

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

CLARENDON COUNTY
MANNING, SOUTH CAROLINA
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

	<u>Page</u>
Independent Auditor's Report.....	4 – 7
Management's Discussion and Analysis (Unaudited)	8 – 15
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
 Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	21
Statement of Net Position – Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	23
Statement of Cash Flows – Proprietary Funds.....	24
Statement of Fiduciary Net Position – Custodial Funds	25
Notes to the Financial Statements – Table of Contents.....	26
Notes to the Financial Statements	27 – 82

CLARENDON COUNTY
MANNING, SOUTH CAROLINA
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

	<u>Page</u>
Required Supplementary Information:	
Schedule of the County's Total OPEB Liability and Related Ratios.....	83
Schedule of the County's Contributions (OPEB).....	84
Schedule of the County's Proportionate Share of the Net Pension Liability (SCRS) and (PORS).....	85
Schedule of County Contributions (SCRS) and (PORS).....	86
Combining and Individual Fund Schedules:	
Nonmajor Governmental Funds	87
Combining Balance Sheet – Nonmajor Governmental Funds.....	88 – 89
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	90 – 91
Budgetary Comparison Schedules:	
Schedule of Revenues – Budget and Actual – General Fund	92 – 93
Schedule of Expenditures – Budget and Actual – General Fund	94 – 98
Fiduciary Funds.....	99
Combining Schedule of Fiduciary Net Position – Custodial Funds.....	100 – 101
Combining Schedule of Changes in Fiduciary Net Position – Custodial Funds	102 – 103

CLARENDON COUNTY
MANNING, SOUTH CAROLINA
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

	<u>Page</u>
SUPPLEMENTAL SECTION	
Uniform Schedule of Court Fines, Assessments, and Surcharges (per ACT 96) Special Revenue Fund – Victims' Rights Fund.....	104
Computation of Legal Debt Margin.....	105
STATISTICAL SECTION	106 – 108
COMPLIANCE SECTION	
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 <i>Government Auditing Standards</i>	109 – 110
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By the Uniform Guidance	111 – 113
Schedule of Expenditures of Federal Awards.....	114
Notes to Schedule of Expenditures of Federal Awards.....	115
Schedule of Findings and Questioned Costs.....	116
Summary Schedule of Prior Year Findings.....	117

McGregor&Company, LLP

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS • WWW.MCGREGORCPA.COM

PARTNERS

C.C. McGregor, CPA
1906-1968
*W.C. Stevenson, CPA
*B.T. Kight, CPA

G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA
D.L. Richardson, CPA
E.C. Inabinet, CPA

S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA
D.K. Strickland, CPA

J.P. McGuire, CPA
J.R. Matthews II, CPA
C.D. Hindhee, CPA
G.P. Davis, CPA
H.O. Crider, Jr, CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA

F.C. Gillam, Jr, CPA
H.S. Mims, CPA
T. Solorzano, CPA
C.W. Bolen, CPA

*Active Retired

INDEPENDENT AUDITOR'S REPORT

To the Members of the
Clarendon County Council
Manning, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Clarendon County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Clarendon County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Clarendon County, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Clarendon 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.

COLUMBIA

3830 FOREST DRIVE | PO BOX 135 | COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG

1190 BOULEVARD STREET | ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL

340 FULDNER ROAD | PO BOX 1305 | BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

INDEPENDENT AUDITOR'S REPORT
(continued)

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 Clarendon County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Clarendon 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 Clarendon County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension schedules and OPEB schedules information on pages 8-15 and 83-86 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board

INDEPENDENT AUDITOR'S REPORT
(continued)

who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clarendon County's basic financial statements. The accompanying combining and individual fund schedules, supplemental section, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the supplemental section, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023 on our consideration of Clarendon 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

INDEPENDENT AUDITOR'S REPORT
(continued)

compliance and the results of that testing, and not to provide an opinion on the effectiveness of Clarendon 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 Clarendon County's internal control over financial reporting and compliance.

McGregor & Co. LLP

Orangeburg, South Carolina
December 27, 2023

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

Clarendon County's management's discussion and analysis offers readers of the County's financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the financial statements.

The government-wide financial statements include not only Clarendon County and its blended component units (known as the primary government), but also legally separate entities for which the County is financially accountable. Information included in this discussion and analysis focuses on the activities of the primary government. Accordingly, information provided does not include the activities of discretely-presented component units.

Financial Highlights:

- Clarendon County's assets exceeded its liabilities at June 30, 2023, by \$18.8 million (net position).
- The County's total net position increased \$7.8 million over the previous year. This increase was due, in large part, to growth in ad valorem taxes greater than budgeted and non-recurring funds from the State for use in roadway improvements.
- At June 30, 2023, the County's governmental fund balance sheet reported a combined ending fund balance of \$46.8 million, an increase of \$22.2 million over the previous fiscal year. This increase was a result of the issuance of Installment Purchase Revenue Bonds associated with capital projects to be constructed. Of the \$46.8 million, \$34.4 million remains in the various funds of the County as committed, assigned, or unassigned.
- The General Fund reported a fund balance of \$15.3 million, reflecting a \$3.4 million increase from last fiscal year. This total ending balance equates to 58.2% of General Fund expenditures for the year. The unassigned fund balance is 38.5% of General Fund expenditures for the year.
- Total general obligation bonded debt increased a net \$0.2 million during the fiscal year.
- On July 1, 2022, the County absorbed the Harvin Clarendon County Library (previously reported as a Component Unit) into its Governmental Funds as a Special Purpose Revenue Fund with an initial Fund Balance of \$74,017.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Clarendon County's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, 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 result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Clarendon County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The County's governmental activities include general government, public safety, judicial, physical environment, economic environment, transportation, agencies, and cultural/recreation. Financial information in the government-wide financial statements distinguishes discretely-presented component units from the financial information for the primary government itself.

The government-wide financial statements can be found on pages 16 and 17 of this report.

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. Clarendon County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary 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 and outflows 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 a government's near-term financing requirements.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

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 government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Clarendon County maintains 14 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, General County Debt Service Fund, Fire Rescue Fund and C-Program Roads Fund which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Clarendon County adopts an annual appropriation budget for its governmental funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

The basic governmental funds financial statements can be found on pages 18 through 21 of this report.

Proprietary funds: Clarendon County utilizes two proprietary funds associated with its Water and Sewer related activities and the Weldon Auditorium. These statements are found on pages 22 through 24.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

The basic fiduciary fund financial statement can be found on page 25 of this report.

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 26 through 82 of this report.

Other information: In addition to the basic financial statements and accompanying notes, the combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 87 through 103 of this report.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Clarendon County, assets exceeded liabilities by \$18.8 million at the close of the most recent fiscal year. The County's increase in net position for this fiscal year amounts to \$7.8 million.

The largest portion of the County's net position (\$30.0 million) reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; 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.

**Clarendon County's Net Position
(Dollars in Thousands)**

	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(Restated)		(Restated)		
Current and other assets	\$ 50,740	\$ 28,557	\$ 1,054	\$ 1,059	\$ 51,794	\$ 29,616
Capital assets	<u>42,119</u>	<u>41,768</u>	<u>18,192</u>	<u>16,521</u>	<u>60,311</u>	<u>58,289</u>
Total assets	<u>92,859</u>	<u>70,325</u>	<u>19,246</u>	<u>17,580</u>	<u>112,105</u>	<u>87,905</u>
Deferred outflows of resources	<u>11,346</u>	<u>13,351</u>	<u>120</u>	<u>165</u>	<u>11,466</u>	<u>13,516</u>
Long-term liabilities outstanding	76,029	65,194	11,068	11,572	87,097	76,766
Other liabilities	<u>5,568</u>	<u>5,125</u>	<u>2,417</u>	<u>2,602</u>	<u>7,985</u>	<u>7,727</u>
Total liabilities	<u>81,597</u>	<u>70,319</u>	<u>13,485</u>	<u>14,174</u>	<u>95,082</u>	<u>84,493</u>
Deferred inflows of resources	<u>9,576</u>	<u>5,869</u>	<u>145</u>	<u>85</u>	<u>9,721</u>	<u>5,954</u>
Net position						
Invested in capital assets, net of related debt	22,455	22,103	7,542	4,648	29,997	26,751
Restricted	<u>11,463</u>	<u>9,707</u>	<u>434</u>	<u>405</u>	<u>11,897</u>	<u>10,112</u>
Unrestricted	<u>(20,886)</u>	<u>(24,322)</u>	<u>(2,240)</u>	<u>(1,567)</u>	<u>(23,126)</u>	<u>(25,889)</u>
Total net position	<u>\$ 13,032</u>	<u>\$ 7,488</u>	<u>\$ 5,736</u>	<u>\$ 3,486</u>	<u>\$ 18,768</u>	<u>\$ 10,974</u>

An additional portion of the County's net position of the governmental activities (\$11.5 million) represents resources that are subject to external restrictions on how they may be used or deemed to be unspendable.

CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023

The changes in net position displayed below shows the governmental and business-type activities during the fiscal year. Increases in property taxes, as well as State shared funds, resulted in a positive change in net position of \$7.8 million.

Clarendon County's Changes in Net Position
(Dollars in Thousands)

	Governmental		Business-type		Total	
	Activities 2023	2022 (Restated)	Activities 2023	2022	2023	2022 (Restated)
Revenues						
Program Revenues:						
Charges for Services	\$ 4,867	\$ 4,447	\$ 1,454	\$ 1,433	\$ 6,321	\$ 5,880
Grants and Contributions	3,151	5,907	504	501	3,655	6,408
General revenues:						
Ad valorem taxes	26,849	24,477	-	-	26,849	24,477
Other taxes	5,109	4,804	-	-	5,109	4,804
State shared	8,854	5,337	-	-	8,854	5,337
Interest	1,118	54	7	2	1,125	56
Other	508	470	-	-	508	470
Total revenues	<u>50,456</u>	<u>45,496</u>	<u>1,965</u>	<u>1,936</u>	<u>52,421</u>	<u>47,432</u>
Expenses						
Government Activities:						
General government	10,390	11,242	-	-	10,390	11,242
Public safety	19,670	17,305	-	-	19,670	17,305
Physical environment	5,567	4,534	-	-	5,567	4,534
Transportation	301	337	-	-	301	337
Economic environment	1,008	1,664	-	-	1,008	1,664
Court related	2,313	2,043	-	-	2,313	2,043
Cultural and recreational	1,693	923	-	-	1,693	923
Agencies	352	929	-	-	352	929
Interest on long-term debt	1,750	592	-	-	1,750	592
Business-type Activities:						
Water and sewer fund	-	-	1,334	1,448	1,334	1,448
Weldon Auditorium	-	-	292	376	292	376
Total expenses	<u>43,044</u>	<u>39,569</u>	<u>1,626</u>	<u>1,824</u>	<u>44,670</u>	<u>41,393</u>
Transfers in (out)	<u>(1,809)</u>	<u>(493)</u>	<u>1,911</u>	<u>550</u>	<u>102</u>	<u>57</u>
Change in net position	<u>5,603</u>	<u>5,434</u>	<u>2,250</u>	<u>662</u>	<u>7,853</u>	<u>6,096</u>
Beginning Net Position	7,488	2,589	3,486	2,824	10,974	5,413
Equity Transfer	(59)	(535)	-	-	(59)	(535)
Ending Net Position	<u>\$ 13,032</u>	<u>\$ 7,488</u>	<u>\$ 5,736</u>	<u>\$ 3,486</u>	<u>\$ 18,768</u>	<u>\$ 10,974</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

Primary Governmental Activities: Revenues for the County's governmental activities were \$50.4 million for fiscal year 2023. Taxes constitute the largest source of County revenues, amounting to approximately \$32.0 million for the fiscal year 2023. Real property taxes (\$17.7 million) represent 55.3% of total taxes and 35.3% of all revenue combined. Whereas, intergovernmental revenues increased to \$11.9 million for the fiscal year end.

Financial Analysis of Clarendon County's Funds

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

Governmental funds: The focus of Clarendon County governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Clarendon County's financing requirements. In particular, non-restricted fund balances (committed, assigned and unassigned) may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2023, Clarendon County governmental funds reported combined fund balances of \$46.8 million, an increase of \$22.2 million from the prior year balances. This increase was primarily the result of an increase in tax collections, State intergovernmental (roadway improvements primarily), capital/operating leases and bond issuance for capital projects.

The General Fund is the chief operating fund of the County. At June 30, 2023, total fund balance in the General Fund was \$15.3 million, of which \$10.9 million was not restricted. As a measure of the General Fund's liquidity, the total fund balance and total unrestricted and nonspendable fund balances compared to total fund expenditures shows percentages of 58.2% and 41.5%, respectively. The fund balance of the General Fund showed an increase of 29.1%, or \$3.4 million during the fiscal year.

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund. A budget column for both the original budget adopted for fiscal year 2023 as well as the final budget is presented. Historically, neither grant revenue nor expenditures are budgeted. The variances reflected are primarily a result of greater tax collections, related grant activities and savings realized at the departmental level (staffing levels less than budgeted).

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

Capital Asset and Debt Administration

Capital assets: Clarendon County's investment in capital assets for its governmental type activities as of June 30, 2023, amounts to \$42.1 million (net of accumulated depreciation) and \$18.2 million within its business-type activities. This investment in capital assets includes land, buildings and improvements, machinery and equipment and construction in progress. Clarendon County's investment in capital assets for the fiscal year was up 3.4% as various construction projects continue.

**Clarendon County's Capital Assets (Net)
(Dollars in Thousands)**

	Government Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,167	\$ 3,167	\$ 154	\$ 154	\$ 3,321	\$ 3,321
Infrastructure	5,432	5,157	-	-	5,432	5,157
Construction in progress	1,185	1,110	2,418	908	3,603	2,018
Buildings and improvements	24,139	24,509	2,373	2,460	26,512	26,969
Leased buildings	1,035	1,081	-	-	1,035	1,081
Leased equipment	455	430	-	-	455	430
Water distribution system	-	-	13,007	12,743	13,007	12,743
Machinery and equipment	6,706	6,340	240	256	6,946	6,596
Total	<u>\$ 42,119</u>	<u>\$ 41,794</u>	<u>\$ 18,192</u>	<u>\$ 16,521</u>	<u>\$ 60,311</u>	<u>\$ 58,315</u>

Additional information on the County's capital assets can be found in Note 7 on pages 44 through 46 of this report.

Long-term debt: At the end of the current fiscal year, Clarendon County had a total bonded debt and capital leases outstanding of \$46.1 million, of which \$6.3 million is backed by the full faith and credit of the County.

**Clarendon County's Outstanding Debt
(Dollars in Thousands)**

	<u>2023</u>	<u>2022</u>
General obligation bond(s)	\$ 6,268	\$ 6,089
Revenue bonds	36,502	21,969
Financed purchases	1,879	1,546
Leases	<u>1,491</u>	<u>1,513</u>
	<u>\$ 46,140</u>	<u>\$ 31,117</u>

The County's total debt increased \$15.0 million. The County currently has a rating of "A+" from Standard & Poor's Corporation on general obligation bond issues. As of June 30, 2023, the County's general obligation debt, capital and operating lease approximated three hundred eleven dollars (\$311) per capita.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

Additional information on Clarendon County's long-term debt can be found in Note 9 on pages 48 through 59 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Clarendon County is currently 4.8%, which represents an increase from a year ago. This compares to the state's average unemployment rate of 3.5% and the national average rate of 3.8%.
- Assessed taxable property valuation increased to \$126.4 million in 2023, an increase of 9.5% over the prior year.
- County-wide gross taxable sales increased from \$670 million in 2022 to \$681 million in 2023 (1.6%); additionally, net taxable sales increased by 6.4% to \$217 million in 2023.

All of these factors were considered in preparing the County's budget for the 2024 fiscal year. Per the Fiscal Year 2024 Adopted Budget, disbursements are budgeted at \$27.2 million, an increase of 6.2% from the fiscal year 2023 level for the General Fund. The County's commitment to programs such as public safety, health and welfare, community development, public works, and parks, recreation, and cultural activities remains strong. However, pressures on the County's budget due to the additional resources required to keep our communities safe will continue to be a challenge for the County in light of legislated constraints to revenue growth.

Requests for Information

This financial report is designed to provide a general overview of Clarendon County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to County Chief Financial Officer, 411 Sunset Drive, Manning, South Carolina 29102. Complete financial statements for each individual component unit may be obtained at each respective administrative office.

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and investments	\$ 44,978,959	\$ 458,989	\$ 45,437,948	\$ 2,026,049
Restricted cash and cash equivalents	-	-	-	152,100
Receivables:				
Delinquent taxes	1,706,773	-	1,706,773	-
Other	772,674	187,238	959,912	15,873
Due from fiduciary funds	98,228	-	98,228	-
Prepaid expense	19,099	-	19,099	-
Due from other governments	3,055,371	2,200	3,057,571	-
Inventories	108,619	-	108,619	-
Sales-type leases and notes receivable	-	-	-	330,936
Total current assets	<u>50,739,723</u>	<u>648,427</u>	<u>51,388,150</u>	<u>2,524,958</u>
Non-current assets:				
Restricted cash and cash equivalents	-	405,150	405,150	-
Capital leases and notes receivable	-	-	-	70,000
Non-depreciable capital assets-net	4,351,828	2,571,518	6,923,346	4,197,042
Depreciable capital assets-net	37,767,525	15,620,862	53,388,387	1,528,762
Total non-current assets	<u>42,119,353</u>	<u>18,597,530</u>	<u>60,716,883</u>	<u>5,795,804</u>
Total assets	<u>92,859,076</u>	<u>19,245,957</u>	<u>112,105,033</u>	<u>8,320,762</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Deferrals	6,657,239	48,466	6,705,705	-
OPEB Deferrals	<u>4,688,691</u>	<u>71,401</u>	<u>4,760,092</u>	<u>-</u>
Total deferred outflows of resources	<u>11,345,930</u>	<u>119,867</u>	<u>11,465,797</u>	<u>-</u>
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts payable	1,647,602	122,924	1,770,526	-
Due to other governments	184,225	-	184,225	-
Internal balances	(1,926,710)	1,926,710	-	-
Unearned revenue	1,980,206	97,657	2,077,863	1,053,597
Other liabilities	614,323	-	614,323	-
Accrued compensated absences	497,227	8,192	505,419	-
Closures and maintenance costs payable	33,500	-	33,500	-
Financed purchases	626,600	-	626,600	-
Leases	207,964	-	207,964	-
Bonds payable	1,703,463	260,986	1,964,449	-
Total current liabilities	<u>5,568,400</u>	<u>2,416,469</u>	<u>7,984,869</u>	<u>1,053,597</u>
Non-current liabilities:				
Accrued compensated absences	436,417	2,492	438,909	-
Closures and maintenance costs payable	442,250	-	442,250	-
Net pension liability	25,896,248	326,256	26,222,504	-
OPEB payable	15,965,417	243,128	16,208,545	-
Financed purchases	1,252,788	-	1,252,788	-
Leases	1,282,527	-	1,282,527	-
Bonds payable, including premiums	30,753,719	10,495,981	41,249,700	-
Total long-term liabilities	<u>76,029,366</u>	<u>11,067,857</u>	<u>87,097,223</u>	<u>-</u>
Total liabilities	<u>81,597,766</u>	<u>13,484,326</u>	<u>95,082,092</u>	<u>1,053,597</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Deferrals	541,739	7,308	549,047	-
OPEB Deferrals	<u>9,033,926</u>	<u>137,572</u>	<u>9,171,498</u>	<u>-</u>
Total deferred inflows of resources	<u>9,575,665</u>	<u>144,880</u>	<u>9,720,545</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	22,454,567	7,541,894	29,996,461	5,725,804
Restricted:				
Debt service	5,398,296	405,150	5,803,446	-
Water system asset replacement	-	28,571	28,571	-
Drug interdiction	600,834	-	600,834	-
Third circuit solicitor	165,497	-	165,497	-
E-911 call center	1,013,758	-	1,013,758	-
Local option sales tax	4,253,067	-	4,253,067	-
I-95 Mega-site	32,092	-	32,092	1,113,858
Unrestricted	<u>(20,886,536)</u>	<u>(2,238,997)</u>	<u>(23,125,533)</u>	<u>427,503</u>
Total net position (deficit)	<u>\$ 13,031,575</u>	<u>\$ 5,736,618</u>	<u>\$ 18,768,193</u>	<u>\$ 7,267,165</u>

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

CLARENCE COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position						Component Units Business Development Corporation	
		Program Revenues			Primary Government				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total		
Primary Government:									
Governmental activities:									
Public safety	\$ 19,670,058	\$ 1,852,828	\$ 521,489	\$ 479,176	\$ (16,816,565)	\$ -	\$ (16,816,565)		
General government	10,390,286	225,166	445	-	(10,164,675)	-	(10,164,675)		
Physical environment	5,566,595	1,761,866	126,139	1,726,881	(1,951,709)	-	(1,951,709)		
Court related	2,313,225	703,223	-	-	(1,610,002)	-	(1,610,002)		
Agencies	351,674	-	-	-	(351,674)	-	(351,674)		
Culture/Recreation	1,693,348	101,351	31,533	-	(1,560,464)	-	(1,560,464)		
Economic environment	1,008,017	167,622	14,722	200,000	(625,673)	-	(625,673)		
Transportation	301,228	55,510	39,720	11,343	(194,655)	-	(194,655)		
Interest	1,749,974	-	-	-	(1,749,974)	-	(1,749,974)		
Total governmental activities	<u>43,044,405</u>	<u>4,867,566</u>	<u>734,048</u>	<u>2,417,400</u>	<u>(35,025,391)</u>	<u>-</u>	<u>(35,025,391)</u>		
Business-Type Activities:									
Water & Sewer Utility	1,334,129	1,418,193	-	504,000	-	588,064	588,064		
Weldon Auditorium	291,986	35,605	-	-	-	(256,381)	(256,381)		
Total business-type activities	<u>1,626,115</u>	<u>1,453,798</u>	<u>-</u>	<u>504,000</u>	<u>-</u>	<u>331,683</u>	<u>331,683</u>		
Total Primary Government:	\$ 44,670,520	\$ 6,321,364	\$ 734,048	\$ 2,921,400	(35,025,391)	331,683	(34,693,708)		
Component Unit:									
Business Development Corporation	\$ 539,694	\$ 162,478	\$ 288,107	\$ 623,810			\$ 534,701		
General Revenues:									
Taxes:									
Property taxes, levied for general purposes				24,363,943	-	24,363,943	-		
Property taxes, levied for debt services				2,484,915	-	2,484,915	-		
Sales and use taxes				5,108,860	-	5,108,860	-		
Franchise fees				109,479	-	109,479	-		
State shared revenues				8,854,188	-	8,854,188	-		
Interest earnings				1,117,636	7,365	1,125,001	21,480		
Gain (loss) on sale of capital assets				184,795	-	184,795	(50,626)		
Miscellaneous				213,416	-	213,416	-		
Total general revenues				<u>42,437,232</u>	<u>7,365</u>	<u>42,444,597</u>	<u>(29,146)</u>		
Transfers				<u>(1,809,289)</u>	<u>1,911,281</u>	<u>101,992</u>	<u>-</u>		
Total general revenues, transfers and contributions				<u>40,627,943</u>	<u>1,918,646</u>	<u>42,546,589</u>	<u>(29,146)</u>		
Change in net position				<u>5,602,552</u>	<u>2,250,329</u>	<u>7,852,881</u>	<u>505,555</u>		
Net position - beginning - as restated				7,488,450	3,486,289	10,974,739	6,702,183		
Equity transfer - BDCCC				(59,427)	-	(59,427)	59,427		
Net position - ending				<u>\$ 13,031,575</u>	<u>\$ 5,736,618</u>	<u>\$ 18,768,193</u>	<u>\$ 7,267,165</u>		

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

CLARENDON COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL	CAPITAL PROJECTS	GENERAL COUNTY DEBT SVC	FIRE RESCUE	C-PROGRAM ROADS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalents	\$ 11,748,189	\$ 17,325,949	\$ 5,244,632	\$ 1,510,704	\$ 6,701,633	\$ 2,447,852	\$ 44,978,959
Accounts receivable							
Property taxes	1,213,957	-	93,666	248,981	-	150,169	1,706,773
Other	321,930	-	-	381,637	-	69,107	772,674
Due from other funds	4,502	-	-	-	-	9,361	13,863
Due from fiduciary funds	98,228	-	-	-	-	-	98,228
Due from business enterprise	1,926,710	-	-	-	-	-	1,926,710
Due from other governments	2,859,790	-	-	-	168,035	27,546	3,055,371
Prepaid expense	-	-	-	19,099	-	-	19,099
Supplies inventory	108,619	-	-	-	-	-	108,619
Total assets	<u>\$ 18,281,925</u>	<u>\$ 17,325,949</u>	<u>\$ 5,338,298</u>	<u>\$ 2,160,421</u>	<u>\$ 6,869,668</u>	<u>\$ 2,704,035</u>	<u>\$ 52,680,296</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 352,694	\$ 729,456	\$ -	\$ 45,384	\$ 421,496	\$ 98,572	\$ 1,647,602
Accrued payroll and withholdings	428,006	-	-	13,045	-	-	441,051
Due to other funds	12,116	-	-	-	-	1,747	13,863
Due to other governments	184,225	-	-	-	-	-	184,225
Unearned revenue	836,339	1,143,867	-	-	-	-	1,980,206
Advance mobile home revenue	5,566	-	-	-	-	-	5,566
Other liabilities	162,762	-	-	4,944	-	-	167,706
Total liabilities	<u>1,981,708</u>	<u>1,873,323</u>	<u>-</u>	<u>63,373</u>	<u>421,496</u>	<u>100,319</u>	<u>4,440,219</u>
Deferred Inflows of Resources							
Unavailable Revenue-Property							
Taxes	1,020,976	-	75,560	201,001	-	115,131	1,412,668
Total Deferred Inflows of Resources	<u>1,020,976</u>	<u>-</u>	<u>75,560</u>	<u>201,001</u>	<u>-</u>	<u>115,131</u>	<u>1,412,668</u>
Fund balances:							
Nonspendable	108,619	-	-	19,099	-	-	127,718
Restricted	4,285,159	780,295	5,262,738	-	-	1,922,530	12,250,722
Committed	-	-	-	-	1,192,606	-	1,192,606
Assigned	787,735	14,672,331	-	1,876,948	5,255,566	534,993	23,127,573
Unassigned	10,097,728	-	-	-	-	31,062	10,128,790
Total fund balances	<u>15,279,241</u>	<u>15,452,626</u>	<u>5,262,738</u>	<u>1,896,047</u>	<u>6,448,172</u>	<u>2,488,585</u>	<u>46,827,409</u>
Total Liabilities, Deferred Inflows of Resources, and Fund balances	<u>\$ 18,281,925</u>	<u>\$ 17,325,949</u>	<u>\$ 5,338,298</u>	<u>\$ 2,160,421</u>	<u>\$ 6,869,668</u>	<u>\$ 2,704,035</u>	
Amounts reported for governmental activities in the statement of net position are different because:							
Capital assets used in governmental activities are not financial resources; therefore, are not reported in funds.							42,119,353
Long-term liabilities, including bonds payable (\$32,013,183), financed purchases (\$1,879,388), Leases (\$1,490,491), accrued compensated absences (\$933,644), closure and maintenances costs payable (\$475,750) and bond premium (\$443,999) are not reported in funds.							(37,236,455)
Other Post Employment Benefits (OPEB) liability and deferred inflows/outflows represent the future unfunded costs associated with current benefits design.							(20,310,652)
Net pension liability and deferred outflow/inflows represent the proportionate share of the future unfunded costs associated with County's participation in the South Carolina Retirement System and Police Officer's Retirement System							(19,780,748)
Delinquent taxes receivable are not financial resources in the current period and, therefore, are reported as unearned revenue in the funds.							<u>1,412,668</u>
Total net position - total governmental activities							<u>\$ 13,031,575</u>

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL	CAPITAL PROJECTS	GENERAL COUNTY DEBT SVC	FIRE RESCUE	C-PROGRAM ROADS	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES							
Taxes	\$ 22,201,020	\$ 50,915	\$ 2,377,022	\$ 4,108,066	\$ -	\$ 3,273,516	\$ 32,010,539
Licenses and permits	194,504	-	-	-	-	-	194,504
Intergovernmental	3,516,814	2,228,067	-	-	5,362,264	777,891	11,885,036
Charges for services	2,337,642	-	-	1,405,623	-	110,305	3,853,570
Fines and forfeitures	358,077	-	-	-	-	135,789	493,866
Interest	352,280	330,685	121,422	56,773	175,741	80,735	1,117,636
Miscellaneous	590,507	-	-	17,266	-	10,587	618,360
Total revenues	<u>29,550,844</u>	<u>2,609,667</u>	<u>2,498,444</u>	<u>5,587,728</u>	<u>5,538,005</u>	<u>4,388,823</u>	<u>50,173,511</u>
EXPENDITURES							
Current:							
General government	7,148,322	445	-	-	1,496,042	311,961	8,956,770
Public safety	9,272,656	213,565	-	7,314,627	-	510,140	17,310,988
Physical environment	4,496,574	708,155	-	-	-	-	5,204,729
Transportation	186,745	-	-	-	-	-	186,745
Economic environment	939,957	14,722	-	-	-	-	954,679
Agencies	346,382	-	-	-	-	-	346,382
Culture/Recreation	680,571	3,375	-	-	-	935,950	1,619,896
Court Related	1,925,006	-	-	-	-	276,349	2,201,355
Debt service:							
Principal	288,470	-	1,700,832	-	-	81,119	2,070,421
Interest and fiscal charges	40,961	1,063,813	683,000	-	-	24,044	1,811,818
Capital outlay	916,364	1,382,676	-	71,165	926,196	147,207	3,443,608
Total expenditures	<u>26,242,008</u>	<u>3,386,751</u>	<u>2,383,832</u>	<u>7,385,792</u>	<u>2,422,238</u>	<u>2,286,770</u>	<u>44,107,391</u>
Excess of revenues over (under) expenditures	<u>3,308,836</u>	<u>(777,084)</u>	<u>114,612</u>	<u>(1,798,064)</u>	<u>3,115,767</u>	<u>2,102,053</u>	<u>6,066,120</u>
OTHER FINANCING SOURCES (USES)							
Sale of assets	242,558	-	-	16,500	-	-	259,058
Bond proceeds	-	15,650,068	1,040,000	-	-	-	16,690,068
Financed purchases proceeds	-	870,000	-	-	-	-	870,000
Lease proceeds	175,492	-	-	-	-	-	175,492
Transfers	(277,624)	(1,416,773)	294	1,894,941	-	(2,010,127)	(1,809,289)
Net other financing sources (uses)	<u>140,426</u>	<u>15,103,295</u>	<u>1,040,294</u>	<u>1,911,441</u>	<u>-</u>	<u>(2,010,127)</u>	<u>16,185,329</u>
Net changes in fund balances	<u>3,449,262</u>	<u>14,326,211</u>	<u>1,154,906</u>	<u>113,377</u>	<u>3,115,767</u>	<u>91,926</u>	<u>22,251,449</u>
Fund balances at beginning of year - as restated	<u>11,829,979</u>	<u>1,126,415</u>	<u>4,107,832</u>	<u>1,782,670</u>	<u>3,391,832</u>	<u>2,396,659</u>	<u>24,635,387</u>
Equity Transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(59,427)</u>	<u>-</u>	<u>(59,427)</u>
Fund balances at end of year	<u>\$ 15,279,241</u>	<u>\$ 15,452,626</u>	<u>\$ 5,262,738</u>	<u>\$ 1,896,047</u>	<u>\$ 6,448,172</u>	<u>\$ 2,488,585</u>	<u>\$ 46,827,409</u>

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

CLARENCE 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 YEAR ENDED JUNE 30, 2023

Net Changes in fund balances - total governmental funds	\$ 22,251,449
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures.	
However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Expenditures for capital assets	\$ 3,443,608
Contribution of capital assets	120,600
Adjustment to capital assets	99,780
Less current year depreciation	<u>(3,164,782)</u>
	499,206
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	
Difference between proceeds and book value of assets sold.	<u>(74,263)</u>
	(74,263)
Lease and bond proceeds provide current financial resources to government funds, but incurring debt increases long-term liabilities in the statement of net position.	
Bond proceeds	(16,690,068)
Capital lease proceeds	(870,000)
Operating lease proceeds	<u>(175,492)</u>
	(17,735,560)
Repayment of long-term debt is reported as an expense in governmental funds. The repayment reduces long-term liabilities in the statement of net position.	
Bond principal payment	1,335,895
Bond premium amortization	61,844
Financing purchase payment	536,231
Lease payment	<u>198,295</u>
	2,132,265
Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences	(353,141)
Change in OPEB liability, deferred outflows and inflows	(502,228)
Change in Pension liability, deferred outflows and inflows	(599,916)
Change in closure and maintenance costs payable	<u>7,400</u>
	(1,447,885)
Some property tax will not be collected for several months after the County's fiscal year-end, they are not considered "available" revenues in the governmental funds.	<u>(22,660)</u>
Change in net position of governmental activities.	<u>\$ 5,602,552</u>

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budget Basis (Note 2)	Final Budget Favorable (Unfavorable)
REVENUES				
Taxes	\$ 19,210,300	\$ 19,210,300	\$ 22,201,020	\$ 2,990,720
Licenses and permits	191,020	191,020	194,504	3,484
Intergovernmental	2,488,580	2,488,580	3,516,814	1,028,234
Charges for services	2,168,800	2,168,800	2,337,642	168,842
Fines and forfeitures	343,200	343,200	358,077	14,877
Interest	13,000	13,000	352,280	339,280
Miscellaneous	515,500	515,500	590,507	75,007
Total revenues	<u>24,930,400</u>	<u>24,930,400</u>	<u>29,550,844</u>	<u>4,620,444</u>
EXPENDITURES				
Current:				
General government	7,124,670	7,005,199	7,594,708	(589,509)
Public safety	9,103,880	9,388,606	9,322,693	65,913
Physical environment	4,664,190	4,638,150	4,653,132	(14,982)
Transportation	234,740	241,880	198,087	43,793
Economic environment	850,250	877,880	1,010,220	(132,340)
Culture/Recreation	621,580	639,410	1,010,446	(371,036)
Court related	2,084,710	2,137,895	2,102,645	35,250
Agencies	346,380	346,380	346,382	(2)
Total expenditures	<u>25,030,400</u>	<u>25,275,400</u>	<u>26,238,313</u>	<u>(962,913)</u>
Excess of revenues over (under) expenditures	(100,000)	(345,000)	3,312,531	3,657,531
OTHER FINANCING SOURCES (USES)				
Sale of assets	50,000	50,000	242,558	192,558
Transfers In/(out)	50,000	(270,000)	(277,624)	(7,624)
Net other financing sources (uses)	<u>100,000</u>	<u>(220,000)</u>	<u>(35,066)</u>	<u>184,934</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	\$ <u>-</u>	\$ <u>(565,000)</u>	3,277,465	\$ <u>3,842,465</u>
Fund balance at beginning of year as restated			11,336,411	
Fund balance at end of year			<u>\$ 14,613,876</u>	

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS					
	WATER UTILITY	SEWER UTILITY	TOTAL UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 141,688	\$ 291,277	\$ 432,965	\$ 26,024	\$ 458,989
Accounts receivable, net of allowance	149,776	35,362	185,138	2,100	187,238
Due from other governments	2,200	-	2,200	-	2,200
Total current assets	<u>293,664</u>	<u>326,639</u>	<u>620,303</u>	<u>28,124</u>	<u>648,427</u>
Noncurrent Assets					
Restricted cash and cash equivalents	245,726	-	245,726	159,424	405,150
Capital assets:					
Land	114,764	38,771	153,535	-	153,535
Buildings and improvements	13,478	-	13,478	3,438,173	3,451,651
Machinery and equipment	564,892	28,026	592,918	25,428	618,346
Water and sewer system	15,272,194	313,184	15,585,378	-	15,585,378
Construction in Progress	280,575	2,137,408	2,417,983	-	2,417,983
Less: Accumulated Depreciation	(2,758,187)	(200,018)	(2,958,205)	(1,076,308)	(4,034,513)
Total noncurrent assets	<u>13,733,442</u>	<u>2,317,371</u>	<u>16,050,813</u>	<u>2,546,717</u>	<u>18,597,530</u>
TOTAL ASSETS	<u>14,027,106</u>	<u>2,644,010</u>	<u>16,671,116</u>	<u>2,574,841</u>	<u>19,245,957</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals	31,157	3,462	34,619	13,847	48,466
OPEB deferrals	51,409	5,712	57,121	14,280	71,401
Total deferred outflows of resources	<u>82,566</u>	<u>9,174</u>	<u>91,740</u>	<u>28,127</u>	<u>119,867</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	7,019	111,412	118,431	3,243	121,674
Accrued payroll and withholdings	-	-	-	1,251	1,251
Due to other funds	1,206,369	273,838	1,480,207	446,503	1,926,710
Unearned revenue	94,790	2,867	97,657	-	97,657
Accrued compensated absences	6,252	694	6,946	1,245	8,191
Bond payable	175,986	-	175,986	85,000	260,986
Total current liabilities	<u>1,490,416</u>	<u>388,811</u>	<u>1,879,227</u>	<u>537,242</u>	<u>2,416,469</u>
Noncurrent Liabilities:					
Accrued compensated absences	-	-	-	2,492	2,492
Bond payable, including premiums	8,575,981	-	8,575,981	1,920,000	10,495,981
Pension liability	209,736	23,304	233,040	93,216	326,256
Net OPEB liability	175,052	19,450	194,502	48,626	243,128
Total noncurrent liabilities	<u>8,960,769</u>	<u>42,754</u>	<u>9,003,523</u>	<u>2,064,334</u>	<u>11,067,857</u>
TOTAL LIABILITIES	<u>10,451,185</u>	<u>431,565</u>	<u>10,882,750</u>	<u>2,601,576</u>	<u>13,484,326</u>
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals	4,698	522	5,220	2,088	7,308
OPEB deferrals	99,052	11,006	110,058	27,514	137,572
Total deferred inflows of resources	<u>103,750</u>	<u>11,528</u>	<u>115,278</u>	<u>29,602</u>	<u>144,880</u>
NET POSITION					
Net investment in capital assets	4,735,749	2,423,852	7,159,601	382,293	7,541,894
Restricted:					
Debt service	245,726	-	245,726	159,424	405,150
Replacement	28,571	-	28,571	-	28,571
Unrestricted	(1,455,309)	(213,761)	(1,669,070)	(569,927)	(2,238,997)
TOTAL NET POSITION	<u>\$ 3,554,737</u>	<u>\$ 2,210,091</u>	<u>\$ 5,764,828</u>	<u>\$ (28,210)</u>	<u>\$ 5,736,618</u>

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

**CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				TOTAL ENTERPRISE FUNDS
	WATER UTILITY	SEWER UTILITY	TOTAL UTILITY	WELDON AUDITORIUM	
OPERATING REVENUES					
Charges for services	\$ 1,148,268	\$ 269,925	\$ 1,418,193	\$ 35,605	\$ 1,453,798
Total operating revenues	<u>1,148,268</u>	<u>269,925</u>	<u>1,418,193</u>	<u>35,605</u>	<u>1,453,798</u>
OPERATING EXPENSES					
Cost of sales & services	236,961	102,521	339,482	-	339,482
Production expense	-	-	-	4,240	4,240
Personnel & benefits	62,014	7,338	69,352	63,577	132,929
Administration	202,335	67,445	269,780	59,493	329,273
Depreciation	432,740	12,310	445,050	87,076	532,126
Total operating expenses	<u>934,050</u>	<u>189,614</u>	<u>1,123,664</u>	<u>214,386</u>	<u>1,338,050</u>
OPERATING INCOME (LOSS)	<u>214,218</u>	<u>80,311</u>	<u>294,529</u>	<u>(178,781)</u>	<u>115,748</u>
NON-OPERATING REVENUE (EXPENSES)					
Investment income	4,216	2,811	7,027	338	7,365
Interest and fiscal charges	(210,465)	-	(210,465)	(77,600)	(288,065)
Total non-operating revenue (expenses)	<u>(206,249)</u>	<u>2,811</u>	<u>(203,438)</u>	<u>(77,262)</u>	<u>(280,700)</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>7,969</u>	<u>83,122</u>	<u>91,091</u>	<u>(256,043)</u>	<u>(164,952)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital contributions	4,000	500,000	504,000	-	504,000
Transfers	463,075	1,193,806	1,656,881	254,400	1,911,281
Net other financing sources (uses)	<u>467,075</u>	<u>1,693,806</u>	<u>2,160,881</u>	<u>254,400</u>	<u>2,415,281</u>
CHANGE IN NET POSITION	<u>475,044</u>	<u>1,776,928</u>	<u>2,251,972</u>	<u>(1,643)</u>	<u>2,250,329</u>
Net position at beginning of year	<u>3,079,693</u>	<u>433,163</u>	<u>3,512,856</u>	<u>(26,567)</u>	<u>3,486,289</u>
NET POSITION AT END OF YEAR	<u>\$ 3,554,737</u>	<u>\$ 2,210,091</u>	<u>\$ 5,764,828</u>	<u>\$ (28,210)</u>	<u>\$ 5,736,618</u>

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	WATER & SEWER UTILITY	WELDON AUDITORIUM	TOTAL ENTERPRISE FUNDS
Cash Flows From Operating Activities:			
Cash received from customers	\$ 1,566,939	\$ 33,505	\$ 1,600,444
Cash paid to suppliers for goods and services	(580,495)	(63,751)	(644,246)
Cash paid to employees for services	(200,639)	(73,229)	(273,868)
Internal activity-payments to other funds	(339,840)	41,070	(298,770)
Net Cash Provided (Used) By Operating Activities	445,965	(62,405)	383,560
Cash Flows from Noncapital Financing Activities			
Transfers	1,656,881	254,400	1,911,281
Cash Flows From Capital and Related Financing Activities:			
Principal payments	(171,818)	(85,000)	(256,818)
Interest paid on debt	(210,465)	(77,600)	(288,065)
Capital contributions	504,000	-	504,000
Purchase of capital assets	(2,184,532)	(18,943)	(2,203,475)
Net Cash Provided (Used) By Capital and Related Financing Activities	(2,062,815)	(181,543)	(2,244,358)
Cash Flow From Investing Activities:			
Interest income	7,027	338	7,365
Net Cash Provided (Used) By Investing Activities	7,027	338	7,365
Net Increase (Decrease) in Cash and Cash Equivalents	47,058	10,790	57,848
Cash and Cash Equivalents at Beginning of Year	631,633	174,658	806,291
Cash and Cash Equivalents at End of Year	\$ 678,691	\$ 185,448	\$ 864,139
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by operating Activities			
Operating income (loss)	\$ 294,529	\$ (178,781)	\$ 115,748
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	445,050	87,076	532,126
Adjustments for retirement and OPEB expense	(130,318)	(10,913)	(141,231)
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	65,779	(2,100)	63,679
Increase (decrease) in accounts payable	28,767	(18)	28,749
Increase (decrease) in due to other funds	(339,840)	41,069	(298,771)
Increase (decrease) in accrued compensated absences	(969)	1,262	293
Increase (decrease) in unearned revenue	82,967	-	82,967
Net Cash Provided by (Used for) Operating Activities	\$ 445,965	\$ (62,405)	\$ 383,560

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

CLARENDON COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023

ASSETS

Cash and investments	\$ 10,497,501
Delinquent taxes receivable	1,316,961
Due from other magistrates	103
Total Assets	<u>11,814,565</u>

LIABILITIES

Due to Treasurer - General Fund	98,228
Due to Treasurer - cash overage (shortage)	8,382
Due to other magistrates	103
Total Liabilities	<u>106,713</u>

NET POSITION

Restricted for individuals, organizations, and other governments	<u>11,707,852</u>
Total net position	<u>\$ 11,707,852</u>

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

TABLE OF CONTENTS

<u>Note</u>	<u>Page</u>	<u>Note</u>	<u>Page</u>
1. Summary of Significant.....	27 – 37	9. Long-term Debt.....	48 – 59
Accounting Policies		Primary Government	
Reporting Entity		Governmental Activities	
Measurement Focus, Basis		General Obligations Bonds	
of Accounting, and Basis of		Blended Component Unit	
Presentation		Revenue Bonds	
Description of Funds		Financed Purchases	
Assets, Liabilities and Net Position		Leases	
or Equity		Business-Type Activities	
Deposits and Investments		Revenue Bonds	
Cash and Cash Equivalents		Changes in Long-term Liabilities	
Receivables and Payables			
Inventory			
Capital Assets			
Deferred Outflows/Inflows			
of Resources			
Amortization of Bond Premiums			
Tax Abatements			
Accrued Compensated Absences			
Landfill Closure Costs			
Nature and Purpose of			
Restrictions of Fund Equity			
Net Position			
Pensions			
Other Postemployment Benefits			
(OPEB)			
Impact of New Accounting Standard			
Adopted			
2. Stewardship, Compliance, and	37 – 38	10. Provision for Closure Costs.....	60
Accountability			
Budgets and Budgetary Accounting			
Budgetary Basis of Accounting			
Excess Expenditures Over			
Appropriations			
3. Cash, Cash Equivalents, and	39 – 40	11. Retirement Plans.....	61 – 71
Investments		SC Retirement System	
Primary Government		Police Officer's Retirement System	
Custodial Credit Risk – Deposits			
Discretely Presented Component Unit			
4. Accounts Receivable	41	12. Other Postemployment Benefits	71 – 77
		(OPEB) Plans	
5. Property Taxes	41	13. Fund Balance Reporting	78
6. Notes Receivable and Lease.....	42 – 43	14. Risk Management	79
Agreements			
7. Capital Assets.....	44 – 46	15. Contingencies and Commitments	80
8. Interfund Balances.....	47 – 48	16. Tax Abatement Disclosures	81
		17. Prior Period Adjustments	82
		18. Subsequent Events	82

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clarendon County, South Carolina (the "County") is a political subdivision of the state of South Carolina. Incorporated in 1855, the County encompasses 599 square miles of land with an estimated population of 31,024. The County is governed by an elected five-member council.

The financial statements of the County have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

A. Reporting Entity

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the County) and its component units. However, some component units, because of the closeness of their relationships with the County, should be blended as though they are part of the County. Otherwise, most component units should be discretely presented.

The following entities have been determined to be blended and discretely presented component units of Clarendon County:

Blended Component Unit:

The Clarendon Facilities Corporation (Facilities Corporation), a not-for-profit organization, was established in 2011 to acquire, construct and lease facilities to be used by the County. While the County does not appoint members to the Facilities Corporation's Board of Directors, it has a financial burden to the Facilities Corporation in that it is obligated for lease payments equaling the amount of debt to be relieved and associated interest payments. Activities of the Facilities Corporation are reported as major capital projects and debt service funds. Separate financial statements for the Facilities Corporation are not issued.

Discretely Presented Component Unit:

Business Development Corporation of Clarendon County (BDC)

Clarendon County has the ability to influence operations of the Business Development Corporation of Clarendon County significantly. Separate financial statements for the BDC are available.

Because the component units have been reported as if they are part of the County, there are limited instances where special note reference or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented is equally applicable.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

1. Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The County chooses to eliminate the indirect costs between governmental activities to avoid a "doubling up" effect.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation
(continued)

2. Fund Financial Statements

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary statement includes financial information for the agency funds. The agency funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. All other revenue items are considered to be measurable only when cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

Governmental Funds (continued)

Non-current portions of long-term receivables (special assessments) due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Non-current portions of other long-term receivables are offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

C. Description of Funds

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB 34 minimum criteria for major fund determination and has also electively disclosed funds which either had debt outstanding or specific community focus as major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

1. Governmental Major Funds:

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in another fund.

Capital Projects Fund – The Capital Projects Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities, infrastructure or equipment.

General County Debt Service Fund – The General County Debt Service fund is established for the purpose of accumulating resources for the payment of principal and interest on general long-term debt.

Fire Rescue Department – The Fire Department accounts for ad valorem taxes and other revenues to be used for the operations of the Fire Department and the provision of EMS services.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Description of Funds (continued)

1. Governmental Major Funds: (continued)

C-Program Roads – The C-Program fund accounts for fuel taxes collected for the construction and repair of public roads.

2. Other Governmental Funds:

Special Revenue Funds – These funds are established to account for the proceeds of specific revenue sources and certain special assessments that are legally restricted to expenditures for specified purposes. It is the County's policy not to budget for all Special Revenue Funds in the form of a legally adopted budget format.

Debt Service Fund – These funds are established for the purpose of accumulating resources for the payment of principal and interest on general long-term debt other than those payable from Special Revenue Funds.

3. Other Fund Types:

Proprietary Funds

There are two proprietary funds representing the Water and Sewer fund and the Weldon Auditorium. The Water and Sewer fund is used to account for the cost of providing water and sewer services to unincorporated areas of the County. The Weldon Auditorium Fund is used to account for the operations of the Weldon Auditorium.

Custodial Fund – The Custodial Fund is used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, child support payments and ad valorem taxes.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

The deposits and investments of the County are invested pursuant to statutes established by the State of South Carolina. The statutes allow for the investment of money in the following investments:

- (a) Obligations of the United States and its agencies.
- (b) General obligations of the State of South Carolina or any of its political units.
- (c) Savings and loan association deposits to the extent they are insured by the Federal Deposit Insurance Corporation (FDIC).

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

1. Deposits and Investments (continued)

- (d) Certificates of deposit which are collaterally secured by securities of the type described above held by a third party as escrow agent or custodian, or a market value not less than the amount of 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.
- (e) Collateralized repurchase agreements which are collateralized by securities as set forth in (a) and (b) above and held by the County, the Authority, or a third party as escrow agent or custodian.
- (f) South Carolina State Investment Pool established and maintained by the State Treasurer.

Finally, 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 that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made by the County is limited to obligations of the United States, State of South Carolina, or repurchase agreements collateralized by the aforementioned country or state, and 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. Investment purchases and sales are recorded as of the trade date. Dividend income is recognized on the ex-dividend date. Other investment income is recognized when earned. Investments are reported at fair value. Fair value is the amount reasonably expected to be received for an investment in a current sale between a willing buyer and a willing seller. Fixed income securities are generally valued based on published market prices and quotations from national security exchanges and securities pricing services. The South Carolina State Investment Pool shares are valued at fair value, and net appreciation (depreciation) is determined by calculating the change in the fair value of investments between the beginning of the year and the end of the year, less purchases of investments at cost, plus sales of investments at fair value. Investment expenses consist of external expenses directly related to the County's investment operations.

2. Cash and Cash Equivalents

Cash includes operating accounts and cash invested in the South Carolina Local Government Investment Pool with maturities less than three months. These investments are presented at cost which reasonably approximates fair value.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

3. Receivables and Payables

The accounts receivable of the Water and Sewer Enterprise Fund consists of unpaid user charges for the water and sewer systems of the County. The amount of unpaid charges is reported net of an allowance for doubtful accounts.

The accounts receivable of the Fire Rescue Fund consists of charges for EMS services. The amount of unpaid charges is reported net of the allowance for doubtful accounts.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

4. Inventory

Inventory represents the parts available for use by fleet maintenance. This inventory is stated at cost.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, right-of-ways, water and sewer distribution systems and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	15 – 50
Machinery and equipment	3 – 10
Infrastructure	25

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and/or the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of resources that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position and/or the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of resources that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

7. Amortization of Bond Premiums

Bond premiums are amortized over the terms of the bonds using the effective interest method and are recorded as a deduction from interest expense in the governmental activities.

8. Tax Abatements

The County implemented GASB Statement No. 77, *Tax Abatement Disclosures* (GASB 77) for the year ended June 30, 2017. The primary objective of GASB 77 was to provide tax abatement information to financial statement users so that they could more readily evaluate a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens.

Although many governments offer tax abatements, the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future, is lacking. GASB 77 requires disclosures of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

See Note 17 for more information regarding tax abatements that affect the County.

9. Accrued Compensated Absences

The County accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentations.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

10. Landfill Closure Costs

Under the terms of current state and federal regulations, the County is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure. The County recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity use during the period. Required obligations for closure and post-closure costs are recognized in the governmental activities' column in the government-wide statement of net position.

11. Nature and Purpose of Restrictions of Fund Equity

GASB Statement 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

GASB Statement 54 provides for two major types of fund balances, which are non-spendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items and inventories. The County has inventories that are considered non-spendable; however, the County's primary government does not have any prepaid items.

In addition to the non-spendable fund balances, GASB Statement 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints:

- Restricted – fund balances that are constrained by external parties, constitutional provisions or enabling legislation;
- Committed – fund balances that contain self-imposed constraints of the County from its highest level of decision-making authority; that is, County Council;
- Assigned – fund balances that contain self-imposed constraints of the County to be used for a particular purpose; and,
- Unassigned – fund balance of the general fund that is not constrained for any particular purpose.

Committed fund balances are identified by County Council through the enactment of various ordinances. County Council, through ordinances, can remove a self-imposed constraint as well. Additionally, encumbrances are considered as assigned through the issuance of a purchase order or contract; thus, the County has approved the purchase activity even though the other party has not performed. In other words, even though a formal "liability" does not exist, assets are assigned to the purchase of these goods or services.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

11. Nature and Purpose of Restrictions of Fund Equity (continued)

For the purposes of fund balance classification, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The County CFO has the authority to deviate from this policy if it is in the best interest of the County.

12. Net Position

Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. The government-wide statement of net position reports \$11,897,265 of restricted net position which \$4,253,067 is restricted by enabling legislation. The County will use restricted amounts first when both restricted and unrestricted fund balances are available. Additionally, the County would use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

13. Pensions

The Governmental Accounting Standards Board (GASB) issued Statement No. 68 entitled *Accounting and Financial Reporting for Pension Plans* in June 2012, and issued GASB No. 71 (an amendment of GASB No. 68) entitled *Pension Transition for Contributions Made Subsequent to the Measurement Date* in November 2013. The disclosure requirements applicable to employers participating in the South Carolina Retirement System or the Police Officers Retirement System are prescribed in paragraphs 48 through 82 of GASB 68. 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 and additions to/deductions from the South Carolina Retirement System's fiduciary net position have been determined on the same basis as they are reported by the South Carolina Retirement System. 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.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

14. Other Postemployment Benefits (OPEB)

The Governmental Accounting Standards Board (GASB) issued Statement No. 75 entitled *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015 and is effective for fiscal years commencing after June 15, 2017.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan, and additions to and deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Each year, the County Administrator submits to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Three public readings are conducted by County Council and one public hearing to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The County Administrator is authorized to transfer budgeted amounts between departments within any fund, but this transfer cannot exceed \$25,000 or 25% of said department's budget; however, any revisions that alter the total expenditures of any fund must be approved by the County Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Revenue Funds (Accommodation Tax Fund and the Fire Rescue Department).
6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) except for encumbrances. Budgetary comparisons presented for the General Fund in this report are on this non-GAAP budgetary basis.
7. Budgeted amounts are as originally adopted, or as amended by the County Council as close to June 30 as possible. Individual amendments were not material in relation to the original appropriations which were adopted.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

Budgetary Basis of Accounting

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual presents a comparison of the County's legally adopted budget of the General Fund with actual data on the budgetary basis of accounting. Budgetary accounting principles, however, differ from generally accepted accounting principles (GAAP). These different accounting principles result in the following differences in the excess (deficiency) of revenues and other financing sources (uses) over expenditures at June 30, 2023:

	<u>General Fund</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - budgetary basis	\$ 3,277,465
Timing differences:	
Net change in encumbrances	<u>171,797</u>
Excess (deficiency) of revenues and other financing sources (uses) over expenditures - GAAP basis	<u>\$ 3,449,262</u>

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the County's general fund. Encumbrances outstanding at year end are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Encumbrances are reported as expenditures in all budgetary basis statements.

Excess Expenditures Over Appropriations

Actual expenditures exceeded those budgeted by \$962,913 because grant expenditures are not budgeted (as grant revenues are not budgeted).

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Primary Government

At June 30, 2023, the carrying amount of the County's deposits and investments was \$56,338,169 and the bank balances and investment pool balances were \$60,323,650. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$ 56,338,169
Cash on hand	<u>2,430</u>
Total cash	<u><u>\$ 56,340,599</u></u>
Business-Type activities	\$ 864,139
Fiduciary funds	10,497,501
Governmental activities	<u>44,978,959</u>
Total all funds	<u><u>\$ 56,340,599</u></u>

For purposes of the cash flow statement, cash and cash equivalents include restricted cash, as follows:

	Water and Sewer	Weldon	Total
Cash and cash equivalents	\$ 432,965	\$ 26,024	\$ 458,989
Restricted cash and cash equivalents	<u>245,726</u>	<u>159,424</u>	<u>405,150</u>
Total cash – Statement of Cash Flows	<u><u>\$ 678,691</u></u>	<u><u>\$ 185,448</u></u>	<u><u>\$ 864,139</u></u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of June 2023, none of the County's bank balance of \$19,515,664 was exposed to custodial credit risk.

Credit Risk: State law limits investments to obligations of the U.S. and its agencies, general obligations of this State or any of its political subdivisions, savings and loan associations if their deposits are insured by an agency of the federal government, and certificates of deposits. Also, no load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940 are allowed under state law.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits (continued)

The County has investments in the State Treasurer's Investment Pool and Morgan Stanley Institutional Liquidity Government Portfolio Fund.

	<u>Maturities</u>	<u>Fair Value</u>
State investment pool	18 months to 2 years	\$ 21,062,554
Treasury money market	71-day weighted average	<u>19,745,432</u>
		<u>\$ 40,807,986</u>

The local government investment pool is a 2a7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The South Carolina State Treasurer oversees the pool. The fair value of the position in the pool is the same as the value of the pool shares. The Pool is included as an investment trust fund in the State of South Carolina Comprehensive Annual Financial Report. At June 30, 2023, the underlying security ratings of the County's investment in the Local Government Investment Pool (LGIP) is classified in risk category "A" and may be obtained from the LGIP's complete financial statements by writing to the following address:

Office of the State Treasurer
Local Government Investment Pool
Post Office Box 11778
Columbia, South Carolina 29211

Interest Rate Risk: In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twelve months.

It is the policy of the State Treasurer's Office that no derivatives of the U.S. Government Securities or Federal Agency Security or A1/P1 Commercial Paper be purchased by or for the S. C. Local Government Investment Pool. It is the policy of the State Treasurer's Office that the weighted average maturity (WAM) of the LGIP portfolio not exceed 60 days.

Foreign Currency Risk: The County has no foreign currency investments.

Discretely Presented Component Unit

Business Development Corporation of Clarendon County (BDC)

As of June 30, 2023, the book balance of the BDC's deposits totaled \$2,178,149. The bank balance of \$1,923,270 and an additional \$270,114 in a certificate of deposit were covered by the Federal Depository Insurance Corporation (FDIC) or collateralized by securities pledged by the bank in the Corporation's name.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 4 – ACCOUNTS RECEIVABLE

Receivables at June 30, 2023, consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts receivable:			
EMS charges	\$ 1,859,330	\$ -	\$ 1,859,330
Landfill charges	26,081	-	26,081
Water and sewer billings	-	200,138	200,138
Property taxes	1,706,773	-	1,706,773
Other receivables	<u>365,163</u>	<u>2,100</u>	<u>367,263</u>
Gross receivables	3,957,347	202,238	4,159,585
Less, allowance for uncollectibles	<u>(1,477,900)</u>	<u>(15,000)</u>	<u>(1,492,900)</u>
Net receivables	<u><u>\$ 2,479,447</u></u>	<u><u>\$ 187,238</u></u>	<u><u>\$ 2,666,685</u></u>

NOTE 5 – PROPERTY TAXES

Property taxes are levied by the County at varying rates per one hundred dollars (\$100) of assessed valuation of real estate and personal property owned and used in the County except exempt property as provided by the constitution and laws of the State of South Carolina and attach an enforceable lien when levied.

In Clarendon County, taxes are collected for county and school purposes as a single tax bill which must be paid in full by the individual taxpayer. Taxes are collected on a calendar year basis. Real and personal taxes in the County are payable without penalty on or before January 15 of each year (except taxes on motor vehicles, which are payable on a monthly basis). If taxes are not paid on or before January 15, a penalty of 3% is added thereon. If taxes are not paid on or before February 1, an additional penalty of 7% is added. If taxes are not paid on or before March 16, an additional 5% thereon is added plus all costs incurred and the property goes into execution.

In September, properties on which the taxes have not been paid are advertised for public sale in a local newspaper for three consecutive weeks. The first Monday in October the property is sold. The County Treasurer is responsible for the collection of delinquent taxes and is empowered to sell so much of the defaulting taxpayer's estate - real, personal or both - as may be sufficient to satisfy the taxes.

As collections are made, the delinquent tax revenue is remitted to the County Treasurer. Uncollectible property taxes are not material and have not been reported.

Property taxes at the fund level are recorded as receivables and unearned revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 6 – NOTES RECEIVABLE AND LEASE AGREEMENTS

Discretely Presented Component Units

Business Development Corporation of Clarendon County (BDC)

The BDC had a note receivable from a local industry dated January 14, 2013. Loan amount is \$150,000 with no interest. Upon satisfying a minimum investment threshold of \$3.5 million, credit is to be given at the rate of \$2,500 for each full-time or full-time equivalent job created by borrower, measured as of December 31, 2018. As of the extension date of January 8, 2019, the company had satisfied the minimum investment threshold and created 37 full-time equivalent jobs; therefore, the note receivable was reduced to \$57,500. The principal balance of the note was due January 8, 2023. Any principal unpaid after said date will be due in full.

The Corporation has a note receivable from a local industry dated September 3, 2014. Loan amount is \$50,000 with no interest. Credit will be given at the rate of \$4,166 for each full-time employee hired above the current 33 employees. The entire outstanding principal balance of the note shall be due and payable in full on the maturity date of September 3, 2023.

The BDC has a note receivable from a local industry dated March 8, 2021 under an infrastructure credit agreement. The loan amount is \$70,000 with no interest. The Company must make a minimum investment of \$5.8 million and create a minimum of 75 jobs within five years of the effective date of the agreement (or March 8, 2026) to receive full credit against the repayment of the note. The Company will repay a prorated amount based upon the actual investment and jobs created.

As of year-end, the BDC had entered into lease agreements with the following companies who are leasing buildings owned by the BDC:

Meritor Heavy Vehicle Systems, LLC

The BDC leases a building to Meritor Heavy Vehicle Systems, LLC for \$12,162.50 per month. The BDC entered into a five-year lease agreement commencing on March 1, 2014. The lease was extended for a period of 3 years commencing on April 1, 2021 and expiring March 31, 2024. There are no nonlease components contained in the monthly lease payments. The lessee is responsible for the property taxes and insurance on the building. This lease is classified as an operating lease. The cost of the building is \$1,800,000 and the accumulated depreciation is \$1,475,000. Lease income is \$145,950 for the year ending June 30, 2023. The future minimum lease payments are as follows:

June 30,

2024

\$ 109,463

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 6 – NOTES RECEIVABLE AND LEASE AGREEMENTS (continued)

Discretely Presented Component Units (continued)

Select Laboratories-SC, LLC

The BDC leases a building to Select Laboratories-SC, LLC for \$3,711.19 per month. These payments were used by the BDC to pay the notes payable on the property until the note was paid off in 2022. The original amount of the lease receivable was \$509,000. After the initial lease term signed on May 10, 2010 expired, and every five years thereafter, the amount of rent was renegotiated based on the recalculation of interest on the note and mortgage entered into between the corporation and the bank (the note payable has a current maturity date of June 10, 2024). There are no nonlease components contained in the monthly lease payments. The lessee is responsible for the property taxes and insurance on the building. The lease has a current maturity date of June 10, 2024. At the end of the lease, the building transfers to Select Laboratories-SC, LLC. This lease is classified as a sales-type lease. The future minimum lease payments are as follows:

June 30,

2024	\$ 235,174
Less amount representing interest	<u>(11,738)</u>
Present value of minimum lease payment	<u>\$ 223,436</u>

Net investment in sales-type lease:
Current \$223,436 and long-term \$-0-

Interest income recognized on this lease is \$14,241 for the year ending June 30, 2023.

Agricultural/Billboard Leases

Farming agreements exist with various farmers to grow hay on unimproved and unleased BDC property as well as billboard leases. These leases are considered operating leases. Lease income is \$16,528 for the year ending June 30, 2023.

The required future minimum lease payments to be received are:

June 30, 2024	\$ 4,482
June 30, 2025	<u>3,750</u>
Total	<u>\$ 8,232</u>

CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	<u>Beginning Balance (Restated)</u>	<u>Construction Completed</u>	<u>Additions</u>	<u>Retire- ments</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 3,166,907	\$ -	\$ -	\$ -	\$ 3,166,907
Construction in progress	<u>1,109,815</u>	<u>(970,328)</u>	<u>1,045,434</u>	<u>-</u>	<u>1,184,921</u>
Total capital assets not being depreciated	<u>4,276,722</u>	<u>(970,328)</u>	<u>1,045,434</u>	<u>-</u>	<u>4,351,828</u>
Capital assets being depreciated:					
Buildings and improvements	34,775,012	94,000	296,987	746,194	34,419,805
Infrastructure	12,230,037	876,328	11,342	-	13,117,707
Equipment	20,523,905	-	2,034,953	355,870	22,202,988
Leased buildings	1,163,000	-	-	-	1,163,000
Leased equipment	<u>899,923</u>	<u>-</u>	<u>175,492</u>	<u>136,795</u>	<u>938,620</u>
Total capital assets being depreciated	<u>69,591,877</u>	<u>970,328</u>	<u>2,518,774</u>	<u>1,238,859</u>	<u>71,842,120</u>
Less accumulated depreciation for:					
Buildings and improvements	10,265,771	-	733,161	718,716	10,280,216
Infrastructure	7,072,802	-	612,764	-	7,685,566
Equipment	14,184,334	-	1,621,695	309,085	15,496,944
Leased buildings	81,410	-	46,520	-	127,930
Leased equipment	<u>470,092</u>	<u>-</u>	<u>150,642</u>	<u>136,795</u>	<u>483,939</u>
Total accumulated depreciation	<u>32,074,409</u>	<u>-</u>	<u>3,164,782</u>	<u>1,164,596</u>	<u>34,074,595</u>
Total capital assets being depreciated, net	<u>37,517,468</u>	<u>970,328</u>	<u>(646,008)</u>	<u>74,263</u>	<u>37,767,525</u>
Governmental activities capital assets, net	<u>\$ 1,794,190</u>	<u>\$ -</u>	<u>\$ 399,426</u>	<u>\$ 74,263</u>	<u>\$ 42,119,353</u>

Depreciation and amortization expense was charged as direct expense to programs of the primary government as follows:

Governmental activities:		
Public Safety		\$ 1,438,682
General Government		1,227,752
Physical Environment		262,185
Cultural/Recreation		113,470
Transportation		98,823
Court Related		12,742
Economic Environment		<u>11,128</u>
Total depreciation expense-governmental activities		<u>\$ 3,164,782</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 – CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Construction Completed</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-Type Activities					
Water and Sewer					
Capital assets not being depreciated:					
Land	\$ 153,535	\$ -	\$ -	\$ -	\$ 153,535
Construction in Progress	908,215	(668,113)	2,177,881	-	2,417,983
Total capital assets not being depreciated	1,061,750	(668,113)	2,177,881	-	2,571,518
Capital assets being depreciated:					
Buildings and improvements	13,478	-	-	-	13,478
Water system	14,917,265	668,113	-	-	15,585,378
Equipment	586,267	-	6,651	-	592,918
Total capital assets being depreciated	15,517,010	668,113	6,651	-	16,191,774
Less accumulated depreciation for:					
Buildings and improvements	3,177	-	575	-	3,752
Water system	2,173,636	-	404,362	-	2,577,998
Equipment	336,342	-	40,113	-	376,455
Total accumulated depreciation	2,513,155	-	445,050	-	2,958,205
Total capital assets being depreciated, net	13,003,855	668,113	(438,399)	-	13,233,569
Business-Type activities capital assets, net	\$14,065,605	\$ -	\$ 1,739,482	\$ -	\$ 15,805,087
	<u>Beginning Balance</u>		<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Weldon Auditorium					
Capital assets being depreciated:					
Buildings and improvements	\$ 3,438,171	\$ -	\$ -	\$ -	\$ 3,438,171
Equipment	6,484	-	18,943	-	25,427
Total capital assets being depreciated	3,444,655	-	18,943	-	3,463,598
Less accumulated depreciation for:					
Buildings and improvements	988,472	-	85,954	-	1,074,426
Equipment	757	-	1,122	-	1,879
Total accumulated depreciation	989,229	-	87,076	-	1,076,305
Total capital assets being depreciated, net	2,455,426	-	(68,133)	-	2,387,293
Business-Type activities capital assets, net	\$ 2,455,426	-	\$ (68,133)	\$ -	\$ 2,387,293
Grand Total Business-Type	\$ 16,521,031	\$ -	\$ 1,671,349	\$ -	\$ 18,192,380

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 – CAPITAL ASSETS (continued)

Component Units

Business Development Corporation of Clarendon County (BDC)

Capital asset activity for the year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Construction Completed</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Land restricted for I-95					
Megasite	\$ 961,855	\$ -	\$ -	\$ -	\$ 961,855
Land	2,640,734	-	323,298	50,626	2,913,406
Construction WIP	701,115	(738,552)	355,927	-	318,490
Easement	<u>3,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,291</u>
Total capital assets not being depreciated	<u>4,306,995</u>	<u>(738,552)</u>	<u>679,225</u>	<u>50,626</u>	<u>4,197,042</u>
Capital assets being depreciated:					
Buildings and improvements	1,800,000	-	12,497	-	1,812,497
Signage	56,608	-	-	-	56,608
Infrastructure	<u>602,777</u>	<u>738,552</u>	<u>-</u>	<u>-</u>	<u>1,341,329</u>
Total capital assets being depreciated	<u>2,459,385</u>	<u>738,552</u>	<u>12,497</u>	<u>-</u>	<u>3,210,434</u>
Less accumulated depreciation for:					
Buildings and improvements	1,414,997	-	60,416	-	1,475,413
Signage	8,145	-	5,661	-	13,806
Infrastructure	<u>160,051</u>	<u>-</u>	<u>32,402</u>	<u>-</u>	<u>192,453</u>
Total accumulated depreciation	<u>1,583,193</u>	<u>-</u>	<u>98,479</u>	<u>-</u>	<u>1,681,672</u>
Total capital assets being depreciated, net	<u>876,192</u>	<u>738,552</u>	<u>(85,982)</u>	<u>-</u>	<u>1,528,762</u>
Total capital assets, net	<u>\$ 5,183,197</u>	<u>\$ -</u>	<u>\$ 593,243</u>	<u>\$ 50,626</u>	<u>\$ 5,725,804</u>

The BDC uses the following estimated useful lives to compute depreciation:

Building, Improvements and Infrastructure	15 - 30 years
Signage	10 years

Depreciation expense for the year ended June 30, 2023, was \$98,479.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8 – INTERFUND BALANCES

Individual fund interfund receivable and payable balances at June 30, 2023, were as follows:

	Interfund Receivables	Interfund Payables
Governmental Funds		
General Fund	\$ 4,502	\$ 12,116
Special Revenue Funds:		
Law Enforcement	9,361	-
Special Purpose Districts	-	1,747
Governmental Funds	<u>13,863</u>	<u>13,863</u>
Enterprise Funds		
General Fund	1,926,710	-
Weldon Auditorium	-	446,503
Water & Sewer Fund	-	1,480,207
Enterprise Funds	<u>1,926,710</u>	<u>1,926,710</u>
Fiduciary Funds		
General Fund	98,228	-
Fiduciary Fund Types:		
Municipalities	-	107
Probate	-	4,876
Landsale	-	18,816
Magistrates		
General & Civil	-	38,048
Clerk of Court	-	36,381
Fiduciary Funds	<u>98,228</u>	<u>98,228</u>
	<u>\$2,038,801</u>	<u>\$2,038,801</u>

Interfund balances reflect amounts due for the last month's collections, amounts loaned for the water system purchase or other short term interfund arrangements.

<u>Operating Transfers</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 126,992	\$ 404,616
Capital Projects	320,000	1,736,773
Fire Operating Fund	1,894,941	-
General County Debt	294	-
Water & Sewer	1,676,881	20,000
Weldon Auditorium	254,400	-
Non Major Funds	84,616	2,094,743
Fiduciary Funds	<u>-</u>	<u>101,992</u>
	<u>\$ 4,358,124</u>	<u>\$ 4,358,124</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8 – INTERFUND BALANCES (continued)

The County partnered with the Clarendon County Business Development Corporation (a Component Unit) in the extension of a roadway connecting an industrial park to SC State Road 521 as a joint business development project. The equity transfer reflected those Governmental Funds spent by the County for the benefit of the Business Development Corporation. The project was completed September, 2022.

NOTE 9 – LONG-TERM DEBT

A. Primary Government

Governmental Activities

General Obligation Bonds

\$720,000 Bond issued September 6, 2013, (Series 2013B) to fund acquisition of self contained breathing apparatus for the Fire service. Due in equal annual installments of \$62,518 (principal and interest) beginning September 6, 2014 and ending September 1, 2028. Interest accrues at a rate of 3.50%.

\$ 333,068

\$3,500,000 Bond issued April 10, 2014, (Series 2014B) to fund construction of new office building for Dept. of Social Services, State Probation and Parole, and County Coroner office. Due in annual installments beginning March 1, 2017, of \$105,000 and ending March 1, 2039, of \$220,000. Interest accrues at a blended rate of 3.61% and is payable semi-annually on March 1 and September 1 each year to maturity.

2,695,000

\$500,000 Bond issued October 13, 2015, (Series 2015B) to fund acquisition of fire engine. Due in annual principal and interest installments beginning October 1, 2016, of \$42,645 and ending October 13, 2030. Interest accrues at a rate of 3.25%.

296,212

\$750,000 Bond issued May 17, 2017, (Series 2017B) to fund renovations to office building for Dept. of Social Services, State Probation and Parole, and County Coroner office. Due in annual installments beginning September 1, 2017, of \$36,998 and ending March 1, 2027, of \$41,601. Interest accrues at a rate of 2.35% and is payable semi-annually on March 1 and September 1 each year to maturity.

319,593

\$1,800,000 Bond issued August 19, 2019, (Series 2019B) to fund various capital improvement projects. Due in annual installments beginning March 1, 2021, of \$185,052 and ending March 1, 2029, of \$215,630. Interest accrues at a rate of 1.93% and is payable semi-annually on March 1 and September 1 each year to maturity.

\$ 1,234,062

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

General Obligation Bonds (continued)

\$500,000 Bond issued December 20, 2019, (Series 2019C) to acquire and equip new ambulance as well as facility improvements to fire station. Due in annual installments beginning March 1, 2021, of \$95,830 and ending March 1, 2025, of \$104,259. Interest accrues at a rate of 2.13% and is payable semi-annually on March 1 and September 1 each year to maturity.

206,344

\$285,000 Bond issued February 10, 2022, (Series 2022A) to fund semi-annual installment lease purchase obligation on Courthouse Project. Due in annual installments beginning March 1, 2023, of \$141,096 and ending March 1, 2024, of \$143,904. Interest accrues at a rate of 1.78% and is payable semi-annually on March 1 and September 1 each year to maturity.

143,904

\$1,040,000 Bond issued February 13, 2023, (Series 2023A) to fund semi-annual installment lease purchase obligations on Courthouse Project and IPRB Projects (Series 2022). Due in annual installments beginning March 1, 2024, of \$240,501 and ending March 1, 2027, of \$278,881. Interest accrues at a rate of 4.72% and is payable semi-annually on March 1 and September 1 each year to maturity.

1,040,000

Total General Obligations Bonds Payable \$ 6,268,183

The annual debt service payments for General Obligation bonds outstanding at June 30, 2023, are as follows:

General Obligation Bonds

June 30,	<u>Principal</u>	<u>Interest</u>
2024	\$ 973,463	\$ 213,009
2025	853,998	182,110
2026	775,414	155,315
2027	801,876	129,129
2028	452,435	102,445
2029 – 2033	1,205,997	354,210
2034 – 2038	985,000	165,600
2039	<u>220,000</u>	<u>8,800</u>
	<u><u>\$ 6,268,183</u></u>	<u><u>\$ 1,310,618</u></u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

Blended Component Unit – Clarendon Facilities Corporation

In July 2015, the Clarendon Facilities Corporation (CFC) issued Installment Purchase Refunding Revenue Bonds (Series 2015) in the amount of \$5,460,000 to mature September 1, 2030, pursuant to an Installment Purchase and Use Agreement ("Agreement") between the County and the CFC. Proceeds were to be used to defease Clarendon Facilities Corp IPRB (Series 2010), originally issued in the amount of \$6,500,000 in December 2010 for the acquisition and construction of the County Administrative Complex.

In August 2020, the Clarendon Facilities Corporation (CFC) issued Installment Purchase Refunding Revenue Bonds (Series 2020) in the amount of \$7,460,000 to mature September 1, 2042, pursuant to an Installment Purchase and Use Agreement ("Agreement") between the County and the CFC. Proceeds were to be used to refund Clarendon Facilities Corp IPRB (Series 2012), originally issued in the amount of \$6,970,000 in October 2012 for the improvements and renovations to the County Courthouse.

In December 2022, the Clarendon Facilities Corporation (CFC) issued Installment Purchase Revenue Bonds (Series 2022) in the amount of \$15,265,000 to mature September 1, 2047, pursuant to an Installment Purchase and Use Agreement ("Agreement") between the County and the CFC. Proceeds will be used to acquire land and build several new facilities for the County's use (E911/Emergency Operations Center, Turbeville Fire Station, Public works and Fleet maintenance facility and Sheriff department animal control annex.

The County will purchase the capital projects from CFC over twenty (20) years as required by the Agreements. The Agreements obligate the County to make payments to CFC in amounts calculated to be sufficient to enable CFC to pay the principal and interest on the outstanding bonds. The County's obligations under the Agreements are from year to year only and do not constitute a mandatory payment obligation of the County in any fiscal year in which funds are not appropriated by the County to pay the installment payments of the purchase price due in such fiscal year. It is anticipated that the payments will be funded by the County with the future issuance of short-term general obligation bonds or restricted Fee-in-Lieu of revenue.

The CFC bonds are not a debt of the County; however, as CFC is blended with the operations of the County, the debt of CFC is included with the County's other obligations as required by GAAP.

June 30, 2023

\$25,745,000

CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

Blended Component Unit – Clarendon Facilities Corporation (continued)

The annual debt service payments for Clarendon Facilities Corporation Installment Purchase Revenue bonds outstanding at June 30, 2023, are as follows:

Revenue Bonds

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 730,000	\$ 944,962
2025	850,000	918,663
2026	800,000	888,517
2027	835,000	857,793
2028	870,000	822,732
2029 – 2033	4,835,000	3,513,005
2034 – 2038	5,660,000	2,562,956
2039 – 2043	6,630,000	1,575,978
2044 – 2048	4,535,000	528,188
	<u>\$ 25,745,000</u>	<u>\$ 12,522,794</u>

Financed Purchases

\$250,000 – Lease/purchase agreement to finance the purchase of several motor vehicles. Due in monthly payments of \$4,587, including interest. First payment due January 1, 2019, and ending payment due December 1, 2023. The vehicles' gross cost is \$188,580 and the accumulated depreciation is \$175,470.

\$500,000 – Lease/purchase agreement to finance the purchase of several motor vehicles. Due in monthly payments from \$8,000, plus interest to \$9,000, plus interest. First payment due January 1, 2020, and ending payment due December 1, 2024. The vehicles' gross cost is \$466,697 and the accumulated depreciation is \$315,194.

\$450,881 – Lease/purchase agreement to finance the purchase of energy efficient lighting fixtures/systems for several facilities. Due in monthly payments from \$7,515, no interest. First payment due October 14, 2020, and ending payment due September 4, 2024. The vehicles' gross cost is \$450,881 and the accumulated depreciation is \$73,268.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

Financed Purchases (continued)

\$250,000 – Lease/purchase agreement to finance the purchase of several motor vehicles. Due in monthly payments of \$4,451, including interest. First payment due January 1, 2021, and ending payment due December 1, 2025. The vehicles' gross cost is \$120,691 and the accumulated depreciation is \$37,052.	\$ 129,605
\$250,000 – Lease/purchase agreement to finance the purchase of heavy equipment and motor vehicles for use within Public Works department. Due in monthly payments of \$4,430, including interest. First payment due January 1, 2021, and ending payment due December 1, 2025. The vehicles' gross cost is \$204,399 and the accumulated depreciation is \$110,273.	128,983
\$350,000 – Lease/purchase agreement to finance the purchase of heavy equipment for use within Public Works department. Due in monthly payments of \$6,266, including interest. First payment due January 1, 2022, and ending payment due December 1, 2026. The vehicles' gross cost is \$311,247 and the accumulated depreciation is \$44,495.	252,297
\$350,000 – Lease/purchase agreement to finance the purchase of several motor vehicles. Due in monthly payments of \$6,391, including interest. First payment due January 1, 2023, and ending payment due December 1, 2027. The vehicles' gross cost is \$320,645 and the accumulated depreciation is \$74,365.	323,486
\$554,000 – Lease/purchase agreement to finance the purchase of a compactor for use at the landfill. Due in monthly payments of \$10,326, including interest. First payment due January 1, 2023 and ending payment due December 1, 2027. The equipment's Gross cost is \$568,432 and the accumulated depreciation is \$4,737.	511,033
\$316,000 – Lease/purchase agreement to finance the purchase of a motor grader for use in Public Works. Due in monthly payments of \$5,964, including interest. First payment due January 1, 2023 and ending payment due December 1, 2027. The equipment's Gross cost is \$321,335 and the accumulated depreciation is \$5,356.	<u>287,934</u>
Total Financed Purchases	<u>\$ 1,879,388</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

Financed Purchases (continued)

Future minimum lease payments under financed purchases, together with the present value of the net minimum lease payments, as of June 30, 2023:

Year Ending June 30,	
2024	\$ 679,496
2025	477,550
2026	400,877
2027	310,096
2028	<u>135,995</u>
Total Minimum Lease Payment	<u>2,004,014</u>
Less Amount Representing Interest	<u>124,626</u>
Present Value of Net Minimum Lease Payment	<u><u>\$ 1,879,388</u></u>

Leases

In September 2019, the County entered into a five-year lease agreement as lessee for the acquisition and use of a John Deere 650K dozer for the Landfill. An initial lease liability was recorded in the amount of \$112,610. As of June 30, 2023, the value of the lease liability was \$27,513. The County is required to make monthly principal and interest payments in the amount of \$1,999. The lease has an interest rate of 2.44%. The equipment has a five-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal was \$26,276 and had accumulated amortization of \$86,334.

In October 2019, the County entered into a five-year lease agreement as lessee for the acquisition and use of office equipment for the Family Court office. An initial lease liability was recorded in the amount of \$9,108. As of June 30, 2023, the value of the lease liability was \$2,438. The County is required to make monthly principal and interest payments in the amount of \$165. The lease has an interest rate of 2.44%. The equipment has a five-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal was \$2,277 and had accumulated amortization of \$6,831.

In October 2019, the County entered into a five-year lease agreement as lessee for the acquisition and use of a postage meter system for the Administration office. An initial lease liability was recorded in the amount of \$14,261. As of June 30, 2023, the value of the lease liability was \$3,730. The County is required to make monthly principal and interest payments in the amount of \$253. The lease has an interest rate of 2.44%. The equipment has a five-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal was \$3,565 and had accumulated amortization of \$10,696.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

Leases (continued)

In November 2019, the County entered into a five-year lease agreement as lessee for the acquisition and use of a John Deere 670G motor grader for the Public Works department. An initial lease liability was recorded in the amount of \$97,580. As of June 30, 2023, the value of the lease liability was \$27,191. The County is required to make monthly principal and interest payments in the amount of \$1,733. The lease has an interest rate of 2.44%. The equipment has a five-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal was \$26,021 and had accumulated amortization of \$71,559.

In October 2020, the County entered into a twenty-five-year lease agreement as lessee for the use of office building used as court annex for the Clerk of Court. An initial lease liability was recorded in the amount of \$1,163,000. As of June 30, 2023, the value of the lease liability was \$1,025,699. The County is required to make monthly principal and interest payments in the amount of \$6,400 and then \$4,100 effective October 2030 to end of lease. The lease has an interest rate of 2.44%. The space has a twenty five-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal was \$1,035,070 and had accumulated amortization of \$127,930.

In December 2020, the County entered into a five-year lease agreement as lessee for the acquisition and use of a John Deere 670G motor grader for the Public Works department. An initial lease liability was recorded in the amount of \$149,000. As of June 30, 2023, the value of the lease liability was \$74,282. The County is required to make monthly principal and interest payments in the amount of \$2,645. The lease has an interest rate of 2.44%. The equipment has a five-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal was \$72,017 and had accumulated amortization of \$76,983.

In March 2022, the County entered into a five-year lease agreement as lessee for the acquisition and use of a John Deere 410L loader for the Public Works department. An initial lease liability was recorded in the amount of \$97,400. As of June 30, 2023, the value of the lease liability was \$72,779. The County is required to make monthly principal and interest payments in the amount of \$1,749. The lease has an interest rate of 2.88%. The equipment has a five-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal was \$71,427 and had accumulated amortization of \$25,973.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 9 – LONG-TERM DEBT (continued)

A. Primary Government (continued)

Governmental Activities (continued)

Leases (continued)

In May 2022, the County entered into a five-year lease agreement as lessee for the acquisition and use of a John Deere 6110M Tractor/mower for the Public Works department. An initial lease liability was recorded in the amount of \$127,930. As of June 30, 2023, the value of the lease liability was \$99,699. The County is required to make monthly principal and interest payments in the amount of \$2,297. The lease has an interest rate of 2.88%. The equipment has a five-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal was \$98,080 and had accumulated amortization of \$29,850.

In December 2022, the County entered into a five-year lease agreement as lessee for the acquisition and use of office equipment (twenty-five copiers) for various departments. An initial lease liability was recorded in the amount of \$175,492. As of June 30, 2023, the value of the lease liability was \$157,159. The County is required to make monthly principal and interest payments in the amount of \$3,315. The lease has an interest rate of 4.89%. The equipment has a five-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal was \$155,018 and had accumulated amortization of \$20,474.

The annual debt service requirements to maturity for the lease liabilities as of June 30, 2023, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 207,964	\$ 38,716	\$ 246,680
2025	176,251	32,812	209,063
2026	150,661	27,697	178,358
2027	130,449	23,092	153,541
2028	73,897	19,478	93,375
2029-2033	231,661	76,439	308,100
2034-2038	193,583	52,417	246,000
2039-2043	218,625	27,375	246,000
2044-2046	107,400	3,300	110,700
Total	<u>\$ 1,490,491</u>	<u>\$ 301,326</u>	<u>\$ 1,791,817</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 9 – LONG-TERM DEBT (continued)

B. Business Type Activities

Enterprise Revenue Bond – Weldon Auditorium

On March 14, 2019, the County issued a \$2,250,000 Enterprise Charge Limited Obligation Refunding Revenue Bond. The net proceeds (plus available sinking fund monies) were used to refund \$2.8 million balance of the \$3,250,000 Enterprise Charge Limited Obligation Bond issued May 13, 2010, originally used to finance a capital project. These securities were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments. Due in annual installments beginning July 1, 2020, of \$80,000 and ending July 1, 2039, of \$155,000. Interest accrues at 3.79% and is payable semi-annually on January 1 and July 1 each year until maturity. Revenue from County's Hospitality charge has been dedicated for required debt service.

\$ 2,005,000

The annual debt service payments for Weldon Auditorium Enterprise Charge Limited Obligation bonds outstanding at June 30, 2023, are as follows:

Revenue Bonds <u>June 30,</u>	Principal	Interest
2024	\$ 85,000	\$ 74,379
2025	90,000	71,063
2026	95,000	67,557
2027	95,000	63,956
2028	100,000	60,261
2029 – 2033	560,000	240,096
2034 – 2038	675,000	123,648
2039 – 2040	305,000	11,654
	<u><u>\$ 2,005,000</u></u>	<u><u>\$ 712,614</u></u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 9 – LONG-TERM DEBT (continued)

B. Business Type Activities (continued)

Enterprise Revenue Bonds – Water & Sewer (continued)

\$2,533,000 Bond issued April 19, 2012, (Series 2012A) to fund water system expansion. Interest only, due April 19, 2013, and April 19, 2014. Due in equal monthly installments thereafter beginning May 1, 2014, of \$8,967 and ending April 19, 2052. Interest accrues at a rate of 2.75%.

\$ 2,139,188

\$1,007,800 Bond issued April 19, 2012, (Series 2012B) to fund water system expansion. Interest only, due April 19, 2013, and April 19, 2014. Due in equal monthly installments thereafter beginning May 1, 2014, of \$3,568 and ending April 19, 2052. Interest accrues at a rate of 2.75%.

851,130

\$1,179,000 Bond issued October 28, 2016, (Series 2016A) to fund construction of elevated water tank and accompanying well. Due in equal monthly installments thereafter beginning November 28, 2016, of \$3,502 and ending October 28, 2056. Interest accrues at a rate of 1.875%.

1,038,822

\$257,000 Bond issued October 28, 2016, (Series 2016B) to fund construction of elevated water tank and accompanying well. Due in equal monthly installments thereafter beginning November 28, 2016, of \$764 and ending October 28, 2056. Interest accrues at a rate of 1.875%.

226,456

\$2,501,000 Bond issued February 14, 2020, (Series 2020A) to fund water system expansion. Due in equal monthly installments thereafter beginning March 14, 2020, of \$7,929 and ending February 14, 2060. Interest accrues at a rate of 2.25%.

2,367,955

\$2,248,000 Bond issued February 14, 2020, (Series 2020B) to fund water system expansion. Due in equal monthly installments thereafter beginning March 14, 2020, of \$7,127 and ending February 14, 2060. Interest accrues at a rate of 2.25%.

2,128,416

Balance at June 30, 2023

\$ 8,751,967

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 9 – LONG-TERM DEBT (continued)

B. Business Type Activities (continued)

Enterprise Revenue Bonds – Water & Sewer (continued)

The annual debt service payments for Water and Sewer Enterprise Revenue bonds outstanding at June 30, 2023, are as follows:

Revenue Bonds <u>June 30,</u>	Principal	Interest
2024	\$ 175,986	\$ 206,298
2025	180,256	202,028
2026	184,630	197,654
2027	189,114	193,170
2028	193,708	188,576
2029 – 2033	1,041,524	869,896
2034 – 2038	1,174,656	736,764
2039 – 2043	1,325,149	586,271
2044 – 2048	1,495,260	416,160
2049 – 2053	1,509,508	226,422
2054 – 2058	986,946	87,054
2059 – 2060	295,230	5,891
	<u>\$ 8,751,967</u>	<u>\$ 3,916,183</u>

This space intentionally left blank.

CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 – LONG-TERM DEBT (continued)

C. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2023, was as follows:

	<u>Beginning Balance (Restated)</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds					
- Series 2013B	\$ 382,209	\$ -	\$ 49,141	\$ 333,068	\$ 50,861
- Series 2014B	2,820,000	-	125,000	2,695,000	130,000
- Series 2015B	328,191	-	31,979	296,212	33,018
- Series 2017B	394,932	-	75,339	319,593	77,120
- Series 2019B	1,426,325	-	192,263	1,234,062	195,974
- Series 2019C	306,299	-	99,955	206,344	102,085
- Series 2021A	146,122	-	146,122	-	-
- Series 2022A	285,000	-	141,096	143,904	143,904
- Series 2023A	-	1,040,000	-	1,040,000	240,501
Revenue Bonds					
- IPRB (Admin) Refunding	3,720,000	-	370,000	3,350,000	380,000
- IPRB (Courthouse) Refunding	7,235,000	-	105,000	7,130,000	110,000
- IPRB Series 2022	-	15,265,000	-	15,265,000	240,000
- Issuance Premiums	120,775	385,068	61,844	443,999	-
Total Bonds	<u>17,164,853</u>	<u>16,690,068</u>	<u>1,397,739</u>	<u>32,457,182</u>	<u>1,703,463</u>
Other Liabilities					
Compensated Absences	580,504	353,140	-	933,644	497,227
Closure & Maintenance	483,150	-	7,400	475,750	33,500
Financed Purchases	1,545,619	870,000	536,231	1,879,388	626,600
Leases	1,513,294	175,492	198,295	1,490,491	207,964
Net Pension Liability	22,537,439	3,358,809	-	25,896,248	-
OPEB Payable	24,054,624	-	8,089,207	15,965,417	-
Total Other Liabilities	<u>50,714,630</u>	<u>4,757,441</u>	<u>8,831,133</u>	<u>46,640,938</u>	<u>1,365,291</u>
Governmental Activities					
Long Term Liabilities	<u>67,879,483</u>	<u>21,447,509</u>	<u>10,228,872</u>	<u>79,098,120</u>	<u>3,068,754</u>
Business Type Activities					
Revenue Bonds					
Weldon Refunding 2019	2,090,000	-	85,000	2,005,000	85,000
Water Expansion (2012A)	2,187,133	-	47,945	2,139,188	49,283
Water Expansion (2012B)	870,204	-	19,074	851,130	19,607
Water Expansion (2016A)	1,060,990	-	22,168	1,038,822	22,590
Water Expansion (2016B)	231,286	-	4,830	226,456	4,923
Water Expansion (2020A)	2,408,928	-	40,973	2,367,955	41,912
Water Expansion (2020B)	2,165,244	-	36,828	2,128,416	37,671
Total Bonds	<u>11,013,785</u>	<u>-</u>	<u>256,818</u>	<u>10,756,967</u>	<u>260,986</u>
Other Liabilities					
Compensated Absences	10,390	293	-	10,683	8,192
Net Pension Liability	411,730	-	85,474	326,256	-
OPEB Payable	403,560	-	160,432	243,128	-
Total Other Liabilities	<u>825,680</u>	<u>293</u>	<u>245,906</u>	<u>580,067</u>	<u>8,192</u>
Business Type Activities					
Long Term Liabilities	<u>11,839,465</u>	<u>293</u>	<u>502,724</u>	<u>11,337,034</u>	<u>269,178</u>
Total Combined	<u>\$ 79,718,948</u>	<u>\$21,447,802</u>	<u>\$10,731,596</u>	<u>\$ 90,435,154</u>	<u>\$ 3,337,932</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 10 – PROVISION FOR CLOSURE COSTS

State and federal laws and regulations as governed by Solid Waste management Regulation R.61-107.258, Subpart C, Section (c) and the South Carolina Solid Waste Policy and Management Act of 1991, Section 44-96-390 require that Clarendon County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In August 1993, the GASB issued GASB-18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs, in order to reduce the diversity of acceptable accounting practices in this area. GASB-18 applies to all governmental municipal solid waste landfills irrespective of what type of accounting model is used to account for the activities of a landfill. As defined by GASB-18, the basic objective is to recognize all landfill costs by the time a landfill is closed. The costs to be identified for closure and postclosure care include (1) capital assets, (2) final cover and (3) monitoring and maintenance activities.

While Clarendon County's original landfill was closed and capped in 2002 to municipal waste, the construction demolition and land clearing debris (C&D) landfill is still open with a life expectancy of sixteen years. The county landfill's liability at June 30, 2023, is \$475,750. See Note 9.

The nature and source of landfill closure and postclosure care requirements are monitored by both federal and State of South Carolina environmental protection agencies. Levels of ground water pollutants are set by State agencies and the monitoring of these amounts have been reported to County officials to be in conformity with guidelines. The County annually obtains updated and revised estimates of total future closure and post-closure costs from its consulting engineers. The provision for closure costs reported in the financial statements as operating expense represents the portion of these estimated future outlays which are allocable to the current year based on the amount of capacity used. The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2023. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Clarendon County has not accumulated or segregated funds to meet this reserve.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

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

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

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 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 a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR of the state.

Plan Descriptions

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 11 – RETIREMENT 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 and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute.

An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 11 – RETIREMENT PLANS (continued)

Benefits (continued)

- 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.

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 11 – RETIREMENT PLANS (continued)

Contributions (continued)

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 valuation of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

Required employee contribution rates¹ are as follows (as based on the retirement plan's fiscal year):

	<u>Fiscal Year 2023</u> ¹	<u>Fiscal Year 2022</u> ¹
<u>SCRS</u>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<u>State ORP</u>		
Employee	9.00%	9.00%
<u>PORS</u>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 11 – RETIREMENT PLANS (continued)

Contributions (continued)

Required **employer** contribution rates¹ are as follows (as based on the retirement plan's fiscal year):

	<u>Fiscal Year 2023¹</u>	<u>Fiscal Year 2022¹</u>
<u>SCRS</u>		
Employer Class Two	17.41%	16.41%
Employer Class Three	17.41%	16.41%
Employer Incidental Death Benefit	0.15%	0.15%
<u>PORS</u>		
Employer Class Two	19.84%	18.84%
Employer Class Three	19.84%	18.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

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

The County's contributions to the SCRS and PORS for the last three fiscal years (which includes Harvin Clarendon County Library's for 2022 and 2021) were as follows:

SCRS	2023	2022¹	2021¹
Employee Contributions	\$ 599,480	\$ 545,153	\$ 528,985
Employer Contributions	1,159,659	993,994	905,739
Employer Group Life Contributions	<u>9,991</u>	<u>9,086</u>	<u>8,817</u>
Total	<u>\$1,769,130</u>	<u>\$1,548,233</u>	<u>\$1,443,541</u>
PORS			
Employee Contributions	\$ 855,070	\$ 749,682	\$ 699,885
Employer Contributions	1,739,958	1,448,614	1,280,611
Employer Group Life Contributions	<u>35,080</u>	<u>30,756</u>	<u>28,713</u>
Total	<u>\$2,630,108</u>	<u>\$2,229,052</u>	<u>\$2,009,209</u>

¹Adjusted to include Harvin Clarendon Library, reflected as a Component Unit in prior fiscal years

The County (and the Library as a Component Unit in prior fiscal years) have contributed 100% of the required contributions for the current year and in each of the two preceding years.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 11 – RETIREMENT PLANS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the County reported a liability of \$11,651,989 for its proportionate share of the net pension liability for SCRS and a liability of \$14,570,515 for its proportionate share of the net pension liability for PORS. The net pension liability of the defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2021, using membership as of that date projected forward to the end of the retirement plan's fiscal year, and financial information of the pension trust funds as of June 30, 2022. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined.

At the retirement plan's year end of June 30, 2022, the County's proportion was .048065 percent and .48585 percent for SCRS and PORS, respectively.

For the year ended June 30, 2023, the County recognized pension expense of \$3,426,392, including \$903,360 for SCRS and \$2,523,032 for PORS, respectively. At June 30, 2023, the County and the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>SCRS</u>		
Differences between Expected and Actual Experience	\$ 101,234	\$ 50,779
Assumption Changes	373,707	-
Net Difference between Projected and Actual Investment Earnings	17,969	-
Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	68,387	210,233
Direct Contributions Subsequent to the Measurement Date	<u>1,169,650</u>	<u>-</u>
Total	<u>\$ 1,730,947</u>	<u>\$ 261,012</u>
<u>PORS</u>		
Differences between Expected and Actual Experience	\$ 244,464	\$ 288,035
Assumption Changes	606,739	-
Net Difference between Projected and Actual Investment Earnings	43,999	-
Deferred Amounts from Changes in Proportionate Share and Differences between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	2,304,518	-
Direct Contributions Subsequent to the Measurement Date	<u>1,775,038</u>	<u>-</u>
Total	<u>\$ 4,974,758</u>	<u>\$ 288,035</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 11 – RETIREMENT PLANS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The amounts of \$1,169,650 for SCRS and \$1,775,038 for PORS reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u>	<u>SCRS</u>	<u>PORS</u>
<u>June 30,</u>		
2024	\$ 218,534	\$ 1,420,993
2025	111,420	1,254,984
2026	(333,544)	(330,645)
2027	<u>303,875</u>	<u>566,353</u>
Total	<u>\$ 300,285</u>	<u>\$ 2,911,685</u>

Actuarial Assumptions and Methods

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

The June 30, 2022, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by the Systems' consulting actuary, Gabriel Roeder Smith & 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.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 11 – RETIREMENT PLANS (continued)

Actuarial Assumptions and Methods (continued)

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022.

	<u>SCRS</u>	<u>PORS</u>
Actuarial Cost Method	Entry age normal	Entry age normal
Investment rate of return ¹	7.0%	7.0%
Projected salary increases	3.0% - 11.0% (varies by service) ¹	3.5% - 10.5% (varies by service) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

¹ Includes inflation at 2.25%

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

Assumptions used in the determination of the June 30, 2022, TPL are as follows.

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

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 11 – RETIREMENT PLANS (continued)

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB 67 less that System's fiduciary net position. NPL totals, as of June 30, 2022, for SCRS and PORS are presented below.

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

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

Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 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 following table. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 11 – RETIREMENT PLAN (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 ¹	9.0%	8.75%	0.79%
Private Debt ¹	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real Estate ¹	9.0%	4.12%	0.37%
Infrastructure ¹	3.0%	5.88%	0.18%
Total Expected Return ²	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
			7.04%

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

² Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

Discount Rate

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

Sensitivity Analysis

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
County: System	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
SCRS	\$ 14,939,290	\$ 11,651,989	\$ 8,919,029
PORS	20,317,741	14,570,515	9,865,916

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 11 – RETIREMENT PLAN (continued)

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the System's 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 (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the System's Annual Comprehensive Financial Report.

Payables to the Pension Plan

As of June 30, 2023, the County had \$396,739 in payables outstanding to the pension plans for its legally required contributions.

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS

Background

The County follows Governmental Accounting Standards Board (GASB) Statement No. 75 (implemented July 1, 2017) for other post-employment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you-go basis, but GASB 75 (previously GASB 45) requires that the County accrue the cost of retiree health subsidy and other post-employment benefits during the period of the employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits.

Plan Description

The County's defined benefit OPEB plan provides OPEB for all permanent full-time general and public safety employees of the County. The plan is a single-employer defined benefit OPEB plan administered by the County. Pursuant to Section 1-11-710/720 of the State Code of Laws, the County is allowed to provide OPEB benefits and establish and amend the benefit terms and financing requirements of the County. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Other postemployment benefits provided by the County include a retiree health insurance premium contribution plan that covers retirees.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Some retirees, who are referred to as “non-funded retirees,” are eligible for insurance but must pay the full premium, which includes the retiree share plus the employer contribution. These retirees worked in an insurance-eligible position prior to May 2, 2008, with an employer participating in the state insurance program and include:

- Employees who retire at age 55 with at least 25 years of retirement service credit (including at least 10 years of earned service credit with an employer that participates in the state insurance program). This is commonly referred to as the “55/25 rule.” These retirees must pay the full insurance premium until they reach age 60 or the date they would have had 28 years of service credit, whichever occurs first. At that time, they will be eligible for funded retiree rates. This rule applies only to SCRS participants.
- Employees who are eligible to retire and have at least five years, but fewer than 10 years, of earned SCRS service credit with a participating state insurance program employer.
- Former County Council members who served on Council for at least 12 years and were covered under the state’s plan when they left the Council. It is up to the County Council to decide whether to allow former members to have this coverage.

Whether you are a funded or a non-funded retiree, the following types of service do not count toward your earned service credit requirement for insurance eligibility: non-qualified, federal, military, out-of-state employment, educational service, leave of absence, unused sick leave or service with employers that do not participate in the state insurance program. Earned service credit does not include any purchased service credit not considered earned service in the retirement plans (e.g., non-qualified service) or service accrued with an employer that does not participate in the State Health Plan. Retirees under the retiree health plan prior to July 1, 2005, will be grandfathered into the system, with their (retiree) monthly premiums paid by the County. A retiree who has elected to cover their spouse and/or eligible dependent children will continue to be responsible for paying the entire cost of the dependent’s monthly insurance premium as set by the State Employee Insurance Program.

Employees Hired Before May 2, 2008

If you worked in an insurance-eligible position prior to May 2, 2008, with an employer participating in the state insurance program, your health insurance benefits in retirement are eligible for funding if you fall into one of these categories:

- Employees who leave employment when they are eligible to retire and have at least 10 years of earned service credit with Clarendon County.
- Employees who leave employment before they are eligible to retire and who have at least 20 years of earned SCRS service credit with Clarendon County. These employees are not eligible for insurance coverage until age 60 when they are eligible to receive a retirement check. Employees who qualify under the Police Officers Retirement System (PORS) become eligible at age 55.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Employees Hired on or After May 2, 2008

New retiree insurance provisions were created by Act 195 of 2008 that apply to new employees hired on or after May 2, 2008. At retirement, you must meet established insurance eligibility rules, and funding for your health insurance will be determined by calculating the number of years of earned service with an employer participating in the state insurance program.

These new funding provisions apply to SCRS and PORS participants, as follows:

- a) If an employee retires with 25 or more years of earned service credit with Clarendon County, the County pays 100 percent of the employer's share of the premium. The retiree pays the retiree's share.
- b) If an employee retires with 15 years, but fewer than 25 years of earned service credit with Clarendon County, the County pays 50 percent of the employer's share of the premium. The retiree pays the retiree's share plus the remaining 50 percent of the employer's contribution.
- c) If an employee retires with 5 years, but fewer than 15 years, of earned service credit with Clarendon County, the retiree pays the full premium. There is no County contribution.

Duty Death in Service/Non-Duty Death Retirement Benefits

Spouses or children who are covered as dependents under the State Health Plan must pay the full premium to continue coverage. Dental premiums are not waived; however, survivors can continue dental coverage by paying the full premium. County does not pay premiums for spouse or dependents that were covered by the employee at time of employees' death. Spouse or dependents pay premiums at survivor rate.

Duty and Non-Duty Disabled Retirement Benefits

Eligibility for health insurance is determined by the guidelines previously stated in Funded Retirees and Non-funded Retirees sections.

Benefits for Spouses of Eligible Retired Employees

Spouses of retired employees are eligible to receive retiree health care benefits. Retirees must pay the entire cost of the dependent's monthly insurance premium as set by the State Employee Insurance Program.

Vision Coverage

Retirees and covered dependents are eligible for the discount vision program the same as active regular full-time employees.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Dental Coverage

Retirees and covered dependents are eligible for dental benefits the same as active regular full-time employees.

Employees covered by benefit terms in the Plan as of June 30, 2022:

Inactive Plan members or beneficiaries	
currently receiving benefits	85
Active plan members	<u>298</u>
Total Plan members	<u>383</u>

The County's total OPEB liability of \$16,208,545 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022.

Funding Policy

The County established a policy to fund the "OPEB" Obligation on a pay-as-you-go basis "PAYGO" (no funding of the future obligation). The County will review the funding policy and contribution annually. No assets are accumulated in a Trust that meets the criteria in paragraph 4 of GASB Statement 75.

Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Individual entry-age Normal
Discount rate	3.69% as of June 30, 2022
Inflation	2.25%
Salary increases	3.5% to 10.5% for PORS and 3.0% to 9.5% 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 Systems (SCRS). For the OPEB valuation, the standard SCRS retirement rates were adjusted to reflect the impact of the County's retiree medical plan design.
Mortality	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with the following multipliers applied to the base tables: 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.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Actuarial Methods and Assumptions (continued)

Health care trend rates	6.0% decreasing to an ultimate rate of 4.0% over 13 years.
Participation rates	It was assumed that 90% of retirees who are eligible for the full County premium subsidy, 60% of retirees who are eligible for a partially funded County subsidy and 20% of retirees who are not eligible for any subsidy would choose to receive retiree health care benefits through the Plan.

Changes in the Total OPEB Liability

Balance at June 30, 2022	\$ 24,458,184
Changes for the year	
Service cost	1,412,315
Interest on the OPEB liability	477,543
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	(4,457,887)
Changes of assumptions	(5,096,984)
Benefit payments	<u>(584,626)</u>
Net change in total OPEB liability	<u>(8,249,639)</u>
Balance at June 30, 2023	<u>\$ 16,208,545</u>

Changes of assumptions reflect a change in the discount rate from 1.92% as of June 30, 2021, to 3.69% as of June 30, 2022.

The following table presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease 2.69%	Current Discount Rate Assumption 3.69%	1% Increase 4.69%
Total OPEB liability	\$ 18,831,661	\$ 16,208,545	\$ 14,099,937

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Changes in the Total OPEB Liability (continued)

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the Plan's total liability, calculated using the assumed trend rates as well as what the Plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	Current Healthcare cost		
	1% Decrease	Rate Assumption	1% Increase
Total OPEB liability	\$ 13,787,292	\$ 16,208,545	\$ 19,310,668

For the year ended June 30, 2023, the County recognized OPEB benefit of \$479,205.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 436,664	\$ 4,364,461
Changes in assumptions	3,729,330	4,807,037
Contributions subsequent to the measurement date	594,098	-
Total	<u>\$ 4,760,092</u>	<u>\$ 9,171,498</u>

The County reported deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. The difference between expected and actual experience and changes in assumptions are reported as deferred outflows (inflows) of resources and will be amortized over the average of the expected remaining service lives of all employees that are provided OPEB through the OPEB Plan (active and inactive members) determined as of the beginning of the measurement period. Average remaining service lives of all employees for purposes of recognizing the applicable deferred outflows and inflows of resources that are provided OPEB through the OPEB Plan at the June 30, 2022, measurement date was 7.1063 years.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Changes in the Total OPEB Liability (continued)

The following schedule reflects the amortization of the County's net balance of remaining deferred outflows/(inflows) at June 30, 2023:

<u>Year ending June 30,</u>	<u>Net Deferred Outflows/(Inflows)</u>
2024	\$ (816,555)
2025	(762,984)
2026	(509,355)
2027	(549,161)
2028	(959,815)
Thereafter	<u>(1,407,634)</u>
Total	<u>\$ (5,005,504)</u>

This space intentionally left blank.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 13 – FUND BALANCE REPORTING

The County has classified their fund balances with the following hierarchy: Nonspendable, Restricted, Committed, Assigned and Unassigned according to GASB Statement 54.

The County fund balance as of June 30, 2023, was classified as follows:

<u>Description</u>	<u>General Fund</u>	<u>Capital Projects</u>	<u>General County Debt Svc</u>	<u>Fire Rescue</u>	<u>C-Program Roads</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
Nonspendable:							
Inventory and prepaid	\$ 108,619	\$ -	\$ -	\$ 19,099	\$ -	\$ -	\$ 127,718
Restricted:							
LOST reserve	4,253,067	-	-	-	-	-	4,253,067
Local drug interdiction	-	-	-	-	-	600,834	600,834
Solicitor's office	-	-	-	-	-	165,497	165,497
Debt service	-	-	5,262,738	-	-	135,558	5,398,296
I-95 Megasite	32,092	-	-	-	-	-	32,092
911 Center improvements	-	-	-	-	-	1,013,758	1,013,758
Future capital projects	-	780,295	-	-	-	6,883	787,178
Committed:							
Road improvements	-	-	-	-	1,192,606	-	1,192,606
Assigned:							
Encumbrances	665,394	-	-	190,261	-	-	855,655
Fire protection	-	-	-	1,686,687	-	22,033	1,708,720
Facility improvements	-	14,534,372	-	-	-	-	14,534,372
Infrastructure fund	-	137,959	-	-	-	-	137,959
Law enforcement goodwill	905	-	-	-	-	-	905
Sex offender registry	28,500	-	-	-	-	-	28,500
Special taxing entities	-	-	-	-	-	2,671	2,671
Road improvements	-	-	-	-	5,255,566	-	5,255,566
Tourism related efforts	-	-	-	-	-	510,289	510,289
Clerk of Court Title IV-D	81,780	-	-	-	-	-	81,780
Clerk of Court discretion	8,690	-	-	-	-	-	8,690
Archives collection	2,466	-	-	-	-	-	2,466
Unassigned:	10,097,728	-	-	-	-	31,062	10,128,790
Total fund balances	\$ 15,279,241	\$ 15,452,626	\$ 5,262,738	\$ 1,896,047	\$ 6,448,172	\$ 2,488,585	\$ 46,827,409

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 14 – RISK MANAGEMENT

The County is exposed to various risks of loss and maintains elements of both self-insurance and purchased insurance policies divided into coverage for worker's compensation, property and casualty and employee health insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The County also pays insurance premiums to certain other commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy in accordance with insurance policy and benefit program limits. State funds accumulate assets and the State itself assumes substantially all risks for the following:

- 1) Claims of covered public employees for health and dental insurance benefits (Office of Insurance Services) and
- 2) Claims of covered public employees for long-term disability and group-life insurance benefits (Retirement System).

The County assumes the risk for unemployment compensation benefits by paying directly to the Employment Security Commission actual claims filed against the County.

Employees elect health coverage of either a health maintenance organization or through the State's self-insured plan. All other insurance coverages listed above are through the applicable State self-insured plan except dependent and optional life premiums which are remitted to commercial carriers.

The County has recorded insurance premium expenditures in the applicable functional expenditure categories of the unrestricted current funds. These expenditures do not include estimated claim losses and estimable premium adjustments.

The County has not reported a supplemental premium assessment expenditure, and the related liability at June 30, 2023, because the requirements of GASB Statement No. 10, which state that a liability for supplemental assessments must be reported if information prior to issuance of the financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred on or before June 30, 2023, and that the amount of the premium is reasonably estimable, have not been satisfied.

In management's opinion, supplemental premium assessments, if any, would not be significant enough to have a material adverse effect on the financial position of the County.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 15 – CONTINGENCIES AND COMMITMENTS

Grants:

The County participates in a number of federally assisted grant programs and state funded grant programs. These programs are subject to financial compliance audits by the County's auditors and by auditors of the federal or state grantor agencies. Upon audit, should it be determined that the County has failed to comply with applicable requirements of the grants, then some or all of the grant expenditures may be disallowed and a portion of the grant expenditures may become reimbursable to the grantor.

Construction Commitments:

In July, 2021, the County entered into a contract with an engineering firm in the amount of \$380,000 to design and project manage a waste water diversion project within the County. As of June 30, 2023, the County had incurred \$330,400 in engineering costs. In December, 2022, the County entered into a contract with a builder in the amount of \$2,306,322 (increased to \$2,559,029 in change orders). As of June 30, 2023, construction costs of \$1,815,406 had been incurred. The project is anticipated to be complete March, 2024.

In January, 2022, the County entered into a contract with an engineering firm in the amount of \$299,492 to design and project manage improvements to various paved roadways within the County. As of June 30, 2022, the County had incurred \$254,437 in engineering costs. In October, 2022, the County entered into a contract with a builder in the amount of \$1,960,441 to make associated roadway improvements. As of June 30, 2023, construction costs incurred were \$812,890. The project is anticipated to be complete November, 2023.

In January, 2023, the County entered into a contract with a builder for the construction of a drive-up window at the library in the amount of \$104,125 (increased to \$111,008 after change orders). As of June 30, 2023, construction costs incurred were \$104,125. The project was completed September, 2023.

In February, 2023, the County entered into a contract with a builder in the amount of \$394,000 for improvements to an above ground water storage tank and associated buster pump. As of June 30, 2023, the County had incurred \$280,575 in costs. The project was completed in November, 2023.

In May, 2023, the County entered into an engineering contract in the amount of \$145,500 to perform a "Due Diligence" study of three (3) potential property sites for future development. As of June 30, 2023, the County had incurred \$37,500 in costs. The study was completed in August, 2023.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 16 – TAX ABATEMENT DISCLOSURES

As of June 30, 2023, the County provides tax incentives under its various Fee in Lieu of Tax Agreements (FILO) and Special Source Revenue Credits. The purpose of both programs is the retention of jobs, job growth and/or capital investment. The County has entered into fee in lieu of tax 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. Generally, the taxpayer must invest at least \$2.5 million within a 5 - 6-year period, beginning with the date the property is placed in service and ending five years after the last day of the property tax year in which the property is initially placed in service. For the fiscal year ended June 30, 2023, the County abated property taxes totaling \$5,719,006 under its various fee in lieu of tax agreements.

In addition, the County provides 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 – 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. Generally, the SSRCs are utilized to offset costs of design, acquiring, construction, improving, or expanding improved or unimproved real estate and personal property used in the operation of a manufacturing or commercial enterprise, or infrastructure serving the project. For the fiscal year ended June 30, 2023, the County abated property taxes totaling \$1,460,419 under its special source revenue credits.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 17 – PRIOR PERIOD ADJUSTMENTS

The net position/fund balance as of June 30, 2022, was restated as follows:

Primary Government	Net Position Governmental Activities	Fund Balance	
		Governmental Funds	General Fund
		<u>GAAP Basis</u>	<u>Budgetary Basis</u>
Net position/fund balance as originally presented, June 30, 2022	\$ 7,535,412	\$ 24,682,349	\$ 11,457,390
Grant receivable posted as revenue when received	(49,444)	(49,444)	(49,444)
Program expense (SRO) not accrued in FY2022	(71,535)	(71,535)	(71,535)
Integration of library operations (formerly Component Unit)	74,017	74,017	-
Net position/fund balance as restated, June 30, 2022	<u>\$ 7,488,450</u>	<u>\$ 24,635,387</u>	<u>\$ 11,336,411</u>

NOTE 18 – SUBSEQUENT EVENTS

In July 2023, the County issued \$350,000 Capital Lease (lease/purchase agreement) to purchase vehicles for use in law enforcement patrol and detention center transport. Due in monthly installments beginning January 1, 2024, of \$6,661 (includes interest) and ending December 1, 2028. Interest accrues at a rate of 4.59%.

In October 2023, the County issued a \$4,385,000 Enterprise Charge Limited Obligation Refunding Revenue Bond Series 2023. A portion of the net proceeds are in escrow and will be used to pay off the balance of the \$2,250,000 Enterprise Charge Limited Obligation Refunding Revenue Bond Series 2019 (Weldon Auditorium) in January, 2024. The balance of proceeds will be used to effect improvements to Weldon Auditorium. Due in annual instalments beginning July 1, 2024, of \$100,000 and ending July 1, 2043, of \$340,000. Interest accrues at 5.09% and is payable semi-annually on January 1 and July 1 each year until maturity. Revenue from the County's Hospitality charge has been dedicated for required debt service.

The American Rescue Plan Act of 2021 (ARPA) included funding to states, counties and municipalities throughout the country via the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). The County has been allocated \$6.6 million, funded in equal amounts over two years. County Council has identified numerous projects to utilize the funds over the next several years. All ARPA/SLFRF funding must be fully obligated by December 31, 2024, and subsequently, fully disbursed by December 31, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

CLARENDON COUNTY
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST 10 FISCAL YEARS ENDING JUNE 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service Cost	\$ 1,412,315	\$ 1,156,404	\$ 881,722	\$ 739,007	\$ 740,010	\$ 903,965	N/A *	N/A *	N/A *	N/A *
Interest	477,543	527,095	541,205	550,513	629,848	541,509	N/A *	N/A *	N/A *	N/A *
Changes in Benefit Terms	-	-	-	-	(2,260,857)	-	-	-	-	-
Differences Between Expected and Actual										
Experience	(4,457,887)	(8,368)	667,061	(3,908)	(1,624,020)	207,669	N/A *	N/A *	N/A *	N/A *
Changes of Assumptions or Other Inputs	(5,096,984)	2,117,227	2,514,306	1,212,615	520,199	(1,889,754)	N/A *	N/A *	N/A *	N/A *
Benefit Payments	(584,626)	(540,122)	(496,739)	(475,748)	(503,213)	(564,603)	N/A *	N/A *	N/A *	N/A *
Net Change in Total OPEB Liability	(8,249,639)	3,252,236	4,107,555	2,022,479	(2,498,033)	(801,214)	N/A *	N/A *	N/A *	N/A *
Total OPEB Liability - Beginning	24,458,184	21,205,948	17,098,394	15,075,915	17,573,948	18,375,162	N/A *	N/A *	N/A *	N/A *
Total OPEB Liability - Ending	<u>\$ 16,208,545</u>	<u>\$ 24,458,184</u>	<u>\$ 21,205,949</u>	<u>\$ 17,098,394</u>	<u>\$ 15,075,915</u>	<u>\$ 17,573,948</u>	N/A *	N/A *	N/A *	N/A *
Covered - Employee Payroll	\$ 13,412,445	\$ 12,642,389	\$ 10,470,906	\$ 9,958,111	\$ 9,655,694	\$ 9,559,233	N/A *	N/A *	N/A *	N/A *
Total OPEB Liability as a Percentage of Covered - Employee Payroll	120.85%	193.46%	202.52%	171.70%	156.13%	183.84%	N/A *	N/A *	N/A *	N/A *

*N/A Not Available - This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Notes to Schedule

The discount rate was updated from 2.45% to 1.92 % as of June 30, 2021.

Medical per capita costs were changed to the rates shown above based on updated premium information and census data.

The mortality table was updated from 2020 Public Retirees of SC MortalityTables for males and females.

The retirement rates were updated to reflect the rates used for "General Employees" in the South Carolina Retirement System Actuarial Valuation as of July 1, 2019.

See Independent Auditor's Report on Required Supplementary Information

CLARENDON COUNTY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS (OPEB)

LAST 10 FISCAL YEARS ENDING JUNE 30

Fiscal Year	Employer Contribution Information									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Determined Employer Contribution	\$ 594,098	\$ 584,626	\$ 540,122	\$ 496,739	\$ 475,748	\$ 513,099	N/A *	N/A *	N/A *	N/A *
Actual Employer Contribution	\$ (594,098)	\$ (584,626)	\$ (540,122)	\$ (496,739)	\$ (475,748)	\$ (513,099)	N/A *	N/A *	N/A *	N/A *
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A *	N/A *	N/A *	N/A *
Covered - Employee payroll	\$ 13,412,445	\$ 12,642,389	\$ 11,768,419	\$ 10,470,906	\$ 9,958,111	\$ 9,655,694	N/A *	N/A *	N/A *	N/A *
Contributions as Percent of Covered Payroll	4.43%	4.62%	4.59%	4.74%	4.78%	5.37%	N/A *	N/A *	N/A *	N/A *

* N/A Available - This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

See Independent Auditor's Report on Required Supplementary Information

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (SCRS) and (PORS)
Last 10 Fiscal Years

SCRS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.048065%	0.049288%	0.048691%	0.048676%	0.049312%	0.049605%	0.051076%	0.050338%	0.051777%	0.051777%
County's proportionate share of the net pension liability (asset)	\$ 11,651,989	\$ 10,666,596	\$ 12,441,421	\$ 11,114,808	\$ 11,049,215	\$ 11,166,883	\$ 10,909,758	\$ 9,546,844	\$ 8,914,283	\$ 9,286,947
County's covered-employee payroll	\$ 6,660,878	\$ 5,572,683	\$ 5,432,149	\$ 5,140,294	\$ 5,108,606	\$ 4,991,257	\$ 4,946,164	\$ 4,719,753	\$ 4,700,195	\$ 4,010,728
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	174.93%	191.41%	229.03%	216.23%	216.29%	223.73%	220.57%	202.27%	189.66%	231.55%
Plan fiduciary net position as a percentage of the total pension liability	57.10%	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%	56.40%
PORS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.485850%	0.477380%	0.339828%	0.329710%	0.324085%	0.332450%	0.348660%	0.344100%	0.343190%	0.343190%
County's proportionate share of the net pension liability (asset)	\$ 14,570,515	\$ 12,282,573	\$ 11,269,427	\$ 9,449,383	\$ 9,183,074	\$ 9,107,560	\$ 8,843,800	\$ 7,499,560	\$ 6,570,219	\$ 7,114,338
County's covered-employee payroll	\$ 8,769,949	\$ 7,178,310	\$ 5,133,611	\$ 4,782,357	\$ 4,485,815	\$ 4,476,972	\$ 4,445,013	\$ 4,262,881	\$ 4,127,257	\$ 3,341,860
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	166.14%	171.11%	219.52%	197.59%	204.71%	203.43%	198.96%	175.93%	159.19%	212.89%
Plan fiduciary net position as a percentage of the total pension liability	66.40%	70.40%	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.50%	63.00%

NA* - Not Available

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

Source: Audit report on the schedules of employer allocations, schedules of pension amounts by employer, and related notes of the South Carolina Retirement Systems, as administered by the SC Public Employee Benefits Authority for the year ended June 20, 2021.

See Independent Auditor's Report on Required Supplementary Information

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS (SCRS) and (PORS)

Last 10 Fiscal Years

SCRS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,169,650	\$ 947,797	\$ 867,109	\$ 845,242	\$ 748,427	\$ 692,727	\$ 576,989	\$ 547,030	\$ 514,453	\$ 498,271
Contributions in relation to the contractually required contribution	<u>\$ (1,169,650)</u>	<u>\$ (947,797)</u>	<u>\$ (867,109)</u>	<u>\$ (845,242)</u>	<u>\$ (748,427)</u>	<u>\$ (692,727)</u>	<u>\$ (576,989)</u>	<u>\$ (547,030)</u>	<u>\$ (514,453)</u>	<u>\$ (498,271)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 6,660,878	\$ 5,723,413	\$ 5,572,683	\$ 5,432,149	\$ 5,140,294	\$ 5,108,606	\$ 4,991,257	\$ 4,946,164	\$ 4,719,753	\$ 4,700,195
Contributions as a percentage of covered-employee payroll	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%	10.60%
PORS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,775,038	\$ 1,479,370	\$ 1,309,324	\$ 936,371	\$ 824,478	\$ 728,497	\$ 637,524	\$ 610,745	\$ 571,651	\$ 530,004
Contributions in relation to the contractually required contribution	<u>\$ (1,775,038)</u>	<u>\$ (1,479,370)</u>	<u>\$ (1,309,324)</u>	<u>\$ (936,371)</u>	<u>\$ (824,478)</u>	<u>\$ (728,497)</u>	<u>\$ (637,524)</u>	<u>\$ (610,745)</u>	<u>\$ (571,651)</u>	<u>\$ (530,004)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 8,769,949	\$ 7,688,032	\$ 7,178,310	\$ 5,133,611	\$ 4,782,357	\$ 4,485,815	\$ 4,476,972	\$ 4,445,013	\$ 4,262,881	\$ 4,127,257
Contributions as a percentage of covered-employee payroll	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%	12.84%

NA* - Not Available

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

Source: County quarterly retirement contribution reports.

See Independent Auditor's Report on Required Supplementary Information

COMBINING AND INDIVIDUAL FUND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Bureau of Tourism Accommodations	To account for the County's portion of accommodations taxes.
Hospitality Tax	To account for the County's collection of hospitality taxes.
Library	To account for the County's operation of the Harvin Clarendon County Library.
Drug Enforcement and Other Sheriff's Funds	To account for restricted revenues received by the Sheriff.
Special Purpose District	To account for ad valorem taxes collected to be used for F. E. DuBose Career Center (vocational training).
E-911	To account for fees collected by telephone companies to be used to provide emergency assistance through the nationwide 911 system.
Emergency Services Tax District	To account for the accumulation of ad valorem taxes to pay the costs associated with provision of EMS services throughout county.
Victims Advocate	To account for state assessments and surcharges on fines to be used for victim services.
Third Circuit Drug Court	To account for restricted revenue for operation of drug court.

DEBT SERVICE FUNDS

Fire Protection	To account for the accumulation of ad valorem taxes to pay the principal, interest, and fiscal charges.
-----------------	---

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

ASSETS

Cash and cash equivalents
 Accounts receivable
 Due from other funds
 Due from other governments
 Delinquent taxes receivable

	Special Revenue						E-911
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	Library Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose District		
Cash and cash equivalents	\$ 56,364	\$ 397,967	\$ 100,255	\$ 591,473	\$ -	\$ 993,338	
Accounts receivable	-	60,116	-	-	-	-	8,954
Due from other funds	-	-	-	9,361	-	-	-
Due from other governments	-	-	-	-	-	-	27,546
Delinquent taxes receivable	-	-	19,745	-	49,427	-	-
Total Assets	\$ 56,364	\$ 458,083	\$ 120,000	\$ 600,834	\$ 49,427	\$ 1,029,838	

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES, AND FUND BALANCES**

Liabilities:

Accounts payable
 Due to other funds
 Total Liabilities

Accounts payable	\$ 791	\$ 3,367	\$ 69,620	\$ -	\$ -	\$ 16,080	
Due to other funds	-	-	-	-	1,747	-	-
Total Liabilities	791	3,367	69,620	-	1,747	-	16,080

Deferred Inflows of Resources:

Unavailable Revenue - Property Taxes
 Total Deferred Inflows of Resources

Unavailable Revenue - Property Taxes	-	-	12,435	-	45,009	-	
Total Deferred Inflows of Resources	-	-	12,435	-	45,009	-	

Fund Balances:

Restricted
 Assigned

Restricted	-	-	-	-	-	-	
Assigned	55,573	454,716	37,945	600,834	2,671	1,013,758	
Total Fund	55,573	454,716	37,945	600,834	2,671	1,013,758	

**Total Liabilities, Deferred Inflows of
Resources, and Fund Balances**

Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 56,364	\$ 458,083	\$ 120,000	\$ 600,834	\$ 49,427	\$ 1,029,838	
--	------------------	-------------------	-------------------	-------------------	------------------	---------------------	--

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue			Debt Service		Total Nonmajor Governmental Funds
	Emergency Services Fund	Victims Advocate Fund	Third Circuit Drug Court	Fire Protection		
ASSETS						
Cash and cash equivalents	\$ -	\$ 78	\$ 174,096	\$ 134,281	\$ 2,447,852	
Accounts receivable	-	37	-	-	-	69,107
Due from other funds	-	-	-	-	-	9,361
Due from other governments	-	-	-	-	-	27,546
Delinquent taxes receivable	<u>73,629</u>	<u>-</u>	<u>-</u>	<u>7,368</u>	<u>-</u>	<u>150,169</u>
Total Assets	<u>\$ 73,629</u>	<u>\$ 115</u>	<u>\$ 174,096</u>	<u>\$ 141,649</u>	<u>\$ 2,704,035</u>	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 115	\$ 8,599	\$ -	\$ 98,572	
Due to other funds	-	-	-	-	-	1,747
Total Liabilities	<u>-</u>	<u>115</u>	<u>8,599</u>	<u>-</u>	<u>-</u>	<u>100,319</u>
Deferred Inflows of Resources:						
Unavailable Revenue - Property Taxes	<u>51,596</u>	<u>-</u>	<u>-</u>	<u>6,091</u>	<u>-</u>	<u>115,131</u>
Total Deferred Inflows of Resources	<u>51,596</u>	<u>-</u>	<u>-</u>	<u>6,091</u>	<u>-</u>	<u>115,131</u>
Fund Balances:						
Restricted	-	-	-	-	-	-
Assigned	<u>22,033</u>	<u>-</u>	<u>165,497</u>	<u>135,558</u>	<u>-</u>	<u>2,488,585</u>
Total Fund Balances	<u>22,033</u>	<u>-</u>	<u>165,497</u>	<u>135,558</u>	<u>-</u>	<u>2,488,585</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 73,629</u>	<u>\$ 115</u>	<u>\$ 174,096</u>	<u>\$ 141,649</u>	<u>\$ 2,704,035</u>	

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue						E-911
	Bureau of Tourism Accommodation Fund	Hospitality Tax Fund	Library Fund	Drug Enforcement and Other Sheriff's Fund	Special Purpose District		
REVENUES							
Taxes	\$ -	\$ 487,651	\$ 535,820	\$ -	\$ 314,404	\$ -	\$ -
Intergovernmental	180,249	-	150,000	-	-	-	153,703
Charges for services	-	-	-	-	-	-	110,305
Fines and forfeitures	-	-	16,745	80,510	-	-	-
Interest	181	11,942	1,084	15,767	-	-	45,747
Miscellaneous	-	-	10,587	-	-	-	-
Total Revenues	180,430	499,593	714,236	96,277	314,404	309,755	
EXPENDITURES							
Current:							
General government	-	-	-	-	311,961	-	-
Public safety	-	-	-	10,767	-	362,283	
Culture/Recreation	205,867	83,900	646,183	-	-	-	-
Court related	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-	-
Capital outlay	14,682	-	104,125	28,400	-	-	-
Total Expenditures	220,549	83,900	750,308	39,167	311,961	362,283	
Excess of revenues over (under) expenditures	(40,119)	415,693	(36,072)	57,110	2,443	(52,528)	
OTHER FINANCING SOURCES (USES)							
Transfers in (out)	-	(264,400)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(264,400)	-	-	-	-	-
Net change in fund balances	(40,119)	151,293	(36,072)	57,110	2,443	(52,528)	
Fund balances at beginning of year	95,692	303,423	74,017	543,724	228	1,066,286	
Fund balances at end of year	\$ 55,573	\$ 454,716	\$ 37,945	\$ 600,834	\$ 2,671	\$ 1,013,758	

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue			Debt Service		Total Nonmajor Governmental Funds
	Emergency Services Fund	Victims Advocate Fund	Third Circuit Drug Court	Fire Protection		
REVENUES						
Taxes	\$ 1,825,267	\$ -	\$ -	\$ 110,374	\$ -	3,273,516
Intergovernmental	-	13,939	280,000	-	-	777,891
Charges for services	-	-	-	-	-	110,305
Fines and forfeitures	-	38,534	-	-	-	135,789
Interest	-	-	2,376	3,638	-	80,735
Miscellaneous	-	-	-	-	-	10,587
Total Revenues	1,825,267	52,473	282,376	114,012		4,388,823
EXPENDITURES						
Current:						
General government	-	-	-	-	-	311,961
Public safety	-	137,090	-	-	-	510,140
Culture/Recreation	-	-	-	-	-	935,950
Court related	-	-	276,349	-	-	276,349
Debt service:						
Principal	-	-	-	81,119	-	81,119
Interest and fees	-	-	-	24,044	-	24,044
Capital outlay	-	-	-	-	-	147,207
Total Expenditures	-	137,090	276,349	105,163		2,286,770
Excess of revenues over (under) expenditures	1,825,267	(84,617)	6,027	8,849		2,102,053
OTHER FINANCING SOURCES (USES)						
Transfers in (out)	(1,825,343)	84,616	(5,000)	-	-	(2,010,127)
Total Other Financing Sources (Uses)	(1,825,343)	84,616	(5,000)	-		(2,010,127)
Net change in fund balances	(76)	(1)	1,027	8,849		91,926
Fund balances at beginning of year	22,109	1	164,470	126,709		2,396,659
Fund balances at end of year	\$ 22,033	\$ -	\$ 165,497	\$ 135,558		\$ 2,488,585

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)				
	Original	Final								
REVENUES										
Taxes										
Real estate taxes	\$ 11,169,100	\$ 11,169,100	\$ 13,318,914	\$ -	\$ 13,318,914	\$ 2,149,814				
Local option sales tax	3,700,000	3,700,000	4,287,352	-	4,287,352	587,352				
Vehicle taxes	2,178,710	2,178,710	2,183,836	-	2,183,836	5,126				
Watercraft taxes	337,190	337,190	358,228	-	358,228	21,038				
Delinquent taxes	1,200,000	1,200,000	1,180,183	-	1,180,183	(19,817)				
Local accommodations	250,000	250,000	333,857	-	333,857	83,857				
Payment in lieu of taxes	50,000	50,000	62,344	-	62,344	12,344				
Treasurer's cost to cities	32,000	32,000	30,161	-	30,161	(1,839)				
Payment in lieu - motor carrier	293,300	293,300	446,145	-	446,145	152,845				
Total taxes	19,210,300	19,210,300	22,201,020	-	22,201,020	2,990,720				
Licenses and permits										
Moving permits	3,100	3,100	2,005	-	2,005	(1,095)				
Building permits	187,920	187,920	192,499	-	192,499	4,579				
Total licenses and permits	191,020	191,020	194,504	-	194,504	3,484				
Charges for services										
Assessors fees	1,500	1,500	500	-	500	(1,000)				
Master in Equity fees	4,000	4,000	2,575	-	2,575	(1,425)				
Probate fees	65,000	65,000	82,150	-	82,150	17,150				
Planning and public service fees	13,000	13,000	12,275	-	12,275	(725)				
ROD fees and charges	225,000	225,000	274,021	-	274,021	49,021				
Coroner fees	500	500	600	-	600	100				
Animal control fees	1,800	1,800	380	-	380	(1,420)				
Landfill fees	290,000	290,000	388,982	-	388,982	98,982				
Solid Waste user fee	875,000	875,000	899,312	-	899,312	24,312				
County road user fee	495,000	495,000	473,571	-	473,571	(21,429)				
Municipal law enforcement	193,000	193,000	193,035	-	193,035	35				
Municipal inmate housing	5,000	5,000	10,241	-	10,241	5,241				
Total charges for services	2,168,800	2,168,800	2,337,642	-	2,337,642	168,842				
Fines and forfeitures										
Clerk of court fines and fees	118,000	118,000	133,069	-	133,069	15,069				
Magistrate fines and fees	215,000	215,000	208,963	-	208,963	(6,037)				
Sex offender registry fees	7,000	7,000	13,600	-	13,600	6,600				
Sheriff's fines and fees	3,200	3,200	2,445	-	2,445	(755)				
	343,200	343,200	358,077	-	358,077	14,877				
Investment income										
	13,000	13,000	352,280	-	352,280	339,280				
Miscellaneous										
Hangar rent	53,000	53,000	55,510	-	55,510	2,510				
Multi-County Industrial Park	85,000	85,000	155,347	-	155,347	70,347				
Miscellaneous revenue	190,000	190,000	185,565	-	185,565	(4,435)				
Recreation Programs	69,000	69,000	84,606	-	84,606	15,606				
Franchise fees	110,000	110,000	109,479	-	109,479	(521)				
Contributions	8,500	8,500	-	-	-	(8,500)				
	515,500	515,500	590,507	-	590,507	75,007				

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual GAAP Basis	Adjustments	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Intergovernmental						
State						
Accommodations tax	35,000	35,000	34,487	-	34,487	(513)
Merchant's inventory tax	48,910	48,910	48,909	-	48,909	(1)
Solid waste tire fees	22,000	22,000	23,202	-	23,202	1,202
State aid and allocations	1,650,000	1,650,000	1,653,973	-	1,653,973	3,973
Election commission	82,500	82,500	48,048	-	48,048	(34,452)
Clerk/Sheriff/Probate Judge supplements	7,870	7,870	48,150	-	48,150	40,280
Coroner Review Board	-	-	34,783	-	34,783	34,783
Body worn cameras	-	-	25,102	-	25,102	25,102
EMS Grant in aid	-	-	7,648	-	7,648	7,648
School Resource Officers	-	-	339,015	-	339,015	339,015
State library grants	-	-	28,500	-	28,500	28,500
State opiate grants	-	-	34,100	-	34,100	34,100
Waste oil grant(s)	-	-	34,718	-	34,718	34,718
Waste tire grant(s)	-	-	53,910	-	53,910	53,910
Solid waste grant(s)	-	-	3,813	-	3,813	3,813
V-Safe fire protection	-	-	25,991	-	25,991	25,991
Federal						
Veterans affairs	4,800	4,800	5,066	-	5,066	266
Marshal's service - inmate housing	400,000	400,000	580,126	-	580,126	180,126
Dept. Interior	30,000	30,000	37,299	-	37,299	7,299
Title IV-D Clerk of Court	165,000	165,000	112,311	-	112,311	(52,689)
Title IV-D Sheriff	7,500	7,500	5,859	-	5,859	(1,641)
DSS - Revenue	35,000	35,000	81,821	-	81,821	46,821
Emergency management grants	-	-	62,356	-	62,356	62,356
Bullet proof vest programs	-	-	540	-	540	540
Cares Act	-	-	22,358	-	22,358	22,358
FEMA BRIC mitigation	-	-	33,698	-	33,698	33,698
ARPA Airport	-	-	7,601	-	7,601	7,601
ARPA Library	-	-	3,032	-	3,032	3,032
Airport improvement program	-	-	41,034	-	41,034	41,034
Justice Assistance grants	-	-	79,364	-	79,364	79,364
	2,488,580	2,488,580	3,516,814	-	3,516,814	1,028,234
TOTAL REVENUES	\$ 24,930,400	\$ 24,930,400	\$ 29,550,844	\$ -	\$ 29,550,844	\$ 4,620,444

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
General Government and Administration:						
Administration:						
Salaries and related Operations	\$ 460,060	\$ 480,190	476,398	\$ -	\$ 476,398	\$ 3,792
	32,200	32,200	28,982	-	28,982	3,218
	<u>492,260</u>	<u>512,390</u>	<u>505,380</u>	<u>-</u>	<u>505,380</u>	<u>7,010</u>
County Council:						
Salaries and related Operations	155,240	160,850	158,417	-	158,417	2,433
	11,280	11,280	15,266	82,276	97,542	(86,262)
	<u>166,520</u>	<u>172,130</u>	<u>173,683</u>	<u>82,276</u>	<u>255,959</u>	<u>(83,829)</u>
Assessor:						
Salaries and related Operations	551,060	566,630	343,043	-	343,043	223,587
	95,070	95,070	107,828	-	107,828	(12,758)
	<u>646,130</u>	<u>661,700</u>	<u>450,871</u>	<u>-</u>	<u>450,871</u>	<u>210,829</u>
Auditor:						
Salaries and related Operations	225,810	234,100	206,188	-	206,188	27,912
	12,410	12,410	12,228	-	12,228	182
	<u>238,220</u>	<u>246,510</u>	<u>218,416</u>	<u>-</u>	<u>218,416</u>	<u>28,094</u>
Treasurer:						
Salaries and related Operations	352,670	365,250	373,768	-	373,768	(8,518)
	93,310	93,310	101,728	-	101,728	(8,418)
	<u>445,980</u>	<u>458,560</u>	<u>475,496</u>	<u>-</u>	<u>475,496</u>	<u>(16,936)</u>
Finance:						
Salaries and related Operations	302,100	315,000	308,399	-	308,399	6,601
	9,730	9,730	10,260	-	10,260	(530)
	<u>311,830</u>	<u>324,730</u>	<u>318,659</u>	<u>-</u>	<u>318,659</u>	<u>6,071</u>
Human Resources:						
Salaries and related Operations	189,310	197,650	198,224	-	198,224	(574)
	14,740	14,740	8,560	-	8,560	6,180
	<u>204,050</u>	<u>212,390</u>	<u>206,784</u>	<u>-</u>	<u>206,784</u>	<u>5,606</u>
Grants Administration						
Salaries and related Operations	133,270	139,070	136,425	-	136,425	2,645
	5,330	5,330	4,015	-	4,015	1,315
	<u>138,600</u>	<u>144,400</u>	<u>140,440</u>	<u>-</u>	<u>140,440</u>	<u>3,960</u>
Procurement						
Salaries and related Operations	137,090	167,996	186,631	-	186,631	(18,635)
	12,500	12,500	9,983	-	9,983	2,517
	<u>149,590</u>	<u>180,496</u>	<u>196,614</u>	<u>-</u>	<u>196,614</u>	<u>(16,118)</u>
Voter Registration:						
Salaries and related Operations	214,280	220,310	198,628	-	198,628	21,682
	128,640	128,640	88,034	7,877	95,911	32,729
	<u>342,920</u>	<u>348,950</u>	<u>286,662</u>	<u>7,877</u>	<u>294,539</u>	<u>54,411</u>
Information Technology:						
Salaries and related Operations	120,830	126,440	129,409	-	129,409	(2,969)
	519,220	519,220	444,805	34,904	479,709	39,511
	<u>640,050</u>	<u>645,660</u>	<u>574,214</u>	<u>34,904</u>	<u>609,118</u>	<u>36,542</u>
Veterans Affairs:						
Salaries and related Operations	72,440	75,370	72,198	-	72,198	3,172
	7,950	7,950	3,915	-	3,915	4,035
	<u>80,390</u>	<u>83,320</u>	<u>76,113</u>	<u>-</u>	<u>76,113</u>	<u>7,207</u>

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Nondepartmental Expenditures:						
Special Projects	287,600	137,600	183,258	10,151	193,409	(55,809)
Capital project sales tax referendum	50,000	50,000	19,000	-	19,000	31,000
Contract Security	82,000	82,000	106,460	-	106,460	(24,460)
Legal Assistance	35,000	35,000	83,441	-	83,441	(48,441)
Rent - Judicial Annex	108,000	108,000	104,301	-	104,301	3,699
Rent - Election Commission	60,000	15,500	-	-	-	15,500
Workmen's compensation	180,000	180,000	172,227	-	172,227	7,773
Audit fee	47,000	47,000	47,608	-	47,608	(608)
Unemployment	15,000	15,000	2,074	-	2,074	12,926
Electricity	425,000	425,000	437,330	-	437,330	(12,330)
Contractual services	100,000	100,000	134,543	-	134,543	(34,543)
Printing and postage	112,000	112,000	85,425	-	85,425	26,575
Christmas bonus	35,000	35,000	32,286	-	32,286	2,714
Property and liability insurance	569,000	569,000	567,293	-	567,293	1,707
Drug screening	11,500	11,500	10,884	-	10,884	616
Water	45,000	45,000	45,434	-	45,434	(434)
Retirees' insurance	550,000	550,000	608,707	-	608,707	(58,707)
Telephone	234,000	234,000	243,671	-	243,671	(9,671)
Personnel	279,430	219,303	-	-	-	219,303
Holiday compensation	-	-	140	-	140	(140)
Retirement expense	500	500	25	-	25	475
FICA expense	3,100	3,550	3,239	-	3,239	311
Police retirement	1,500	1,510	154	-	154	1,356
Bank fees and charges	37,500	37,500	50,430	-	50,430	(12,930)
	<u>3,268,130</u>	<u>3,013,963</u>	<u>2,937,930</u>	<u>10,151</u>	<u>2,948,081</u>	<u>65,882</u>
Grant Expense:						
State						
Palmetto Pride	-	-	-	-	-	-
Body worn cameras	-	-	26,909	-	26,909	(26,909)
EMS Grant in aid	-	-	7,940	-	7,940	(7,940)
School Resource Officers	-	-	337,536	-	337,536	(337,536)
Waste oil grant(s)	-	-	16,972	-	16,972	(16,972)
Waste tire grant(s)	-	-	213,409	-	213,409	(213,409)
Solid waste grant(s)	-	-	17,447	-	17,447	(17,447)
V-Safe fire protection	-	-	25,991	-	25,991	(25,991)
SC Library grants	-	-	28,883	-	28,883	(28,883)
SC opioid response grant	-	-	34,100	-	34,100	(34,100)
Federal						
Emergency management grants	-	-	37,567	-	37,567	(37,567)
Bullet proof vest programs	-	-	3,397	-	3,397	(3,397)
Cares Act	-	-	5,925	-	5,925	(5,925)
FEMA BRIC grant	-	-	44,930	-	44,930	(44,930)
COVID mitigation	-	-	19,930	-	19,930	(19,930)
ARPA Airport	-	-	7,601	-	7,601	(7,601)
ARPA Library	-	-	3,110	-	3,110	(3,110)
Airport improvement program	-	-	39,044	-	39,044	(39,044)
Justice Assistance grants	-	-	27,547	-	27,547	(27,547)
	<u>-</u>	<u>-</u>	<u>898,238</u>	<u>-</u>	<u>898,238</u>	<u>(898,238)</u>
Total General Government and Administration	<u>7,124,670</u>	<u>7,005,199</u>	<u>7,459,500</u>	<u>135,208</u>	<u>7,594,708</u>	<u>(589,509)</u>

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Court Related:						
Clerk of Court:						
Salaries and related Operations	201,640	210,840	221,186	-	221,186	(10,346)
36,630	36,630	30,392	-	30,392	6,238	
	238,270	247,470	251,578	-	251,578	(4,108)
Magistrates:						
Salaries and related Operations	529,870	547,825	516,046	-	516,046	31,779
32,400	32,400	24,955	-	24,955	7,445	
	562,270	580,225	541,001	-	541,001	39,224
Probate Judge:						
Salaries and related Operations	200,990	210,040	219,701	-	219,701	(9,661)
13,880	13,880	9,406	1,957	11,363	2,517	
	214,870	223,920	229,107	1,957	231,064	(7,144)
Family Court:						
Salaries and related Operations	149,130	155,760	153,095	-	153,095	2,665
8,000	8,000	9,040	-	9,040	(1,040)	
	157,130	163,760	162,135	-	162,135	1,625
Register of Deeds:						
Salaries and related Operations	95,020	99,200	113,414	-	113,414	(14,214)
301,630	301,630	140,402	150,398	290,800	10,830	
	396,650	400,830	253,816	150,398	404,214	(3,384)
Master in Equity:						
Salaries and related Operations	40,550	41,780	40,911	-	40,911	869
10,420	10,420	9,665	-	9,665	755	
	50,970	52,200	50,576	-	50,576	1,624
Title IV-D Funds - Clerk of Court:						
Salaries and related Operations	129,000	133,940	135,846	-	135,846	(1,906)
10,500	10,500	1,796	-	1,796	8,704	
	139,500	144,440	137,642	-	137,642	6,798
Circuit Court Judges:						
Allowance	750	750	135	-	135	615
Solicitor:						
Allowance	186,250	186,250	186,250	-	186,250	-
Public Defender:						
Allowance	138,050	138,050	138,050	-	138,050	-
	325,050	325,050	324,435	-	324,435	615
	Total Court Related	2,084,710	2,137,895	1,950,290	152,355	35,250
Public Safety:						
Sheriff:						
Salaries and related Operations	3,965,520	4,128,666	4,254,398	-	4,254,398	(125,732)
933,900	933,900	1,040,429	(136,689)	903,740	30,160	
	4,899,420	5,062,566	5,294,827	(136,689)	5,158,138	(95,572)
Title IV-D Funds - Sheriff:						
Operations	9,000	9,000	7,398	-	7,398	1,602
	9,000	9,000	7,398	-	7,398	1,602
Emergency Preparedness:						
Salaries and related Operations	74,900	78,080	96,973	-	96,973	(18,893)
14,250	14,250	9,449	(1,728)	7,721	6,529	
	89,150	92,330	106,422	(1,728)	104,694	(12,364)
Correctional Center:						
Salaries and related Operations	2,205,950	2,288,080	2,093,973	-	2,093,973	194,107
638,360	638,360	942,227	(209,565)	732,662	(94,302)	
	2,844,310	2,926,440	3,036,200	(209,565)	2,826,635	99,805

CLARENCE COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>	<u>Actual Budget Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>				<u>Favorable (Unfavorable)</u>
Coroner:						
Salaries and related Operations	140,860	144,530	106,656	-	106,656	37,874
	136,800	136,800	163,343	-	163,343	(26,543)
	277,660	281,330	269,999	-	269,999	11,331
Communications:						
Salaries and related Operations	979,840	1,012,440	948,304	-	948,304	64,136
	4,500	4,500	7,525	-	7,525	(3,025)
	984,340	1,016,940	955,829	-	955,829	61,111
Total Public Safety	9,103,880	9,388,606	9,670,675	(347,982)	9,322,693	65,913
Physical Environment:						
Facilities Management:						
Salaries and related Operations	503,950	561,590	557,374	-	557,374	4,216
	218,130	218,130	354,014	(50,885)	303,129	(84,999)
	722,080	779,720	911,388	(50,885)	860,503	(80,783)
Solid Waste:						
Salaries and related Operations	300,490	311,410	310,424	-	310,424	986
	2,316,020	2,190,520	2,288,171	(25,803)	2,262,368	(71,848)
	2,616,510	2,501,930	2,598,595	(25,803)	2,572,792	(70,862)
County Engineer:						
Salaries and related Operations	227,490	237,280	226,344	-	226,344	10,936
	48,150	48,150	17,345	-	17,345	30,805
	275,640	285,430	243,689	-	243,689	41,741
Public Works:						
Salaries and related Operations	541,960	563,070	538,500	-	538,500	24,570
	508,000	508,000	437,648	-	437,648	70,352
	1,049,960	1,071,070	976,148	-	976,148	94,922
Total Physical Environment	4,664,190	4,638,150	4,729,820	(76,688)	4,653,132	(14,982)
Economic Environment:						
Planning and Public Service Commission:						
Salaries and related Operations	403,430	420,850	467,706	-	467,706	(46,856)
	45,000	45,000	153,540	931	154,471	(109,471)
	448,430	465,850	621,246	931	622,177	(156,327)
Development Board:						
Salaries and related Operations	218,510	228,720	220,697	-	220,697	8,023
	183,310	183,310	167,346	-	167,346	15,964
	401,820	412,030	388,043	-	388,043	23,987
Total Economic Environment	850,250	877,880	1,009,289	931	1,010,220	(132,340)

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
Transportation:						
Fleet Maintenance:						
Salaries and related Operations	196,460	203,600	162,132	-	162,132	41,468
9,100	9,100	9,100	10,051	-	10,051	(951)
	<u>205,560</u>	<u>212,700</u>	<u>172,183</u>	-	<u>172,183</u>	<u>40,517</u>
Airport Commission:						
Operations	29,180	29,180	25,904	-	25,904	3,276
	<u>29,180</u>	<u>29,180</u>	<u>25,904</u>	-	<u>25,904</u>	<u>3,276</u>
Total Transportation	<u>234,740</u>	<u>241,880</u>	<u>198,087</u>	-	<u>198,087</u>	<u>43,793</u>
Recreation and Culture:						
Recreation:						
Salaries and related Operations	396,590	411,530	398,866	-	398,866	12,664
138,500	138,500	213,771	307,973	-	521,744	(383,244)
	<u>535,090</u>	<u>550,030</u>	<u>612,637</u>	<u>307,973</u>	<u>920,610</u>	<u>(370,580)</u>
County Archives:						
Salaries and related Operations	80,330	83,220	86,540	-	86,540	(3,320)
6,160	6,160	3,296	-	-	3,296	2,864
	<u>86,490</u>	<u>89,380</u>	<u>89,836</u>	-	<u>89,836</u>	<u>(456)</u>
Total Recreation and Culture	<u>621,580</u>	<u>639,410</u>	<u>702,473</u>	<u>307,973</u>	<u>1,010,446</u>	<u>(371,036)</u>
Miscellaneous:						
Agencies:						
Santee-Lynches Council of Government	36,210	36,210	36,210	-	36,210	-
Clarendon Soil and Water Conservation	32,000	32,000	32,000	-	32,000	-
Clemson Extension	28,800	28,800	28,800	-	28,800	-
SC Association of Counties	8,670	8,670	8,672	-	8,672	(2)
Delegation allowance	20,000	20,000	20,000	-	20,000	-
Behavioral Services	5,000	5,000	5,000	-	5,000	-
SC DHEC	30,000	30,000	30,000	-	30,000	-
Indigent care	37,700	37,700	37,700	-	37,700	-
County Adult Education	28,000	28,000	28,000	-	28,000	-
Central Carolina Scholarship Program	20,000	20,000	20,000	-	20,000	-
Central Carolina Technical College	100,000	100,000	100,000	-	100,000	-
	<u>346,380</u>	<u>346,380</u>	<u>346,382</u>	-	<u>346,382</u>	<u>(2)</u>
Total Miscellaneous	<u>346,380</u>	<u>346,380</u>	<u>346,382</u>	-	<u>346,382</u>	<u>(2)</u>
Capital Outlay - Leases	-	-	175,492	(175,492)	-	-
Total Expenditures	<u>\$ 25,030,400</u>	<u>\$ 25,275,400</u>	<u>\$ 26,242,008</u>	<u>\$ (3,695)</u>	<u>\$ 26,238,313</u>	<u>\$ (962,913)</u>
Other Financing Sources (Uses)						
Sale of Assets	\$ 50,000	\$ 50,000	\$ 242,558	\$ -	\$ 242,558	\$ 192,558
Lease proceeds	-	-	175,492	(175,492)	-	-
Transfers In (Out)	50,000	(270,000)	(277,624)	-	(277,624)	(7,624)
	<u>\$ 100,000</u>	<u>\$ (220,000)</u>	<u>\$ 140,426</u>	<u>\$ (175,492)</u>	<u>\$ (35,066)</u>	<u>\$ 184,934</u>

FIDUCIARY FUNDS

CUSTODIAL FUNDS

To account for assets held solely in a custodial capacity by the County.

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023

	School Districts Debt Service	School Districts Operations	Forfeited Land	Probate Judge	Master-In Equity	Municipalities
ASSETS						
Cash and investments	\$ 7,515,695	\$ -	\$ 1,642	\$ 5,116	\$ 25	\$ -
Delinquent taxes receivable	46,844	1,270,117	-	-	-	-
Due from other magistrates	-	-	-	-	-	-
Total assets	7,562,539	1,270,117	1,642	5,116	25	-
LIABILITIES						
Due to treasurer - general fund	-	-	-	4,876	-	107
Due to treasurer - cash overage (shortage)	-	-	-	-	-	-
Due to other magistrates	-	-	-	-	-	-
Total liabilities	-	-	-	4,876	-	107
NET POSITION						
Restricted for individuals, organizations and other governments	7,562,539	1,270,117	1,642	240	25	(107)
Total net position	\$ 7,562,539	\$ 1,270,117	\$ 1,642	\$ 240	\$ 25	\$ (107)

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023

	Magistrates			Clerk		Tax	Total
	General	Civil	Part-	of	Collector		
	Account	Account	Time	Court			
ASSETS							
Cash and investments	\$ 51,712	\$ 4,405	\$ 103	\$ 535,385	\$ 2,383,418	\$ 10,497,501	
Delinquent taxes receivable	-	-	-	-	-	-	1,316,961
Due from other magistrates	103	-	-	-	-	-	103
Total assets	51,815	4,405	103	535,385	2,383,418	11,814,565	
LIABILITIES							
Due to treasurer - general fund	33,643	4,405	-	36,381	18,816	98,228	
Due to treasurer - cash overage (shortage)	2,694	-	-	5,688	-	8,382	
Due to other magistrates	-	-	103	-	-	-	103
Total liabilities	36,337	4,405	103	42,069	18,816	106,713	
NET POSITION							
Restricted for individuals, organizations and other governments	15,478	-	-	493,316	2,364,602	11,707,852	
Total net position	\$ 15,478	\$ -	\$ -	\$ 493,316	\$ 2,364,602	\$ 11,707,852	

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	School District Debt Service	School District Operations	Forfeited Land	Probate Judge	Master-In Equity	Municipalities
ADDITIONS						
Taxes collected	\$ 4,545,376	\$ 13,390,248	\$ -	\$ -	\$ -	\$ 2,177,155
Operating income	-	49,520,179	97	-	-	-
Interest income	109,040	-	19	-	-	-
Fines and fees collected	-	-	-	85,278	2,575	-
Total Additions	4,654,416	62,910,427	116	85,278	2,575	2,177,155
DEDUCTIONS						
Fines and fees disbursed	-	-	-	85,278	2,575	-
Taxes disbursed	-	13,359,322	-	-	-	2,177,262
Principal disbursed	-	49,520,179	-	-	-	-
Operating capital disbursed	2,208,012	-	-	-	-	-
Total Deductions	2,208,012	62,879,501	-	85,278	2,575	2,177,262
CHANGES IN NET POSITION	2,446,404	30,926	116	-	-	(107)
NET POSITION						
Beginning of Year	5,116,135	1,239,191	1,526	240	25	-
End of Year	\$ 7,562,539	\$ 1,270,117	\$ 1,642	\$ 240	\$ 25	\$ (107)

CLARENDON COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Magistrates			Clerk			Total
	General Account	Civil Account	Part-Time	of Court	Tax Collector		
ADDITIONS							
Taxes collected	\$ -	\$ -	\$ -	\$ -	\$ 450,191	\$ 20,562,970	
Operating income	-	-	-	-	-	49,520,276	
Interest income	8	-	-	-	73,043	182,110	
Fines and fees collected	432,557	58,750	13,842	21,984	-	614,986	
Total Additions	432,565	58,750	13,842	21,984	523,234	70,880,342	
DEDUCTIONS							
Fines and fees disbursed	434,740	58,669	13,842	-	-	595,104	
Taxes disbursed	-	-	-	-	101,992	15,638,576	
Principal disbursed	-	-	-	-	-	49,520,179	
Operating capital disbursed	50	81	-	-	184,035	2,392,178	
Total Deductions	434,790	58,750	13,842	-	286,027	68,146,037	
CHANGES IN NET POSITION	(2,225)	-	-	21,984	237,207	2,734,305	
NET POSITION							
Beginning of Year	17,703	-	-	471,332	2,127,395	8,973,547	
End of Year	\$ 15,478	\$ -	\$ -	\$ 493,316	\$ 2,364,602	\$ 11,707,852	

CLARENDON COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS, AND SURCHARGES (PER ACT 96)
SPECIAL REVENUE FUND - VICTIMS' RIGHTS FUND
FOR THE YEAR ENDED JUNE 30, 2023

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	\$ 12,539	\$ 390,093	N/A	\$ 402,632
Court fines and assessments remitted to State Treasurer	7,335	181,130	N/A	188,465
Total Court Fines and Assessments retained	\$ 5,204	\$ 208,963	N/A	\$ 214,167
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	\$ 10,565	\$ 6,419	N/A	\$ 16,984
Assessments retained	2,286	19,264	N/A	\$ 21,550
Total Surcharges and Assessments retained for victim services	\$ 12,851	\$ 25,683	N/A	\$ 38,534

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC):

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year - Beginning Balance	N/A	\$ 1	\$ 1
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer	N/A	-	-
Victim Service Assessments Retained by City/County Treasurer	N/A	21,551	21,551
Victim Service Surcharges Retained by City/County Treasurer	N/A	16,983	16,983
Contributions/other	N/A	-	-
Interest Earned	N/A	-	-
Grants Funds Received	N/A		
Grant from:		-	-
General Funds Transferred to Victim Service Fund	N/A	84,616	84,616
Contributions Received from Victim Service Contracts:	N/A		
(1) Town of Summerton	N/A	13,580	13,580
(2) Town of Turbeville	N/A	359	359
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	N/A	\$ 137,090	\$ 137,090
Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	N/A	129,698	\$ 129,698
Operating Expenditures	N/A	7,392	7,392
Victim Service Contract(s):			
(1) Entity's Name	N/A	N/A	-
(2) Entity's Name	N/A	N/A	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	N/A	N/A	-
(2) Rape Crisis Center:	N/A	N/A	-
(3) Other local direct crime victims service agency: Orangeburg County	N/A	N/A	-
Transferred to General Fund	N/A	N/A	-
Total Expenditures from Victim Service Fund/Program (B)	N/A	\$ 137,090	\$ 137,090
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	\$ 1	\$ 1

CLARENDON COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2023

Real and Other Personal Property Assessed Value	\$ 91,343,359
Vehicles Assessed Value	15,601,731
Public Utilities and Railroads	8,456,110
Fee-in-Lieu-of Taxes	6,951,818
Other Business Personal Property	1,156,580
Manufacturer's Assessed Value	2,193,780
Merchants Inventory Value	<u>688,290</u>
 Total Taxable Assessed Value	 <u>126,391,668</u>
 Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	 10,111,333
 Amount of Debt Applicable to Debt Limit:	 <u>6,268,183</u>
 LEGAL DEBT MARGIN	 <u>\$ 3,843,150</u>

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
STATISTICAL SECTION**

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the annual financial report. The objective of the statistical section information is to provide financial statement users with additional detailed information as a context for understanding what the information in the basic financial statements, notes to the basic financial statements, required supplementary information and other supplementary data says about the County's overall financial health.

Five Year Summary of the General Fund

The following is a summary of the General Fund revenues and expenditures for the fiscal year ended June 30, 2019 through 2023 (audited) and the amended budget for fiscal year 2024.

(000's omitted)	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024 Budget</u>
REVENUES						
Taxes	\$ 16,912	\$ 18,368	\$ 18,699	\$ 20,316	\$ 22,201	\$ 20,703
Licenses and permits	135	139	149	167	194	218
Intergovernmental	3,657	2,216	2,811	4,445	3,517	2,929
Charges for service	1,613	1,643	1,967	2,385	2,338	2,273
Fine and forfeitures	317	281	333	332	358	337
Investment income	11	15	10	23	352	75
Miscellaneous	531	476	568	514	591	531
Total revenue	<u>23,176</u>	<u>23,138</u>	<u>24,537</u>	<u>28,182</u>	<u>29,551</u>	<u>27,066</u>
EXPENDITURES						
General government	6,188	5,990	6,831	8,147	7,636	7,227
Public safety	7,718	8,271	7,596	8,194	9,671	10,769
Physical environment	3,712	3,716	3,740	4,393	4,730	4,851
Transportation	180	196	211	252	198	277
Economic environment	598	646	664	850	1,009	970
Agencies	916	918	917	911	346	346
Culture and recreation	625	544	596	591	702	662
Court related	1,580	1,581	1,588	1,638	1,950	2,061
Total expenditures	<u>21,517</u>	<u>21,862</u>	<u>22,143</u>	<u>24,976</u>	<u>26,242</u>	<u>27,163</u>
Excess of revenues over/(under) expenditures	1,659	1,276	2,394	3,206	3,193	(97)
OTHER SOURCES (USES)						
Sale of assets	13	73	114	137	243	50
Operating leases	-	-	-	225	175	-
Transfers	78	(83)	(101)	44	(278)	47
Net other financing sources	91	(10)	13	406	140	97
Net change in fund balance	<u>1,750</u>	<u>1,266</u>	<u>2,407</u>	<u>3,612</u>	<u>3,333</u>	<u>-</u>
Fund balance at beginning of year	<u>2,795</u>	<u>4,545</u>	<u>5,811</u>	<u>8,218</u>	<u>11,830</u>	<u>15,279</u>
Fund balance at end of year	<u>\$ 4,545*</u>	<u>\$ 5,811*</u>	<u>\$ 8,218*</u>	<u>\$ 11,830*</u>	<u>\$ 15,279</u>	<u>\$ 15,279</u>
Ending fund balance as % of total expenditures	21.1%	26.6%	37.1%	47.4%	58.2%	56.2%

* As restated

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
STATISTICAL SECTION**

Assessed Values of the County

The assessed value of all taxable property in the County for the last ten (10) years for which data is available is set forth below:

(000's omitted)								
<u>Tax Year</u>	<u>Real Property</u>	<u>Personal</u>	<u>SCTC</u>	<u>Manufacturing</u>	<u>Vehicles</u>	<u>Fee-in-Lieu Taxes</u>	<u>Total Taxable Property*</u>	
2013	\$ 74,211	\$ 1,259	\$ 9,274	\$ 1,119	\$ 11,276	\$ 4,129	\$ 101,268	
2014	75,097	1,325	9,920	712	11,542	4,305	102,901	
2015	75,725	1,297	9,863	353	12,699	4,806	104,743	
2016	71,342	1,504	9,508	179	12,585	4,752	99,870	
2017	71,705	1,549	9,357	368	12,290	4,820	100,089	
2018	73,336	1,647	9,367	1,088	12,157	4,979	102,574	
2019	74,695	1,732	9,587	266	12,677	6,594	105,551	
2020	76,849	1,876	10,469	462	13,172	5,267	108,095	
2021	79,004	2,469	10,842	654	14,448	7,279	114,696	
2022	88,709	2,634	10,650	693	15,602	6,952	125,240	

Source: Clarendon County Auditor

* The assessed value of Merchant's Inventory (\$688,290) is not included in this table

Note that the assessed values are established by the County Assessor and the South Carolina Department of Revenue at various rates between 4 and 10.5 percent of the estimated market value.

Largest Taxpayers

The ten (10) largest taxpayers in the County, the total amount of County taxes paid with ranking and percentage of total assessed value of the taxable property of each for the fiscal year 2022 (tax year 2021) and the prior year are reflected below:

(000's omitted)		Fiscal Year 2023 (Tax Year 2022)			Fiscal Year 2022 (Tax Year 2021)		
<u>Taxpayer</u>	<u>Total Taxes Paid</u>	<u>Rank *</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Total Taxes Paid</u>	<u>Rank *</u>	<u>Percentage of Total Taxable Assessed Value</u>	
			<u>Assessed Value</u>			<u>Assessed Value</u>	
Georgia Pacific Clarendon LP	\$ 1,209	1	3.76%	\$ 1,195	1	4.05%	
Duke Energy Progress, Inc.	1,152	2	2.13%	1,040	3	2.12%	
Santee Electric Co-op, Inc.	1,038	3	2.13%	1,071	2	2.40%	
Black River Electric Co-op, Inc.	349	4	0.72%	340	4	0.77%	
CSX Transportation, Inc.	316	5	0.65%	266	5	0.61%	
Wal-mart Real Estate	269	6	0.43%	256	6	0.47%	
Westinghouse Electric Co.	237	7	0.46%	240	7	0.51%	
Helena Chemical Co.	195	8	0.33%	180	9	0.33%	
Central Electric Power Co-op	181	9	0.37%	187	8	0.41%	
SC Public Service Authority	168	10	0.37%	161	10	0.38%	
Totals	\$ 5,114		11.35%	\$ 4,936		12.05%	

Source: Clarendon County Treasurer

*Ranking based on total taxes paid and not taxable assessed value

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
STATISTICAL SECTION**

Tax Collection Record

The following table shows all of the County's property taxes levied for governmental services as of June 30 of the year following the year in which the levy was made, and the amount of delinquent taxes collected for the fiscal years shown. Delinquent taxes include taxes levied in prior years but collected in the year shown.

(000's omitted)

Fiscal Year Ended June 30th	Budgeted			Current			Collection Rates	
	Budgeted Tax Collections	Budgeted Delinquent Tax Collections	Budgeted Total Collections	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Current Tax Collections vs. Budgeted Tax Collections	Total Tax Collections vs. Budgeted Total Collections
2013	\$ 13,049	\$ 1,540	\$ 14,589	\$ 12,494	\$ 1,601	\$ 14,095	95.8%	96.6%
2014	13,238	1,300	14,538	13,209	1,667	14,876	99.8%	102.3%
2015	13,814	1,640	15,454	14,476	1,686	16,162	104.8%	104.6%
2016	14,951	1,860	16,811	14,989	1,713	16,702	100.3%	99.4%
2017	15,595	1,780	17,375	15,406	1,442	16,848	98.8%	97.0%
2018	15,949	1,800	17,749	15,759	1,463	17,222	98.8%	97.0%
2019	16,566	1,590	18,156	16,027	1,711	17,738	96.8%	97.7%
2020	17,227	1,640	18,867	17,659	1,880	19,539	102.5%	103.6%
2021	18,814	1,505	20,319	19,954	1,486	21,440	106.1%	105.5%
2022	19,859	1,200	21,059	21,641	1,437	23,078	109.0%	109.6%
2023	21,814	1,435	23,249	23,867	1,650	25,517	109.4%	109.8%

Hospitality Fee Collections

The following table shows the County's collection of its Hospitality fee levied on prepared foods and beverages for the last five fiscal years.

	2019	2020	2021	2022	2023
July	\$ 30,327	\$ 26,220	\$ 25,594	\$ 33,808	\$ 34,769
August	25,719	27,317	41,864	31,158	36,680
September	28,084	24,391	30,084	36,610	31,488
October	23,750	23,888	28,589	29,069	35,211
November	22,311	14,685	21,724	29,791	36,567
December	26,694	42,313	31,303	34,995	48,661
January	24,278	27,350	43,437	24,292	34,859
February	22,134	39,548	25,613	41,190	35,087
March	26,891	19,993	37,495	34,805	45,407
April	29,818	16,574	34,092	32,795	48,802
May	26,933	24,654	32,720	32,589	44,383
June	<u>56,084</u>	<u>31,139</u>	<u>38,759</u>	<u>52,530</u>	<u>55,737</u>
Total	<u>\$ 343,023</u>	<u>\$ 318,072</u>	<u>\$ 391,274</u>	<u>\$ 413,632</u>	<u>\$ 487,651</u>

COMPLIANCE SECTION

McGregor & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS • WWW.MCGREGORCPA.COM

PARTNERS

C.C. McGregor, CPA G.D. Skipper, CPA
1906-1968 L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA
*W.C. Stevenson, CPA D.L. Richardson, CPA
*B.T. Kight, CPA E.C. Inabinet, CPA

S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA
D.K. Strickland, CPA

J.P. McGuire, CPA
J.R. Matthews II, CPA
C.D. Hindlee, CPA
G.P. Davis, CPA
H.O. Crider, Jr, CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA

F.C. Gillam, Jr, CPA
H.S. Mims, CPA
T. Solorzano, CPA
C.W. Bolen, CPA

*Active Retired

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 Members of the
Clarendon County Council
Manning, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Clarendon County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Clarendon County's basic financial statements and have issued our report thereon dated December 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clarendon 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 Clarendon County's internal control. Accordingly, we do not express an opinion on the effectiveness of Clarendon 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.

**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**
(continued)

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

McKInsey & Co. LLP

Orangeburg, South Carolina
December 27, 2023

McGregor & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS | SINCE 1930

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS • WWW.MCGREGORCPA.COM

PARTNERS

C.C. McGregor, CPA G.D. Skipper, CPA
1906-1968 L.R. Leaphart, Jr., CPA
M.J. Binnicker, CPA
*W.C. Stevenson, CPA D.L. Richardson, CPA
*B.T. Kight, CPA E.C. Inabinet, CPA

S.S. Luoma, CPA J.P. McGuire, CPA
T.M. McCall, CPA J.R. Matthews II, CPA
H.D. Brown, Jr., CPA
L.B. Salley, CPA C.D. Hindree, CPA
D.K. Strickland, CPA G.P. Davis, CPA
H.O. Crider, Jr., CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr., CPA

F.C. Gillam, Jr., CPA
H.S. Mims, CPA
T. Solorzano, CPA
C.W. Bolen, CPA

W.C. Sanders, CPA
C.L.T. Valentine, CPA
*Active Retired

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

To the Members of the
Clarendon County Council
Manning, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Clarendon County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Clarendon County's major federal programs for the year ended June 30, 2023. Clarendon 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, Clarendon 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Clarendon 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 Clarendon County's compliance with the compliance requirements referred to above.

COLUMBIA

3830 FOREST DRIVE | PO BOX 135 | COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG

1190 BOULEVARD STREET | ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL

340 FULDNER ROAD | PO BOX 1305 | BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

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

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

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

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

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

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.

McGregor & Co. LLP

Orangeburg, South Carolina
December 27, 2023

CLARENDON COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grantor	Grantor Number	Federal CFDA Number	Award Amount	Total Awards Expended
U. S. DEPARTMENT OF JUSTICE:				
Through SC Department of Public Safety:				
Ballistic Vests	N/A	16.803	\$ 2,970	\$ 540
Through SC Attorney General Office:				
Criminal Domestic Violence Investigator	1K17048	16.588	45,382	6,925
Criminal Domestic Violence Investigator	1K20028	16.588	45,382	44,892
U. S. DEPARTMENT OF TREASURY:				
Asset Forfeiture Program	N/A	21.016		28,400
ARPA - SLFRF - COVID 19	N/A	21.027	6,554,571	2,163,345
ARPA - LATCF - COVID 19	N/A	21.032	100,000	50,000
Through SC Department of Public Safety:				
Detention Ctr COVID Response	1CF20126	16.034	66,262	6,436
CARES ACT Response	1CF20178	16.034	34,500	27,547
COVID 19 Response	1CF20189	16.034	53,261	13,494
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Through SC Emergency Management Division:				
FEMA - BRIC Grant	BRIC-EMA-2020-BR-194	97.047	53,625	33,698
Local Emergency Mgmt. Planning 2021	22EMPG01	97.042	68,061	62,356
U. S. DEPARTMENT OF TRANSPORTATION:				
Federal Aviation Administration				
Airport Improvement Program	3-45-0038-012-2020	20.106	128,710	110
FAA Cares Act	3-45-0038-013-2020	20.106	20,000	1,006
Airport Improvement Program	3-45-0038-014-2021	20.106	756,845	15,993
Airport Improvement Program	3-45-0038-017-2022	20.106	150,000	24,931
Airport ARPA	3-45-0038-016-2021	20.106	32,000	7,601
CRRSA Airport-COVID	SC MNI-ACRGP	20.106	13,000	1,422
U. S. DEPARTMENT OF AGRICULTURE:				
Rural Utilities Service Grant:				
Phase 2 Water Project	11160-0014	10.760	1,481,000	4,000
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Through Department of Social Services:				
Office of Child Support Enforcement:				
Filing Fees	G-04SC404	93.563	N/A	11,850
Federal Financial Assistance	G-04SC404	93.563	N/A	81,821
Family Court	G-04SC404	93.563	N/A	112,311
Sheriff's Department	G-04SC404	93.563	N/A	5,859
TOTAL FEDERAL ASSISTANCE				\$ 2,704,537

See Independent Auditor's Report on Supplementary Information.
See Notes to Schedule of Expenditures of Federal Awards.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Clarendon County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – BASIS OF ACCOUNTING

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principals contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* or OMB Circular A-87 – *Cost Principles for State, Local and Indian Tribe Governments*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – DE MINIMUS INDIRECT COST RATE

The County has not elected to use the 10 percent de minimus indirect cost rate, except for the Child Support Enforcement grant.

**CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION A.

<u>Financial Statements</u>	<u>Summary of Auditor's Results</u>
1.) Type of auditor's report issued:	Unmodified
2.) Internal controls over financial reporting:	
a.) Material weakness identified?	No
b.) Significant deficiencies identified not considered to be material weaknesses?	No
3.) Noncompliance material to financial statements noted?	No
<u>Federal Awards</u>	
1.) Internal control over major programs:	
a.) Material weakness identified?	No
b.) Significant deficiencies identified not considered to be material weaknesses?	No
2.) Type of auditor's report issued on compliance for major programs:	Unmodified
3.) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
4.) Identification of major programs:	

<u>CFDA Number</u>	<u>Name of Federal Program</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
5.) Dollar Threshold used to distinguish between Type A and Type B programs?	\$750,000
6.) Auditee qualified as a low-risk auditee under The Uniform Guidance?	No

SECTION B – Financial Statement Findings

None

SECTION C – Major Federal Award Findings

None

CLARENDON COUNTY
MANNING, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

Findings – Relating to the Basic Financial Statements in Accordance with
Government Auditing Standards

None