organized to provide comprehensive services for victims of alcohol and drug abuse in the County. County Council appoints all of the members of the Agency’s Board of Directors, which is the Agency’s governing authority. Accordingly, the Agency is considered to be a component unit of the County and its assets and liabilities and revenues and expenses have been reported in the financial statements of the County. The County can impose its will on the Agency.

Audited financial statements of each of the discretely presented component units may be obtained by written request to Fairfield County Council, Post Office Drawer 60, Winnsboro, South Carolina 29180.

Basis of Presentation

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the County’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, including taxes, which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County. The Statement of Net Position reports all financial and capital resources of the County and reports the difference between assets and deferred outflows and liabilities and deferred inflows as net position.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements - Fund financial statements report detailed information about the County. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Measurement Focus and Basis of Accounting

Fund Accounting

The accounts of the County and its component units are organized and operated on the basis of funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The government reports the following major governmental funds:

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

A portion of the General Fund's fund balance has been committed for certain contingencies including loss of fee in lieu due to plant closings, property insurance increases, and additional operating funds required for the Fairfield Memorial Hospital.

Fairfield Facilities Corporation - The Fairfield Facilities Corporation is a capital project fund used to account for the issuance of revenue bonds and the acquisition of capital assets from the bond proceeds.

Grant Subfunds - The Grant Subfunds fund accounts for the activities relative to various federal and state grants received throughout the fiscal year.

Capital Improvement Projects - The Capital Improvements Projects fund accounts for the numerous capital projects funded by Fairfield County.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Fund Accounting (Continued)

Water and Sewer Program- The Water and Sewer Program fund accounts for the purchase and improvement of water and wastewater systems located throughout Fairfield County.

Sewer Treatment Plant - The Sewer Treatment Plant accounts for the construction of a sewer treatment plant in Fairfield County.

Additionally, the government reports the following nonmajor fund types:

Special Revenue Funds - The special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted or committed to expenditures for specified purposes.

Capital Projects Funds - The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources and the payment of general long-term debt principal and interest.

The County also maintains **Custodial Funds** which account for monies held on behalf of school districts, special districts and other agencies that use the County as a depository for property taxes and/or State funds collected on behalf of the other governments.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and inflows, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis.

On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: delinquent taxes, sales tax, grants, interest, fees and charges for services.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the Statement of Revenues, Expenditures and Changes in Fund Balances as an expenditure with a like amount reported as donated commodities revenue. Unused donated commodities are reported as unearned revenue.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Expenses/Expenditures (Continued)

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Interfund Activity

Reallocation of resources between funds of the reporting entity are classified as interfund transfers and are reported as operating transfers. For purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the County's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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

Cash and Cash Equivalents and Investments - The County considers all liquid non-equity investments with an original maturity of three months or less to be cash equivalents. Such investments consist primarily of amounts in the South Carolina Local Government Investment Pool. Investments are carried at fair value.

State statutes authorize the County to invest in:

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Savings and loan association deposits to the extent they are insured by the Federal Deposit Insurance Corporation (FDIC);
4. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
5. Repurchase agreements when collateralized by securities as set forth in this section;

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash and Cash Equivalents and Investments (Continued)

6. South Carolina State Investment Pool established and maintained by the State Treasurer;
7. No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of the County, if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1) and (4) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

Receivables and Payables - All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The allowance for trade accounts receivable is computed based upon an estimate of collections within each aging category. The allowance for property taxes receivable is based upon a composite average of each delinquent tax year's collections to the outstanding balance at the beginning of the fiscal year.

At June 30, 2023, receivables for the County's individual major funds and other nonmajor governmental funds in the aggregate including the applicable allowance for uncollectible accounts, are as follows:

	General	Capital Improvement Projects	Nonmajor Governmental	Total
Taxes receivable	\$ 476,887	\$ -	\$ 28,024	\$ 504,911
Accounts receivable	1,230,020	719,470	687,558	2,637,048
Leases Receivable	29,003	-	-	29,003
Gross	1,735,910	719,470	715,582	3,170,962
Less:				
Allowance - accounts receivable	(651,310)	-	-	(651,310)
Net receivables	<u>\$ 1,084,600</u>	<u>\$ 719,470</u>	<u>\$ 715,582</u>	<u>\$ 2,519,652</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Receivables and Payables (Continued)

Property taxes become a lien on real estate and certain personal properties owned on the preceding December 31 of each County fiscal year ended June 30. These taxes are levied on or before October 31 and are due without penalty through January 15. Penalties are added to the taxes depending on the date paid as follows:

January 16 through February 1	3% of tax
February 2 through March 18	10% of tax
March 19 and thereafter	15% of tax plus collection cost

The lien and collection date for motor vehicles is the last day of the month in which the motor vehicle license expires. The County bills and collects its own property taxes. Property tax revenue is recognized when past due and collectible within the current period or soon enough thereafter (defined as sixty days) to pay liabilities of the current period. An allowance is provided for an estimated amount of taxes billed, which may ultimately prove to be uncollectible. Unavailable revenue (property taxes) represents that portion of property taxes which is deemed not available to pay current expenses.

Short-term amounts owed between funds are classified as “due from other funds” or “due to other funds” on the balance sheet.

Capital Assets - Capital assets, which include land, construction in progress, land improvements, buildings and improvements, leasehold improvements, infrastructure, machinery and equipment, software, and right-to-use leased assets are reported in the governmental activities column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. 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 asset lives are not capitalized. Major outlays for capital assets are capitalized as the projects are constructed.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (Continued)

All reported capital assets other than land are depreciated and amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. Capital assets of the primary government, as well as the component unit, are depreciated using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Land improvements	15 - 20 years
Buildings and improvements	10 - 50 years
Right-to-use leased building	4 years
Leasehold improvements	15 - 20 years
Infrastructure	40 - 50 years
Machinery and equipment	5 - 15 years
Right-to-use lease equipment	1 - 3 years
Software	3 - 10 years

Lease Accounting (Lessee) - The County is a lessee for non-cancellable leases including buildings and improvements 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 \$5,000 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 the shorter of the asset's useful life or the term of the lease.

Key estimates and judgements 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Lease Accounting (Lessee) (Continued)

The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise. The County monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position. The General Fund is typically used to liquidate lease liabilities.

Lease Accounting (Lessor) - The County is the lessor for certain non-cancellable leases of real property and spaces within existing County buildings. The County recognizes a lease receivable and a deferred inflow of resources for deferred lease receipts in accordance with these transactions. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date, less certain other amounts to be paid by the County (if any). Subsequently, the deferred inflow of resources is amortized into lease revenue on a straight-line basis over the lease term.

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 lease agreements entered into by the County as lessor do not include stated interest rates. Therefore, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments that the County will receive over the term of the lease agreement.

The County monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Compensated Absences - Employees with less than 10 years of service are allowed to carry over not more than thirty (30) days unused annual leave each July 1. Employees with 10 years or more of service may carry over no more than forty (40) days unused annual leave each July 1. Any employee who had more than the maximum carryover amount on June 30, 1989, when this policy was implemented, was allowed to keep the excess in a separate pool that will be paid to the employee upon separation from employment. Accumulated unused annual leave is paid to employees upon separation from employment.

The County has accrued a liability for accrued compensated absences which have been earned but not taken by County employees based on the following criteria:

1. The County's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' service already rendered;
2. The obligation related to rights that vest or accumulate;
3. Payment of the compensation is probable; and
4. The amount can be reasonably estimated.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - Changes in the net pension liability and total OPEB liability not included in pension expense and OPEB expense, respectively, are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions and benefit payments made subsequent to the measurement date of the net pension liability, are reported as deferred outflows of resources. Additionally, the County reports deferred outflows of resources in the Statement of Net Position related to a deferred loss on bond refundings. Such deferred losses are amortized over the shorter of the life of the refunded bonds or the refunding bonds. Finally, the County reports deferred inflows of resources in the Statement of Net Position and the Governmental Funds Balance Sheet related deferred lease receipts.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as another financing source. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from debt proceeds received, are reported as debt service expenditures.

Fund Balances - Governmental funds report fund balances in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2023, fund balances for governmental funds are made up of the following categories:

- Nonspendable Fund Balance includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- Restricted Fund Balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.
- Committed Fund Balance includes amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision-making authority, County Council. Commitments may be changed or lifted only by the County taking the same formal action that imposes the constraint originally.
- Assigned Fund Balance comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by (a) County Council or (b) a body (for example: a Finance Committee) or official to which County Council has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned Fund Balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balances (Continued)

County Council is the County's highest level of decision-making authority. County Council can establish, modify, or rescind fund balance commitments through adoption of a resolution or ordinance. The County Administrator has the authority to assign fund balance amounts to a specific purpose. The County Administrator is appointed by and serves at the pleasure of County Council.

The County considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted amounts are available. When an expenditure is incurred for which committed, assigned, or unassigned amounts could be used, the County considers expenditures to be used in this respective order.

As of June 30, 2023, County Council had not established an unassigned fund balance target.

Net Position - Net position represents the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Net position is classified as net investment in capital assets; restricted; and unrestricted. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Reported amounts for the County's net investment in capital assets are as follows at June 30, 2023:

Capital assets, net of accumulated depreciation and amortization	\$ 85,762,147
Less: Bonds payable, net of unamortized bond discounts, and leases payable	(22,805,054)
Less: Capital project payables and retainages	(562,001)
Add: Deferred loss on refunding	2,323,146
Add: Unspent bond proceeds	1,722,120
Net investment in capital assets	\$ 66,440,358

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Accounting - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund. Certain special revenue funds and capital projects funds are budgeted over the life of the grant or project but are not formally approved by County Council. Since grant periods may differ from the County's fiscal year, a comparison of budgetary information for the total special revenue and capital projects funds would not be meaningful. Formal budgetary policies are not employed for the debt service funds because effective budgetary control is alternatively achieved through debt provisions.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to the first County Council meeting in June, the County Administrator submits to County Council a proposed operating budget. The operating budget includes proposed expenditures and the means by which financing will occur.
2. Taxpayers are given the opportunity to comment on the proposed budget at a regularly scheduled open Council meeting.
3. The budget is legally adopted, after three readings, prior to June 30.
4. Any budget revisions are approved by County Council and the budgetary level of control is the fund level. The County Administrator has the authority only to reallocate the funds between line items within a department.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Encumbrances are not recognized by the County and are not considered in the budgetary control process. The appropriations of the general fund and special revenue funds of the County lapse at June 30 each year and the outstanding purchase orders, contracts and other commitments must be renewed. Therefore, there are no reservations of the fund balances at year end for encumbrances. Lapsed appropriations of the special revenue funds are re-appropriated in the next budget year.

For the fiscal year ended June 30, 2023, expenditures exceeded appropriations in the General Fund in the amount of \$89,911 which was funded by the use of available fund balance.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Deposits:

Deposits include cash and cash equivalents on deposit in banks. At June 30, 2023, the carrying amount of the County's deposits was \$97,862,904 and the bank balance was \$92,458,223.

State law requires that all of the County's deposits be covered by Federal Deposit Insurance Corporation (FDIC) insurance or by collateral held in the pledging financial institutions' trust departments in the County's name. At June 30, 2023, all of the County's bank balance were insured or collateralized in accordance with state law.

Investments:

All of the County's investments are presented at fair value. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest income earned.

As of June 30, 2023, the County held the following investments and maturities:

Investment Type	Fair Value	Investment Maturities		
		Less than three months	Three to twelve months	One to three years
US Government Agency Obligations	\$ 8,018,877	\$ 4,112,157	\$ -	\$ 3,906,720
Money Market Mutual Funds	43,247	43,247	-	-
South Carolina Local Government Investment Pool (LGIP)	6,473,082	6,473,082	-	-
Total investments held in the County's name	<u>\$ 14,535,206</u>	<u>\$ 10,628,486</u>	<u>\$ -</u>	<u>\$ 3,906,720</u>

The County's investments measured and reported at fair value are classified according to the following hierarchy:

- Level 1: Investments reflect prices quoted in active markets for identical assets.
- Level 2: Investments reflect prices that are based on similar significant observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3: Investments reflect prices based upon significant unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued):

The following table presents the County's fair value hierarchy for those assets measured at fair value as of June 30, 2023:

Investment Type	Level 1	Level 2	Level 3	Fair Value
US Government Agency Obligations	\$ 8,018,877	\$ -	\$ -	\$ 8,018,877
Total investments held in the County's name	<u>\$ 8,018,877</u>	<u>\$ -</u>	<u>\$ -</u>	8,018,877
Investments not subject to level disclosure:				
S.C. Local Government Investment Pool				6,473,082
Money Market Mutual Funds				43,247
Total investments				<u>\$ 14,535,206</u>

The LGIP investments are invested with the South Carolina State Treasurer's Office, which established the LGIP pursuant to Section 6-6-10 of the South Carolina Code of Laws. The LGIP is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any county treasurer or any governing body of a political subdivision of the State, may be deposited. The LGIP's investments are carried at fair value determined annually based upon quoted market prices for identical or similar investments. The total fair value of the LGIP is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by LGIP participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the LGIP may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211-1950.

The following reconciles deposits and investments to the financial statements:

As reported in the Statement of Net Position:

Primary government	
Cash and cash equivalents	\$ 81,567,741
As reported in the Statement of Fiduciary Net Position:	
Custodial Funds - cash and cash equivalents	16,295,163
Custodial Funds - investments	8,062,124
	<u>\$ 105,925,028</u>
Cash deposited with financial institutions	\$ 91,389,822
Investments	8,062,124
SC Local Government Investment Pool	6,473,082
	<u>\$ 105,925,028</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk:

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The County's respective maturity dates are as noted above. The County does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the County. The County has no investment policy that would further limit its investment choices other than State law. As of June 30, 2023, the underlying security ratings of the County's investment in the LGIP may be obtained from the LGIP's complete financial statements. This investment pool does not have a credit quality rating assigned. As of June 30, 2023, the underlying security ratings of the County's investment in the money market fund was AAAM according to Standard & Poor's credit ratings. The County's investments in U.S. Agency Obligations were rated AAA by Standard & Poor's as of June 30, 2023.

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The County places no limit on the amount the County may invest in any one issuer.

Foreign Currency Risk:

The County does not invest in foreign securities or have transactions with foreign currency, and as a result does not have a policy for foreign currency risk.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. INTERFUND ASSETS AND LIABILITIES

The balances of interfund receivables and payables at June 30, 2023, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grant Subfunds	\$ 315,444
General Fund	Capital Improvement Projects Fund	276,740
General Fund	Water and Sewer Program	1,535,793
General Fund	Nonmajor Governmental Funds	2,406,030
		<u>\$ 4,534,007</u>

All of the above balances are scheduled to be collected in the subsequent year. The balances at June 30 resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds. Total transfers during the year ended June 30, 2023, consisted of the following individual amounts:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 433,971
Fairfield Facilities Corporation	Nonmajor Governmental Funds	1,333,000
Grant Subfunds	General Fund	17,190
Capital Improvement Projects	General Fund	903,461
Nonmajor Governmental Funds	General Fund	1,212,377
		<u>\$ 3,899,999</u>

NOTE 5. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governments at June 30, 2023, in the governmental-type funds consisted of the following:

	<u>State</u>	<u>Federal</u>	<u>Total</u>
General Fund	\$ 1,550,407	\$ -	\$ 1,550,407
Grant Subfunds	24,779	418,013	442,792
Nonmajor Governmental Funds	2,758,635	1,203,584	3,962,219
Net receivables	<u>\$ 4,333,821</u>	<u>\$ 1,621,597</u>	<u>\$ 5,955,418</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

The following is a summary of the changes in the County's capital assets for the fiscal year ended June 30, 2023:

Governmental Activities	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 13,999,576	\$ -	\$ -	\$ -	\$ 13,999,576
Construction in progress	19,669,095	17,403,954	(18,911)	(2,007,103)	35,047,035
Total capital assets not being depreciated	<u>33,668,671</u>	<u>17,403,954</u>	<u>(18,911)</u>	<u>(2,007,103)</u>	<u>49,046,611</u>
Capital assets being depreciated:					
Land improvements	25,865,062	16,475	-	473,659	26,355,196
Buildings and improvements	29,703,393	-	-	-	29,703,393
Leasehold improvements	2,954,764	221,137	-	-	3,175,901
Infrastructure	7,616,364	-	-	1,533,444	9,149,808
Machinery and equipment	26,227,379	1,460,519	(7,729)	-	27,680,169
Software	498,001	-	-	-	498,001
Total capital assets being depreciated	<u>92,864,963</u>	<u>1,698,131</u>	<u>(7,729)</u>	<u>2,007,103</u>	<u>96,562,468</u>
Less accumulated depreciation for:					
Land improvements	(22,407,641)	(427,868)	-	-	(22,835,509)
Buildings and improvements	(11,041,798)	(820,891)	-	-	(11,862,689)
Leasehold improvements	(826,971)	(350,689)	-	-	(1,177,660)
Infrastructure	(1,408,386)	(332,165)	-	-	(1,740,551)
Machinery and equipment	(21,509,619)	(1,610,705)	7,729	-	(23,112,595)
Software	(466,450)	(20,614)	-	-	(487,064)
Total accumulated depreciation	<u>(57,660,865)</u>	<u>(3,562,932)</u>	<u>7,729</u>	<u>-</u>	<u>(61,216,068)</u>
Total capital assets being depreciated, net	<u>35,204,098</u>	<u>(1,864,801)</u>	<u>-</u>	<u>2,007,103</u>	<u>35,346,400</u>
Governmental activities capital assets, net	<u>\$ 68,872,769</u>	<u>\$ 15,539,153</u>	<u>\$ (18,911)</u>	<u>\$ -</u>	<u>84,393,011</u>
Lease assets, net (Note 9)					<u>1,369,136</u>
Total capital assets, net as reported in the Statement of Net Position					<u>\$ 85,762,147</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Depreciation expense was allocated to programs of the primary government as follows:

General government	\$ 2,964,138
Public safety	62,449
Public works and utilities	204,152
Health and welfare	272,497
Judicial	762
Cultural and recreation	58,934
	<u>58,934</u>
Total Governmental Activities Depreciation Expense	<u>\$ 3,562,932</u>

NOTE 7. HON FACILITY

The County has entered into a long-term lease agreement with the State for the use of its HON facility. The HON facility has square footage of approximately 186,000 and is located in Winnsboro, South Carolina. The lease agreement requires no annual lease payment from the County; however, the County must pay for all maintenance, utilities and insurance for the facility. The lease will expire during fiscal year 2026. The County's Assessor has estimated a fair market value for leasing similar sized industrial spaces at \$2.75 per square foot.

NOTE 8. LONG-TERM OBLIGATIONS

The following is a summary of the changes in general long-term liabilities for the fiscal year ended June 30, 2023:

Governmental Activities	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due within One Year
General obligation bonds	\$ 3,807,139	\$ 1,383,000	\$ (1,278,302)	\$ 3,911,837	\$ 1,254,468
Revenue bonds	18,580,000	-	(990,000)	17,590,000	880,000
Unamortized bond discounts	(98,130)	-	7,989	(90,141)	-
Accrued compensated absences	787,608	517,736	(557,856)	747,488	139,795
Lease liability	1,987,258	-	(593,900)	1,393,358	595,126
Net pension liability	26,252,850	6,915,431	(5,111,509)	28,056,772	-
Total other postemployment benefit liability	12,500,436	7,073,621	(4,522,161)	15,051,896	-
	<u>\$ 63,817,161</u>	<u>\$ 15,889,788</u>	<u>\$ (13,045,739)</u>	<u>\$ 66,661,210</u>	<u>\$ 2,869,389</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM OBLIGATIONS (CONTINUED)

The County's outstanding notes from revenue bonds of \$18,580,000 include certain events of default, which upon occurrence, could result in all outstanding principal and accrued interest becoming immediately due and payable. Such events include (but are not limited to) failure to pay any principal or interest installment, or failure to perform or observe any other covenant, agreement, or condition contained in the loan agreement. The County's outstanding revenue bonds are secured with collateral of buildings that were constructed using the bond proceeds.

The County has no unused lines of credit.

General obligation bonds consisted of the following at June 30, 2023:

\$614,000 of Series 2017A general obligation bonds due in annual installments of \$125,694 to \$225,590 through March 1, 2024; interest at 3.60%	\$ 125,694
\$614,000 of Series 2018A general obligation bonds due in annual installments of \$24,000 to \$225,590 through March 1, 2024; interest at 4.63%	129,168
\$599,000 of Series 2019A general obligation bonds due in annual installments of \$20,815 to \$144,489 through March 1, 2025; interest at 3.31%	220,090
\$599,000 of Series 2020A general obligation bonds due in annual installments of \$86,454 to \$132,636 through March 1, 2025; interest at 2.88%	263,187
\$1,127,000 of Series 2021A general obligation bonds due in annual installments of \$153,535 to \$248,804 through March 1, 2026; interest at 1.12%	735,100
\$1,361,000 of Series 2022 general obligation bonds due in annual installments of \$194,083 to \$242,287 through March 1, 2027; interest at 2.29%	1,055,598
\$1,383,000 of Series 2023 general obligation bonds due in annual installments of \$161,290 to \$491,074 through March 1, 2028; interest at 5.05%	1,383,000
	\$ 3,911,837

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM OBLIGATIONS (CONTINUED)

Revenue (Installment Purchase) bonds were issued by the Fairfield Facilities Corporation to provide funds for the acquisition and construction of major capital facilities and equipment and are secured by the pledge of certain fee-in-lieu of tax revenues of the County and do not constitute the general obligations, or pledge of the faith, credit or taxing power of the County or any other political subdivision.

Revenue bonds consisted of the following at June 30, 2023:

\$18,580,000 of Series 2021 revenue bonds due in annual installments of \$720,000	
to \$1,085,000 through September 2042; interest at 2.00% to 3.15%	<u>\$ 17,590,000</u>

The scheduled maturities of the County's bonds payable by type are as follows:

Year Ended June 30	General Obligation Bonds		
	Principal	Interest	Total
2024	\$ 1,254,468	\$ 131,915	\$ 1,386,383
2025	988,314	88,642	1,076,956
2026	717,233	59,401	776,634
2027	484,355	38,316	522,671
2028	467,467	23,607	491,074
	\$ 3,911,837	\$ 341,881	\$ 4,253,718

Year Ended June 30	Revenue Bonds		
	Principal	Interest	Total
2024	\$ 880,000	\$ 444,142	\$ 1,324,142
2025	900,000	426,342	1,326,342
2026	915,000	408,192	1,323,192
2027	720,000	391,843	1,111,843
2028	735,000	377,293	1,112,293
2029-2033	3,915,000	1,646,925	5,561,925
2034-2038	4,415,000	1,117,901	5,532,901
2039-2043	5,110,000	409,598	5,519,598
	\$ 17,590,000	\$ 5,222,236	\$ 22,812,236

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LEASES

The County has entered into multiple noncancelable leases as the lessee for various right-to-use assets. The incremental borrowing rate varies from 0.165% to 2.186%. As of June 30, 2023, the County has \$1,393,358 outstanding in leases payable. The annual requirements to amortize all leases payable as of June 30, 2023, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 595,126	\$ 6,274	\$ 601,400
2025	598,465	2,935	601,400
2026	199,767	233	200,000
	\$ 1,393,358	\$ 9,442	\$ 1,402,800

Leased asset activity for the County's governmental activities for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Remeasurements	Deductions	Ending Balance
Governmental activities:					
Leased assets:					
Buildings and improvements	\$ 2,574,876	\$ -	\$ -	\$ -	\$ 2,574,876
Equipment	3,139	-	-	-	3,139
Total leased assets	2,578,015	-	-	-	2,578,015
Less accumulated amortization for:					
Buildings and improvements	(602,983)	(602,983)	-	-	(1,205,966)
Equipment	(820)	(2,093)	-	-	(2,913)
Total accumulated amortization	(603,803)	(605,076)	-	-	(1,208,879)
Governmental activities total leased assets, net	\$ 1,974,212	\$ (605,076)	\$ -	\$ -	\$ 1,369,136

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS

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

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

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

Plan Descriptions:

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, 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 and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Plan Descriptions (Continued):

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

Membership:

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

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees, teachers, and first-term individuals elected to the South Carolina General Assembly. 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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Benefits:

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (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. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS.

The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The Board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Contributions (Continued):

Required employee contribution rates 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

Required employer contribution rates are as follows:

South Carolina Retirement System

Employer class two	17.41% of earnable compensation
Employer class three	17.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employer class two	19.84% of earnable compensation
Employer class three	19.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

Contributions to the SCRS and PORS pension plans from the County were \$1,775,276 and \$965,552 respectively, for the year ended June 30, 2023.

Pension Expense:

For the year ended June 30, 2023, the County recognized its proportionate share of collective pension expense for the SCRS and PORS plans of \$1,500,421 and \$968,205, respectively.

Actuarial Assumptions and Methods:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued):

The June 30, 2022, total pension liability, net pension liability, and sensitivity information shown in this report were determined by the Systems' consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2022, for SCRS and PORS:

	SCRS	PORS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
	3.0% to 11.0%	3.5% to 10.5%
Projected salary increases	(varies by service)	(varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

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

Assumptions used in the determination of the June 30, 2022, total pension liability are as follows:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Net Pension Liability:

The net pension liability is calculated separately for each System and represents that particular System's total pension liability determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. Net pension liability totals as of June 30, 2022 for SCRS and PORS are presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	County's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 56,454,779,872	\$ 32,212,626,932	\$ 24,242,152,940	57.1%	0.080471%
PORS	\$ 8,937,686,946	\$ 5,938,707,767	\$ 2,998,979,179	66.4%	0.285063%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Statement Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

At June 30, 2023, the County reported a liability of \$19,507,796 and \$8,548,976 for its proportionate share of the SCRS and PORS net pension liability, respectively. The County's proportionate share of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2023, the County's proportionate share of the SCRS and PORS plans were 0.080471 percent and 0.285063 percent, respectively. The County proportionate share of the SCRS plan decreased by (0.007041%) from 2022 to 2023, while the County's proportionate share of the PORS plan increased by 0.000785% from 2022 to 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources:

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 169,486	\$ 85,014
Changes of assumptions	625,661	-
Net difference between projected and actual earnings on pension plan investments	30,085	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,847	1,225,103
Employer contributions subsequent to the measurement date	<u>1,775,276</u>	<u>-</u>
Total	<u>\$ 2,639,355</u>	<u>\$ 1,310,117</u>
PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 143,435	\$ 168,999
Changes of assumptions	355,993	-
Net difference between projected and actual earnings on pension plan investments	25,815	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	208,261	-
Employer contributions subsequent to the measurement date	<u>965,552</u>	<u>-</u>
Total	<u>\$ 1,699,056</u>	<u>\$ 168,999</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

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

The \$1,775,276 and \$965,552 reported as of June 30, 2023, as deferred outflows of resources related to pensions resulting from County contributions paid subsequent to the measurement date for the SCRS and PORS plans, respectively, will be recognized as a reduction of the net pension liabilities during the year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the SCRS and PORS plans, respectively:

Year ended June 30:	SCRS	PORS
2024	\$ 1,027	\$ 306,702
2025	(160,913)	210,387
2026	(794,902)	(284,882)
2027	508,750	332,298
	\$ (446,038)	\$ 564,505

Discount Rate:

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return:

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.0 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Long-term Expected Rate of Return (Continued):

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
	100.0%		
		Total expected real return	4.79%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	7.04%

Sensitivity Analysis:

The following table presents the collective net pension liability of the County calculated using the discount rate of 7.0 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.0 percent) or 1.00 percent higher (8.0 percent) than the current rate.

Sensitivity of the Net Position Liability to Changes in the Discount Rate				
	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)	
County's portion - SCRS	\$ 25,011,401	\$ 19,507,796	\$ 14,932,263	
County's portion - PORS	\$ 11,921,032	\$ 8,548,976	\$ 5,788,630	

Additional Financial and Actuarial Information:

Information contained in this Note was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2022, and the accounting valuation report as of June 30, 2022. Additional financial information supporting the preparation of the Schedules of Employer and Non-employer Allocations and Schedules of Pension Amounts by Employer (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFERRED COMPENSATION

Several optional deferred compensation plans are available to the County employees. The multiple-employer plans, created under Internal Revenue Code Sections 457 and 401(k), are accounted for as agency funds of the State and included in the State's ACFR. Employees may withdraw the current value of their contributions when they terminate County employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

Compensation deferred under the Section 401(k) plan is placed in trust for the contributing employee. The State has no liability for losses under the plans. Under the Section 457 plan, all deferred compensation plan amounts and earnings remain assets of the State subject to the claims of the employer's general creditors, one of whom is the employee participant. It is unlikely, however, that the State would ever use plan assets to satisfy claims of the State's general creditors. The portion of assets of the Section 457 plan to which the State has access is disclosed in its financial report.

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description:

The County's policy is to provide post-retirement health, life and dental care benefits to substantially all employees who retire under the State's retirement plans. The County's plan is a single employer defined benefit plan that provides OPEB to both the County and its discretely presented component unit, the Fairfield County Library Commission (the "Commission"). There are no plan assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Required Monthly Contributions:

The County will pay 100% of the premium for those retirees with 10 or more consecutive years of service with the County until they reach age 65 and are eligible for Medicare coverage. Upon reaching the age of 65, the retiree has the option to pay the full premium or receive \$150 per month to help supplement the cost of purchasing Medicare gap coverage. Benefits may still be purchased for eligible retiree dependents; however, the cost of these benefits is paid by the retiree. The contribution requirements of plan members and the County are established and may be amended by the County.

Funding Policy:

The required contribution is currently based on pay-as-you-go financing requirements. The County funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide for post-retirement benefits.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Dependent Coverage:

Retirees may enroll eligible dependents in the plan during annual open enrollments and upon qualifying life events as defined by the insurance plan document but must pay the entire dependent premium cost.

Employees Covered by Benefit Terms:

As of June 30, 2023, the valuation date, there were 357 members covered by benefit terms, which consisted of 268 active members and 89 retirees and beneficiaries. The County employees consisted of 254 active members and 84 retirees and beneficiaries. The Commission employees consisted of 14 active members and 5 retirees and beneficiaries.

Total OPEB Liability:

The County's portion of the total OPEB liability of \$15,051,896 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date. Changes in the County's total OPEB liability for the year ended June 30, 2023, are as follows:

	County	Commission	Total
Service cost	\$ 515,529	\$ 25,921	\$ 541,450
Interest on the total OPEB liability	454,857	22,870	477,727
Changes of benefit terms	6,103,234	306,869	6,410,103
Difference between expected and actual experience	(3,430,604)	(172,490)	(3,603,094)
Changes of assumptions	(370,786)	(18,643)	(389,429)
Benefit payments	(720,770)	(36,240)	(757,010)
Net change in the total OPEB liability	2,551,460	128,287	2,679,747
Total OPEB liability, beginning of year	12,500,436	553,884	13,054,320
Total OPEB liability, end of year	\$ 15,051,896	\$ 682,171	\$ 15,734,067

NOTES TO FINANCIAL STATEMENTS

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB Expense:

For the year fiscal ended June 30, 2023, the County recognized OPEB expense of \$7,125,158. The calculation of OPEB expense for the fiscal year ended June 30, 2023, is as follows:

	County	Commission	Total
Service cost	\$ 515,529	\$ 25,921	\$ 541,450
Interest on the total OPEB liability	454,857	22,870	477,727
Current-Period Benefit Changes	6,103,234	306,869	6,410,103
Recognition of current year outflow (inflow) due to liabilities	(568,067)	(28,563)	(596,630)
Amortization of prior year outflow (inflow) due to liabilities	619,605	31,154	650,759
Total OPEB expense	\$ 7,125,158	\$ 358,251	\$ 7,483,409

Deferred Inflows of Resources and Deferred Outflows of Resources:

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	County		Commission	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,792,387	\$ 2,997,819	\$ 90,121	\$ 150,729
Changes in assumptions	1,277,512	1,973,237	64,233	99,214
Total	\$ 3,069,899	\$ 4,971,056	\$ 154,354	\$ 249,943

NOTES TO FINANCIAL STATEMENTS

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Because the measurement date of the total OPEB liability is equal to the last day of the employer's fiscal year, there is no deferred outflow of resources related to contributions made subsequent to the measurement date.

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

Fiscal Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources		
	County	Commission	Total
2024	\$ 51,539	\$ 2,591	\$ 54,130
2025	51,539	2,591	54,130
2026	(263,363)	(13,242)	(276,605)
2027	(515,666)	(25,927)	(541,593)
2028	(806,302)	(40,541)	(846,843)
Thereafter	(418,904)	(21,061)	(439,965)
	\$ (1,901,157)	\$ (95,589)	\$ (1,996,746)

Actuarial Assumptions and Methods:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Assumptions and Methods (Continued):

The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Methods and Assumptions:

Actuarial Cost Method	Individual Entry-age Normal
Discount Rate	3.86% as of June 30, 2023
Inflation	2.25%
Salary Increases	3.50% to 10.50% for PORS and 3.00% to 9.50% for SCRS, including inflation
Demographic Assumptions	Based on the experience study covering the five-year period ending June 30, 2019, as conducted for the South Carolina Retirement System (SCRS).
Mortality	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with the following multipliers applied to the base totals: 97% for male SCRS members, 107% for female SCRS members, 127% for male PORS members, and 107% for female PORS members. The rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Health Care Trend Rates	Healthcare premium trend starts at an initial rate of 5.75% declining to an ultimate rate of 4.00% after 12 years.
Participation Rates	70% for members retiring prior to age 65 that are eligible for the County subsidy; 85% for members retiring on or after age 65 that are eligible for the County subsidy; 10% for members retiring prior to age 65 that are not eligible for the County subsidy; 0% for members retiring on or after age 65 that are not eligible for the County subsidy.

Other Information:

Notes	The discount rate changed from 3.69% as of June 30, 2022, to 3.86% as of June 30, 2023.
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Discount Rate:

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.86 percent (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 3.69 percent as of the prior measurement date.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity Analysis:

The following table represents the County's total OPEB liability calculated using the discount rate of 3.86 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percent lower (2.86 percent) or one percent higher (4.86 percent) than the current rate.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount	1% Increase
	2.86%	Rate Assumption 3.86%	4.86%
County	\$ 17,456,522	\$ 15,051,896	\$ 13,112,009
Commission	791,152	682,171	594,253
Total OPEB Liability	\$ 18,247,674	\$ 15,734,067	\$ 13,706,262

The following table represents the County's total OPEB liability calculated using the assumed trend rates as well as what the County's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher.

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates			
	1% Decrease	Healthcare Cost	1% Increase
		Trend Rate	
County	\$ 12,842,388	\$ 15,051,896	\$ 17,857,196
Commission	582,033	682,171	809,311
Total OPEB Liability	\$ 13,424,421	\$ 15,734,067	\$ 18,666,507

NOTE 13. TAX ABATEMENTS

The County has entered into fee in lieu of tax (FILOT) agreements pursuant to the authority granted by Title 12, Chapter 44, Title 4, Chapter 29, and/or Title 4, Chapter 12 of the Code of Laws of South Carolina, 1976, as amended. Property subject to a fee in lieu of tax agreement is exempt from ad valorem property tax and is instead subject to a fee in lieu of tax equal to the product of the value of the property, an assessment ratio that is generally no lower than 6% (but may be as low as 4% for extraordinary projects that satisfy the statutory definition of an "enhanced investment"), and a millage rate that is either fixed for the life of the agreement or is adjusted every five years based on the trailing five-year average. The County uses a variety of fixed millage and variable millage rate agreements.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. TAX ABATEMENTS (CONTINUED)

The County has entered into a written agreement for each fee in lieu of tax incentive, with each agreement having been approved by the County Council. Taxpayers must invest \$2,500,000 in capitalized investment within an investment period as defined in the applicable agreement (generally six years) in order to qualify for a fee in lieu of tax incentive, and some agreements include heightened requirements tied to investment and/or job creation thresholds. These requirements are negotiated on a case-by-case basis and may provide for a recapture of some or all of the abated taxes in the event that the taxpayer does not meet and/or maintain the required investment or job creation thresholds.

The County provided special source revenue credits, generally in conjunction with fee in lieu of tax agreements, pursuant to the authority granted by Sections 4-29-68 and 4-1-170 of the Code of Laws of South Carolina, 1976, as amended. Special source revenue credits, often referred to as SSRCs or "Infrastructure Credits", are reductions to a taxpayer's payments in lieu of taxes. Generally, property that receives SSRCs is added to a "multi-county industrial park" pursuant to Sections 4-1-170 through 4-1-175 of the Code of Laws of South Carolina, 1976, as amended. Most multi-county industrial park agreements allocate 1% of property tax (or fee in lieu of tax) revenue to the partner county.

For fiscal year ended June 30, 2023, the County abated \$39,123 in property taxes under the FILOT agreements and SSRC arrangements. The projects subject to FILOT and SSRC arrangements generated approximately \$731,570 in revenues for the County for fiscal year 2023.

NOTE 14. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and job-related illnesses and accidents. The County pays premiums to a public entity risk pool for workers' compensation insurance and to the State Accident Fund for all other forms of coverage. The public entity risk pool and the State Accident Fund promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There has been no significant reduction in coverage and amounts of settlements have not exceeded coverage in any of the last three years.

NOTE 15. COMMITMENTS

The County is obligated under a transfer station service agreement with a provider of rural trash collection services. This contract is for ten years with five-year renewal options and requires payments based on a per ton fee for solid waste delivered for disposal. During the year ended June 30, 2023, the County incurred costs totaling \$474,864 (net of user fees) under this agreement.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. COMMITMENTS (CONTINUED)

The County is obligated under certain maintenance agreements for continued service to office machinery, data processing equipment and software. Each contract is evaluated annually and a decision is made to either continue the service or let the maintenance agreement lapse. For the year ended June 30, 2023, the total cost included in the financial statements of the County was \$768,281.

As of June 30, 2023, the County has four open construction commitments in the amount of \$1,591,101.

The County has an agreement with 1st & Main Development, LLC (1st & Main) to redevelop the historic Mount Zion Institute into a governmental administration complex. In connection therewith, the County has agreed to lease the property after the construction completion for a period of seven years. The property will be owned by 1st & Main during the lease; however, the County will have the option to purchase the complex for a price not to exceed \$4.5M after seven years. The lease is \$600,000 annually for seven years, to be made in monthly payments, which began in May 2021. The total is not to exceed \$4,200,000, which is represented in assigned fund balance.

NOTE 16. ECONOMIC DEPENDENCY

The County received a substantial portion of its property tax revenues from a single taxpayer, Dominion Energy South Carolina, Inc. (Dominion Energy). Of the total current and delinquent tax revenues of \$25,786,061 recorded in the General Fund for the year ended June 30, 2023, \$11,719,848 was generated from Dominion Energy due to its operation of the VC Summer Nuclear Plant. This represents 45% of the total tax revenues collected for the General Fund. Consequently, the funding of County operations is heavily dependent on property tax revenues collected from Dominion Energy.

NOTE 17. LOCAL OPTION SALES TAX

The County voters approved the Local Option Sales Tax referendum which added one cent to the sales and use tax imposed within the County. The Local Option Sales Tax is a 1% increase to the current sales tax rate, bringing the new sales tax rate to 7%. The revenue generated as a result of the additional one cent sales tax is collected by the South Carolina Department of Revenue to provide for county and municipal property tax relief. Resources collected, less a portion retained by the State, are distributed by the State to participating cities and counties based upon formulations defined by State law.

For the year ended June 30, 2023, amounts remitted (allocated) to the County totaled approximately \$2,414,385. The County passed an ordinance devoting all of the proceeds received from the State in the Local Option Sales Tax Program to property tax reduction. As of June 30, 2023, approximately \$491,000 of the General Fund's fund balance is committed for future Local Option Sales Tax credits.

REQUIRED SUPPLEMENTARY INFORMATION

FAIRFIELD COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 24,932,752	\$ 24,932,752	\$ 25,786,061	\$ 853,309
Sales tax	1,230,000	1,230,000	2,447,107	1,217,107
Intergovernmental	3,296,040	3,296,040	2,931,875	(364,165)
Licenses, permits, fines and fees	1,185,500	1,185,500	1,247,670	62,170
Charges for services	1,012,091	1,012,091	1,127,027	114,936
Investment income	285,000	285,000	76,852	(208,148)
Other	2,800,642	2,800,642	766,046	(2,034,596)
Total revenues	<u>34,742,025</u>	<u>34,742,025</u>	<u>34,382,638</u>	<u>(359,387)</u>
EXPENDITURES:				
Current:				
General government:				
County council	375,695	375,695	295,121	80,574
County attorney	360,000	433,561	429,215	4,346
County administrator	462,945	514,924	514,520	404
Finance	605,396	694,884	694,460	424
Human resources	315,426	315,490	313,464	2,026
Purchasing	160,133	168,187	168,053	134
Data processing	960,220	844,070	816,698	27,372
General operating	4,412,568	4,079,677	3,465,584	614,093
Tax assessor	364,190	364,190	321,373	42,817
Tax collector	179,673	182,012	181,816	196
Building maintenance	1,113,922	1,113,922	1,016,779	97,143
Community development	617,053	617,053	556,805	60,248
Vehicle maintenance	340,059	340,059	309,875	30,184
Economic development	343,972	343,972	240,172	103,800
Auditor	194,990	194,990	182,384	12,606
Treasurer	227,957	237,841	237,598	243
Voter registration/election commission	315,087	363,484	362,820	664
Veterans affairs	129,415	139,411	138,284	1,127
Delegation	20,145	22,968	22,965	3
Airport commission	119,692	120,073	120,063	10
Quickjobs	51,323	51,323	28,519	22,804
Soil and water conservation	37,565	40,298	40,297	1
Allocations to local organizations	464,640	478,268	1,185,817	(707,549)
Total general government	<u>12,172,066</u>	<u>12,036,352</u>	<u>11,642,682</u>	<u>393,670</u>
Public safety:				
Sheriff's office	5,094,821	5,094,821	4,983,732	111,089
Detention center	2,300,419	2,267,441	2,185,264	82,177
Animal control	659,246	567,708	526,961	40,747
Coroner	307,155	327,537	326,880	657
Fire department	1,163,648	1,236,093	1,234,189	1,904
Allocations to local organizations	27,500	27,069	27,069	-
Total public safety	<u>9,552,789</u>	<u>9,520,669</u>	<u>9,284,095</u>	<u>236,574</u>

(continued)

FAIRFIELD COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES: (CONTINUED)				
Current (Continued):				
Public works and utilities:				
Road maintenance division	\$ 1,380,606	\$ 1,380,606	\$ 1,247,530	\$ 133,076
Total public works and utilities	<u>1,380,606</u>	<u>1,380,606</u>	<u>1,247,530</u>	<u>133,076</u>
Health and welfare:				
Fairfield County Department of Social Services	100,610	100,610	99,603	1,007
Emergency medical services	4,113,421	4,113,421	3,829,275	284,146
Emergency management	1,046,016	1,046,016	857,904	188,112
Transit	760,622	758,115	586,004	172,111
Solid waste	2,300,029	2,426,066	2,423,456	2,610
Allocations to local organizations	-	-	1,000,000	(1,000,000)
Total health and welfare	<u>8,320,698</u>	<u>8,444,228</u>	<u>8,796,242</u>	<u>(352,014)</u>
Judicial				
Probate Judge	215,068	227,344	226,996	348
Clerk of court	373,051	373,760	373,678	82
Family court	172,427	172,550	164,726	7,824
Magistrates	591,964	618,417	617,602	815
Total judicial	<u>1,352,510</u>	<u>1,392,071</u>	<u>1,383,002</u>	<u>9,069</u>
Cultural and recreation				
Recreation	1,176,411	1,176,411	1,083,370	93,041
Museum	128,056	133,249	133,082	167
Allocation to local organizations	471,259	471,259	471,257	2
Total cultural and recreation	<u>1,775,726</u>	<u>1,780,919</u>	<u>1,687,709</u>	<u>93,210</u>
Debt service:				
Principal retirement	-	-	593,900	(593,900)
Interest and fiscal charges	-	-	9,596	(9,596)
Total debt service	<u>-</u>	<u>-</u>	<u>603,496</u>	<u>(603,496)</u>
Total expenditures	<u>34,554,395</u>	<u>34,554,845</u>	<u>34,644,756</u>	<u>(89,911)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>187,630</u>	<u>187,180</u>	<u>(262,118)</u>	<u>(449,298)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	19,773	19,773
Transfers in	70,000	70,000	433,971	363,971
Transfers out	(257,630)	(257,630)	(2,133,028)	(1,875,398)
Total other financing uses, net	<u>(187,630)</u>	<u>(187,630)</u>	<u>(1,679,284)</u>	<u>(1,491,654)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (450)</u>	<u>(1,941,402)</u>	<u>\$ (1,940,952)</u>
Fund balances, beginning of year			<u>18,054,193</u>	
Fund balances, end of year			<u>\$ 16,112,791</u>	

FAIRFIELD COUNTY, SOUTH CAROLINA

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED JUNE 30,

	2023			2022			2021			2020			2019			2018		
	County	Commission	Total	County	Commission	Total	County	Commission	Total	County	Commission	Total	County	Commission	Total	County	Commission	Total
Total OPEB liability																		
Service cost	\$ 515,529	\$ 25,921	\$ 541,450	\$ 719,121	\$ 47,975	\$ 767,096	\$ 480,485	\$ 36,027	\$ 516,512	\$ 577,488	\$ 18,711	\$ 596,199	\$ 580,054	\$ 23,489	\$ 603,543	\$ 291,555	\$ 12,795	\$ 304,350
Interest on total OPEB liability	454,857	22,870	477,727	272,360	18,170	290,530	272,651	20,444	293,095	287,896	9,328	297,224	147,881	5,988	153,869	140,805	6,179	146,984
Changes on benefit terms	6,103,234	306,869	6,410,103	-	-	-	-	-	-	1,436,462	46,541	1,483,003	-	-	-	-	-	-
Difference between expected and actual experience	(3,430,604)	(172,490)	(3,603,094)	(57,783)	(3,855)	(61,638)	1,185,001	88,852	1,273,853	(83,700)	(2,712)	(86,412)	3,366,121	136,312	3,502,433	-	-	-
Assumption changes	(370,786)	(18,643)	(389,429)	(2,275,293)	(151,794)	(2,427,087)	1,348,342	101,099	1,449,441	666,562	21,596	688,158	517,685	20,964	538,649	-	-	-
Benefit payments	(720,770)	(36,240)	(757,010)	(492,705)	(32,870)	(525,575)	(421,816)	(31,628)	(453,444)	(473,690)	(15,348)	(489,038)	(418,465)	(16,946)	(435,411)	(198,182)	(8,696)	(206,878)
Net change in total OPEB liability	2,551,460	128,287	2,679,747	(1,834,300)	(122,374)	(1,956,674)	2,864,663	214,794	3,079,457	2,411,018	78,116	2,489,134	4,193,276	169,807	4,363,083	234,178	10,278	244,456
Total OPEB liability - beginning	12,500,436	553,884	13,054,320	14,334,736	676,258	15,010,994	11,470,073	461,464	11,931,537	9,059,055	383,348	9,442,403	4,865,779	213,541	5,079,320	4,631,601	203,263	4,834,864
Total OPEB liability - ending	\$15,051,896	\$ 682,171	\$15,734,067	\$ 12,500,436	\$ 553,884	\$ 13,054,320	\$ 14,334,736	\$ 676,258	\$ 15,010,994	\$ 11,470,073	\$ 461,464	\$ 11,931,537	\$ 9,059,055	\$ 383,348	\$ 9,442,403	\$ 4,865,779	\$ 213,541	\$ 5,079,320
Proportion of total OPEB liability	95.7%	4.3%	100.0%	95.8%	4.2%	100.0%	95.5%	4.5%	100.0%	96.1%	3.9%	100.0%	95.9%	4.1%	100.0%	95.8%	4.2%	100.0%
Covered-employee payroll	\$14,331,251	\$ 376,237	\$14,707,488	\$ 13,355,381	\$ 378,217	\$ 13,733,598	\$ 13,458,796	\$ 385,927	\$ 13,844,723	\$ 13,625,893	\$ 337,639	\$ 13,963,532	\$ 12,866,118	\$ 251,132	\$ 13,117,250	\$ 10,714,394	\$ 281,198	\$ 10,995,592
Total OPEB liability as a percentage of covered-employee payroll	105.03%	181.31%	106.98%	93.60%	146.45%	95.05%	106.51%	175.23%	108.42%	84.18%	136.67%	85.45%	70.41%	152.65%	71.98%	45.41%	75.94%	46.19%

Notes to the schedule:

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

The assumptions used in the preparation of the above schedules are disclosed in Note 8 to the financial statements.

FAIRFIELD COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30,

South Carolina Retirement System

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
2023	0.080471%	\$ 19,507,796	\$ 9,582,156	203.58%	57.1%
2022	0.087512%	18,938,613	9,892,374	191.45%	60.7%
2021	0.087230%	22,288,401	9,730,186	229.06%	50.7%
2020	0.087620%	20,006,364	9,252,010	216.24%	54.4%
2019	0.081960%	18,364,892	8,504,378	215.95%	54.1%
2018	0.080520%	18,125,221	8,081,568	224.28%	53.3%
2017	0.078220%	16,707,677	7,577,417	220.49%	52.9%
2016	0.079850%	15,143,558	7,488,006	202.24%	57.0%
2015	0.084520%	14,551,198	7,684,474	189.36%	59.9%
2014	0.084520%	15,159,514	7,782,679	194.79%	56.4%

South Carolina Police Officers Retirement System

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
2023	0.285063%	\$ 8,548,976	\$ 4,523,851	188.98%	66.4%
2022	0.284278%	7,314,237	4,262,482	171.60%	70.4%
2021	0.274510%	9,103,154	4,147,026	219.51%	58.8%
2020	0.268430%	7,693,138	3,893,516	197.59%	62.7%
2019	0.266520%	7,552,016	3,677,792	205.34%	61.7%
2018	0.002601%	7,125,105	3,496,245	203.79%	60.9%
2017	0.250740%	6,360,033	3,197,119	198.93%	60.4%
2016	0.249950%	5,447,673	3,096,543	175.93%	64.6%
2015	0.247850%	4,744,985	2,952,824	160.69%	67.5%
2014	0.247850%	5,137,945	2,894,221	177.52%	63.0%

Notes to the schedule:

The assumptions used in the preparation of the above schedules are disclosed in Note 10 to the financial statements.

FAIRFIELD COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY'S CONTRIBUTIONS RELATED TO THE NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30,

South Carolina Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 1,775,276	\$ 1,775,276	\$ -	\$ 10,109,769	17.56%
2022	1,586,805	1,586,805	-	9,582,156	16.56%
2021	1,461,982	1,461,982	-	9,892,374	14.78%
2020	1,603,349	1,603,349	-	9,730,186	16.48%
2019	1,269,829	1,269,829	-	9,252,010	13.72%
2018	1,075,930	1,075,930	-	8,504,378	12.65%
2017	934,229	934,229	-	8,081,568	11.56%
2016	838,062	838,062	-	7,577,417	11.06%
2015	816,051	816,051	-	7,488,006	10.90%
2014	813,352	813,352	-	7,684,474	10.58%

South Carolina Police Officers Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 965,552	\$ 965,552	\$ -	\$ 4,770,511	20.24%
2022	870,389	870,389	-	4,523,851	19.24%
2021	744,611	744,611	-	4,262,482	17.47%
2020	723,552	723,552	-	4,147,026	17.45%
2019	638,376	638,376	-	3,893,516	16.40%
2018	564,408	564,408	-	3,677,792	15.35%
2017	497,865	497,865	-	3,496,245	14.24%
2016	439,284	439,284	-	3,197,119	13.74%
2015	415,246	415,246	-	3,096,543	13.41%
2014	382,767	382,767	-	2,952,824	12.96%

FAIRFIELD COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY'S CONTRIBUTIONS RELATED TO THE NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30,

Notes to the schedule:

Actuarial assumption used in determining the statutorily required contribution are as follows:

System	SCRS	PORS
Calculation date	July 1, 2020	July 1, 2020
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	27-year maximum, closed period	27-year maximum, closed period
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 15 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. Male rates are multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators 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%.

SUPPLEMENTARY INFORMATION

FAIRFIELD COUNTY, SOUTH CAROLINA

COMPARATIVE BALANCE SHEETS GENERAL FUND JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 10,773,874	\$ 13,413,375
Taxes receivable, net	476,887	685,110
Accounts receivable, net	578,710	1,635,663
Lease receivable	29,003	46,240
Due from other funds	4,534,007	2,466,529
Due from other governments	1,550,407	1,596,951
Prepaid items	90,346	44,692
Total assets	18,033,234	19,888,560
LIABILITIES		
Accounts payable	581,991	612,641
Accrued liabilities	1,051,842	662,972
Due to other governments	149,208	254,324
Unearned revenue	-	258,265
Total liabilities	1,783,041	1,788,202
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	108,713	-
Unavailable revenue - leases	28,689	46,165
Total deferred inflows of resources	137,402	46,165
FUND BALANCES (DEFICITS)		
Nonspendable		
Prepaid items	90,346	44,692
Restricted		
Health and welfare	2,250,251	2,250,251
Committed:		
Local option sales tax	490,957	490,957
General government	3,480,000	3,480,000
Health and welfare	760,000	760,000
Assigned		
General government	4,200,000	4,200,000
Unassigned	4,841,237	6,828,293
Total fund balances	16,112,791	18,054,193
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,033,234	\$ 19,888,560

FAIRFIELD COUNTY, SOUTH CAROLINA

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GENERAL FUND FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
REVENUES		
Property taxes	\$ 25,786,061	\$ 24,131,823
Sales taxes	2,447,107	2,618,875
Intergovernmental	2,931,875	2,897,848
Licenses, permits, fines and fees	1,247,670	1,198,945
Charges for services	1,127,027	1,080,296
Investment income	76,852	6,239
Other	766,046	1,483,856
Extraordinary revenue - settlement	-	1,975,955
Total revenues	34,382,638	35,393,837
EXPENDITURES		
Current:		
General government	11,642,682	9,928,399
Public safety	9,284,095	8,825,922
Public works and utilities	1,247,530	1,177,571
Health and welfare	8,796,242	8,781,560
Judicial	1,383,002	1,197,666
Cultural and recreation	1,687,709	1,595,227
Debt service:		
Principal retirement	593,900	590,757
Interest and fiscal charges	9,596	11,683
Total expenditures	34,644,756	32,108,785
Excess (deficiency) of revenues over (under) expenditures	(262,118)	3,285,052
OTHER FINANCING SOURCES (USES)		
Transfers in	433,971	233,821
Transfers out	(2,133,028)	(2,782,342)
Sale of capital assets	19,773	1,438,793
Issuance of leases	-	3,139
Total other financing uses, net	(1,679,284)	(1,106,589)
Net change in fund balances	(1,941,402)	2,178,463
Fund balance, beginning of year	18,054,193	15,875,730
Fund balance, end of year	\$ 16,112,791	\$ 18,054,193

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

FAIRFIELD COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Nonmajor Debt Service Fund	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 550,696	\$ 4,825,489	\$ 4,053,538	\$ 9,429,723
Taxes receivable, net	28,024	-	-	28,024
Accounts receivable, net	-	658,122	29,436	687,558
Due from other governments	-	1,783,598	2,178,621	3,962,219
Prepaid items	-	208,418	-	208,418
Total assets	<u>578,720</u>	<u>7,475,627</u>	<u>6,261,595</u>	<u>14,315,942</u>
LIABILITIES				
Accounts payable	-	1,611,553	60,977	1,672,530
Accrued liabilities	-	21,477	-	21,477
Due to other funds	-	531,491	1,874,539	2,406,030
Total liabilities	<u>-</u>	<u>2,164,521</u>	<u>1,935,516</u>	<u>4,100,037</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	6,051	-	-	6,051
Total	<u>6,051</u>	<u>-</u>	<u>-</u>	<u>6,051</u>
FUND BALANCES (DEFICITS)				
Nonspendable				
Prepaid items	-	31,084	-	31,084
Restricted				
General government	-	3,633,335	-	3,633,335
Public safety	-	168,236	-	168,236
Health and welfare	-	875,119	-	875,119
Judicial	-	192,309	-	192,309
Cultural and recreation	-	349,523	-	349,523
Debt service	572,669	-	-	572,669
Committed:				
Public works and utilities	-	-	314,647	314,647
Capital outlay	-	61,500	4,011,432	4,072,932
Total fund balances	<u>572,669</u>	<u>5,311,106</u>	<u>4,326,079</u>	<u>10,209,854</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 578,720</u>	<u>\$ 7,475,627</u>	<u>\$ 6,261,595</u>	<u>\$ 14,315,942</u>

FAIRFIELD COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Nonmajor Debt Service Fund	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 1,428,889	\$ -	\$ -	\$ 1,428,889
Sales taxes	-	486,149	-	486,149
Intergovernmental	-	3,437,888	3,595,181	7,033,069
Licenses, permits, fines and fees	-	117,199	20,139	137,338
Charges for services	-	47,716	-	47,716
Investment income	4	-	-	4
Other	-	840,044	2,862,408	3,702,452
Total revenues	<u>1,428,893</u>	<u>4,928,996</u>	<u>6,477,728</u>	<u>12,835,617</u>
EXPENDITURES				
Current:				
General government	-	675,075	124,967	800,042
Public safety	-	309,479	-	309,479
Public works and utilities	-	-	2,955,564	2,955,564
Health and welfare	-	1,450,845	-	1,450,845
Judicial	-	45,150	-	45,150
Cultural and recreation	-	146,676	-	146,676
Capital outlay	-	2,065,687	717,692	2,783,379
Debt service:				
Principal retirement	1,278,302	-	-	1,278,302
Interest and fiscal charges	151,761	-	-	151,761
Total expenditures	<u>1,430,063</u>	<u>4,692,912</u>	<u>3,798,223</u>	<u>9,921,198</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,170)</u>	<u>236,084</u>	<u>2,679,505</u>	<u>2,914,419</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,101,859	110,518	1,212,377
Transfers out	(1,333,000)	(433,971)	-	(1,766,971)
Issuance of debt	1,383,000	-	-	1,383,000
Total other financing sources, net	<u>50,000</u>	<u>667,888</u>	<u>110,518</u>	<u>828,406</u>
Net change in fund balances	48,830	903,972	2,790,023	3,742,825
Fund balances, beginning of year	<u>523,839</u>	<u>4,407,134</u>	<u>1,536,056</u>	<u>6,467,029</u>
Fund balances, end of year	<u>\$ 572,669</u>	<u>\$ 5,311,106</u>	<u>\$ 4,326,079</u>	<u>\$ 10,209,854</u>

FAIRFIELD COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023**

	<u>Tourism Promotion</u>	<u>Tourism Related</u>	<u>Transit System</u>	<u>Sheriff Seizure</u>	<u>Railroad Track Maintenance</u>	<u>Clerk of Court Incentive</u>	<u>Clerk of Court IV-D</u>	<u>Victim's Assistance</u>	<u>Airport</u>
ASSETS									
Cash and cash equivalents	\$ -	\$ 320,487	\$ -	\$ 4,396	\$ 29,036	\$ 192,309	\$ -	\$ 3,308	\$ -
Accounts receivable, net	-	-	-	-	-	-	-	-	639,867
Due from other governments	-	-	112,021	-	-	-	11,775	-	943,132
Prepaid items	-	-	185,652	-	-	-	13,600	-	-
Total assets	<u>-</u>	<u>320,487</u>	<u>297,673</u>	<u>4,396</u>	<u>29,036</u>	<u>192,309</u>	<u>25,375</u>	<u>3,308</u>	<u>1,582,999</u>
LIABILITIES									
Accounts payable	-	-	-	-	-	-	-	393	937,876
Accrued liabilities	-	-	-	-	-	-	274	2,915	-
Due to other funds	-	-	275,755	-	-	-	25,101	-	73,516
Total liabilities	<u>-</u>	<u>-</u>	<u>275,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,375</u>	<u>3,308</u>	<u>1,011,392</u>
FUND BALANCES (DEFICITS)									
Nonspendable									
Prepaid items	-	-	21,918	-	-	-	-	-	-
Restricted									
General government	-	-	-	-	-	-	-	-	571,607
Public safety	-	-	-	4,396	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	192,309	-	-	-
Cultural and recreation	-	320,487	-	-	29,036	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>320,487</u>	<u>21,918</u>	<u>4,396</u>	<u>29,036</u>	<u>192,309</u>	<u>-</u>	<u>-</u>	<u>571,607</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 320,487</u>	<u>\$ 297,673</u>	<u>\$ 4,396</u>	<u>\$ 29,036</u>	<u>\$ 192,309</u>	<u>\$ 25,375</u>	<u>\$ 3,308</u>	<u>\$ 1,582,999</u>

FAIRFIELD COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023**

	911 Tariff	County Donations	Workforce Investment Act	Justice Assistance Grant	EMS SCORH	Sheriff Drug Fund	Fairfield Forward	VC Summer	Forfeited Land Commission
ASSETS									
Cash and cash equivalents	\$ 398,647	\$ 173,851	\$ -	\$ -	\$ 94,273	\$ 14,674	\$ 183,846	\$ 380,892	\$ 1,837
Accounts receivable, net	2,031	-	-	-	-	-	-	-	-
Due from other governments	304,476	-	149,486	11,078	-	-	970	250,000	-
Prepaid items	9,166	-	-	-	-	-	-	-	-
Total assets	<u>714,320</u>	<u>173,851</u>	<u>149,486</u>	<u>11,078</u>	<u>94,273</u>	<u>14,674</u>	<u>184,816</u>	<u>630,892</u>	<u>1,837</u>
LIABILITIES									
Accounts payable	19	17,292	12,046	-	-	-	11,804	630,892	1,231
Accrued liabilities	-	-	6,028	-	-	-	3,028	-	606
Due to other funds	-	-	131,412	11,078	-	-	-	-	-
Total liabilities	<u>19</u>	<u>17,292</u>	<u>149,486</u>	<u>11,078</u>	<u>-</u>	<u>-</u>	<u>14,832</u>	<u>630,892</u>	<u>1,837</u>
FUND BALANCES (DEFICITS)									
Nonspendable									
Prepaid items	9,166	-	-	-	-	-	-	-	-
Restricted									
General government	-	156,559	-	-	-	-	-	-	-
Public safety	-	-	-	-	94,273	14,674	-	-	-
Health and welfare	705,135	-	-	-	-	-	169,984	-	-
Judicial	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total fund balances	<u>714,301</u>	<u>156,559</u>	<u>-</u>	<u>-</u>	<u>94,273</u>	<u>14,674</u>	<u>169,984</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 714,320</u>	<u>\$ 173,851</u>	<u>\$ 149,486</u>	<u>\$ 11,078</u>	<u>\$ 94,273</u>	<u>\$ 14,674</u>	<u>\$ 184,816</u>	<u>\$ 630,892</u>	<u>\$ 1,837</u>

FAIRFIELD COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023**

	Sheriff Child Support	Sheriff Judgments/ Executions	Sheriff Law Enforcement	Sex Offender	Medical Office Building	Element Access Road	PCASA SART	South Carolina Forestry Fire	Accommodations Tax
ASSETS									
Cash and cash equivalents	\$ 17,405	\$ 6,708	\$ 19,429	\$ 11,750	\$ -	\$ 61,500	\$ -	\$ -	\$ 85,033
Accounts receivable, net	-	-	-	-	-	-	14,629	-	89
Due from other governments	660	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Total assets	<u>18,065</u>	<u>6,708</u>	<u>19,429</u>	<u>11,750</u>	<u>-</u>	<u>61,500</u>	<u>14,629</u>	<u>-</u>	<u>85,122</u>
LIABILITIES									
Accounts payable	-	-	-	-	-	-	-	-	-
Accrued liabilities	8,626	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	14,629	-	-
Total liabilities	<u>8,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,629</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)									
Nonspendable									
Prepaid items	-	-	-	-	-	-	-	-	-
Restricted									
General government	-	-	-	-	-	-	-	-	85,122
Public safety	9,439	6,708	19,429	11,750	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	61,500	-	-	-
Total fund balances	<u>9,439</u>	<u>6,708</u>	<u>19,429</u>	<u>11,750</u>	<u>-</u>	<u>61,500</u>	<u>-</u>	<u>-</u>	<u>85,122</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,065</u>	<u>\$ 6,708</u>	<u>\$ 19,429</u>	<u>\$ 11,750</u>	<u>\$ -</u>	<u>\$ 61,500</u>	<u>\$ 14,629</u>	<u>\$ -</u>	<u>\$ 85,122</u>

FAIRFIELD COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023**

	SC Forestry Fire	Hospitality Tax	Escrow Rate Relief	Totals
ASSETS				
Cash and cash equivalents	7,567	\$ 1,015,121	\$ 1,803,420	\$ 4,825,489
Accounts receivable, net	-	1,506	-	658,122
Due from other governments	-	-	-	1,783,598
Prepaid items	-	-	-	208,418
Total assets	<u>7,567</u>	<u>1,016,627</u>	<u>1,803,420</u>	<u>7,475,627</u>
LIABILITIES				
Accounts payable	-	-	-	1,611,553
Accrued liabilities	-	-	-	21,477
Due to other funds	-	-	-	531,491
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,164,521</u>
FUND BALANCES (DEFICITS)				
Nonspendable				
Prepaid items	-	-	-	31,084
Restricted				
General government	-	1,016,627	1,803,420	3,633,335
Public safety	7,567	-	-	168,236
Health and welfare	-	-	-	875,119
Judicial	-	-	-	192,309
Cultural and recreation	-	-	-	349,523
Capital outlay	-	-	-	61,500
Total fund balances	<u>7,567</u>	<u>1,016,627</u>	<u>1,803,420</u>	<u>5,311,106</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,567</u>	<u>\$ 1,016,627</u>	<u>\$ 1,803,420</u>	<u>\$ 7,475,627</u>

FAIRFIELD COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Tourism Promotion	Tourism Related	Transit System	Sheriff Seizure	Railroad Track Maintenance	Clerk of Court Incentive	Clerk of Court IV-D	Victim's Assistance	Airport
Revenues:									
Sales tax	\$ 46,335	\$ 100,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	252,740	-	-	4,534	93,825	-	943,132
Licenses, permits, fines and fees	-	-	-	-	-	-	-	31,199	-
Charges for services	-	-	33,136	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	639,867
Total revenues	<u>46,335</u>	<u>100,393</u>	<u>285,876</u>	<u>-</u>	<u>-</u>	<u>4,534</u>	<u>93,825</u>	<u>31,199</u>	<u>1,582,999</u>
Expenditures:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	55	-	-	-	74,300	-
Health and welfare	-	-	362,471	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	45,150	-	-
Cultural and recreation	73,056	67,418	-	-	6,202	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	1,034,795
Total expenditures	<u>73,056</u>	<u>67,418</u>	<u>362,471</u>	<u>55</u>	<u>6,202</u>	<u>-</u>	<u>45,150</u>	<u>74,300</u>	<u>1,034,795</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,721)</u>	<u>32,975</u>	<u>(76,595)</u>	<u>(55)</u>	<u>(6,202)</u>	<u>4,534</u>	<u>48,675</u>	<u>(43,101)</u>	<u>548,204</u>
Other financing sources (uses)									
Transfers in	17,819	-	76,595	-	15,000	-	-	43,101	-
Transfers out	-	-	-	-	-	-	(48,675)	-	-
Total other financing sources (uses)	<u>17,819</u>	<u>-</u>	<u>76,595</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>(48,675)</u>	<u>43,101</u>	<u>-</u>
Net change in fund balances	(8,902)	32,975	-	(55)	8,798	4,534	-	-	548,204
Fund balances, beginning of year	<u>8,902</u>	<u>287,512</u>	<u>21,918</u>	<u>4,451</u>	<u>20,238</u>	<u>187,775</u>	<u>-</u>	<u>-</u>	<u>23,403</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 320,487</u>	<u>\$ 21,918</u>	<u>\$ 4,396</u>	<u>\$ 29,036</u>	<u>\$ 192,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 571,607</u>

FAIRFIELD COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	911 Tariff	County Donations	Workforce Investment Act	Justice Assistance Grant	EMS SCORH	Sheriff Drug Fund	Fairfield Forward	VC Summer	Forfeited Land Commission
Revenues:									
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	649,836	-	620,357	22,839	33,807	-	150,000	650,000	-
Licenses, permits, fines and fees	83,900	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Other	-	128,139	-	-	-	6,760	1,461	-	2,500
Total revenues	733,736	128,139	620,357	22,839	33,807	6,760	151,461	650,000	2,500
Expenditures:									
General government	-	-	643,561	-	-	-	-	-	31,480
Public safety	-	117,888	-	22,839	413	10,314	-	-	-
Health and welfare	952,640	-	-	-	-	-	135,734	-	-
Judicial	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	1,030,892	-
Total expenditures	952,640	117,888	643,561	22,839	413	10,314	135,734	1,030,892	31,480
Excess (deficiency) of revenues over (under) expenditures	(218,904)	10,251	(23,204)	-	33,394	(3,554)	15,727	(380,892)	(28,980)
Other financing sources (uses)									
Transfers in	-	-	23,204	-	-	-	-	380,892	8,980
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	23,204	-	-	-	-	380,892	8,980
Net change in fund balances	(218,904)	10,251	-	-	33,394	(3,554)	15,727	-	(20,000)
Fund balances, beginning of year	933,205	146,308	-	-	60,879	18,228	154,257	-	20,000
Fund balances, end of year	\$ 714,301	\$ 156,559	\$ -	\$ -	\$ 94,273	\$ 14,674	\$ 169,984	\$ -	\$ -

FAIRFIELD COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Sheriff Child Support	Sheriff Judgments/ Executions	Sheriff Law Enforcement	Sex Offender	Medical Office Building	Element Access Road	PCASA SART	South Carolina Forestry Fire	Accommodations Tax
Revenues:									
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,423
Intergovernmental	1,881	-	-	-	-	-	-	-	-
Licenses, permits, fines and fees	-	-	-	2,100	-	-	-	-	-
Charges for services	-	-	-	-	-	-	14,580	-	-
Other	-	-	8,404	-	-	-	-	-	-
Total revenues	1,881	-	8,404	2,100	-	-	14,580	-	36,423
Expenditures:									
General government	-	-	-	-	-	-	-	-	17
Public safety	54,774	-	6,246	700	-	-	14,580	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	54,774	-	6,246	700	-	-	14,580	-	17
Excess (deficiency) of revenues over (under) expenditures	(52,893)	-	2,158	1,400	-	-	-	-	36,406
Other financing sources (uses)									
Transfers in	52,893	-	-	-	-	-	-	-	31,331
Transfers out	-	-	-	-	(385,296)	-	-	-	-
Total other financing sources (uses)	52,893	-	-	-	(385,296)	-	-	-	31,331
Net change in fund balances	-	-	2,158	1,400	(385,296)	-	-	-	67,737
Fund balances, beginning of year	9,439	6,708	17,271	10,350	385,296	61,500	-	-	17,385
Fund balances, end of year	\$ 9,439	\$ 6,708	\$ 19,429	\$ 11,750	\$ -	\$ 61,500	\$ -	\$ -	\$ 85,122

FAIRFIELD COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	SC Forestry Fire	Hospitality Tax	Escrow Rate Relief	Totals
Revenues:				
Sales tax	-	\$ 302,998	\$ -	\$ 486,149
Intergovernmental	14,937	-	-	3,437,888
Licenses, permits, fines and fees	-	-	-	117,199
Charges for services	-	-	-	47,716
Other	-	-	52,913	840,044
Total revenues	<u>14,937</u>	<u>302,998</u>	<u>52,913</u>	<u>4,928,996</u>
Expenditures:				
General government	-	17	-	675,075
Public safety	7,370	-	-	309,479
Health and welfare	-	-	-	1,450,845
Judicial	-	-	-	45,150
Cultural and recreation	-	-	-	146,676
Capital outlay	-	-	-	2,065,687
Total expenditures	<u>7,370</u>	<u>17</u>	<u>-</u>	<u>4,692,912</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,567</u>	<u>302,981</u>	<u>52,913</u>	<u>236,084</u>
Other financing sources (uses)				
Transfers in	-	452,044	-	1,101,859
Transfers out	-	-	-	(433,971)
Total other financing sources (uses)	<u>-</u>	<u>452,044</u>	<u>-</u>	<u>667,888</u>
Net change in fund balances	7,567	755,025	52,913	903,972
Fund balances, beginning of year	<u>-</u>	<u>261,602</u>	<u>1,750,507</u>	<u>4,407,134</u>
Fund balances, end of year	<u>\$ 7,567</u>	<u>\$ 1,016,627</u>	<u>\$ 1,803,420</u>	<u>\$ 5,311,106</u>

FAIRFIELD COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2023**

	Road Improvement Program	Phase II Commerce Center	Economic Development Program	Solid Waste & Recycling Capital Fund	Vehicle Replacement Program	Peach Road Industrial Park Fund	WB Industrial Park Fund	Peach Road Site Fund	Megasite- IJR Grant	Totals
ASSETS										
Cash and cash equivalents	\$ 256,668	\$ 3,012,723	\$ -	\$ 314,647	\$ 311,538	\$ 3,140	-	\$ 154,822	\$ -	\$ 4,053,538
Accounts receivable, net	22,445	380	-	-	6,611	-	-	-	-	29,436
Due from other governments	859,049	-	675,402	-	-	-	-	-	644,170	2,178,621
Total assets	<u>1,138,162</u>	<u>3,013,103</u>	<u>675,402</u>	<u>314,647</u>	<u>318,149</u>	<u>3,140</u>	<u>-</u>	<u>154,822</u>	<u>644,170</u>	<u>6,261,595</u>
LIABILITIES										
Accounts payable	47,737	-	-	-	3,540	-	-	-	9,700	60,977
Due to other funds	834,974	-	405,095	-	-	-	-	-	634,470	1,874,539
Total liabilities	<u>882,711</u>	<u>-</u>	<u>405,095</u>	<u>-</u>	<u>3,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>644,170</u>	<u>1,935,516</u>
FUND BALANCES										
Committed:										
Public works and utilities	-	-	-	314,647	-	-	-	-	-	314,647
Capital outlay	255,451	3,013,103	270,307	-	314,609	3,140	-	154,822	-	4,011,432
Total fund balances	<u>255,451</u>	<u>3,013,103</u>	<u>270,307</u>	<u>314,647</u>	<u>314,609</u>	<u>3,140</u>	<u>-</u>	<u>154,822</u>	<u>-</u>	<u>4,326,079</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,138,162</u>	<u>\$ 3,013,103</u>	<u>\$ 675,402</u>	<u>\$ 314,647</u>	<u>\$ 318,149</u>	<u>\$ 3,140</u>	<u>\$ -</u>	<u>\$ 154,822</u>	<u>\$ 644,170</u>	<u>\$ 6,261,595</u>

FAIRFIELD COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Road Improvement Program	Phase II Commerce Center	Economic Development Program	Solid Waste & Recycling Capital Fund	Vehicle Replacement Program	Peach Road Industrial Park Fund	WB Industrial Park Fund	Peach Road Site Fund	Megasite- IJR Grant	Totals
Revenues:										
Intergovernmental	\$ 2,677,818	\$ -	\$ 285,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 632,320	\$ 3,595,181
Licenses, permits, fines and fees	20,139	-	-	-	-	-	-	-	-	20,139
Other	22,445	2,750,000	-	-	89,963	-	-	-	-	2,862,408
Total revenues	<u>2,720,402</u>	<u>2,750,000</u>	<u>285,043</u>	<u>-</u>	<u>89,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>632,320</u>	<u>6,477,728</u>
Expenditures:										
Current:										
General government	-	-	-	-	14,449	-	110,518	-	-	124,967
Public works and utilities	2,929,428	11,400	14,736	-	-	-	-	-	-	2,955,564
Capital outlay	-	-	-	-	85,372	-	-	-	632,320	717,692
Total expenditures	<u>2,929,428</u>	<u>11,400</u>	<u>14,736</u>	<u>-</u>	<u>99,821</u>	<u>-</u>	<u>110,518</u>	<u>-</u>	<u>632,320</u>	<u>3,798,223</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(209,026)</u>	<u>2,738,600</u>	<u>270,307</u>	<u>-</u>	<u>(9,858)</u>	<u>-</u>	<u>(110,518)</u>	<u>-</u>	<u>-</u>	<u>2,679,505</u>
Other financing sources										
Transfers in	-	-	-	-	-	-	110,518	-	-	110,518
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,518</u>	<u>-</u>	<u>-</u>	<u>110,518</u>
Net change in fund balances	(209,026)	2,738,600	270,307	-	(9,858)	-	-	-	-	2,790,023
Fund balances, beginning of year	<u>464,477</u>	<u>274,503</u>	<u>-</u>	<u>314,647</u>	<u>324,467</u>	<u>3,140</u>	<u>-</u>	<u>154,822</u>	<u>-</u>	<u>1,536,056</u>
Fund balances, end of year	<u>\$ 255,451</u>	<u>\$ 3,013,103</u>	<u>\$ 270,307</u>	<u>\$ 314,647</u>	<u>\$ 314,609</u>	<u>\$ 3,140</u>	<u>\$ -</u>	<u>\$ 154,822</u>	<u>\$ -</u>	<u>\$ 4,326,079</u>

FAIRFIELD COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023**

	<u>School Operations</u>	<u>Municipal Tax</u>	<u>Clerk of Court</u>	<u>Tax Collector</u>	<u>Mag Traffic Court</u>	<u>Mag Judges</u>	<u>Det Inmate Commissary</u>	<u>Det Inmate</u>	<u>Sheriff Drug Seizure</u>	<u>Total</u>
ASSETS										
Cash and cash equivalents	\$ 14,893,122	\$ 19,622	\$ 451,196	\$ 467,059	\$ 59,886	\$ 4,396	\$ 61,863	\$ 194,684	\$ 143,335	\$ 16,295,163
Investments	8,062,124	-	-	-	-	-	-	-	-	8,062,124
Taxes receivable, net	618,216	-	-	-	-	-	-	-	-	618,216
Total assets	<u>23,573,462</u>	<u>19,622</u>	<u>451,196</u>	<u>467,059</u>	<u>59,886</u>	<u>4,396</u>	<u>61,863</u>	<u>194,684</u>	<u>143,335</u>	<u>24,975,503</u>
LIABILITIES										
Amounts held for others	-	-	451,196	476,744	59,886	4,396	61,863	194,684	143,335	1,392,104
Due to other taxing entities	<u>23,573,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,573,462</u>
Total liabilities	<u>23,573,462</u>	<u>-</u>	<u>451,196</u>	<u>476,744</u>	<u>59,886</u>	<u>4,396</u>	<u>61,863</u>	<u>194,684</u>	<u>143,335</u>	<u>24,965,566</u>
NET POSITION										
Restricted for individuals, organizations and other governments	<u>-</u>	<u>19,622</u>	<u>-</u>	<u>(9,685)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,937</u>
Total net position	<u>\$ -</u>	<u>\$ 19,622</u>	<u>\$ -</u>	<u>\$ (9,685)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,937</u>

FAIRFIELD COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>School Operations</u>	<u>Municipal Tax</u>	<u>Clerk of Court</u>	<u>Tax Collector</u>	<u>Mag Traffic Court</u>	<u>Mag Judges</u>	<u>Det Inmate Commissary</u>	<u>Det Inmate</u>	<u>Sheriff Drug Seizure</u>	<u>Total</u>
ADDITIONS										
Current property taxes	\$ 59,264,037	\$ 30,096	\$ -	\$ 1,099,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,393,287
Other custodial receipts	38,475,626	-	-	-	-	-	-	-	-	38,475,626
Fines and fees	-	-	105,622	-	47,707	13,827	-	46,302	29,986	243,444
Inmate funds collected	-	-	-	-	-	-	18,626	-	-	18,626
Total additions	<u>97,739,663</u>	<u>30,096</u>	<u>105,622</u>	<u>1,099,154</u>	<u>47,707</u>	<u>13,827</u>	<u>18,626</u>	<u>46,302</u>	<u>29,986</u>	<u>99,130,983</u>
DEDUCTIONS										
Other custodial disbursements	<u>97,739,663</u>	<u>38,272</u>	<u>105,622</u>	<u>1,099,154</u>	<u>47,707</u>	<u>13,827</u>	<u>18,626</u>	<u>46,302</u>	<u>29,986</u>	<u>99,139,159</u>
Total deductions	<u>97,739,663</u>	<u>38,272</u>	<u>105,622</u>	<u>1,099,154</u>	<u>47,707</u>	<u>13,827</u>	<u>18,626</u>	<u>46,302</u>	<u>29,986</u>	<u>99,139,159</u>
Change in fiduciary net position	-	(8,176)	-	-	-	-	-	-	-	(8,176)
Net position (deficit), beginning of year	<u>-</u>	<u>27,798</u>	<u>-</u>	<u>(9,685)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,113</u>
Net position (deficit), end of year	<u>\$ -</u>	<u>\$ 19,622</u>	<u>\$ -</u>	<u>\$ (9,685)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,937</u>

FAIRFIELD COUNTY, SOUTH CAROLINA

**SCHEDULE OF BUDGET TO ACTUAL COSTS -
SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION CONTRACT
FOR THE YEAR ENDED JUNE 30, 2023**

Program Budget	Section 5311		SMTF*		Local		Total Expenditures	Program Budget Balance	
	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period			
	July 1, 2021- June 30, 2022	July 1, 2022- June 30, 2023	July 1, 2021-June 30, 2022	July 1, 2022-June 30, 2023	July 1, 2021-June 30, 2022	July 1, 2022-June 30, 2023			
ADMINISTRATIVE									
Personnel	\$ 30,874	\$ 15,208	\$ 16,087	\$ 1,901	\$ 1,356	\$ 1,901	\$ 2,664	\$ 39,117	\$ (8,243)
Fringe Benefits	15,084	5,012	7,621	626	953	626	953	15,791	(707)
Professional and Technical Services	1,015	602	198	75	25	75	25	1,000	15
Other Services	1,000	510	345	64	43	64	43	1,069	(69)
Materials and Supplies	2,601	1,265	-	158	-	158	-	1,581	1,020
Utilities	2,900	1,063	758	133	95	133	95	2,277	623
Insurance	-	-	-	-	-	-	-	-	-
Dues & Subscriptions	269	-	238	-	30	-	30	298	(29)
In-state travel and meetings	269	-	-	-	-	-	-	-	269
Out of state travel and meetings	539	-	-	-	-	-	-	-	539
Advertising & Promotion Media	976	172	628	22	78	22	78	1,000	(24)
Lease and Rentals	1,228	252	297	32	36	32	37	686	542
	56,755	24,084	26,172	3,011	2,616	3,011	3,925	62,819	(6,064)
OPERATIONS									
Personnel	63,951	22,985	22,184	11,492	4,115	11,492	18,029	90,297	(26,346)
Fringe Benefits	10,595	3,758	3,617	1,879	895	1,879	2,703	14,731	(4,136)
Professional and Technical Services	3,500	428	2,783	214	-	214	2,805	6,444	(2,944)
Medical Services	912	126	106	63	1	63	107	466	446
Lease and Rentals	1,300	426	679	213	40	213	642	2,213	(913)
Cell Phone	2,125	631	810	316	86	316	725	2,884	(759)
Fuel and Lubricants	26,950	9,055	11,495	4,528	1,133	4,528	10,392	41,131	(14,181)
Motor Vehicle Supplies	1,575	722	410	361	41	361	369	2,264	(689)
Cleaning/Other Supplies	720	97	90	47	21	47	67	369	351
Casualty/Liability Insurance	375	-	-	-	-	-	-	-	375
	112,003	38,228	42,174	19,113	6,332	19,113	35,839	160,799	(48,796)
Capital									
Personnel	6,055	754	638	94	80	94	80	1,740	4,315
Fringe Benefits	2,299	300	297	38	37	38	37	747	1,552
Tires and Tubes	2,700	-	813	-	101	-	101	1,015	1,685
Gates	39,525	-	-	-	-	-	-	-	39,525
	50,579	1,054	1,748	132	218	132	218	3,502	47,077
Total PT-214711-69	\$ 219,337	\$ 63,366	\$ 70,094	\$ 22,256	\$ 9,166	\$ 22,256	\$ 39,982	\$ 227,120	\$ (7,783)

(Continued)

FAIRFIELD COUNTY, SOUTH CAROLINA

**SCHEDULE OF BUDGET TO ACTUAL COSTS -
SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION CONTRACT
FOR THE YEAR ENDED JUNE 30, 2023**

	Program Budget @ June 30, 2023	Section 5311		SMTF*		Local		Total Expenditures	Program Budget Balance
		Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period		
		July 1, 2021- June 30, 2022	July 1, 2022- June 30, 2023	July 1, 2021-June 30, 2022	July 1, 2022-June 30, 2023	July 1, 2021-June 30, 2022	July 1, 2022-June 30, 2023		
ADMINISTRATIVE									
Personnel	\$ 44,742	\$ -	\$ 39,994	\$ -	\$ 3,766	\$ -	\$ 3,766	\$ 47,526	\$ (2,784)
Fringe Benefits	16,692	-	15,358	-	1,419	-	1,419	18,196	(1,504)
Professional and Technical Services	520	-	16	-	2	-	2	20	500
Other Services	1,800	-	1,021	-	101	-	101	1,223	577
Materials and Supplies	10,165	-	2,047	-	54	-	54	2,155	8,010
Utilities	3,600	-	2,951	-	267	-	267	3,485	115
Insurance	2,700	-	-	-	-	-	-	-	2,700
Dues & Subscriptions	500	-	-	-	-	-	-	-	500
In-state travel and meetings	-	-	-	-	-	-	-	-	-
Out of state travel and meetings	-	-	-	-	-	-	-	-	-
Advertising & Promotion Media	2,215	-	1,215	-	152	-	152	1,519	696
Lease and Rentals	1,800	-	477	-	48	-	48	573	1,227
Total	84,734	-	63,079	-	5,809	-	5,809	74,697	10,037
OPERATIONS									
Personnel	55,402	-	29,731	-	14,865	-	14,865	59,461	(4,059)
Fringe Benefits	21,000	-	6,086	-	3,043	-	3,043	12,172	8,828
Medical Services	1,500	-	116	-	58	-	58	232	1,268
Lease and Rentals	2,450	-	1,021	-	510	-	510	2,041	409
Cell Phone	2,250	-	1,338	-	669	-	669	2,676	(426)
Fuel and Lubricants	26,200	-	14,229	-	7,114	-	7,114	28,457	(2,257)
Motor Vehicle Supplies	2,450	-	1,010	-	505	-	505	2,020	430
Cleaning/Other Supplies	1,799	-	445	-	223	-	223	891	908
Casualty/Liability Insurance	-	-	-	-	-	-	-	-	-
TOTAL OPERATIONS	113,051	-	53,976	-	26,987	-	26,987	107,950	5,101
Capital									
Personnel	6,055	-	794	-	99	-	99	992	5,063
Fringe Benefits	2,299	-	405	-	51	-	51	507	1,792
Tires and Tubes	39,525	-	-	-	-	-	-	-	39,525
Gates	-	-	-	-	-	-	-	-	-
TOTAL OTHER CAPITAL	50,579	-	2,126	-	266	-	266	2,658	47,921
Total PT-224711-22	\$ 248,364	\$ -	\$ 119,181	\$ -	\$ 33,062	\$ -	\$ 33,062	\$ 185,305	\$ 63,059

(Continued)

FAIRFIELD COUNTY, SOUTH CAROLINA

**SCHEDULE OF BUDGET TO ACTUAL COSTS -
SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION CONTRACT
FOR THE YEAR ENDED JUNE 30, 2023**

	Federal	State	Local	Total	Budget		Budget Variance
<u>RTAP- T23R047-01</u>							
<u>Administration</u>							
Travel							
Registration	\$ 835	\$ -	\$ -	\$ -	\$ 835		\$ -
Lodging	1,004	-	-	-	1,004		-
Meals	-	-	-	-	-		-
Transportation	-	-	-	-	-		-
Total administration	1,839	-	-	-	1,839		-
Total contract RTAP-22R047-01	1,839	-	-	-	1,839		-
<u>RTAP- 23R0C2-01</u>							
<u>Administration</u>							
Travel							
Registration	-	-	-	-	-		-
Lodging	561	-	-	-	561		-
Meals	-	-	-	-	-		-
Transportation	-	-	-	-	-		-
Total administration	561	-	-	-	561		-
Total contract RTAP-23R0C2-01	561	-	-	-	561		-
<u>RTAP- 23R0C2-02</u>							
<u>Administration</u>							
Travel							
Registration	-	-	-	-	-		-
Lodging	376	-	-	-	376		-
Meals	-	-	-	-	-		-
Transportation	-	-	-	-	-		-
Total administration	376	-	-	-	376		-
Total contract RTAP-22R0C2-02	376	-	-	-	376		-
<u>RTAP- 23R0C2-04</u>							
<u>Administration</u>							
Travel							
Registration	-	-	-	-	-		-
Lodging	128	-	-	-	128		-
Meals	-	-	-	-	-		-
Transportation/Other	-	-	-	-	-		-
Total administration	128	-	-	-	128		-
Total contract RTAP-23R0C2-04	128	-	-	-	128		-
<u>RTAP- 23R0C2-05</u>							
<u>Administration</u>							
Travel							
Registration	-	-	-	-	-		-
Lodging	-	-	-	-	-		-
Meals	-	-	-	-	-		-
Transportation	-	-	-	-	-		-
Total administration	-	-	-	-	-		-
Total contract RTAP-23RC02-05	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -

(Continued)

FAIRFIELD COUNTY, SOUTH CAROLINA

**SCHEDULE OF BUDGET TO ACTUAL COSTS -
SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION CONTRACT
FOR THE YEAR ENDED JUNE 30, 2023**

	Federal	State	Local	Total	Budget		Budget Variance
<u>RTAP- 23R0C2-06</u>							
<u>Administration</u>							
Travel							
Registration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lodging	128	-	-	-	128	-	-
Meals	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Total administration	128	-	-	-	128	-	-
Total contract RTAP-23R0C2-06	128	-	-	-	128	-	-
<u>RTAP- 23R0C2-07</u>							
<u>Administration</u>							
Travel							
Registration	-	-	-	-	-	-	-
Lodging	128	-	-	-	128	-	-
Meals	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Total administration	128	-	-	-	128	-	-
Total contract RTAP-23R0C2-07	128	-	-	-	128	-	-
<u>RTAP- 23R0C2-08</u>							
<u>Administration</u>							
Travel							
Registration	349	-	-	-	349	-	-
Lodging	405	-	-	-	405	-	-
Meals	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Total administration	754	-	-	-	754	-	-
Total contract RTAP-23R0C2-08	754	-	-	-	754	-	-
<u>RTAP- 23R0C2-09</u>							
<u>Administration</u>							
Travel							
Registration	-	-	-	-	-	-	-
Lodging	43	-	-	-	43	-	-
Meals	-	-	-	-	-	-	-
Transportation	1,174	-	-	-	1,174	-	-
Total administration	1,217	-	-	-	1,217	-	-
Total contract RTAP-23R0CC2-09	1,217	-	-	-	1,217	-	-
TOTAL PROGRAM EXPENSES	\$ 5,131	\$ -	\$ -	\$ -	\$ 5,131	\$ -	\$ -

FAIRFIELD COUNTY, SOUTH CAROLINA

**SCHEDULE OF BUDGET TO ACTUAL COSTS -
SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION CONTRACT
FOR THE YEAR ENDED JUNE 30, 2023**

	Current Budget	Section 5311 CARES				Total Expenditures	Variance with Budget
	@ June 2022	Mar 1 - Jun 30, 2020	Jul 1, 2020 - Jun 30, 2021	Jul 1, 2021 - Jun 30, 2022	Jul 1, 2022 - Jun 30, 2023		
ADMINISTRATIVE							
Other Salaries & Wages	\$ 70,320	\$ 4,787	\$ 29,584	\$ 29,282	\$ -	\$ 63,653	\$ 6,667
Fringe Benefits	24,320	1,509	9,527	10,397	-	21,433	2,887
Management Service Fees	-	-	-	-	-	-	-
Advertising Fees	-	-	-	-	-	-	-
Contract Maintenance Service	11,500		5,466	1,803	1,823	9,092	2,408
Other Services	2,000	136	861	972	-	1,969	31
Materials and Supplies	9,000	10	6,133	1,625	-	7,768	1,232
Utilities	6,000	362	1,867	1,855	-	4,084	1,916
Casualty & Liability	-	-	-	-	-	-	-
Dues & Subscriptions	1,000	-	122	425	-	547	453
Advertising & Promotion Media	1,000	282	-	-	-	282	718
Lease and Rentals	1,500	96	542	558	-	1,196	304
TOTAL ADMINISTRATIVE	126,640	7,182	54,102	46,917	1,823	110,024	16,616
OPERATIONS							
Operating & Wages	148,195	16,058	68,590	81,556	-	166,204	(18,009)
Operations Overtime							
Operations Fringe Benefits	26,500	8,419	6,111	9,942	-	24,472	2,028
Management Service Fee	-	-	-	-	-	-	-
Contract Maintenance Service	14,100	389	9,043	6,296	-	15,728	(1,628)
Other Services	11,000	721	4,383	4,609	-	9,713	1,287
Fuel & Lubricants	59,000	2,408	19,727	28,025	-	50,160	8,840
Tires & Tubes	-	-	-	-	-	-	-
Other Materials & Supplies	25,920	3,444	15,472	3,815	-	22,731	3,189
Contra Expenses	-	(690)	(11,953)	(11,051)	-	(23,694)	23,694
TOTAL OPERATIONS	284,715	30,749	111,373	123,192		265,314	19,401
OTHER CAPITAL							
ADP Hardware	85,820	-	85,492	-	-	85,492	328
ADP Software	2,500	-	596	1,621	-	2,217	283
Preventive Maintenance	29,000	543	20,333	5,617	12,207	38,700	(9,700)
Other Capital Items	-	-	-	-	-	-	-
Fence	16,500	-	-	-	-	-	16,500
TOTAL OTHER CAPITAL	133,820	543	106,421	7,238	12,207	126,409	7,411
ADA CAPITAL							
Bus Standard 40ft. (Replacement)	-	-	-	-	-	-	-
Bus Standard 35ft. (Replacement)	-	-	-	-	-	-	-
Bus 30ft. (Replacement)	-	-	-	-	-	-	-
Bus < 30ft. (Replacement)	-	-	-	-	-	-	-
TOTAL ADA CAPITAL	-	-	-	-	-	-	-
PLANNING (Technical Assistance)	-	-	-	-	-	-	-
TOTAL PLANNING (Technical Assistance)	-	-	-	-	-	-	-
TOTAL PROGRAM EXPENSES	\$ 545,175	\$ 38,474	\$ 271,896	\$ 177,347	\$ 14,030	\$ 501,747	\$ 43,428

**FAIRFIELD COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS, AND SURCHARGES (PER ACT 96)
FOR THE YEAR ENDED JUNE 30, 2023**

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	\$ 8,875	\$ 195,982		\$ 204,857
Court fines and assessments remitted to State Treasurer	8,275	176,376		184,651
Total Court Fines and Assessments retained	\$ 600	\$ 19,606	N/A	\$ 20,206
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	\$ 10,504	\$ 81,123		\$ 91,627
Assessments retained	6,771	4,222		10,993
Total Surcharges and Assessments retained for victim services	\$ 17,275	\$ 85,345	N/A	\$ 102,620

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	N/A	\$ -	\$ -
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	N/A	600	600
Victim Service Assessments Retained by City/County Treasurer	N/A	19,606	19,606
Victim Service Surcharges Retained by City/County Treasurer	N/A	10,993	10,993
Interest Earned	N/A	-	-
Grant Funds Received			
Grant from:	N/A	-	-
General Funds Transferred to Victim Service Fund	N/A	43,101	43,101
Contribution Received from Victim Service Contracts:			
(1) Town of	N/A	-	-
(2) Town of	N/A	-	-
(3) City of	N/A	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	N/A	\$ 74,300	\$ 74,300

**FAIRFIELD COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS, AND SURCHARGES (PER ACT 96)
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	N/A	\$ 71,986	\$ 71,986
Operating Expenditures	N/A	2,314	2,314
Victim Service Contract(s):			
(1) Entity's Name:	N/A	-	-
(2) Entity's Name	N/A	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	N/A	-	-
(2) Rape Crisis Center:	N/A	-	-
(3) Other local direct crime victims service agency:	N/A	-	-
Transferred to General Fund	N/A	-	-
Total Expenditures from Victim Service Fund/Program (B)	N/A	74,300	74,300
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	N/A	-	-
Less: Prior Year Fund Deficit Repayment	N/A	-	-
Carryforward Funds – End of Year	N/A	\$ -	\$ -

COMPLIANCE SECTION

FAIRFIELD COUNTY, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor Program Title	Federal Assistance Listing Number	Federal Grantor's/ Pass-through Grantor's Number	Federal Expenditures	Passed through to Subrecipients
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Passed through S.C. Department of Transportation				
Section 5311 Formula Grant	20.509	PT-224711-22	\$ 119,181	\$ -
Section 5311 Formula Grant	20.509	PT-214711-69	70,094	-
Rural Transit Assistance Program	20.509	PT-2047CA-09	14,030	-
Rural Transit Assistance Program	20.509	23ROC2	5,131	-
			<u>208,436</u>	<u>-</u>
Passed through S.C. Department of Commerce/Division of Aeronautics				
Airport Improvement Program	20.106	3-45-0058-019-2020	32,775	-
Airport Improvement Program	20.106	3-45-0058-024-2022	918,466	-
			<u>951,241</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>1,159,677</u>	<u>-</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
Direct Assistance				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	1505-0271	886,744	-
Local Assistance and Tribal Consistency Fund	21.032	LATCF-2374-2T	23,048	-
			<u>909,792</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF THE TREASURY			<u>909,792</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed through S.C. Department of Commerce				
Community Development Block Grant	14.228	4-RP-21-004	50,000	-
			<u>50,000</u>	<u>-</u>
CDBG ENTITLEMENT GRANTS CLUSTER				
Passed through S.C. Department of Commerce				
COVID -19 Community Development Block Grants	14.218	CV1-004	336,288	-
Total CDBG Entitlement Grants Cluster			<u>336,288</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>386,288</u>	<u>-</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Passed through SC Law Enforcement Division				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01B31-JAGX	11,760	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	1SPBJA-22-GG-02909-JAGX	11,079	-
			<u>22,839</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>22,839</u>	<u>-</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
WORKFORCE INNOVATION AND OPPORTUNITY ACT CLUSTER				
Passed through S.C. Employment Security Commission				
Workforce Innovation and Opportunity Act Program	17.258	22A294F1	292,418	-
Workforce Innovation and Opportunity Act Program	17.278	22D294F1	53,985	-
Workforce Innovation and Opportunity Act Program	17.259	22Y294F1	273,954	-
Total Workforce Innovation and Opportunity Act Cluster			<u>620,357</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF LABOR			<u>620,357</u>	<u>-</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Passed through S.C. Adjutant General's Office				
Emergency Management Performance Grant	97.042	22EMPG	84,350	-
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>84,350</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through S.C. Department of Social Services				
Child Support Enforcement Services Program	93.563	C17020C	47,031	-
			<u>47,031</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>47,031</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE EXPENDED			<u>\$ 3,230,334</u>	<u>\$ -</u>

FAIRFIELD COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Fairfield County (the "County") under programs of the federal government for the year ended June 30, 2023. 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* (Uniform Guidance). 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

NOTE 3. INDIRECT COST RATE

The County has elected not to use the 10 percent de Minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. SUBRECIPIENTS

The County did not have subrecipients during the fiscal year ended June 30, 2023.

**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**

**To the County Council
of Fairfield County
Winnsboro, South Carolina**

We have audited, in accordance with the 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, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of **Fairfield County, South Carolina** (the "County"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 29, 2024. Our report includes a reference to other auditors who audited the financial statements of the Fairfield Behavioral Health Services and the Fairfield Council on Aging as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Fairfield County Council on Aging, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Fairfield County Council on Aging that are reported on separately.

Report on 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we considered to be a material weakness.

Report on Compliance and Other Matters

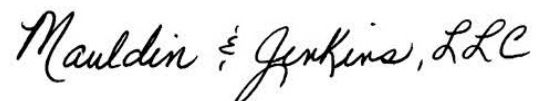
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

Fairfield County, South Carolina's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Columbia, South Carolina
February 29, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the County Council
of Fairfield County
Winnsboro, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Fairfield 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 County's major federal programs for the year ended June 30, 2023. 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the 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 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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.

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
February 29, 2024

FAIRFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION I
SUMMARY OF AUDITOR'S 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 No

Significant deficiencies identified not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

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

Significant deficiencies identified not considered to be material weaknesses? Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)? Yes No

Identification of major programs:

AL Number	Name of Federal Program or Cluster
20.106	U.S. Department of Transportation Airport Improvement Program
21.027	U.S. Department of the Treasury COVID-19 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? Yes No

FAIRFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS

2023-001. Financial Closeout and Reporting

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operational objectives.

Generally accepted accounting principles require assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenditures/expenses to be recognized in the accounting period in which they become earned, measurable (and available for modified accrual funds). Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition: Certain accounting, reporting and reconciling procedures were not properly performed and reviewed during the fiscal year which required a significant effort to close the County's 2023 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed June 30, 2023. Such adjustments amounted to approximately \$28.7 million across five (5) County funds as follows:

- General Fund \$818,151
- Grant Subfunds \$358,103
- Hospitality Tax Fund \$452,044
- School Operations \$346,347
- Fairfield Facilities Corporation Fund \$26,703,643

Context: We addressed this matter with County management, who worked diligently to determine the propriety of all respective details and reconciliations as of and for the year ended June 30, 2023.

Effect: The ultimate effect of the above condition includes the potential for errors and irregularities to occur and not be detected and corrected in a timely manner.

Cause: The County did not properly account for certain activities or prepare and review all reconciliations typically required as a part of the financial close and reporting process.

FAIRFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION II (CONTINUED)
FINANCIAL STATEMENT FINDINGS

2023-001. Financial Closeout and Reporting (Continued)

Recommendation: We recommend the County continue to adhere to existing internal controls and processes to ensure accurate and timely financial reporting. Further, we recommend the County continue to review such existing internal control policies and procedures in an effort to identify and evaluate strengths and weaknesses relative to its accounting and financial reporting function and take the necessary measures to address the condition noted above with a goal of providing timely recording, reconciling, and reporting of all County operations and financial activities.

We further recommend the County consider reinvesting in its accounting personnel by providing continuing technical education and training via participation in continuing education governmental accounting and financial reporting programs which are constantly available in the general geographic area of the County. Once certain levels of technical proficiency are observed by finance and accounting staff, we further encourage the County to implement an effective cross-training program related to the accounting and financial reporting personnel in an effort to make the accounting function stronger and more capable.

Views of Management and Planned Corrective Action: We concur with the finding. There were numerous changes and challenges within the finance department of the County that attributed to the delay in the year-end closeout, predominantly the delayed conclusion to the prior year's audit. We will continue to review and improve internal control policies and procedures in an effort to eliminate errors and identify deficiencies from both operational and financial perspectives.

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

FAIRFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

2022-001. Financial Closeout and Reporting

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operational objectives.

Generally accepted accounting principles require assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenditures/expenses to be recognized in the accounting period in which they become earned, measurable (and available for modified accrual funds). Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition: Certain accounting, reporting and reconciling procedures were not properly performed and reviewed during the fiscal year which required a significant effort to close the County's 2022 fiscal year. Significant adjustments were determined and required to be recorded in the year that followed June 30, 2022. Such adjustments amounted to approximately \$95.8 million across twenty-five (25) County funds. We noted deficiencies in completeness, accuracy, and cut off. Specifically, we noted a lack of accurate financial and non-financial information needed:

- to properly maintain general ledgers, subsidiary ledgers, reconciliations; and,
- to close-out and report activities, events and transactions on a periodic basis.

Status: Unresolved. See Finding 2023-001.



Fairfield County Administration

250 N. Walnut Street
P.O. Drawer 60
Winnsboro, S.C. 29180
(803) 815-4000

Clay Killian
Interim County Administrator

Synithia Williams
Deputy County Administrator

Corrective Action Plan

Fairfield County, South Carolina (the "County") respectfully submits the following corrective action plan for the fiscal year ended June 30, 2023. The finding from the June 23, 2023 Schedule of Findings and Questioned Costs are discussed below. The finding is numbered consistently with the number assigned in the Schedule of Findings and Questioned Costs.

2023-001: Financial Closeout and Reporting

Finding: The County did not complete its annual financial closing process for the fiscal year ended June 30, 2023, until after January 1, 2024.

Corrective Action Plan: The late completion of the 2022 annual financial audit played a major factor in the County not meeting the September 30th anticipated completion date for the 2023 audit. Following the completion of the 2022 audit, finance staff continued to clean up accounts and improve reconciliation and reporting processes. There were also numerous changes and challenges within the finance department that attributed to the delay in the year-end closeout. The department continues to streamline accounting processes and work efficiently to ensure accurate reporting. The department will also continue to review and improve internal control policies and procedures in an effort to eliminate errors and identify deficiencies from both operational and financial perspectives. We will ensure that Internal and external training opportunities are provided to all accounting staff and that internal control processes are accurate and timely.

Contact Person(s): Beverly Mozie, Interim Finance Director
Clay Killian, Interim County Administrator

Anticipated Completion Date: September 30, 2023