# CALHOUN COUNTY, SOUTH CAROLINA ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2024

#### CALHOUN COUNTY, SOUTH CAROLINA YEAR ENDED JUNE 30, 2024

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#### CERTIFIED PUBLIC ACCOUNTANTS

#### INDEPENDENT AUDITOR'S REPORT

To the Chairman and Members of County Council Calhoun County, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Calhoun County, South Carolina as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Calhoun County, South Carolina'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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Calhoun County, South Carolina, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Calhoun County, South Carolina'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 Calhoun County, South Carolina'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 Calhoun County, South Carolina'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.

#### **Other Matters**

As discussed in Note 13 to the financial statements, prior period adjustments have been recorded to properly reflect activity and balances in the previous year. Our opinion is not modified with respect to this matter.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of changes in the County's total OPEB liability and related ratios, and pension schedules, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion

or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Calhoun County, South Carolina's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the schedule of legal debt margin, and the statement of cash flow for the discretely presented component unit are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) is presented for purposes of additional analysis as required by the State of South Carolina and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 schedule of legal debt margin, the statement of cash flow for the discretely presented component unit, and the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2025, on our consideration of Calhoun County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Calhoun County, South Carolina'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 Calhoun County, South Carolina's internal control over financial reporting and compliance.

Love Bailey & Associates, LLC Laurens, South Carolina

Love Barley & Associates, LC

October 21, 2025

Calhoun County (the "County") 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, 2024. 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 basic financial statements.

#### **Financial Highlights**

- Calhoun County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024, by \$ 34,113,588 (net position) compared to \$37,344,164 at June 30, 2023. Net position at June 30, 2024, is comprised of:
  - Net investment in capital assets of \$36,188,969
  - Restricted of \$ 13,598,702, and
- An unrestricted deficit of \$ (15,674,083)
- The County's total net position decreased \$3,230,576 from the previous year with an increase of \$1,143,948 resulting from governmental activities, a decrease of \$(281,532) resulting from business-type activities and a decreasing prior period adjustment to net position of \$(4,092,992).
- At June 30, 2024, the County's governmental funds balance sheet reported a combined ending fund balance of \$15,614,963, a decrease of \$3,535,255 from the previous fiscal year. Of this amount, \$2,194,706 remains in the General Fund of the County as unassigned.
- The General Fund reported a fund balance of \$ 2,613,456, a decrease from last fiscal year of \$1,190,307. The unassigned fund balance of \$2,194,706 equates to 12.20% of General Fund expenditures for the year.
- During the fiscal year, the County issued \$1,638,010 in Lease/Purchase Obligations for the purpose of providing various equipment, including firefighting equipment, within the County.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the 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 basic financial statements. The basic financial statements present two different views of the County using government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the County.

#### **Basic Financial Statements**

The first two statements in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the County's financial status.

The next statements are Fund Financial Statements. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the Government-wide Statements.

The next section of the basic financial statements is the Notes. The Notes to the Financial Statements explain in detail some of the data contained in those statements.

Following the Notes is the Required Supplementary Information. This section contains budgetary comparison schedules, as well as funding information about the County's pension and OPEB plans.

After the Required Supplementary Information, Other Supplementary Information is provided to show combining schedules for the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Other supplementary information schedules are also presented in this section.

#### **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 Government-wide Financial Statements provide short and long-term information about the County's financial status as a whole. The Government-wide Financial Statements include Calhoun County (known as the primary government) and its blended component units (the Calhoun County Library, the Calhoun County Museum, the Calhoun County Council on Aging, and the Calhoun County Economic Development Corporation) and its discretely presented component unit (the Sandy Run Fire District).

The Government-wide Financial Statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) discretely presented component unit (the Sandy Run Fire District). The governmental activities include most of the County's basic services such as public safety, culture and recreation, judicial services, health and welfare, economic development, and general administration. Property taxes, local option sales taxes, and grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide and consists of the water system, wastewater plant, and County golf course.

The Statement of Net Position presents information on all of the County's assets, deferred outflows, liabilities, and deferred inflows, with the difference 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., changes in net pension liability, changes in net OPEB obligations, uncollected taxes, and accumulated compensated absences).

#### **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. Calhoun County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

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, financial 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.

These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* with a current financial resource measurement focus. As a result, the Governmental Fund Financial Statements give the reader a detailed short-term view that helps him or her determine what financial resources are available to finance the County's programs.

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.

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, the Capital Projects Fund, the Grants Fund, and the Capital Project Sales Tax Fund [major funds]. Data from other nonmajor 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 schedules in the Other Supplementary Information section of the report.

Calhoun County legally adopts an annual appropriation budget for its General Fund services and financing. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget ordinance. The budgetary comparison schedule uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The schedule shows four columns: 1) the original budget as adopted; 2) the final budget as amended; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. The total appropriation is the legal level of control.

*Proprietary funds:* County Water System, Wastewater Plant, and County Golf Course Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

*Fiduciary funds*: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County has one type of fiduciary fund, custodial funds, which are used to account for resources collected by the County on behalf of others.

#### **Notes to the Basic 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.

#### Other Information

In addition to the basic financial statements and accompanying notes, the financial statements include Required Supplementary Information and Other Supplementary Information.

#### **Government-wide Financial Analysis**

#### **Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$ 34,113,588 (net position) at the close of the most recent fiscal year. The County's decrease in net position for this fiscal year amounts to \$3,230,576.

The largest portion of the County's net position, \$ 36,188,969 reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment), less any related debts used to acquire those assets that are 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.

An additional portion of the County's net position, \$13,598,702 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (deficit) is \$(15,674,083).

	Governmen	tal Ac	tivities	Business-typ	oe Ac	tivities	Total Primary Government					
	2024		<u>2023</u>	<u>2024</u>		<u>2023</u>		<u>2024</u>		<u>2023</u>		
Current and other assets	\$ 23,879,628	\$	24,110,405	\$ 430,976	\$	1,055,957	\$	24,310,604	\$	25,166,362		
Capital assets	 31,300,900		34,176,014	14,854,648		14,804,495		46,155,548		48,980,509		
Total assets	55,180,528		58,286,419	15,285,624		15,860,452		70,466,152		74,146,871		
OPEB	204,085		280,967	12,356		14,611		216,441		295,578		
Pension	2,509,962		2,388,015	66,276		62,922		2,576,238		2,450,937		
Total deferred outflows												
of resources	2,714,047		2,668,982	78,632		77,533		2,792,679		2,746,515		
Total Assets and												
Deferred Inflows	\$ 57,894,575	\$	60,955,401	\$ 15,364,256	\$	15,937,985	\$	73,258,831	\$	76,893,386		
Current liabilities	\$ 8,325,583	\$	4,963,826	\$ 389,759	\$	326,102	\$	8,715,342	\$	5,289,928		
Long-term liabilities	25,375,816		28,775,670	3,916,733		4,359,721		29,292,549		33,135,391		
Total liabilities	33,701,399		33,739,496	4,306,492		4,685,823		38,007,891		38,425,319		
OPEB	791,822		911,181	43,882		47,382		835,704		958,563		
Pension	296,351		163,692	5,297		1,648		301,648		165,340		
Total deferred inflows												
of resources	1,088,173		1,074,873	49,179		49,030		1,137,352		1,123,903		
Net position:												
Net investment in												
capital assets	24,816,173		29,069,506	11,372,796		11,075,238		36,188,969		40,144,744		
Restricted	13,598,702		10,652,774	-		130,202		13,598,702		10,782,976		
Unrestricted	(15,309,872)		(13,581,248)	(364,211)		(2,308)		(15,674,083)		(13,583,556)		
Total net position	23,105,003		26,141,032	 11,008,585		11,203,132		34,113,588		37,344,164		
Total Liabilities, Deferred												
Outflows and Net												
Position	\$ 57,894,575	\$	60,955,401	\$ 15,364,256	\$	15,937,985	\$	73,258,831	\$	76,893,386		

Revenues for the County's governmental activities were \$28,718,374 for the fiscal year, an increase of \$2,449,021 over prior year. Taxes (property and sales) constitute the largest source of County revenues, amounting to \$18,382,904 for the fiscal year. Real, including fees-in-lieu-taxes, personal property, including merchant's inventory, and vehicle taxes, including motor carrier, total \$14,395,501 and represent 78% of all taxes and 50% of all revenues. Program Revenues decreased by \$2,386,745

#### **Business-type Activities**

Business-type activities decreased the County's net position by \$281,532. Key elements of this decrease are as follows:

- The Water System revenues decrease by \$130,888 while operating expenses remained flat.
- While Wastewater reduced its deficit in operations by over 22%, it still operated at a \$46,746 deficit.
- The Golf Course continued to see revenue growth of over 30% while expenses rose only 13%. The operating deficit was trimmed this year by over \$36,000 or 22%.

The changes in net position displayed below shows the governmental activities and business-type activities during the fiscal year.

### Condensed Statement of Activities Figure 2

	Governmental Activities 2024 2023					Business-ty 2024	pe A	ctivities 2023		Total Primary 2024	ernment 2023		
Revenues		2024		2023	<u>2027</u>			2023		2024		2025	
Program revenues:													
Charges for services	\$	2,544,244	Ś	3,664,810	Ś	1,660,176	Ś	1,700,363	Ś	4,204,420	\$	5,365,173	
Operating grants and contributions	Ų	1,182,844	Ų	1,681,403	Ų	1,000,170	Ų	1,700,303	Ÿ	1,182,844	Ÿ	1,681,403	
Capital grants and contributions		2,895,659		3,663,279		_				2,895,659		3,663,279	
General revenues (expenses):		2,055,055		3,003,273						2,055,055		3,003,273	
Property taxes		14,395,501		13,573,087		_		991,257		14,395,501		13,573,087	
Other tax/state shared		6,076,833		2,670,236		_		331,237		6,076,833		2,670,236	
Interest/Investment income		835,320		494,705		10,338				845,658		501,756	
Miscellaneous		787,973		521,833		10,556		7,051		787,973		521,833	
Total revenues		28,718,374		26,269,353		1,670,514		2,698,671		30,388,888		27,976,767	
Total revenues		20,710,374		20,203,333		1,070,314		2,038,071		30,388,888		27,370,707	
Program expenses													
General government		10,568,755		10,083,210		-		-		10,568,755		10,083,210	
Public safety		4,803,710		4,361,142		-		-		4,803,710		4,361,142	
Public works		1,481,253		1,745,771		-		-		1,481,253		1,745,771	
Culture and recreation		1,039,590		1,289,912		-		-		1,039,590		1,289,912	
Judicial services		920,355		811,535		-		-		920,355		811,535	
Health and welfare		3,840,912		3,373,099		-		-		3,840,912		3,373,099	
Economic development		3,698,948		2,665,980		-		-		3,698,948		2,665,980	
Interest and fiscal charges		355,877		257,522		-		-		355,877		257,522	
Water system		-				1,541,293		1,520,617		1,541,293		1,520,617	
Wastewater plant		-				173,003		195,312		173,003		195,312	
County golf course		-				547,370		483,903		547,370		483,903	
Total expenses		26,709,400		24,588,171		2,261,666		2,199,832		28,971,066		26,788,003	
Excess (deficiency)													
before transfers		2,008,974		1,681,182		(591,152)		498,839		1,417,822		1,188,764	
Transfers		(865,026)		-		309,620		-		(555,406)		-	
Increase (decrease)													
in net position		1,143,948		1,681,182		(281,532)		498,839		862,416		1,188,764	
Net position, beginning of year		26,141,032		24,459,850		11,203,132		10,704,293		37,344,164		35,164,143	
Prior period adjustment (see Note 12)			86,985		-		(4,092,992)						
Net position, beginning of year (as restated)		21,961,055				11,290,117				33,251,172			
Net position, end of year	Ś	23,105,003	\$	26.141.032	Ś	11,290,117	Ś	11.203.132	Ś	34,113,588	\$	36,352,907	
iver position, end or year	ې	23,103,003	ې	20,141,032	ې	11,000,363	ې	11,203,132	ې	24,113,300	ې	50,552,507	

#### **Governmental Funds Financial Analysis**

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

#### **Governmental Funds Overview**

The focus of the County governmental funds is to provide information on near-term inflows, outflows, and balances of spendable financial resources. Such information is useful in assessing the County's financing and budgeting requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net financial resources available for spending at the end of the fiscal year.

As of June 30, 2024, the County's governmental funds reported combined fund balances of \$15,614,963, a decrease of \$3,198,010 over the prior year. As the Unassigned balance is the most available for future financing needs, its balance decreased from \$3,065,541 in 2023 to \$1,554,316 in 2024, a decrease of \$1,511,225 of which approximately \$300,000 is a restatement from the prior year. The entire fund balance is available to meet the County's current and future needs. The fund balances are comprised of the following:

Restricted	\$ 13,598,702
Committed	384,594
Assigned	77,351
Unassigned	 1,554,316
Total	\$ 15,614,963

The following funds are the County's major governmental funds:

#### **General Fund**

The General Fund is the chief operating fund of the County. At June 30, 2024, total fund balance in the General Fund was \$2,613,456 of which \$2,194,706 was unassigned, \$341,399 was restricted, and \$77,351 was assigned. As a measure of the General Fund's liquidity, the total fund balance and unassigned fund balances compared to total fund expenditures, as a percentage of total, was 14.6% and 8.6%, respectively. The fund balance of the General Fund decreased by \$1,190,307 during the current fiscal year primarily due to expenditure increases and a \$250,947 restatement.

#### **Capital Projects Fund**

The Capital Projects Fund is used to account for the capital expenditures and related projects of the County. At June 30, 2024, total fund balance (deficit) in the Capital Projects Fund was (\$139,549), a decrease of \$150,641 from the prior year of \$11,092 after restatement.

#### **Grants Fund**

The Grants Fund is used to account for the proceeds of various state, federal, and local grants and the related project expenditures of the County. At June 30, 2024, total fund balance in the Grants Fund was \$3,427,331, a decrease of \$1,854,217 from prior year after restatement.

#### **Capital Projects Sales Tax Fund**

The Capital Projects Sales Tax Fund is used to account for the proceeds from the 1% sales taxes imposed within the County by affirmative voter referendum. At June 30, 2024, the fund balance was \$7,150,882, a decrease of \$886,741 from prior year after restatement.

#### **Nonmajor Governmental Funds**

Other nonmajor governmental funds are used to account for specific revenues and expenditures. Total fund balances of all other governmental funds increased by \$632,949 from the prior year to \$2,562,843 after restatement.

#### **Proprietary Funds**

The County's Water System had a major restatement for the prior fiscal year primarily due to a reclassification of water system plant assets to wastewater system plant assets as the assets were incorrectly listed in the Water System. Likewise the Wastewater Plant benefited from the reclassification and increased its net position. The net effect of these asset reclassifications for the entire proprietary fund is a decrease of (\$35,668) as explained in Note 13.

Otherwise, the Water System net position decreased \$106,811 from the prior year related to operations and stands at \$5,811,169 as of June 30, 2024.

The Wastewater Plant had a decrease in net position of \$46,746 from the prior year related to operations and stands at \$5,060,975 as of June 30, 2024.

The County Golf Course had a decrease in net position of \$127,975 from the prior year and stands at \$136,441 as of June 30, 2024.

#### **General Fund Budgetary Highlights**

A budget to actual schedule is provided for the General Fund in the Required Supplementary Information section of this report starting on page 71. For the year June 30, 2024, actual revenues exceed budgeted revenues by \$1,155,663 while actual expenditures exceeded budgeted expenditures by \$1,091,159 which amounts to a decrease in the budgeted deficit of \$780,921 by a positive increase of \$64,504.

#### **Capital Asset and Debt Administration**

#### **Capital Assets**

Calhoun County's investment in capital assets for its governmental activities as of June 30, 2024, as restated, amounts to \$ 29,857,496 (net of accumulated depreciation) compared to \$ 31,300,900 for 2024. Additions were \$3,296,462 which consisted of \$2,746,319 of construction in process and the remainder in land, buildings and improvements, machinery and equipment, and infrastructure. Also included was the completion of \$722,212 of prior year construction in progress to completed the fixed assets of Buildings and Land Improvements and Infrastructure. Each year construction of roads, bridges, and drainage systems (infrastructure) incurred during the current fiscal year is added to the County's capital assets as the County capitalizes and depreciates its infrastructure.

Detailed information regarding the County's capital assets is included in Note 6 of the notes to the financial statements.

## Calhoun County's Capital Assets Net of Accumulated Depreciation Figure 3

	Governmer	ntal Activities	Business-1	type Activities	Total Primar	y Government
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 2,086,092	\$ 1,752,296	\$ 175,051	\$ 175,051	\$ 2,261,143	\$ 1,927,347
Construction in Progress	4,879,782	2,855,675	598,690	395,810	5,478,472	3,251,485
Museum Collection	3,127,547	3,127,547	-	-	3,127,547	3,127,547
Building and Improvements	10,138,926	10,547,038	197,206	204,695	10,336,132	10,751,733
Infrastructure	7,017,808	6,928,725	=	-	7,017,808	6,928,725
Land Improvements	768,961	465,399	=	-	768,961	465,399
Vehicles	378,039	585,925	54,729	64,487	432,768	650,412
Equipment, Furniture, and Fixtures	2,371,431	2,812,168	126,911	151,554	2,498,342	2,963,722
Right to Use - Vehicles	400,789	659,269	=	=	400,789	659,269
Right to Use - Equipment	131,525	123,454	72,477	100,653	204,002	224,107
Water System	=	=	8,690,746	8,656,939	8,690,746	8,656,939
Wastewater System		=	4,938,838	5,019,639	4,938,838	5,019,639
Total	\$ 31,300,900	\$ 29,857,496	\$ 14,854,648	\$ 14,768,828	\$ 46,155,548	\$ 44,626,324

At the end of the current fiscal year, Calhoun County had the following long-term obligations outstanding:

### Calhoun County's Long-term Obligations Figure 4

	Governmen	tivities	Business-typ	oe A	ctivities		<b>Total Primary Government</b>			
	<u>2024</u>		<u>2023</u>	<u>2024</u>	2024		<u>2024</u>			<u>2023</u>
General Obligation Bonds	\$ 5,749,106	\$	7,390,051	\$ -	\$	-	\$	5,749,106	\$	7,390,051
Revenue Bonds	-		-	3,408,328		3,627,723		3,408,328		3,627,723
Leases Payable	555,621		820,499	73,524		101,534		629,145		922,033
Financed Purchase Obligations	3,157,463		1,974,813	-		-		3,157,463		1,974,813
Compensated Absences	410,018		322,111	26,007		19,955		436,025		342,066
Landfill Closure and										
Post-closure Costs	180,000		180,000	-		-		180,000		180,000
Net Pension Liability	13,685,476		13,750,368	376,444		378,229		14,061,920		14,128,597
Total Other Postemployment										
Liability	4,175,218		4,466,811	223,729		232,280		4,398,947		4,699,091
Total	\$ 27,912,902	\$	28,904,653	\$ 4,108,032	\$	4,359,721	\$	32,020,934	\$	33,264,374

More information on the County's long-term obligations is found in Note 7.

#### **Economic Factors and Next Year's Budgets and Rates**

Calhoun County's local government fund revenue allocation for fiscal year 2024 was an estimated \$630,298 opposed to \$599,948 passed for fiscal year 2023.

The State of South Carolina continued its Rural County Stabilization Fund under the FY 2023 Appropriations Act. The amount allocated to Calhoun County for FY 2024 was level at \$334,696.

Recreational facility projects, economic development efforts, and capital projects continue to position the County to attract businesses and residents to locate within the County. Economic factors although rising across the County, are hampered by inflationary pressures with the FY 2024 CPI factor at 8.32%. The County expects growth in population due to the creation of new jobs from industry expansions and new industry formulating within the County.

The County continues to expand its investment in its two industrial parks – Sandy Run Industrial Park (288 available acres) and I-26 Industrial Park (213 available acres). The Sandy Run Industrial Park now houses a second approximately 519,000 square foot speculative building completed in 2024.

#### Finance Improvements

During the current fiscal year and subsequent fiscal year Calhoun County's Finance Office has experienced unusual labor turnover due to retirement and pursuit of other opportunities. It has caused delays in getting timely audited financial statements. Management has responded to this circumstance by bringing in experienced consultants to assist us in the transition, to aid in training and accounting procedures and processes to more effectively and efficiently manage our finances and get timely financial reports and reconciliations. We are striving to get our fiscal 2025 report prepared and audited timely.

#### **Requests for Information**

This financial report is designed to provide a general overview of Calhoun 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 Administrator
Calhoun County Courthouse Annex
102 Courthouse Drive, Suite 108
St. Matthews, South Carolina29135



#### CALHOUN COUNTY, SOUTH CAROLINA STATEMENT OF NET POSITION JUNE 30, 2024

		Primary Government	Component Unit	
	Governmental Activities	Business-type Activities	Total	Sandy Run Fire District
ASSETS	Activities	Activities	IOLAI	Fire District
Current assets				
Cash and cash equivalents	\$ 19,988,649	\$ 1,268,485	\$ 21,257,134	\$ 349,877
Receivables:				
Taxes, net	176,626	-	176,626	-
Accounts, net	2,525,858	227,622	2,753,480	-
Due from other governments	120,900	- (4.067.505)	120,900	-
Internal balances Inventories	1,067,595	(1,067,595) 2,464	2,464	-
Total current assets	23,879,628	430,976	24,310,604	349,877
Non-current assets				
Right to use lease assets, net of amortization	532,317	100,652	632,969	-
Capital assets				
Nondepreciable	10,093,421	773,741	10,867,162	826,226
Depreciable, net	20,675,162	13,980,255	34,655,417	174,936
Total non-current assets	31,300,900	14,854,648	46,155,548	1,001,162
Total assets	55,180,528	15,285,624	70,466,152	1,351,039
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB	204,085	12,356	216.441	_
Related to pension	2,509,962	66,276	2,576,238	-
Total deferred outflows of resources	2,714,047	78,632	2,792,679	
LIABILITIES	<del></del> _			
Current liabilities:				
Accounts payable	2,726,160	57,322	2,783,482	25,796
Accrued liabilities	480,038	128,706	608,744	-
Unearned revenues	2,402,973	-	2,402,973	_
Due to other governments	61,196	_	61,196	_
Accrued interest payable	118,130	12,432	130,562	5,262
Current portion of compensated absences	236,335	8,659	244,994	-
Current portion of leases payable	237,297	28,261	265,558	-
Current portion of financed purchase obligations	382,188	-	382,188	30,139
Current portion of long-term liabilities	1,681,266	154,379	1,835,645	-
Total current liabilities	8,325,583	389,759	8,715,342	61,197
Non-current liabilities:				
Compensated absences, net of current portion	173,683	17,348	191,031	_
Leases payable, net of current portion	318,324	45,263	363,587	_
Financed purchase obligations, net of current portion	2,775,275	-	2,775,275	167,027
Long-term liabilities, net of current portion	4,247,840	3,253,949	7,501,789	, -
Other postemployment benefits liability (OPEB)	4,175,218	223,729	4,398,947	-
Net pension liability	13,685,476	376,444	14,061,920	
Total non-current liabilities	25,375,816	3,916,733	29,292,549	167,027
Total liabilities	33,701,399	4,306,492	38,007,891	228,224
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB	791,822	43,882	835,704	-
Related to pension	296,351	5,297	301,648	-
Total deferred inflows of resources	1,088,173	49,179	1,137,352	
NET POSITION				
Net investment in capital assets	24,816,173	11,372,796	36,188,969	803,996
Restricted for:	,,	,- : =, : = 9	,,3	,
Debt service	438,974	-	438,974	-
Capital projects	7,150,882	-	7,150,882	-
General government	475,542	-	475,542	-
Public safety	353,738	-	353,738	-
Health and welfare	873,419	-	873,419	-
Economic development	3,964,748	-	3,964,748	-
Local option sales tax reserve	341,399	-	341,399	-
Unrestricted	(15,309,872)	(364,211)	(15,674,083)	318,819
Total Net Position	\$ 23,105,003	\$ 11,008,585	\$ 34,113,588	\$ 1,122,815

#### CALHOUN COUNTY, SOUTH CAROLINA STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2024

Net (Expense) Revenue
Program Revenues and Changes in Net Position

						Primary Government		Discretely Presented Component Unit
FUNCTIONS AND DEGCRAMS	F:	Charges for	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Tatal	Sandy Run
FUNCTIONS AND PROGRAMS Primary government:	Expenses	Services	Contributions	Contributions	Activities	Activities	Total	Fire District
Governmental activities								
General government	\$ 10,568,755	\$ 738,065	\$ 158,088	\$ -	\$ (9,672,602)	\$ -	\$ (9,672,602)	\$ -
Public safety	4,803,710	439,660	107,397	-	(4,256,653)	-	(4,256,653)	-
Public works	1,481,253	25,094	-	2,145,659	689,500	=	689,500	=
Culture and recreation	1,039,590	79,617	-	750,000	(209,973)	-	(209,973)	-
Judicial services	920,355	148,099	-	-	(772,256)	-	(772,256)	-
Health and welfare	3,840,912	1,113,709	617,359	-	(2,109,844)	-	(2,109,844)	-
Economic development	3,698,948	-	300,000	-	(3,398,948)	-	(3,398,948)	-
Interest	355,877				(355,877)		(355,877)	
Total governmental activities	26,709,400	2,544,244	1,182,844	2,895,659	(20,086,653)		(20,086,653)	
Business-type activity								
Water system	1,541,293	1,117,754	-	-	-	(423,539)	(423,539)	-
Wastewater plants	173,003	126,257	-	-	-	(46,746)	(46,746)	-
County golf course	547,370	416,165		-	·	(131,205)	(131,205)	
Total business-type activities	2,261,666	1,660,176			<u>-</u>	(601,490)	(601,490)	
Total primary government	\$ 28,971,066	\$ 4,204,420	\$ 1,182,844	\$ 2,895,659	\$ (20,086,653)	(601,490)	(20,688,143)	
Component unit:								
Sandy Run Fire District	\$ 286,996	\$ 80,130	\$ -	\$ 54	·			\$ (206,812)
	GENERAL REVENUES							
	Property taxes				14,395,501	-	14,395,501	72,976
	Local option sales taxe				3,987,403	-	3,987,403	=
	State shared revenues	i			2,089,430	-	2,089,430	-
	Investment earnings				835,320	10,338	845,658	-
	Miscellaneous				713,553	=	713,553	32,753
	Gain (loss) on sale of a	issets			74,420	-	74,420	-
	Transfers				(865,026)	309,620	(555,406)	532,300
	Total general revenu	ues and transfers			21,230,601	319,958	21,550,559	638,029
	Change in net posit	tion			1,143,948	(281,532)	862,416	431,217
	Net position, beginning	g of year			26,141,032	11,203,132	37,344,164	1,077,766
	Prior period adjustmen	nt (see Note 13)			(4,179,977)	86,985	(4,092,992)	(386,168)
	Net position, beginning	g of year (as restated)			21,961,055	11,290,117	33,251,172	691,598
	Net position, end of ye	ear			\$ 23,105,003	\$ 11,008,585	\$ 34,113,588	\$ 1,122,815

### CALHOUN COUNTY, SOUTH CAROLINA BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2024

Ger 			 Capital Projects Fund	 Grants Fund	Ca <sub>l</sub>	pital Projects Sales Tax Fund	Nonmajor overnmental Funds	Total Governmental Funds		
ASSETS										
Cash and cash equivalents Investments	\$	4,556,674 -	\$ -	\$ 7,303,123 -	\$	5,886,379 -	\$ 2,848,984 -	\$	20,595,160	
Taxes receivables, net		148,863	4,725	-		-	23,038		176,626	
Accounts receivable, net		1,422,018	-	177,467		592,386	333,987		2,525,858	
Due from other governments		120,900	-	-		-	-		120,900	
Due from other funds		1,813,359	130,000	457,322		1,299,462	302,153		4,002,296	
Total assets	\$	8,061,814	\$ 134,725	\$ 7,937,912	\$	7,778,227	\$ 3,508,162	\$	27,420,840	
LIABILITIES										
Accounts payable	\$	780,466	\$ 142,294	\$ 1,694,856	\$	34,959	\$ 73,585	\$	2,726,160	
Due to other funds		2,523,857	-	410,755		· -	89		2,934,701	
Due to other governments		8,567	-	· -		-	52,629		61,196	
Accrued liabilities		442,669	-	1,997		-	35,372		480,038	
Other liability		-	128,065	-		-	478,446		606,511	
Unearned revenue		-	-	2,402,973		-	-		2,402,973	
Total liabilities		3,755,559	270,359	4,510,581		34,959	640,121		9,211,579	
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - property taxes		123,182	3,915	-		-	19,172		146,269	
Deferred revenue - state treasurer's office		1,569,617	-			592,386	286,026		2,448,029	
Total deferred inflows of resources		1,692,799	3,915	-		592,386	305,198		2,594,298	
FUND BALANCES (DEFICITS)										
Restricted for:										
General government		-	-	-		-	475,542		475,542	
Public safety		-	-	-		-	353,738		353,738	
Health and welfare		-	-	-		-	873,419		873,419	
Economic development		-	-	3,427,331		-	537,417		3,964,748	
Local option sales tax reserve		341,399	-	-		-	-		341,399	
Capital projects		-	-	-		7,150,882	-		7,150,882	
Debt service		-	-	-		-	438,974		438,974	
Committed:										
Other purposes		-	-	-		-	384,594		384,594	
Assigned:										
Museum funds		20,641	-	-		-	-		20,641	
Library donations		56,590	-	-		-	-		56,590	
Sheriff donations		120	-	-		-	-		120	
Unassigned		2,194,706	 (139,549)	-			 (500,841)		1,554,316	
Total fund balances (defecits)		2,613,456	 (139,549)	 3,427,331		7,150,882	 2,562,843		15,614,963	
TOTAL LIABILITIES, DEFERRED INFLOWS										
OF RESOURCES, AND FUND BALANCES	\$	8,061,814	\$ 134,725	\$ 7,937,912	\$	7,778,227	\$ 3,508,162	\$	27,420,840	

## CALHOUN COUNTY, SOUTH CAROLINA RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2024

Total fund balance for governmental funds		\$ 15,614,963
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Some receivables will be collected after year-end, but are not available soon enough to pay for the current periods' expenditures and deferred outflows in the funds.		
Unavailable revenue - property taxes		146,269
Deferred revenue - state treasurer's office		2,448,029
Capital assets used in governmental activities are not financial		
resources and, therefore, are not reported in the funds.		30,768,583
Right to use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		532,317
Long-term liabilities, related deferred charges on bond refunding, and accrued interest payable are not due and payable in the current period and, therefore, are not reported in the funds:  General obligation bonds  Financed purchase obligations  Leases payable  Interest payable  Landfill closure and post-closure care costs  Compensated absences payable	(5,749,106) (3,157,463) (555,621) (118,130) (180,000) (410,018)	(10,170,338)
Other Post Employment Benefits (OPEB) liability, net of related deferred inflows and outflows, represents the future unfunded costs associated with current benefits.		(4,762,955)
Pension liability, net of related deferred inflows and outflows, represents the proportionate share of the future unfunded costs associated with the County's participation in the South Carolina Retirement System.	-	(11,471,865)
Net position of governmental acitivities	-	\$ 23,105,003

### CALHOUN COUNTY, SOUTH CAROLINA STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2024

	<u>General</u>		Capital Projects Fund	Grants Fund		_	Capital Projects Sales Tax Fund	Nonmajor Governmental Funds			Total overnmental Funds
REVENUES											
Property taxes	\$	11,350,369	\$ 1,509,575	\$	-	\$	-	\$	1,463,836	\$	14,323,780
Other taxes		1,200,490	-		-		1,299,462		549,949		3,049,901
Intergovernmental		1,882,499	-		2,436,378		-		943,298		5,262,175
Licenses, permits and fees		738,065	-		-		-		-		738,065
Fines and forfeitures		148,099	-		-		-		-		148,099
Charges for services		1,218,420	-		-		-		439,660		1,658,080
Other revenues		701,317	 -		338,923		338,935		169,698		1,548,873
Total revenues		17,239,259	 1,509,575		2,775,301		1,638,397		3,566,441		26,728,973
EXPENDITURES											
Current:											
General government		7,618,786	2,026,824		-		-		391,582		10,037,192
Public safety		3,561,174	-		-		-		977,204		4,538,378
Public works		1,312,845	41,545		-		-		-		1,354,390
Culture and recreation		981,870	-		-		-		-		981,870
Judicial Services		869,255	-		-		-		-		869,255
Health and welfare		2,996,558	-		51,515		-		579,584		3,627,657
Economic development		90,965	-		2,587,250		613,412		100,439		3,392,066
Capital outlay		524,223	305,562		2,006,943		125,938		333,796		3,296,462
Debt service:											
Principal		-	720,237		-		984,903		656,043		2,361,183
Interest		-	204,327		-		65,705		45,902		315,934
Total expenditures		17,955,676	3,298,495		4,645,708		1,789,958		3,084,550		30,774,387
EXCESS (DEFICIENCY) OF REVENUE											
OVER EXPENDITURES		(716,417)	(1,788,920)		(1,870,407)		(151,561)		481,891		(4,045,414)
		(720) 127)	(1), (3), (2)		(2,070) .077	_	(131,301)		.02,031		(1,010,111,
OTHER FINANCING SOURCES (USES)											
Transfer in		1,548,467	269		276,945		-		151,327		1,977,008
Transfers out		(1,845,830)	-		(260,755)		(735,180)		(269)		(2,842,034)
Lease proceeds		-	1,638,010		-		-		-		1,638,010
Sale of capital assets		74,420	 -		-		-				74,420
Total other financing sources (uses)		(222,943)	 1,638,279		16,190		(735,180)		151,058		847,404
Net change in fund balances		(939,360)	(150,641)		(1,854,217)		(886,741)		632,949		(3,198,010)
Fund balances (deficits), beginning of year		3,803,763	(19,124)		5,536,587		7,624,399		2,204,593		19,150,218
Prior period adjustment (see Note 13)		(250,947)	30,216		(255,039)		413,224		(274,699)		(337,245)
Fund balances, beginning of year (as restated)		3,552,816	 11,092		5,281,548	_	8,037,623		1,929,894		18,812,973
Fund balances (deficits), end of year	\$	2,613,456	\$ (139,549)	\$	3,427,331	\$	7,150,882	\$	2,562,843	\$	15,614,963

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

# CALHOUN COUNTY, SOUTH CAROLINA RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2024

Net changes in fund balances - total governmental funds		\$ (3,198,010)
Amounts reported for governmental activities in the statement of activities are different		
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	3,186,336	
Expenditures for right to use lease assets	110,126	
Less, current year depreciation	(1,492,524)	
Less, current year amortization	(360,534)	1,443,404
The issuance of long-term debt (e.g., bonds, leases, notes) provides current		
financial resources to governmental funds, , while the repayment of principal		
of long-term debt consumes the current financial resources of governmental		
funds. Neither transaction, however, has any effect on net position. Also,		
governmental funds report the effect of premiums, discounts, and similar		
items when debt is first issued, whereas these amounts are deferred and		
amortized in the statement of activities.		
Lease proceeds	(1,638,010)	
Leases payable principal payments	375,804	
Financed purchase obligations principal payments	345,235	
Bond principal payment	1,640,144	723,173
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 accrued interest on debt	(39,943)	
Change in compensated absences	(87,907)	
Change in OPEB liability and related deferred inflows/outflows	334,070	
Change in Pension liability and related deferred inflows/outflows	54,180	260,400
Some receivables will not be collected for several months after the		,
County's fiscal year-end; they are not considered "available"		
revenues in the governmental funds. Change in - property taxes		
Change in property taxes	71,721	
Change in state revenues	1,843,260	1,914,981
Change in net position of governmental activities		\$ 1,143,948

#### PROPRIETARY FUNDS JUNE 30, 2024

Care   Cash   Sample   Sampl	ASSETS	Municipal Water System	Wastewater Plant	Nonmajor Enterprise County Golf Course	Totals
Accounts receivable, net of allowance for doubtful accounts   103,510   60,383   3,230   157,220     Inventories   103,510   60,383   3,230   157,220     Total current assets   1,142,534   124,181   398,879   1,665,696     Total current assets   1,142,534   124,181   398,879   1,665,696     Noncurrent assets   100,652   100,652   100,652     Right to use lease assets, net of amortization					
Due from other funds   103,510   60,383   3,230   167,123   100,000   166,		· ·	\$ 63,798		
Inventories	•	•	<del>-</del>		
Total current assets		103,510	60,383	· ·	
Noncurrent assets:         Image: Company of the properties of the pro	Inventories			2,464	2,464
Right to use lease assets, net of amortization	Total current assets	1,142,534	124,181	398,979	1,665,694
Non-depreciable   603,190   170,551   773,741     Non-depreciable   603,190   4,938,838   166,638   13,980,255     Total non-current assets   9,477,969   4,938,838   437,841   14,854,648     Total assets   10,620,503   5,063,019   836,820   16,520,342     DEFERRED OUTFLOWS OF RESOURCES   12,356   5	Noncurrent assets:				
Non-depreciable	Right to use lease assets, net of amortization	-	-	100,652	100,652
Depreciable, net of accumulated depreciation/amortization         8,874,779         4,938,838         166,638         13,980,255           Total non-current assets         9,477,969         4,938,838         437,841         14,854,648           Total assets         10,620,503         5,063,019         836,820         16,520,342           DEFERRED OUTLOWS OF RESOURCES           Other postemployment benefits         12,356         -         -         66,276           Pension         66,276         -         -         66,276           Total deferred outflows of resources         78,632         -         -         12,356           LIABILITIES         -         -         -         66,276           Accounts payable         42,806         2,044         12,472         57,322           Accounts payable         42,806         2,044         12,472         57,322           Accrued interest payable         12,432         1,0665         128,706           Current portion of compensated absences         7,570         -         1,089         8,599           Current portion of feases payable         -         -         28,261         28,261         28,261         28,261         28,261         28,261         28,261 <t< td=""><td>Capital assets:</td><td></td><td></td><td></td><td></td></t<>	Capital assets:				
Total non-current assets         9,477,969         4,938,838         437,841         14,854,648           Total assets         10,620,503         5,063,019         836,820         16,520,342           DEFERRED OUTFLOWS OF RESOURCES           Other postemployment benefits         12,356         0         1         12,356           Pension         66,276         0         0         66,276           Total deferred outflows of resources         78,632         0         0         78,632           Current liabilities:           Current post outflows of resources         8         2,044         12,472         57,322           Accrued interest payable         42,806         2,044         12,472         57,322           Accrued interest payable         118,041         0         10,665         128,706           Accrued interest payable         42,806         2,044         12,472         12,432           Current portion of leases payable         646,505         58,213         12,437           Current portion of leases payable         154,379         0         1,632,471           Current portion of leases payable         154,379         2         1,416         17,348 </td <td>Non-depreciable</td> <td>603,190</td> <td>-</td> <td>170,551</td> <td>773,741</td>	Non-depreciable	603,190	-	170,551	773,741
Total assets	Depreciable, net of accumulated depreciation/amortization	8,874,779	4,938,838	166,638	13,980,255
DEFERRED OUTFLOWS OF RESOURCES           Other postemployment benefits         12,356         -         -         12,356           Pension         66,276         -         -         66,276           Total deferred outflows of resources         78,632         -         -         78,632           LIABILITIES           Current liabilities           Current payable         42,806         2,044         12,472         57,322           Accrued liabilities         118,041         -         10,665         128,706           Accrued liabilities         646,505         -         588,213         1,234,718           Current portion of compensated absences         7,570         -         1,089         8,659           Current portion of revenue bonds payable         -         -         28,261         28,261           Current portion of revenue bonds payable         154,379         -         -         154,479           Total current liabilities         2,932         1         1,416         17,348           Leases payable, net of current portion         2,932         1         45,263         45,263           Revenue bonds payable, net of current portion         3,253,949         - <td>Total non-current assets</td> <td>9,477,969</td> <td>4,938,838</td> <td>437,841</td> <td>14,854,648</td>	Total non-current assets	9,477,969	4,938,838	437,841	14,854,648
Other postemployment benefits         12,356         -         -         12,356           Pension         66,276         -         -         12,356           Total deferred outflows of resources         78,632         -         -         78,632           LARSILITES           Current liabilities:         -         -         12,472         57,322           Accounts payable         42,806         2,044         12,472         57,322           Accrued liabilities         118,041         -         10,665         128,702           Accrued interest payable         12,432         -         12,432           Due to other funds         646,505         -         588,213         1,234,718           Current portion of compensated absences         7,570         -         1,089         8,659           Current portion of revenue bonds payable         154,379         -         -         154,379           Total current liabilities         2,932         -         1,416         17,348           Leases payable, ent of current portion         -         2,932         -         14,516         154,363           Revenue bonds payable, net of current portion         -         2,932         -         14,516	Total assets	10,620,503	5,063,019	836,820	16,520,342
Pension         66,276         -         66,276           Total deferred outflows of resources         78,632         -         -         78,632           LABILITIES           Current liabilities:           Accounts payable         42,806         2,044         12,472         57,322           Accrued interest payable         118,041         -         10,665         128,706           Accrued interest payable         12,432         -         -         12,432           Current portion of compensated absences         7,570         -         1,089         8,659           Current portion of leases payable         -         -         -         154,379           Current portion of revenue bonds payable         154,379         -         -         154,379           Total current liabilities         2,932         1,416         17,348           Leases payable, net of current portion         2,932         1,416         17,348           Leases payable, net of current portion         2,932         1,416         17,348           Leases payable, net of current portion         3,253,949         -         3,253,949           Net postemployment benefits liability         37,644         -         -         376,444<	DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources         78,632         -         -         78,632           LABBILITIES           Current liabilities         42,806         2,044         12,472         57,322           Accrued liabilities         118,041         10,665         128,706           Accrued interest payable         12,432         -         -         12,437,18           Due to other funds         646,505         -         588,213         1,234,718           Current portion of compensated absences         7,570         -         1,089         8,659           Current portion of revenue bonds payable         154,379         -         -         154,379           Current portion of revenue bonds payable         154,379         -         -         154,379           Total current liabilities         981,733         2,044         640,700         1,624,477           Non-current liabilities         2,932         -         14,416         17,348           Leases payable, net of current portion         2,932         -         14,416         17,348           Leases payable, net of current portion         3,253,499         -         -         3,253,499           Other postemployment benefits liability         3,857,054	Other postemployment benefits	12,356	-	-	12,356
Liabilities           Current liabilities           Accounts payable         42,806         2,044         12,472         57,322           Accrued liabilities         118,041         -         10,665         128,706           Accrued inbilities         12,432         -         -         12,432           Due to other funds         646,505         -         588,213         1,234,718           Current portion of compensated absences         7,570         -         1,089         8,659           Current portion of leases payable         -         -         28,261         28,611           Current portion of revenue bonds payable         154,379         -         -         154,379           Total current liabilities         981,733         2,044         640,700         1,624,477           Non-current liabilities         2,932         -         14,416         17,348           Leases payable, net of current portion         2,932         -         14,416         17,348           Leases payable, net of current portion         3,253,949         -         -         2,232,729           Net pension liability         376,444         -         -         376,444           Total liabilities	Pension	66,276			66,276
Current liabilities:         42,806         2,044         12,472         57,322           Accounts payable         42,806         2,044         12,472         57,322           Accrued liabilities         118,041         -         10,665         128,706           Accrued interest payable         12,432         -         -         12,432           Due to other funds         646,505         -         888,213         1,234,718           Current portion of compensated absences         7,570         -         1,089         8,659           Current portion of leases payable         -         -         28,261         28,261           Current portion of revenue bonds payable         154,379         -         -         154,379           Total current liabilities         981,733         2,044         640,700         1,624,477           Non-current liabilities           Compensated absences, net of current portion         2,932         -         14,416         17,348           Leases payable, net of current portion         3,253,949         -         -         325,349           Other postemployment benefits liability         376,444         -         -         376,444           Total non-current liabilities         4,838,787<	Total deferred outflows of resources	78,632			78,632
Accounts payable         42,806         2,044         12,472         57,322           Accrued liabilities         118,041         -         10,665         128,706           Accrued interest payable         12,432         -         -         12,432           Due to other funds         646,505         -         588,213         1,234,718           Current portion of compensated absences         7,570         -         1,089         8,659           Current portion of revenue bonds payable         -         -         28,261         28,261           Current portion of revenue bonds payable         154,379         -         -         154,379           Total current liabilities         981,733         2,044         640,700         1,624,477           Non-current liabilities         981,733         2,044         640,700         1,624,477           Non-current liabilities         2,932         -         14,416         17,348           Leases payable, net of current portion         2,932         -         14,416         17,348           Leases payable, net of current portion         3,253,949         -         -         325,263           Revenue bonds payable, net of current portion         3,857,054         -         59,679         3	LIABILITIES				
Accrued liabilities         118,041         -         10,665         128,706           Accrued interest payable         12,432         -         -         12,432           Due to other funds         646,505         -         588,213         1,234,718           Current portion of compensated absences         7,570         -         1,089         8,659           Current portion of revenue bonds payable         -         -         28,261         28,261           Current portion of revenue bonds payable         154,379         -         -         154,379           Total current liabilities         381,733         2,044         640,700         1,624,477           Non-current liabilities         2,932         -         14,416         17,348           Leases payable, net of current portion         2,932         -         45,263         45,263           Revenue bonds payable, net of current portion         3,253,949         -         -         3,253,949           Other postemployment benefits liability         376,444         -         -         376,444           Total non-current liabilities         3,857,054         -         59,679         3,916,733           Other postemployment benefits         4,838,787         2,044         700,379 </td <td>Current liabilities:</td> <td></td> <td></td> <td></td> <td></td>	Current liabilities:				
Accrued interest payable         12,432         -         -         12,432 (12,34,718)           Due to other funds         646,505         -         588,213         1,234,718           Current portion of compensated absences         7,570         -         1,089         8,659           Current portion of leases payable         -         -         28,261         28,261           Current portion of revenue bonds payable         154,379         -         -         154,379           Total current liabilities         981,733         2,044         640,700         1,624,477           Non-current liabilities:         -         -         14,416         17,348           Leases payable, net of current portion         2,932         -         14,416         17,348           Leases payable, net of current portion         3,253,949         -         -         3,253,949           Other postemployment benefits liability         223,729         -         -         223,729           Net postemployment benefits liability         376,444         -         -         376,444           Total non-current liabilities         3,857,054         -         59,679         3,916,733           DEFERRED INFLOWS OF RESOURCES           Other postemployment	Accounts payable	42,806	2,044	12,472	57,322
Due to other funds         646,505         -         588,213         1,234,718           Current portion of compensated absences         7,570         -         1,089         8,659           Current portion of leases payable         -         -         28,261         28,261           Current portion of revenue bonds payable         154,379         -         -         154,379           Total current liabilities         881,733         2,044         640,700         1,624,477           Non-current liabilities:         -         -         14,416         17,348           Leases payable, net of current portion         -         -         45,263         45,263           Revenue bonds payable, net of current portion         -         -         45,263         45,263           Revenue bonds payable, net of current portion         3,253,949         -         -         223,729           Other postemployment benefits liability         223,729         -         -         376,444           Total non-current liabilities         3,857,054         -         59,679         3,916,733           DEFERED INFLOWS OF RESOURCES           Other postemployment benefits         43,882         -         -         43,882           Pension	Accrued liabilities	118,041	-	10,665	128,706
Current portion of compensated absences         7,570         -         1,089         8,659           Current portion of leases payable         -         -         28,261         28,261           Current portion of revenue bonds payable         154,379         -         -         154,379           Total current liabilities         981,733         2,044         640,700         1,624,477           Non-current liabilities:         2,932         -         14,416         17,348           Leases payable, net of current portion         2,932         -         14,416         17,348           Leases payable, net of current portion         3,253,949         -         -         3,253,949           Other postemployment benefits liability         223,729         -         -         223,729           Net pension liabilities         3,857,054         -         59,679         3,916,733           Total non-current liabilities         4,838,787         2,044         700,379         5,541,210           DEFERRED INFLOWS OF RESOURCES           Other postemployment benefits         43,882         -         -         43,882           Pension         5,297         -         -         5,297           Total deferred inflows of resources	Accrued interest payable	12,432	-	-	12,432
Current portion of leases payable         -         -         28,261         28,261           Current portion of revenue bonds payable         154,379         -         -         154,379           Total current liabilities         981,733         2,044         640,700         1,624,477           Non-current liabilities:         2         -         14,416         17,348           Leases payable, net of current portion         2,932         -         14,416         17,348           Leases payable, net of current portion         -         -         45,263         45,263         45,263           Revenue bonds payable, net of current portion         3,253,949         -         -         3,253,949           Other postemployment benefits liability         223,729         -         -         3,253,949           Other postemployment benefits liabilities         3,857,054         -         59,679         3,916,733           Total non-current liabilities         4,838,7054         -         59,679         3,916,733           DEFERRED INFLOWS OF RESOURCES         43,882         -         -         43,882           Other postemployment benefits         43,882         -         -         43,882           Pension         5,297         -		646,505	-	•	
Current portion of revenue bonds payable         154,379         -         -         154,379           Total current liabilities         981,733         2,044         640,700         1,624,477           Non-current liabilities:         881,733         2,044         640,700         1,624,477           Compensated absences, net of current portion         2,932         -         14,416         17,348           Leases payable, net of current portion         -         -         45,263         45,263           Revenue bonds payable, net of current portion         3,253,949         -         -         3,253,949           Other postemployment benefits liability         223,729         -         -         223,729           Net pension liabilities         3,857,054         -         59,679         3,916,733           Total non-current liabilities         4,838,787         2,044         700,379         5,541,210           DEFERRED INFLOWS OF RESOURCES           Other postemployment benefits         43,882         -         -         43,882           Pension         5,297         -         -         49,179           Total deferred inflows of resources         49,179         -         -         49,179           NET POSITIO	Current portion of compensated absences	7,570	-	1,089	8,659
Total current liabilities         981,733         2,044         640,700         1,624,477           Non-current liabilities:         2,932         -         14,416         17,348           Leases payable, net of current portion         -         -         45,263         45,263           Revenue bonds payable, net of current portion         3,253,949         -         -         3,253,949           Other postemployment benefits liability         223,729         -         -         223,729           Net pension liability         376,444         -         -         376,444           Total non-current liabilities         3,857,054         -         59,679         3,916,733           Total liabilities         4,838,787         2,044         700,379         5,541,210           DEFERRED INFLOWS OF RESOURCES           Other postemployment benefits         43,882         -         -         43,882           Pension         5,297         -         -         5,297           Total deferred inflows of resources         49,179         -         -         49,179           Net investment in capital assets         6,069,641         4,938,838         364,317         11,372,796           Unrestricted         (258,472) <td></td> <td>-</td> <td>-</td> <td>28,261</td> <td>28,261</td>		-	-	28,261	28,261
Non-current liabilities:         2,932         -         14,416         17,348           Leases payable, net of current portion         2,932         -         14,416         17,348           Leases payable, net of current portion         3,253,949         -         -         3,253,949           Other postemployment benefits liability         223,729         -         -         223,729           Net pension liability         376,444         -         -         376,444           Total non-current liabilities         3,857,054         -         59,679         3,916,733           Total liabilities         4,838,787         2,044         700,379         5,541,210           DEFERRED INFLOWS OF RESOURCES         59,679         -         43,882           Pension         5,297         -         -         5,297           Total deferred inflows of resources         49,179         -         -         49,179           NET POSITION         Net investment in capital assets         6,069,641         4,938,838         364,317         11,372,796           Unrestricted         (258,472)         122,137         (227,876)         (364,211)	Current portion of revenue bonds payable	154,379			154,379
Compensated absences, net of current portion         2,932         -         14,416         17,348           Leases payable, net of current portion         -         -         45,263         45,263           Revenue bonds payable, net of current portion         3,253,949         -         -         3,253,949           Other postemployment benefits liability         223,729         -         -         223,729           Net pension liability         376,444         -         -         376,444           Total non-current liabilities         3,857,054         -         59,679         3,916,733           Total liabilities         4,838,787         2,044         700,379         5,541,210           DEFERRED INFLOWS OF RESOURCES           Other postemployment benefits         43,882         -         -         43,882           Pension         5,297         -         -         49,179           Total deferred inflows of resources         49,179         -         -         49,179           NET POSITION           Net investment in capital assets         6,069,641         4,938,838         364,317         11,372,796           Unrestricted         (258,472)         122,137         (227,876)         (364,211) <td>Total current liabilities</td> <td>981,733</td> <td>2,044</td> <td>640,700</td> <td>1,624,477</td>	Total current liabilities	981,733	2,044	640,700	1,624,477
Leases payable, net of current portion         -         -         45,263         45,263           Revenue bonds payable, net of current portion         3,253,949         -         -         3,253,949           Other postemployment benefits liability         223,729         -         -         223,729           Net pension liability         376,444         -         -         376,444           Total non-current liabilities         3,857,054         -         59,679         3,916,733           Total liabilities         4,838,787         2,044         700,379         5,541,210           DEFERRED INFLOWS OF RESOURCES           Other postemployment benefits         43,882         -         -         43,882           Pension         5,297         -         -         5,297           Total deferred inflows of resources         49,179         -         -         49,179           NET POSITION           Net investment in capital assets         6,069,641         4,938,838         364,317         11,372,796           Unrestricted         (258,472)         122,137         (227,876)         (364,211)	Non-current liabilities:				
Revenue bonds payable, net of current portion         3,253,949         -         -         3,253,949           Other postemployment benefits liability         223,729         -         -         223,729           Net pension liability         376,444         -         -         376,444           Total non-current liabilities         3,857,054         -         59,679         3,916,733           Total liabilities         4,838,787         2,044         700,379         5,541,210           DEFERRED INFLOWS OF RESOURCES           Other postemployment benefits         43,882         -         -         43,882           Pension         5,297         -         -         5,297           Total deferred inflows of resources         49,179         -         -         49,179           NET POSITION           Net investment in capital assets         6,069,641         4,938,838         364,317         11,372,796           Unrestricted         (258,472)         122,137         (227,876)         (364,211)	Compensated absences, net of current portion	2,932	-	14,416	17,348
Other postemployment benefits liability         223,729         -         -         223,729           Net pension liability         376,444         -         -         376,444           Total non-current liabilities         3,857,054         -         59,679         3,916,733           Total liabilities         4,838,787         2,044         700,379         5,541,210           DEFERRED INFLOWS OF RESOURCES           Other postemployment benefits         43,882         -         -         43,882           Pension         5,297         -         -         5,297           Total deferred inflows of resources         49,179         -         -         49,179           NET POSITION         Net investment in capital assets         6,069,641         4,938,838         364,317         11,372,796           Unrestricted         (258,472)         122,137         (227,876)         (364,211)		-	-	45,263	45,263
Net pension liability         376,444         -         -         376,444           Total non-current liabilities         3,857,054         -         59,679         3,916,733           Total liabilities         4,838,787         2,044         700,379         5,541,210           DEFERRED INFLOWS OF RESOURCES           Other postemployment benefits         43,882         -         -         43,882           Pension         5,297         -         -         5,297           Total deferred inflows of resources         49,179         -         -         49,179           NET POSITION         Net investment in capital assets         6,069,641         4,938,838         364,317         11,372,796           Unrestricted         (258,472)         122,137         (227,876)         (364,211)	Revenue bonds payable, net of current portion	3,253,949	-	-	3,253,949
Total non-current liabilities         3,857,054         -         59,679         3,916,733           Total liabilities         4,838,787         2,044         700,379         5,541,210           DEFERRED INFLOWS OF RESOURCES           Other postemployment benefits         43,882         -         -         43,882           Pension         5,297         -         -         5,297           Total deferred inflows of resources         49,179         -         -         49,179           NET POSITION         Net investment in capital assets         6,069,641         4,938,838         364,317         11,372,796           Unrestricted         (258,472)         122,137         (227,876)         (364,211)	Other postemployment benefits liability	223,729	-	-	223,729
Total liabilities         4,838,787         2,044         700,379         5,541,210           DEFERRED INFLOWS OF RESOURCES           Other postemployment benefits         43,882         -         -         43,882           Pension         5,297         -         -         5,297           Total deferred inflows of resources         49,179         -         -         49,179           NET POSITION           Net investment in capital assets         6,069,641         4,938,838         364,317         11,372,796           Unrestricted         (258,472)         122,137         (227,876)         (364,211)	Net pension liability	376,444			376,444
DEFERRED INFLOWS OF RESOURCES           Other postemployment benefits         43,882         -         -         43,882           Pension         5,297         -         -         5,297           Total deferred inflows of resources         49,179         -         -         49,179           NET POSITION         Net investment in capital assets         6,069,641         4,938,838         364,317         11,372,796           Unrestricted         (258,472)         122,137         (227,876)         (364,211)	Total non-current liabilities	3,857,054		59,679	3,916,733
Other postemployment benefits         43,882         -         -         43,882           Pension         5,297         -         -         5,297           Total deferred inflows of resources         49,179         -         -         49,179           NET POSITION         Net investment in capital assets         6,069,641         4,938,838         364,317         11,372,796           Unrestricted         (258,472)         122,137         (227,876)         (364,211)	Total liabilities	4,838,787	2,044	700,379	5,541,210
Pension         5,297         -         -         5,297           Total deferred inflows of resources         49,179         -         -         49,179           NET POSITION           Net investment in capital assets         6,069,641         4,938,838         364,317         11,372,796           Unrestricted         (258,472)         122,137         (227,876)         (364,211)	DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources         49,179         -         -         49,179           NET POSITION         -         -         -         49,179           Net investment in capital assets         6,069,641         4,938,838         364,317         11,372,796           Unrestricted         (258,472)         122,137         (227,876)         (364,211)	Other postemployment benefits	43,882	-	-	43,882
Total deferred inflows of resources         49,179         -         -         49,179           NET POSITION         -         -         -         49,179           Net investment in capital assets         6,069,641         4,938,838         364,317         11,372,796           Unrestricted         (258,472)         122,137         (227,876)         (364,211)		5,297			5,297
Net investment in capital assets       6,069,641       4,938,838       364,317       11,372,796         Unrestricted       (258,472)       122,137       (227,876)       (364,211)	Total deferred inflows of resources	49,179			49,179
Net investment in capital assets       6,069,641       4,938,838       364,317       11,372,796         Unrestricted       (258,472)       122,137       (227,876)       (364,211)	NET POSITION				
Unrestricted (258,472) 122,137 (227,876) (364,211)		6,069,641	4,938,838	364,317	11,372,796
	·				
	Total net Position				

### CALHOUN COUNTY, SOUTH CAROLINA STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSTION PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2024

	YEAR EN	NDED JUNE 30, 2	024				
		Municipal Iter System	w	astewater Plant	Er	onmajor Iterprise County Ilf Course	Totals
OPERATING REVENUES							
Charges for services:							
Water/wastewater fees	\$	1,092,604	\$	126,257	\$	-	\$ 1,218,861
Tap fees		25,150		-		-	25,150
Golf course fees				<u> </u>		416,165	416,165
Total operating revenues		1,117,754		126,257		416,165	1,660,176
OPERATING EXPENSES							
Salaries, wages and benefits		398,053		-		260,397	658,450
Professional/technical services		547,398		68,244		166,735	782,377
Contractual		164,290		23,958		61,289	249,537
Miscellaneous		93,786		-		13,904	107,690
Depreciation and amortization		225,813		80,801		44,255	350,869
Total operating expenses		1,429,340		173,003		546,580	 2,148,923
Operating loss		(311,586)		(46,746)		(130,415)	 (488,747)
NON-OPERATING REVENUES (EXPENSES)							
Interest income		10,338		-		-	10,338
Interest expense		(111,953)				(790)	 (112,743)
Total non-operating revenues (expenses), net		(101,615)		-		(790)	(102,405)
Income (loss) before capital contributions		(413,201)		(46,746)		(131,205)	(591,152)
CAPITAL CONTRIBUTIONS		-		-		<u>-</u>	 -
Transfers in (out)		306,390				3,230	309,620
Change in net position		(106,811)		(46,746)		(127,975)	(281,532)
Net position, beginning of year		7,484,681		3,447,469		270,982	 11,203,132
Prior period adjustment (see Note 13)		(1,566,701)		1,660,252		(6,566)	86,985
Net position, beginning of year (as restated)		5,917,980		5,107,721		264,416	11,290,117
Net position, end of year	\$	5,811,169	\$	5,060,975	\$	136,441	\$ 11,008,585

## CALHOUN COUNTY, SOUTH CAROLINA STATEMENT OF CASH FLOWS PROPRIETARY FUND YEAR ENDED JUNE 30, 2024

	Municipal Water System	Wastewater Plant	Nonmajor Enterprise County Golf Course	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,209,076	\$ 155,732	\$ 415,456	\$ 1,780,264
Receipts from other funds	249,115	-	256,619	505,734
Payments to suppliers	(905,490)	(106,912)	(235,702)	(1,248,104)
Payments to employees	(424,164)	-	(252,094)	(676,258)
Net cash provided by operating activities	128,537	48,820	184,279	361,636
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer in (out)	306,390		3,230	309,620
Net cash provided by noncapital and related financing activities	306,390		3,230	309,620
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on debt	(219,395)	-	-	(219,395)
Principal paid on leases payable	-	-	(28,010)	(28,010)
Interest paid	(111,953)		(790)	(112,743)
Net cash used in capital and related				
financing activities	(331,348)		(28,800)	(360,148)
INVESTING ACTIVITIES				
Interest received	10,338	-	-	10,338
Purchase of investments	(95,269)	-	-	(95,269)
Purchase of capital assets	(436,689)			(436,689)
Net cash used for investing activities	(521,620)			(521,620)
Net increase (decrease) in cash and cash equivalents	(418,041)	48,820	158,709	(210,512)
Cash and cash equivalents, beginning of year	1,135,123	14,978	233,627	1,383,728
Cash and cash equivalents, end of year	717,082	63,798	392,336	1,173,216
Reconciliation of operating loss to net cash				
provided by (used in) operating activities:				
Operating loss	(311,586)	(46,746)	(130,415)	(488,747)
Adjustments to reconcile operating loss to net				
cash provided by (used in ) operating activities:				
Depreciation/amortization	225,813	80,801	44,255	350,869
Changes in assets and liabilities:				
(Increase) decrease in accounts receivables	91,322	29,475	(709)	120,088
Increase (decrease) in accounts payable	(100,016)	(14,710)	6,226	(108,500)
Increase (decrease) in accrued liabilities	(18,018)	-	5,444	(12,574)
Increase (decrease) in compensated absences	3,193	-	2,859	6,052
Increase (decrease) in due to other funds	249,115	-	256,619	505,734
Increase (decrease) in net pension liability	(2,735)	-	-	(2,735)
Increase (decrease) in other postemployment benefits liability	(8,551)	-	<u>-</u>	(8,551)
Net cash provided by operating activities		\$ 49.920	\$ 194.270	
Met cash provided by operating activities	\$ 128,537	\$ 48,820	\$ 184,279	\$ 361,636

## CALHOUN COUNTY, SOUTH CAROLINA STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2024

56.112.53 <b>, 2</b> 52.	Custodial Funds	
ASSETS		
Cash and cash equivalents	\$	12,562,609
Taxes receivable		188,034
Total assets		12,750,643
LIABILITIES		
Due to others		12,496,943
Uncollected taxes		188,034
Total liabilities		12,684,977
FIDUCIARY NET POSITION		
Restricted for individuals, organizations and other governments		65,666
Total fiducuary net position	\$	65,666

## CALHOUN COUNTY, SOUTH CAROLINA STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS YEAR ENDED JUNE 30, 2024

	 Custodial Funds		
ADDITIONS			
Taxes and assessments	\$ 47,449,417		
Fine and fees	 554,538		
Total additions	 48,003,955		
DEDUCTIONS			
Taxes and fees paid to other governements	47,472,523		
Funds disbursed per court order	 537,376		
Total deductions	 48,009,899		
TRANSFERS			
Transfers in	 23,106		
Total transfers	 23,106		
Change in fiduciary net position	17,162		
NET POSITION			
Fiduciary net position, beginning of year	 48,504		
Fiduciary net position, end of year	\$ 65,666		

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Nature of Operations**

Calhoun County (the "County") was chartered in 1908 and operates under a council form of government. For financial statement purposes, the County has divided its operations into the functions of the general government, public safety, public works, culture and recreation, judicial services, education, health and welfare and economic development.

The primary government financial statements of Calhoun County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

#### **Reporting Entity**

Calhoun County, South Carolina, is governed by a five-member County Council (the "Council") under the Council form of government, pursuant to the South Carolina Home Rule Act. Members of the Council are elected from resident districts. The Council acts as the governing body of the County with power to pass ordinances and adopt resolutions. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

#### **Discretely Presented Component Unit**

The Sandy Run Fire District is a discretely presented component unit, which was established in 1981 and recreated by Calhoun County ordinance in October of 2013. The Sandy Run Fire District has a five-member governing board appointed by the Council. The Sandy Run Fire District is fiscally dependent upon the government because the Council approves the Sandy Run Fire District's budgets and tax levy and can significantly influence the decisions of the Sandy Run Fire District. The Sandy Run Fire District has a June 30 year-end. Separate financial statements are not issued for the Sandy Run Fire District.

#### **Blended Component Units**

The Calhoun County Library (the "Library"), an entity legally separate from the County, is governed by a board appointed by the Council. For financial reporting purposes, the Library is reported as if it is part of the County's operations because all financial operations and decisions are subject to the authority of the Council.

The Calhoun County Museum (the "Museum"), an entity legally separate from the County, is administered by a Historical Commission appointed by the Council. For financial reporting purposes, the Museum is reported as if it is part of the County's operations because the County has ultimate authority over the Museum.

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The Calhoun County Council on Aging (the "Council on Aging"), an entity legally separate from the County, is governed by a board appointed by the Council. For financial reporting purposes, the Council on Aging is reported as a special revenue fund of the County because all financial activities of the Council on Aging are overseen by the County and the County can impose its will on the Council on Aging.

The Calhoun County Economic Development Corporation (the "Corporation"), an entity legally separate from the County, is governed by a board appointed by the Council. For financial reporting purposes, the Corporation is reported as a special revenue fund of the County because the County has significant influence over the fiscal operations of the Corporation and the County can impose its will on the Corporation.

The Calhoun Community Development Alliance (the "Alliance"), an entity legally separate from the County, is governed by a board appointed by the Council. For financial reporting purposes, the Alliance is reported as a special revenue fund of the County because the County has significant influence over the fiscal operations of the Alliance and the County can impose its will on the Alliance.

#### **Government-wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) reports information about the County as a primary government. These statements include the financial activities of the primary government, except for fiduciary funds and component units that are fiduciary in nature. For the most part, the effect of interfund activity has been removed from the statements. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

#### **Fund Financial Statements**

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The emphasis of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The County reports the following major governmental funds:

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

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

The *Capital Projects Sales Tax Fund* accounts for the proceeds from the 1% sales taxes imposed within the County by an affirmative voter referendum.

The *Grants Fund* accounts for the proceeds of various federal and state grants. In addition, the County reports the following nonmajor fund types:

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

The *Debt Service Funds* account for the accumulation of resources for, and payment of, long-term debt principal and interest other than those payable from Special Revenue Funds.

The Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private businesses or where the Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The County reports the following major enterprise funds:

The *Municipal Water System Fund* accounts for user charges, fees and other resources and all costs associated with the operation of the water and sewer system.

The Wastewater Plant Fund accounts for activity related to the operation of the wastewater system of the County.

Additionally, the County reports the following fund types:

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

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### **Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the 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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the County are included on the Statement of Net Position. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within the first 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to leases, compensated absences, pensions, other postemployment benefits (OPEB), and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under financed purchase obligations are reported as other financing sources. Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and, therefore, have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government. The custodial funds utilize the accrual basis of accounting for financial reporting.

#### **Cash and Cash Equivalents and Deposits**

The "deposits" classification is used only in the notes, not on the face of the Statement of Net Position. Deposits include bank checking and savings accounts, cash on hand, pooled money market funds and certificates of deposit.

The County considers cash and cash equivalents for cash flow purposes to be currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts.

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### Investments

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the South Carolina Local Government Investment Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.

The County and its component unit have a number of financial instruments, none of which are held for trading purposes. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Certificates of deposit are reported at amortized cost which approximates fair value. For purposes of financial statement presentation, the County considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

#### Receivables

All trade and property taxes receivables are shown net of an allowance for uncollectible. Amounts due from federal and state grants represent reimbursable costs, which have been incurred by the County but have not been reimbursed by the grantor agency. Costs under grant programs are recognized as expenditures in the period in which they are incurred by the County.

#### **Interfund Receivables/Payables**

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

#### **Capital Assets**

Capital assets, which include right-to-use lease assets, property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, water and sewer distribution systems, and similar items) are reported in the applicable governmental activities or business-type activities in the government-wide financial statements. Capital assets other than infrastructure are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

All reported capital assets except land and certain infrastructure assets are depreciated or amortized. Useful lives for infrastructure are estimated based on the County's historical records of necessary improvements and replacements. The County policy for the year of acquisition is full year convention, zero in the first year and a full year in the year of disposal. Depreciation and amortization are provided using the straight-line method over the following estimated useful lives:

Asset Class	Years
Building Improvements	50
Machinery and equipment	5
Water and wastewater system	75
Infrastructure	75
Right-to-use lease equipment	3-5
Right-to-use lease vehicles	3-5
Vehicles	8

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows related to its net pension liability and total other postemployment benefits liability on the Statement of Net Position.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets or fund balance that applies to future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The County reports *unavailable revenues* from property taxes and intergovernmental revenue that arise under the modified accrual basis of accounting that qualify for reporting in this category and are reported on the Governmental Funds Balance Sheet. The Statement of Net Position reports deferred inflows related to its net pension liability and total other postemployment benefits liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### **Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### **Fund Equity**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**Nonspendable** - This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) are legally or contractually required to be maintained intact. The County has classified assets held for development, inventories, prepaid items, and long-term portions of receivables and advances as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next current fiscal year.

**Restricted** - This classification includes amounts for which constraints have been placed on the use of the resources through being either a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

**Committed** - This classification includes amounts that can only be used for specific purposes pursuant to constraints determined by a formal action of the government's highest level of decision-making authority, the Council, through passage of an ordinance. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**Assigned** - This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. Through resolution, this intent can be expressed by the Council or by an official or body to which the Council delegates authority. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

**Unassigned** - This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

The County would typically use restricted fund balances first, followed by committed resources and the assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

Proprietary fund equity is classified the same as the government-wide statements.

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### **Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation or amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

#### **Program Revenues**

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

#### **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 as 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 Calhoun 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 calendar year basis. Real and personal taxes in the County are payable without penalty on or before January 15th 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 the first Monday in February, an additional penalty of 7% is added. If taxes are not paid on or before March 16, an additional 5% penalty 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 November, the property is sold. The County Tax Collector is responsible for the collection of delinquent taxes and 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.

Property taxes are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectable 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 at the fund level to the extent such amounts are available (collected within 60 days of the County's fiscal year end).

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

#### **Compensated Absences**

The County's policy permits employees to accumulate earned but unused vacation benefits. 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 years. Both the current and non-current compensated absences are accrued at the government-wide and proprietary fund financial statements.

#### **Use of Estimates**

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

#### **Interfund Transfers**

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

#### Leases

The County is a lessee for non-cancellable leases of certain equipment and vehicles. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and proprietary fund financial statements. The County recognizes lease liabilities with an initial, individual value of \$10,000 or more. At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

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

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

### 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 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 the 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. Any revisions that increase the total expenditures of any fund must be approved by the Council.
- 5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
- 6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) except for encumbrances. A budgetary comparison schedule is presented for the General Fund in the required supplementary information section.
- 7. Budgeted amounts are as originally adopted, or as amended by the County Council as close to June 30 as possible.

#### **NOTE 3 – DEPOSITS AND INVESTMENTS**

Total deposits and investments at June 30, 2024, are summarized below.

		Primary	Sandy Ru Fire Distri Discretel nary Presente	
As reported in the Statement of Net Position	Government		Com	ponent Unit
Cash and cash equivalents:				
Cash and cash equivalents not restricted	\$	21,257,134	\$	349,877
Custodial Funds – cash and cash equivalents		12,562,609		
	_\$	33,819,743	\$	349,877
Cash deposited with financial institutions	\$	14,640,382	\$	349,877
SC Local Government Investment Pool		19,179,361		
	\$	33,819,743	\$	349,877

As of June 30, 2024, the County reported the following investments:

	Fair			Investment Ma	aturities	(in years)		
Investment Type	Value		Value			Less than 1		1-5
SC Local Government Investment Pool	\$	19,179,361	<u></u> ç	19,179,361	\$			
	\$	19,179,361	<u> </u>	19,179,361	\$	-		

None of the investments above are subject to the fair value hierarchy as required by GASB Statemen No. 72.

As of June 30, 2024, the Sandy Run Fire District reported no investments.

#### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. Investments held for longer periods are subject to increase risk of adverse interest rate changes. In accordance with its investment policy, the County and the Sandy Run Fire District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twelve months.

### NOTE 3 - DEPOSITS AND INVESTMENTS, Continued

#### **Credit Risk**

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

- 1. Obligations of the United States and agencies thereof;
- 2. General obligations of the State of South Carolina or any of its political units
- 3. Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation
- 4. Certificates of Deposit and repurchase agreements collateralized by securities of the type described in 1) and 2) above, held by a third-party as escrow agent or custodian, of a fair value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and
- 5. No-load open and closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company, savings and loan association, or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit.

In addition, South Carolina state statues authorize the County to invest in the South Carolina Local Government Investment Pool (LGIP). The LGIP is an investment mechanism authorized by the Legislature and signed into law on May 13, 1983, to provide local governments an opportunity to acquire maximum returns on investments by pooling available funds with funds from other political subdivisions and is not registered with the SEC. The LGIP is permitted under South Carolina 1976 Code of Laws Section 6-6-10, Section 12-45-220 and Section 11-1-60 to purchase obligations of the United States government treasuries, United States government agencies, repurchase agreements fully collateralized by United States government treasuries or agencies, corporate securities and commercial paper that bear an investment grade rating of at least two nationally recognized rating services. There is no regulatory oversight of the pool. The total fair value of the investment pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.

#### **Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's and the Sandy Run Fire District's investment in a single issuer. The County and the Sandy Run Fire District place no limit on the amount that may be invested in any one issuer.

#### NOTE 3 – DEPOSITS AND INVESTMENTS, Continued

### **Custodial Credit Risk – Deposits**

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

As of June 30, 2024, the County's bank balance of \$14,456,546 was covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the County's name. All the Sandy Run Fire District's deposits of \$349,877 were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the Fire District's name.

### **Custodial Credit Risk – Investments**

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

### **NOTE 4 – RECEIVABLES**

Receivables as of June 30, 2024, for the County's major funds, nonmajor funds in the aggregate and discretely presented component unit (the Sandy Run Fire District), including the applicable allowances for uncollectible accounts, are as follows:

	General	 Capital Projects	 Grants Fund	•	oital Project es Tax Fund	onmajor ernmental
Taxes receivable	\$ 206,253	\$ 6,292	\$ -	\$	-	\$ 30,040
Accounts receivable	3,040,614	-	177,467		592,386	333,987
Less: Allowance	 (1,675,986)	 (1,567)	 <u>-</u>		<u>-</u>	 (7,002)
Net receivables	\$ 1,570,881	\$ 4,725	\$ 177,467	\$	592,386	\$ 357,025

## NOTE 4 - RECEIVABLES, Continued

	Waste Plant		1unicipal ter System	imajor erprise	Fire Di Pr	ndy Run e District scretely esented ponent Unit
Taxes receivable Accounts receivable	\$	-	\$ 226,673	\$ 949	\$	1,478
Less: Allowance			 	 		(1,478)
Net receivables	\$		\$ 226,673	\$ 949	\$	-

## NOTE 5 – INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund payables for the year ended June 30, 2024, consisted of the following:

	Interfund Receivable	Interfund Payable
Governmental Funds		
General Fund	\$ 1,813,359	\$ 2,523,857
Capital Projects Fund	130,000	-
Grants Fund	457,322	410,755
Capital Projects Sales Tax Fund	1,299,462	-
Other Governmental Funds:		
Victim's Advocate Fund	1,077	-
Child Support Fund	538	-
Calhoun Rural Fire District Fund	538	-
Community Development Alliance	-	89
Calhoun Economic Development Corporation	300,000	-
Proprietary Funds:		
Municipal Water System	103,510	646,505
Wastewater Plant	60,383	-
County Golf Course	3,230	588,213
Total	\$ 4,169,419	\$ 4,169,419

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances normally clear within one to two months.

### NOTE 5 – INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS, (Continued)

Interfund transfers for the year ended June 30, 2024, consisted of the following:

	Transfers In		Trai	nsfers Out
Governmental Funds:				
General Fund	\$	1,548,467	\$	1,845,830
Capital Projects Fund		269		-
Grants Fund		276,945		260,755
Capital Projects Sales Tax Fund		-		735,180
Other Governmental Funds:				
Victim's Advocate Fund		1		-
Child Support Fund		538		-
Calhoun Rural Fire District Fund		538		269
Council on Aging Fund		150,250		-
Proprietary Funds:				
Municipal Water System		306,390		-
County Golf Course		3,230		-
Discretely Presented Component Unit:				
Sandy Run Fire District		532,300		-
Fiduciary Funds:				
Delinquent Tax		23,106		
Total	\$	2,842,034	\$	2,842,034

Transfers are used: 1) to move revenues from the fund with collection authorization to the fund with expenditure authorization, and 2) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs. The County also reports transfers of capital assets between the business-type activities and the governmental activities only on the Statement of Activities

# **NOTE 6 – CAPITAL ASSETS**

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

	Balance June 30, 2023			_	Balance
Governmental Activities	(as restated)	Additions	Deletions	Transfers	June 30, 2024
Capital assets not being depreciated					
Land	\$ 1,752,296	\$ 333,796	\$ -	\$ -	\$ 2,086,092
Construction in progress	2,855,675	2,746,319	-	(722,212)	4,879,782
Museum Collection	3,127,547				3,127,547
Total capital assets not being					
depreciated	7,735,518	3,080,115		(722,212)	10,093,421
Capital assets being depreciated/ amortized					
Buildings and improvements	17,203,504	-	-	136,117	17,339,621
Infrastructure	9,585,396	-	-	215,801	9,801,197
Land Improvements	1,365,619	=	-	370,294	1,735,913
Right-to-use lease equipment	175,175	48,949	-	-	224,124
Right-to-use lease vehicles	1,899,215	61,176	-	-	1,960,391
Vehicles	5,872,151	-	-	-	5,872,151
Equipment, furniture, and fixtures	8,054,350	106,222	-	-	8,160,572
Total capital assets being					
depreciated/amortized	44,155,410	216,347	-	722,212	45,093,969
Less accumulated depreciation/					
amortization					
Building and improvements	(7,556,686)	(610,961)	-	-	(8,167,647)
Infrastructure	(2,656,671)	(126,718)	-	-	(2,783,389)
Right-to-use lease equipment	(51,721)	(40,878)	-	-	(92,599)
Right-to-use lease vehicles	(1,239,946)	(319,656)	-	-	(1,559,602)
Vehicles	(5,286,226)	(207,886)	-	-	(5,494,112)
Equipment, furniture, and fixtures	(5,242,182)	(546,959)	-	-	(5,789,141)
Total accumulated					
depreciation/amortization	(22,033,432)	(1,853,058)	<del>-</del>	<del>-</del>	(23,886,490)
Total capital assets being					
Depreciated/amortized, net	22,121,978	(1,636,711)		722,212	21,207,479
Governmental activities					
capital assets, net	\$ 29,857,496	\$ 1,443,404	\$ -	\$ -	\$ 31,300,900

# NOTE 6 - CAPITAL ASSETS, Continued

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

General Government	\$ 634,384
Public Safety	316,655
Public Works	151,403
Culture and Recreation	68,885
Judicial Services	60,984
Health and Welfare	254,505
Economic Development	 366,242
Total Governmental Activities Depreciation/Amortization Expense	\$ 1,853,058

Business-type Activities	Balance June 30, 2023 (as restated)	Additions	Deletions	Transfers	Balance June 30, 2024
Capital assets not being depreciated					
Land	\$ 175,051	\$ -	\$ -	\$ -	\$ 175,051
Construction in progress	395,810	202,880			598,690
Total capital assets not being					
depreciated	570,861	202,880			773,741
Capital assets being depreciated/ amortized					
Water System	13,960,684	233,809	-	-	14,194,493
Wastewater System	5,866,008	-	-	-	5,866,008
Equipment, furniture, and fixtures	328,389	-	-	-	328,389
Buildings and improvements	233,463	-	-	-	233,463
Right-to-use- lease equipment	154,862	-	-	-	154,862
Vehicles	97,579				97,579
Total capital assets being					
depreciated/amortized	20,640,985	233,809	-	-	20,874,794
Less accumulated depreciation/					
amortization					
Water System	(5,303,745)	(200,002)		-	(5,503,747)
Wastewater System	(846,369)	(80,801)	-	-	(927,170)
Equipment, furniture, and fixtures	(176,835)	(24,643)	-	-	(201,478)
Buildings and improvements	(28,768)	(7,489)	-	-	(36,257)
Right-to-use- lease equipment	(54,209)	(28,176)	-	-	(82,385)
Vehicles	(33,092)	(9,758)			(42,850)
Total accumulated					
depreciation/amortization	(6,443,018)	(350,869)			(6,793,887)
Total capital assets being					
Depreciated/amortized, net	14,197,967	(117,060)		<del>-</del>	14,080,907
Business-type activities					
capital assets, net	\$ 14,768,828	\$ 85,820	\$ -	\$ -	\$ 14,854,648

## **NOTE 6 – CAPITAL ASSETS, Continued**

Depreciation and amortization expense was charged to the business-type activities as follows:

Municipal Water Fund	\$ 225,813
Wastewater Plant Fund	80,801
County Golf Course Fund	 44,255
Total Business-type Activities Depreciation/Amortization Expense	\$ 350,869

## **Discretely Presented Component Unit**

The Sandy Run Fire District's capital asset activity for the year ended June 30, 2024 is as follows:

Discretely Presented Component Unit	Balance June 30, 2023 (as restated)		Additions		Deletions/ Transfers		Balance June 30, 2023	
Capital assets not being depreciated								
Construction in progress	\$	293,926	\$	532,300	\$		\$	826,226
Total capital assets								
not being depreciated		293,926		532,300				826,226
Capital assets being depreciated								
<b>Buildings and improvements</b>		65,055		-		-		65,055
Equipment, furniture and fixtures		274,915		-		-		274,915
Vehicles		24,661		25,000		<u>-</u>		49,661
Total capital assets								
being depreciated		364,631		25,000				389,631
Less accumulated depreciation						-		
Buildings and improvements		(25,951)		(2,475)		-		(28,426)
Equipment, furniture and fixtures		(124,646)		(35,789)		-		(160,435)
Vehicles		(19,590)		(6,244)				(25,834)
Total accumulated depreciation		(170,187)		(44,508)				(214,695)
Total capital assets being								
Depreciated, net		194,444		(19,508)				174,936
Component unit								
capital assets, net	\$	488,370	\$	512,792	\$		\$	1,001,162

Depreciation expense incurred by the Sandy Run Fire District for the fiscal year ended June 30, 2024, was \$44,508.

## NOTE 7 – LONG-TERM OBLIGATIONS

### **Primary Government**

Long-term obligations for the year ended June 30, 2024, is as follows:

	Balance			Balance	Due within
<b>Governmental Activities</b>	June 30, 2023	Additions	Reductions	June 30, 2024	One Year
Compensated absences	\$ 322,111	\$ 324,242	\$ (236,335)	\$ 410,018	\$ 236,335
General obligation bonds	7,390,051	-	(1,640,945)	5,749,106	1,660,966
Financed purchase					
obligations	1,974,813	1,527,885	(345,235)	3,157,463	382,188
Leases payable	820,499	110,125	(375,003)	555,621	237,297
Landfill closure and					
post-closure costs	180,000	-	-	180,000	20,300
Net pension liability	13,750,368	-	(64,892)	13,685,476	-
Total other postemployment					
benefit liabilty	4,466,811		(291,593)	4,175,218	
	\$ 28,904,653	\$ 1,962,252	\$ (2,954,003)	\$ 27,912,902	\$ 2,537,086
	Balance			Balance	Due within
<b>Business-type Activities</b>	June 30, 2023	Additions	Reductions	June 30, 2024	One Year
Compensated absences	\$ 19,955	\$ 14,711	\$ (8,659)	\$ 26,007	\$ 8,659
Revenue bonds	3,627,723	-	(219,395)	3,408,328	154,379
Leases payable	101,534	-	(28,010)	73,524	28,261
Net pension liability	378,229	-	(1,785)	376,444	-
Total other postemployment					
benefit liability	232,280		(8,551)	223,729	
	\$ 4,359,721	\$ 14,711	\$ (266,400)	\$ 4,108,032	\$ 191,299

Leases, compensated absences, total other postemployment benefit liability, the net pension liability and the landfill closure and post-closure care costs are predominantly liquidated by the General Fund for governmental activities.

### **Bonds Payable – Governmental Activities**

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

The South Carolina constitution permits the County to incur general obligation (general purpose) bonded indebtedness not to exceed 8% of the assessed value of taxable property in the County. At June 30, 2024, the County was in compliance with this requirement.

# NOTE 7 – LONG-TERM OBLIGATIONS, Continued

The following is a summary of each long-term bond obligation of the governmental activities County at June 30, 2024:

General Obligation Bonds	Amount
\$1,000,000 General Obligation Bond, Series 2016, with interest of 2.11%, annual principal and interest payments beginning in 2017, matures in 2026, for the purpose of obtaining funds to defray the costs of fire trucks	
and equipment.	\$ 216,782
\$1,500,000 General Obligation Bond, Series 2018, with interest of 3.36%, annual principal and interest payments beginning in 2019, matures in 2028, for the purpose of obtaining funds to defray the costs of	
renovations to the County Courthouse.	658,000
\$7,000,000 General Obligation Bond, Series 2021, with interest of 1.30%, annual principal and interest payments beginning in 2022, matures in 2028, for the purpose of obtaining funds to defray the costs of various	
capital projects.	4,069,324
\$2,000,000 General Obligation Bond, Series 2021, with interest of 0.99%, annual principal and interest payments beginning in 2022, matures in 2026, for the purpose of obtaining funds to defray the costs of various	
capital projects.	 805,000
	\$ 5,749,106

The annual requirements to amortize the bonds are as follows:

Year Ending		ls				
June 30,		Principal	Interest			Total
2025	\$	1,660,966	\$	87,554	\$	1,748,520
2026		1,687,199		63,119		1,750,318
2027		1,190,815		38,216		1,229,031
2028		1,210,126		19,295		1,229,421
2029						
	\$	5,749,106	\$	208,184	\$	5,957,290

# NOTE 7 – LONG-TERM OBLIGATIONS, Continued

# Financed Purchase Obligations – Governmental Activities

\$255,831 agreement to finance the purchase of various equipment at an interest rate of 5.38% with annual payments of \$45,355 maturing in 2025. \$ 62,117 \$348,036 agreement to finance the purchase of two ambulances at an interest rate of 2.79% with annual payments of \$75,540 maturing in 2026. \$186,907 agreement to finance the purchase of equipment at an interest rate of 2.99% with monthly principal and interest payments maturing in 2027. \$276,666 agreement to finance the purchase of equipment at an interest rate of 4.00% with annual payments of \$63,542 maturing in 2024.  \$246,030 agreement to finance the purchase of equipment at an interest rate of 5.44% with annual payments of \$38,291 maturing in 2028.  \$1,125,128 agreement to finance the purchase of equipment at an interest rate of 3.93% with annual payments of \$138,235 maturing in 2033.  \$7,200 agreement to finance the purchase of equipment at an interest rate of 5.38% with annual payments of \$35,158 maturing in 2027.  \$240,763 agreement to finance the purchase of equipment at an interest rate of 5.09% with annual payments of \$43,005 maturing in 2030.  \$226,795 \$216,350 agreement to finance the purchase of equipment at an interest rate of 5.32% with annual payments of \$49,372 maturing in 2029.  \$973,571 agreement to finance the purchase of equipment at an interest rate of 5.27% with annual payments of \$434,587 maturing in 2034.  \$73,571 agreement to finance the purchase of equipment at an interest rate of 5.27% with annual payments of \$134,587 maturing in 2034.	Financed Purchase Obligations	 Amount
\$186,907 agreement to finance the purchase of equipment at an interest rate of 2.79% with monthly principal and interest payments maturing in 2027.  \$276,666 agreement to finance the purchase of equipment at an interest rate of 4.00% with annual payments of \$63,542 maturing in 2024.  \$246,030 agreement to finance the purchase of equipment at an interest rate of 5.44% with annual payments of \$38,291 maturing in 2028.  \$1,125,128 agreement to finance the purchase of equipment at an interest rate of 3.93% with annual payments of \$138,235 maturing in 2033.  \$7,200 agreement to finance the purchase of equipment at an interest rate of 5.38% with annual payments of \$35,158 maturing in 2027.  \$240,763 agreement to finance the purchase of equipment at an interest rate of 5.09% with annual payments of \$43,005 maturing in 2030.  \$226,795  \$216,350 agreement to finance the purchase of equipment at an interest rate of 5.32% with annual payments of \$49,372 maturing in 2029.  \$973,571 agreement to finance the purchase of equipment at an interest rate of 5.27% with annual payments of \$134,587 maturing in 2034.  973,571		\$ 62,117
rate of 2.99% with monthly principal and interest payments maturing in 2027.  \$276,666 agreement to finance the purchase of equipment at an interest rate of 4.00% with annual payments of \$63,542 maturing in 2024.  \$246,030 agreement to finance the purchase of equipment at an interest rate of 5.44% with annual payments of \$38,291 maturing in 2028.  \$1,125,128 agreement to finance the purchase of equipment at an interest rate of 3.93% with annual payments of \$138,235 maturing in 2033.  \$97,200 agreement to finance the purchase of equipment at an interest rate of 5.38% with annual payments of \$35,158 maturing in 2027.  \$240,763 agreement to finance the purchase of equipment at an interest rate of 5.09% with annual payments of \$43,005 maturing in 2030.  \$226,795  \$216,350 agreement to finance the purchase of equipment at an interest rate of 5.32% with annual payments of \$49,372 maturing in 2029.  \$973,571 agreement to finance the purchase of equipment at an interest rate of 5.27% with annual payments of \$134,587 maturing in 2034.  973,571	· · · · · · · · · · · · · · · · · · ·	144,985
rate of 4.00% with annual payments of \$63,542 maturing in 2024.  \$246,030 agreement to finance the purchase of equipment at an interest rate of 5.44% with annual payments of \$38,291 maturing in 2028.  \$1,125,128 agreement to finance the purchase of equipment at an interest rate of 3.93% with annual payments of \$138,235 maturing in 2033.  \$97,200 agreement to finance the purchase of equipment at an interest rate of 5.38% with annual payments of \$35,158 maturing in 2027.  \$240,763 agreement to finance the purchase of equipment at an interest rate of 5.09% with annual payments of \$43,005 maturing in 2030.  \$226,795  \$216,350 agreement to finance the purchase of equipment at an interest rate of 5.32% with annual payments of \$49,372 maturing in 2029.  \$973,571 agreement to finance the purchase of equipment at an interest rate of 5.27% with annual payments of \$134,587 maturing in 2034.  973,571	rate of 2.99% with monthly principal and interest payments maturing in	133,685
\$246,030 agreement to finance the purchase of equipment at an interest rate of 5.44% with annual payments of \$38,291 maturing in 2028.  \$1,125,128 agreement to finance the purchase of equipment at an interest rate of 3.93% with annual payments of \$138,235 maturing in 2033.  \$97,200 agreement to finance the purchase of equipment at an interest rate of 5.38% with annual payments of \$35,158 maturing in 2027.  \$240,763 agreement to finance the purchase of equipment at an interest rate of 5.09% with annual payments of \$43,005 maturing in 2030.  \$226,795  \$216,350 agreement to finance the purchase of equipment at an interest rate of 5.32% with annual payments of \$49,372 maturing in 2029.  \$973,571 agreement to finance the purchase of equipment at an interest rate of 5.27% with annual payments of \$134,587 maturing in 2034.  973,571	· · · · · · · · · · · · · · · · · · ·	102.474
rate of 5.44% with annual payments of \$38,291 maturing in 2028.  \$1,125,128 agreement to finance the purchase of equipment at an interest rate of 3.93% with annual payments of \$138,235 maturing in 2033.  \$97,200 agreement to finance the purchase of equipment at an interest rate of 5.38% with annual payments of \$35,158 maturing in 2027.  \$240,763 agreement to finance the purchase of equipment at an interest rate of 5.09% with annual payments of \$43,005 maturing in 2030.  \$226,795  \$216,350 agreement to finance the purchase of equipment at an interest rate of 5.32% with annual payments of \$49,372 maturing in 2029.  \$973,571 agreement to finance the purchase of equipment at an interest rate of 5.27% with annual payments of \$134,587 maturing in 2034.  973,571		102,171
rate of 3.93% with annual payments of \$138,235 maturing in 2033.  \$97,200 agreement to finance the purchase of equipment at an interest rate of 5.38% with annual payments of \$35,158 maturing in 2027.  \$240,763 agreement to finance the purchase of equipment at an interest rate of 5.09% with annual payments of \$43,005 maturing in 2030.  \$216,350 agreement to finance the purchase of equipment at an interest rate of 5.32% with annual payments of \$49,372 maturing in 2029.  \$973,571 agreement to finance the purchase of equipment at an interest rate of 5.27% with annual payments of \$134,587 maturing in 2034.  973,571	· · · · · · · · · · · · · · · · · · ·	195,440
rate of 5.38% with annual payments of \$35,158 maturing in 2027.  \$240,763 agreement to finance the purchase of equipment at an interest rate of 5.09% with annual payments of \$43,005 maturing in 2030.  \$216,350 agreement to finance the purchase of equipment at an interest rate of 5.32% with annual payments of \$49,372 maturing in 2029.  \$973,571 agreement to finance the purchase of equipment at an interest rate of 5.27% with annual payments of \$134,587 maturing in 2034.  973,571	· · · · · · · · · · · · · · · · · · ·	1,031,110
rate of 5.09% with annual payments of \$43,005 maturing in 2030.  \$216,350 agreement to finance the purchase of equipment at an interest rate of 5.32% with annual payments of \$49,372 maturing in 2029.  \$973,571 agreement to finance the purchase of equipment at an interest rate of 5.27% with annual payments of \$134,587 maturing in 2034.  973,571	· · · · · · · · · · · · · · · · · · ·	87,157
rate of 5.32% with annual payments of \$49,372 maturing in 2029.  \$973,571 agreement to finance the purchase of equipment at an interest rate of 5.27% with annual payments of \$134,587 maturing in 2034.  973,571	· · · · · · · · · · · · · · · · · · ·	226,795
rate of 5.27% with annual payments of \$134,587 maturing in 2034.	· · · · · · · · · · · · · · · · · · ·	200,432
_ \$ 3,157,463	· · · · · · · · · · · · · · · · · · ·	 973,571
		\$ 3,157,463

## NOTE 7 - LONG-TERM OBLIGATIONS, Continued

Future debt service payments as of June 30, 2024, are as follows:

Year Ending	 Financed Purchase Obligations						
June 30,	Principal	I	nterest	Total			
2025	\$ 482,352	\$	91,858	\$	574,210		
2026	360,034		178,270		538,304		
2027	414,299		105,625		519,924		
2028	386,440		85,220		471,660		
2029	273,703		70,924		344,627		
Thereafter	 1,240,635		184,364		1,424,999		
	\$ 3,157,463	\$	716,261	\$	3,873,724		

### **Leases-Governmental Activities**

The County entered into certain lease agreements (as lessee) with legally separate organizations for the right to use equipment and vehicles. Payments are due in annual installments through 2029. As no interest rate is stated in the lease agreement, the County determined its incremental borrowing rate which has been used as the discount rate for the leases.

Annual principal and interest requirements to maturity for the lease liability as of June 30, 2024, are as follows:

Year Ending						
June 30,	F	Principal Interest		nterest		Total
2025	\$	237,297	\$	19,308	\$	256,605
2026		181,476		10,308		191,784
2027		98,920		3,980		102,900
2028		35,014		1,206		36,220
2029		2,914		106		3,020
	\$	555,621	\$	34,908	\$	590,529

## NOTE 7 - LONG-TERM OBLIGATIONS, Continued

## **Bonds Payable – Business-type Activities**

The following is a summary of each long-term bond obligation of the business-type activities of the County at June 30, 2024:

Revenue Bonds	Amount
\$265,000 FHA Revenue Bond due in monthly installments of \$1,302 through December 15, 2033, with interest at 5.125%	\$ 114,188
\$1,474,405 Water and Sewer System Refunding Revenue Bond payable over 15 years, interest at 2.19%, beginning in 2021 with annual payments of \$116,346 through April 1, 2035.	1,057,363
\$2,713,000 Water and Sewer System Renenue Bond payable over 40 years, interest at 2.75%, beginning in 2013 with monthly payments of \$9,333 through August 1, 2053.	2,236,777
	\$ 3,408,328

The annual requirements to amortize the bonds are as follows:

Year Ending	Financed Purchase Obligations						
June 30,	 Principal		Interest		Total		
2025	\$ 154,379	\$	93,205	\$	242,287		
2026	158,357		91,968		244,001		
2027	162,460		88,045		243,968		
2028	166,679		84,011		243,967		
2029	171,017		79,865		244,113		
Thereafter	 2,595,436		769,387		1,219,968		
	\$ 3,408,328	\$	1,206,481	\$	4,614,809		

#### NOTE 7 – LONG-TERM OBLIGATIONS, Continued

### **Leases – Business-type Activities**

The County entered into certain lease agreements (as lessee) with legally separate organizations for the right to use equipment. Payments are due in annual installments through 2027. As no interest rate is stated in the lease agreement, the County determined its incremental borrowing rate which has been used as the discount rate for the leases.

Annual principal and interest requirements to maturity for the lease liability as of June 30, 2024, are as follows:

Year Ending	Leases Payable						
June 30,	Pr	Principal Interest			Total		
2025	\$	28,261	\$	539	\$	28,800	
2026		28,513		287		28,800	
2027		16,750		50		16,800	
	\$	73,524	\$	876	\$	74,400	

### **Landfill Closure and Post-closure Care Costs**

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

The \$180,000 reported as an accrual for landfill closure and post-closure care costs at June 30, 2024, includes the cumulative amount reported less amounts paid to date for the open site based on the following information.

	Estimated Remaining Landfill Life	Percentage Balance of Capacity Used	Pos	sure and t-closure re Costs
MSWLF – Class II C&D – Class III	-	100% 100%	\$	10,000 170,000
Total Reported Liability			\$	180,000

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2024. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The Council has not accumulated or segregated funds to meet this liability.

### NOTE 7 – LONG-TERM OBLIGATIONS, Continued

#### **Discretely Presented Component Unit**

Long-term obligations for the Sandy Run Fire District for the year ended June 30, 2024, are as follows:

	В	alance					E	Balance	Du	e within
Component Unit	June	30, 2023	Addi	tions	Re	eductions	June	e 30, 2024	0	ne Year
Financed purchase										
obligations	\$	226,300	\$	-	\$	(29,134)	\$	197,166	\$	30,139

The Sandy Run Fire District has entered into the above financed purchase agreement for the purchase of a fire truck. The cost of this asset amounted to \$575,000. The lease has an implicit interest rate of 3.35% and annual payments ranging from \$267,000 to \$36,941. Principal and interest payments are due in annual installments on October 28 through 2029.

The remaining payments (including principal and interest) as of June 30, 2024, are as follows:

Year Ending		
June 30,		
2025		\$ 36,941
2026		36,941
2027		36,941
2028		36,941
2029		36,941
Thereafter		36,941
Total payments		221,646
Less amount representing interest	_	(24,480)
Principal amount of future payments	-	\$ 197,166

### **NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS**

#### **Plan Description**

In addition to providing pension benefits through the South Carolina Retirement System, the County, authorized by its Council, participates in a single employer plan to provide certain healthcare benefits for employees who retire from service or who terminate with at least 18 years of service who meet one or more of the eligibility requirements, such as age, length of service, and hire date. Generally, those who retire must also retire under the South Carolina Retirement System to qualify for benefits. Benefits are effective at date of retirement or when the employee is eligible for retirement benefits.

### Plan Membership

The Plan has 64 covered members for the year ended June 30, 2024; 31 members are retirees receiving benefits and 33 are active participants and dependents.

### NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS, Continued

### **Funding Policy and Contributions**

The County currently pays for other postemployment benefits on a pay-as-you-go basis. For the year ended June 30, 2024, the County paid \$250,147 toward the cost of retiree health insurance for eligible retired employees. The County's obligation to contribute to the Plan was established and may be amended by the Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the plan.

### **Total OPEB Liability**

The County's total OPEB liability was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023.

### **Actuarial Assumptions**

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

Discount rate:

Healthcare cost trend rate:

Inflation rate:

Salary increase:

3.97% as of June 30, 2024

6.00% - 4.00%

2.50%

2.50% per year

The demographic assumptions used by the plan's actuary are those assumptions used in the July 1, 2022 South Carolina Retirement System valuation.

### **Discount Rate**

The discount rate used to measure the total OPEB liability was 3.97% as of June 30, 2024. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.65% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2024.

### NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS, Continued

### **Changes in the Total OPEB Liability**

The changes in the total OPEB liability of the County for the year ended June 30, 2024, were as follows:

	Total OPEB Liability		
Balances beginning of year	\$	4,699,091	
Changes for the year:			
Service cost		52,511	
Interest		164,845	
Difference between actual and expected			
experience		(148,609)	
Benefit payments and implicit subsidy		(368,891)	
Net changes		(300,144)	
Balances end of year	\$	4,398,947	

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

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

The following presents the total OPEB liability of the County as of June 30, 2024 (June 30, 2024 measurement date), as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate							
	Current						
1% Decrease Discount Rate 1% Increase					1% Increase		
	(2.97%)	(3.97%) (4.97%)					
\$	4,890,502	\$	4,398,947	\$	3,981,008		

#### NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS, Continued

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

The following presents the total OPEB liability of the County as of June 30, 2024 (June 30, 2024 measurement date), as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Ser	Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate								
	Current								
	Healthcare								
1% Decrease Cost Trend Rates 1% I					1% Increase				
(;	5.00% decreasing	(6.00% decreasing to			(7.00% decreasing				
To 3.00%) 4.00%)					To 5.00%)				
\$	4,353,470	\$	4,398,947	\$	4,450,687				

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2024, and the current sharing pattern of costs between employer and inactive employees.

#### **OPEB Expense**

For the year ended June 30, 2024, the County recognized OPEB expense as follows:

Description	
Service Cost	\$ 52,511
Interest on the total OPEB liability	164,845
Expensed portion of current period	
changes in assumptions	(30,744)
Recognition of outflow (inflow) of resources	
due to liabilities	(161,587)
Total OPEB expense	\$ 25,025

### NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS, Continued

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

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

	Deferred Outflows of		Deferred Inflows of	
	Resources		Resources	
Differences between expected and actual				
experience	\$	-	\$	375,570
Changes of assumptions		216,441		460,134
Total to OPEB from the following sources:	\$	216,441	\$	835,704

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

Other Postemployment Benefits Plan						
Year ended June 30						
2025	\$ (192,331)					
2026	(190,509)					
2027	(157,340)					
2028	(79,083)					
2029	-					

### **NOTE 9 – PENSION PLANS**

#### **State Retirement Plan**

The County participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA").

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority

### **NOTE 9 – PENSION PLANS, Continued**

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

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

### **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 individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.
- The South Carolina Police Officers Retirement System (PORS), a cost—sharing multiple-employer
  defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section
  9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other
  benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate
  judges and magistrates.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

## NOTE 9 - PENSION PLANS, Continued

### Plan Membership

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

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

#### **Plan Benefits**

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

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

### **NOTE 9 – PENSION PLANS, Continued**

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.

#### **Plan Contributions**

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

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

### **NOTE 9 – PENSION PLANS, Continued**

Required employee contribution rates¹ are as follows:

	Fiscal Year	Fiscal Year
	20241	2023 <sup>1</sup>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
DODS		
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates<sup>1</sup> are as follows:

	Fiscal Year 2024 <sup>1</sup>	Fiscal Year 2023 <sup>1</sup>
SCRS		
Employee Class Two	18.41%	17.41%
Employee Class Three	18.41%	17.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	20.84%	19.84%
Employee Class Three	20.84%	19.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Benefit	0.20%	0.20%

#### **Actuarial Assumptions and Methods**

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

The June 30, 2023, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

<sup>&</sup>lt;sup>1</sup> Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

### NOTE 9 - PENSION PLANS, Continued

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023.

	SCRS	PORS		
Actuarial cost method:	Entry age normal	Entry age normal		
Investment rate of return <sup>2</sup>	7%	7%		
Projected salary increases	3.0% to 11.0% (varies by service) 1	3.5% to 10.5% (varies by service) <sup>1</sup>		
Benefitadjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually		

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality 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, 2023, TPL are as follows.

Former Job Class	Males	Females		
Educations	2020 DBCC Malos multiplied by 050/	2020 DDSC Females multiplied by 049/		
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%		
General Employees and Members				
of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%		
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%		

## **Net Pension Liability**

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB 67 less that system's fiduciary net position. NPL totals, as of June 30, 2024, for SCRS and PORS are presented below.

			Plan Fiduciary Net	
	С	ounty's Net	Position as a	County's Proportionate
	Per	nsion Liability	Percentage of the	Share of the Collective
System		(Asset)	<b>Total Pension Liability</b>	Net Pension Liability
SCRS	\$	11,034,871	58.6%	. 045641%
PORS	\$	3,027,049	67.8%	. 099440%
				(Continued)

<sup>&</sup>lt;sup>2</sup> Includes inflation at 2.25%

### **NOTE 9 – PENSION PLANS, Continued**

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

### **Long-term Expected Rate of Return**

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. 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.

		Expected	Long Term Expected
		Arithmetic Real	Portfolio Real Rate of
Allocation/Exposure	Policy Target	Rate of Return	Return
Public Equity <sup>3</sup>	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity 14	9.0%	10.91%	0.98%
Private Debt <sup>2</sup>	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real Estate <sup>2</sup>	9.0%	6.41%	0.58%
Infrastructure <sup>2</sup>	3.0%	6.62%	0.20%
Total Expected Real Return <sup>5</sup>	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

<sup>&</sup>lt;sup>3</sup> The target weight to Private Equity will be equal to its actual weight, reported by the custodial bank, as of prior month end. When flows have occurred, flow adjusted weights are used to more accurately reflect the impact of the asset class weight. Private Equity and Public Equity combine for 55% of the entire portfolio.

<sup>&</sup>lt;sup>4</sup> Staff and Consultant will notify the Commission if Private Markets assets exceed 25% of total assets.

<sup>&</sup>lt;sup>5</sup> 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 20% of total assets.

### **NOTE 9 – PENSION PLANS, Continued**

#### **Pensions**

At June 30, 2024, the County reported a liability of \$11,034,871 and \$3,027,049 for its proportionate share of the net pension liability for SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 members, actuarially determined.

### **Discount Rate**

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

## **Sensitivity Analysis**

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

			Current Discount			
	1.0	00% Decrease		Rate	1.0	0% Increase
System		(6%)		(7%)		(8%)
County's proportionate share of the						
net pension liability of the SCRS	\$	14,258,105	\$	11,034,871	\$	8,355,829
County's proportionate share of the						
net pension liability of the PORS	\$	4,270,111	\$	3,027,049	\$	2,008,827

### NOTE 9 - PENSION PLANS, Continued

### **Deferred Outflows of Resources and Deferred Inflows of Resources**

For the year ended June 30, 2024, the County recognized pension expense for the SCRS and PORS plans of \$1,307,473 and \$336,598, respectively. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred outflow of resources		Deferred inflow of resources	
SCRS		163001663		
Differences between expected and actual experience	\$	360,655	\$	30,601
Changes in proportionate share and differences between employer contributions and proportionate share of				
total plan employer contributions		322,612		34,783
Net difference between projected and actual earnings on				
pension plan investments		-		15,105
County's contributions subsequent to the measurement				
date		1,158,768		-
Total SCRS	\$	1,842,035	\$	80,489
PORS				
Differences between expected and actual experience	\$	208,337	\$	37,317
Changes in proportionate share and differences between				
employer contributions and proportionate share of				
total plan employer contributions		66,287		178,647
Net difference between projected and actual earnings on				
pension plan investments		-		5,195
County's contributions subsequent to the measurement				
date		459,579		-
Total PORS	\$	734,203	\$	221,159

The \$1,158,768 and \$459,579 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2024 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2025.

### **NOTE 9 – PENSION PLANS, Continued**

The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at the measurement date. Average remaining service lives of all employees provided with pensions through the pension plan at the measurement date was 4.00 years for SCRS and PORS:

Year Ended								
June 30,		SCRS		SCRS		PORS		Total
2024	\$	351,924	\$	54,826	\$	406,750		
2025		(93,409)		(99,051)		(192,460)		
2026		350,736		100,858		451,594		
2027		(6,473)		(3,168)		(9,641)		
	\$	602,778	\$	53,465	\$	656,243		

As discussed in paragraph 71b of GASB 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions. Accordingly, the Outstanding Balance of Deferred Outflows of Resources in the Schedules of Pension Amounts by Employer reflects the current net difference between projected and actual pension plan investment earnings.

Additional items reported within the Outstanding Balance of Deferred Outflows and Inflows of Resources in the Schedules of Pension Amounts by Employer result from the two cost-sharing multiple-employer defined benefit pension plan-specific deferrals previously discussed.

### **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 Systems' audited financial statements for the fiscal year ended June 30, 2023, and the accounting valuation report as of June 30, 2023. 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 Systems' ACFR.

### NOTE 10 – 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.

### NOTE 10 - RISK MANAGEMENT, Continued

Several state funds accumulate assets and the State itself assumes substantially all risks for the following:

- Claims of covered public employees for health and dental insurance benefits (Office of Insurance Services) and
- 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 through either a health maintenance organization or through the State's self-insured plan. All other 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, 2024, because the requirements of GASB Statement No. 10, which states 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, 2024, and that the amount of the premiums 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.

#### **NOTE 11 – CONTINGENT LIABILITIES**

#### 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.

### Litigation

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

#### **NOTE 12 – TAX ABATEMENTS**

As of June 30, 2024, the County provides tax incentives under two programs: Fee in Lieu of Tax Agreements (FILOT) and Special Source Revenue Credits (SSRCs). 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.

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, 2024, the amount of abated property taxes resulting from agreements entered into by the County totaled \$1,771,673 under these two programs. Of this total amount \$1,535 was abated for the Sandy Run Fire District with the remainder impacting the school district and certain municipalities within the County.

### NOTE 13 – PRIOR PERIOD ADJUSTMENT

The County has recorded a prior period adjustment to the financial statements to adjust the general fund balance to properly reflect accounts receivable, due to/due from, accounts payable and various revenues improperly recorded in the prior year. The adjustments are summarized as follows:

	Ge	eneral Fund
Beginning fund balance, as previously reported at June 30, 2023	\$	3,803,763
Prior period adjustments:		
Accounts payable		(642,294)
Local Option Sales Tax revenues		99,684
Local Government Fund revenues		(387,097)
AR credits correction		390,499
2022 and 2023 Library grant funds		300,000
EMS accounts receivable and allowance		(81,347)
Register of Deeds and court fines correction		(102,224)
Due to and due from correction		171,832
Fund balance, as restated at July 1, 2023	\$	3,552,816

The County has recorded a prior period adjustment to the financial statements to adjust the capital projects fund balance to properly reflect accounts payable and fire projects activity that was improperly recorded in the prior year. The adjustments are summarized as follows:

	Capital Projects Fund	
Beginning fund balance, as previously reported at June 30, 2023	\$	(19,124)
Prior period adjustments:		
Accounts payable Fire projects recorded in the incorrect fund		(138,235) 168,451
Fund balance, as restated at July 1, 2023	\$	11,092

## NOTE 13 - PRIOR PERIOD ADJUSTMENT, Continued

The County has recorded a prior period adjustment to the financial statements to adjust the grants fund balance to properly reflect accounts payable and various revenues improperly recorded in the prior year. The adjustments are summarized as follows:

	Grants Fund	
Beginning fund balance, as previously reported at June 30, 2023	\$	5,536,587
Prior period adjustments:		
Accounts payable 2022 and 2023 Library grant funds		44,961 (300,000)
Fund balance, as restated at July 1, 2023	\$	5,281,548

The County has recorded a prior period adjustment to the financial statements to adjust the capital projects sales tax fund balance to properly reflect capital project sales tax revenues improperly recorded in the prior year. The adjustments are summarized as follows:

	Capital Projects Sales Tax Fund	
Beginning fund balance, as previously reported at June 30, 2023  Prior period adjustments:	\$	7,624,399
Capital projects sales tax revenues		413,224
Fund balance, as restated at July 1, 2023	\$	8,037,623

### **NOTE 13 – PRIOR PERIOD ADJUSTMENT, Continued**

The County has recorded a prior period adjustment to the financial statements to adjust the nonmajor funds balance to properly reflect accounts payable, remove old voided checks recorded as revenues, local options sales tax revenues improperly recorded and interfund classifications recorded in the prior year. The adjustments are summarized as follows:

	Nonmajor	
	Go	vernmental
		Funds
Beginning fund balances, as previously reported at June 30, 2023	\$	2,204,593
Prior period adjustments:		
Accounts payable		38,361
Voided checks		(109,665)
Local Option Sales Tax revenues		(34,943)
Interfund reclassification		(168,452)
Fund balances, as restated at July 1, 2023	\$	1,929,894

The County has recorded prior period adjustments to the financial statements to adjust the governmental activities net position to properly reflect fund prior period adjustments (discussed above), finance leases, leases payable, fiscal year 2023 local options sales tax revenues and capital assets in the previous year. The adjustments are summarized as follows:

	Governmental Activities Net Position
Beginning net position, as previously reported at June 30, 2023	\$ 26,141,032
Prior period adjustments:	
Prior period adjustment - general fund	(250,946)
Prior period adjustment - capital projects fund	30,216
Prior period adjustment - grants fund	(255,038)
Prior period adjustment - capital project sales tax fund	413,225
Prior period adjustment - nonmajor governmental funds	(274,699)
Finance leases	27,517
Leases payable	(47,649)
FY2023 Local Option Sales Tax	604,770
Capital assets	(4,427,373)
Net position, as restated at July 1, 2023	\$ 21,961,055
	(Continued)

## NOTE 13 - PRIOR PERIOD ADJUSTMENT, Continued

The County has recorded a prior period adjustment to the financial statements to adjust the businesstype net position to properly reflect accounts payable, accounts receivable, capital assets and cash in the previous year. The adjustments are summarized as follows:

	Business-type Activities Net Position	
Beginning net position, as previously reported at June 30, 2023	\$ 11,203,132	
Prior period adjustments:		
Accounts payable	17,155	
Accounts receivable	119,900	
Capital assets	(35,668)	
Cash	(14,402)	
Net position, as restated at July 1, 2023	\$ 11,290,117	

The County has recorded a prior period adjustment to the financial statements to adjust the discretely presented component unit net position to properly reflect capital assets in the previous year. The adjustments are summarized as follows:

		Discretely
	F	resented
	C	omponent
		Unit Net
		Position
Beginning net position, as previously reported at June 30, 2023	\$	1,077,766
Prior period adjustments:		
Capital assets		(386,168)
Net position, as restated at July 1, 2023	\$	691,598

#### CALHOUN COUNTY, SOUTH CAROLINA NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024

#### **NOTE 14 – SUBSEQUENT EVENTS**

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through October 21, 2025, the date the financial statements were available for issuance.

The following events have occurred after June 30, 2024:

#### • State Grant for Technology Enhancements – Sheriff's Department

In August 2024, the County approved the receipt of \$100,000 in state funding awarded to the Calhoun County Sheriff's Department. These funds are designated for the acquisition of technology improvements to enhance law enforcement operations. The funds are expected to be fully expended in fiscal year 2025.

#### • Capital Project Awards and Lease Commitments

Subsequent to year-end, the County entered into several material contracts and commitments, including:

- In August 2024, the Council approved a contract award to Southern Fiber in the amount of \$363,692 for the Chimney Swift Waterline Project, which will expand access to 41 residences.
- In October 2024, the County authorized a cybersecurity services agreement with Verinext. The monthly cost is \$34,764, which is reduced to \$15,000 through a grant award. This commitment is expected to span into future fiscal years.
- In December 2024, Council approved a lease agreement for EMS equipment totaling \$665,700.95, to be financed over a multi-year term.
- In February 2025, the County approved a \$67,820 contract with G.H. Smith Construction for a waterline extension project along US 601 in the Fort Motte area.
- Also in February 2025, a \$26,500 contract was awarded for paving improvements at the County Animal Shelter.
- The Sheriff's Office was approved to acquire Flock camera systems in a grant-funded project totaling \$100,000 in February 2025.
- In February 2025, the County approved a 6-year lease in the amount of \$581,591.93 for EMS stretcher replacement.

These contracts and lease agreements will be accounted for in future periods.

#### CALHOUN COUNTY, SOUTH CAROLINA NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2024

#### NOTE 14 - SUBSEQUENT EVENTS, Continued

#### Fire Services District Restructuring

On April 28, 2025, the County Council adopted Ordinance 2025-5, which restructures fire services within the County by dissolving all pre-existing fire protection areas and consolidating them into a unified Calhoun County Rural Fire District. The ordinance was reconsidered in a Special Called Meeting on May 1, 2025, at which time the effective date was amended to July 1, 2025. This restructuring is expected to impact the administration, operations, and funding of fire protection services going forward. Related tax levies and budget appropriations were introduced via Ordinance 2025-12 during April 2025.

#### • Change in County Administrator

In March 2025, County Administrator John McLauchlin announced his planned retirement effective June 30, 2025. At the same meeting, the Council approved the promotion of Deputy Administrator Richard Hall to the role of Administrator, effective July 1, 2025.

#### • Tax Anticipation Borrowing Authorization

On August 25, 2025, County Council approved Ordinance 2025-15, which authorizes the issuance and sale of a Tax Anticipation Note in a principal amount not to exceed \$2,500,000. This borrowing facility is intended to support cash flow needs in anticipation of FY2025–2026 ad valorem tax collections. As of the date of these financial statements, no amounts have been drawn under this facility.



# CALHOUN COUNTY, SOUTH CAROLINA REQUIRED SUPPLEMENTARY INFORMATION

# STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

## GENERAL FUND

YEAR ENDED JUNE 30, 2024

	Budgeted	l Amounts		Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Property taxes	\$ 11,421,628	\$ 11,421,628	\$ 11,350,369	\$ (71,259)
Other taxes	1,537,500	1,537,500	1,200,490	(337,010)
Intergovernmental	978,980	978,980	1,882,499	903,519
Licenses, permits and fees	328,253	328,253	738,065	409,812
Fines and forfeitures	126,142	126,142	148,099	21,957
Charges for services	1,151,933	1,151,933	1,218,420	66,487
Other revenues	539,160	539,160	701,317	162,157
Total revenues	16,083,596	16,083,596	17,239,259	1,155,663
EXPENDITURES				
Current General government:				
County council	96,150	96,150	79,448	(16,702)
Finance	251,025	251,025	287,356	36,331
Voter registration	143,789	143,789	195,293	51,504
Human Resources	3,615,805	3,615,805	3,818,472	202,667
Administration	745,868	745,868	705,958	(39,910)
Outside agencies	762,952	762,952	755,160	(7,792)
Procurement	68,606	68,606	13,738	(54,868)
Tax assessor	274,535	274,535	221,601	(52,934)
Auditor	74,836	74,836	73,856	(980)
Tax collector	96,642	96,642	86,742	(9,900)
Treasurer	120,305	120,305	114,618	(5,687)
Veterans affairs	28,674	28,674	22,543	(6,131)
Information technology	453,398	453,398	493,170	39,772
Non-departmental	507,580	507,580	750,831	243,251
Total general government	7,240,165	7,240,165	7,618,786	378,621
Public safety:				
Emergency services	92,586	92,586	97,510	4,924
Communications	704,783	704,783	659,635	(45,148)
Animal control	211,594	211,594	175,432	(36,162)
Addressing	4,125	4,125	7,942	3,817
Sheriff	2,388,286	2,388,286	2,620,655	232,369
Total public safety	3,401,374	3,401,374	3,561,174	159,800
Public works:				
Buildings and grounds	715,514	715,514	733,570	18,056
Building inspection	172,350	172,350	296,906	124,556
Roads department	340,658	340,658	259,677	(80,981)
Soil and water	16,000	16,000	22,692	6,692
Total public works	1,244,522	1,244,522	1,312,845	68,323

### CALHOUN COUNTY, SOUTH CAROLINA

#### REQUIRED SUPPLEMENTARY INFORMATION

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

#### **GENERAL FUND**

YEAR ENDED JUNE 30, 2024

	Budgeted	Amounts		Variance with Final
	Original	Final	Actual	Budget
EXPENDITURES (Continued)				
Current				
Judicial:				
Sandy Run magistrate	62,075	62,075	62,441	366
Clerk of court	293,209	293,209	307,351	14,142
Probate of court	129,421	129,421	126,882	(2,539)
Solicitor	123,600	123,600	158,704	35,104
Magistrate office	144,845	144,845	150,812	5,967
Cameron magistrate	34,940	34,940	37,713	2,773
Master in equity	24,195	24,195	25,352	1,157
Total judicial	812,285	812,285	869,255	56,970
Culture and recreation:				
Library	512,483	512,483	466,287	(46,196)
Recreation	341,785	341,785	348,954	7,169
Museum	314,610	314,610	166,629	(147,981)
Total culture and recreation	1,168,878	1,168,878	981,870	(187,008)
Health and welfare:				
Coroner	87,248	87,248	108,143	20,895
Landfill	62,776	62,776	85,579	22,803
Emergency management services	2,064,249	2,064,249	2,108,569	44,320
Department of social services	6,000	6,000	4,917	(1,083)
Department of health and environmental control	6,000	6,000	4,323	(1,677)
Collection sites	673,570	673,570	685,027	11,457
Total health and welfare	2,899,843	2,899,843	2,996,558	96,715
Economic Development:				
Economic Development	97,450	97,450	90,965	(6,485)
Capital outlay	<u> </u>		524,223	524,223
Total expenditures	16,864,517	16,864,517	17,955,676	1,091,159
EXCESS (DEFICIENCY) OF REVENUE				
OVER EXPENDITURES	(780,921)	(780,921)	(716,417)	64,504
OTHER FINANCING SOURCES (USES)				
Transfers in	(1,500,000)	(1,500,000)	1,548,467	3,048,467
Transfers out	(822,830)	(822,830)	(1,845,830)	(1,023,000)
Issuance of debt	(022,030)	(022,030)	(1,043,030)	(1,023,000)
Sale of capital assets	-	-	74,420	74,420
Total other financing sources (uses), net	(2,322,830)	(2,322,830)	(222,943)	2,099,887
Net change in fund balances	\$ (3,103,751)	\$ (3,103,751)	(939,360)	\$ 2,164,391
	3 (3,103,731)	3 (3,103,731)		2,104,331
Fund balances, beginning of year			3,803,763	
Prior period adjustment (see Note 13)			(250,947)	
Fund balances, beginning of year (as restated)			3,552,816	
Fund balances, end of year			2,613,456	

# CALHOUN COUNTY, SOUTH CAROLINA REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

		2024		2023		2022		2021		2020		2019		2018
Total OPEB Liability														
Service Cost	\$	52,511	\$	54,934	\$	73,753	\$	96,553	\$	69,790	\$	78,149	\$	75,237
Interest on total OPEB liability		164,845		115,998		82,263		85,606		113,254		124,442		119,210
Difference between expected and														
actual experience		-		(413,887)		-		(200,894)		-		(218,677)		-
Change in benefit terms		-		1,876,644		-		-		-		-		-
Effect of assumption changes		(148,609)		(89,696)		(525,920)		24,344		505,732		89,787		-
Benefit payments		(368,891)		(241,238)		(84,000)		(57,590)		(44,361)		(62,314)		(56,188)
Net change in total OPEB lliability		(300,144)		1,302,755		(453,904)		(51,981)		644,415		11,387		138,259
Total OPEB liability - beginning		4,699,091		3,396,336		3,850,240		3,902,221		3,257,806		3,246,419		3,108,160
Total OPEB liability - ending	\$	4,398,947	\$	4,699,091	\$	3,396,336	\$	3,850,240	\$	3,902,221	\$	3,257,806	\$	3,246,419
Covered -employee payroll	\$	1,603,012	\$	1,603,012	\$	1,868,736	\$	1,868,736	\$	2,111,320	\$	2,111,320	\$	2,638,645
Total OPEB liability as as percentage of														
covered-employee payroll		274.42%		293.14%		181.75%		206.03%		184.82%		154.30%		123.03%
Discount rate		3.97%		3.65%		3.54%		2.16%		2.21%		3.50%		3.87%
Measurement date	Ju	ne 30, 2024	Ju	ne 30, 2023	Ju	ne 30, 2022	Ju	ine 30, 2021	Ju	ne 30, 2020	Ju	ne 30, 2019	Ju	ne 30, 2018

#### Notes:

<sup>(1)</sup> Pursuant to GASB 75, a 10-year history of the information shown above is required. However, until a full 10-year history is compiled, information for those years which are available may be presented.

<sup>(2)</sup> The County is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

## CALHOUN COUNTY, SOUTH CAROLINA REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF CALHOUN COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY SOUTH CAROLINA SYSTEM

	Year	Ended	June	30,
--	------	-------	------	-----

SCRS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability	0.045641%	0.045023%	0.043470%	0.043201%	0.042790%	0.041821%	0.043558%	0.043962%	0.042317%	0.040713%
County's proportionate share of the net pension liability	\$ 11,034,871	\$ 10,914,485	\$ 9,407,589	\$ 11,038,762	\$ 9,770,698	\$ 9,370,729	\$ 9,805,606	\$ 9,390,218	\$ 8,024,675	\$ 6,901,466
County's covered-employee payroll	\$ 6,243,360	\$ 5,746,296	\$ 5,202,500	\$ 4,913,948	\$ 4,822,942	\$ 4,518,487	\$ 4,333,800	\$ 4,145,965	\$ 4,259,068	\$ 3,969,932
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	176.7%	189.9%	180.8%	224.6%	202.6%	207.4%	226.3%	226.5%	188.4%	173.8%
Plan fiduciary net position as a percentage of the total pension liability	58.6%	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%

#### Notes to schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

# CALHOUN COUNTY, SOUTH CAROLINA REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CALHOUN COUNTY'S CONTRIBUTIONS SOUTH CAROLINA RETIREMENT SYSTEM

	Year Ended June 30,											
SCRS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015		
Contractually required contribution	\$ 1,158,768	\$ 1,000,430	\$ 888,444	\$ 765,065	\$ 750,451	\$ 657,892	\$ 587,664	\$ 479,272	\$ 470,843	\$ 432,722		
Contributions in relation to the contractually required contribution	1,158,768	1,000,430	888,444	765,065	750,451	657,892	587,664	479,272	470,843	432,722		
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
County's covered-employee payroll	\$ 6,243,360	\$ 5,746,296	\$ 5,202,500	\$ 4,913,948	\$ 4,822,942	\$ 4,518,487	\$ 4,333,800	\$ 4,145,965	\$ 4,259,068	\$ 3,969,932		
Contributions as a percentage of covered-employee payroll	18.56%	17.41%	17.08%	15.57%	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%		

#### CALHOUN COUNTY, SOUTH CAROLINA

#### REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF CALHOUN COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY POLICE OFFICERS RETIREMENT SYSTEM

Year Ended June 30,

PORS	 2024	2023	2022	2021	2020	2019	2018	2017	=	2016	_	2015
County's proportion of the net pension liability	0.099440%	0.107173%	0.103469%	0.103385%	0.103637%	0.103980%	0.109930%	0.100960%		0.104330%		0.10208%
County's proportionate share of the net pension liability	\$ 3,027,049	\$ 3,214,112	\$ 2,662,187	\$ 3,428,466	\$ 2,970,175	\$ 2,946,318	\$ 3,011,681	\$ 2,560,749	\$	2,273,847	\$	1,954,257
County's covered-employee payroll	\$ 2,163,741	\$ 1,413,256	\$ 1,692,278	\$ 1,555,863	\$ 1,561,480	\$ 1,503,217	\$ 1,439,245	\$ 1,334,981	\$	1,285,274	\$	1,289,894
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	139.9%	227.4%	157.3%	220.4%	190.2%	196.0%	209.3%	191.8%		176.9%		151.5%
Plan fiduciary net position as a percentage of the total pension liability	67.8%	66.4%	70.4%	58.8%	62.7%	61.7%	60.9%	60.4%		64.6%		67.6%

#### Notes to schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

# CALHOUN COUNTY, SOUTH CAROLINA REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CALHOUN COUNTY'S CONTRIBUTIONS POLICE OFFICERS RETIREMENT SYSTEM

	Year Ended June 30,																
PORS		2024 2023			2022		2021		2020		2019	2018	2017	2016		2015	
Contractually required contribution	\$	459,579	\$	340,782	\$	322,210	\$	280,678	\$	284,805	\$	259,155	\$ 233,733	\$ 199,132	\$ 176,583	\$	172,974
Contributions in relation to the contractually required contribution		459,579		340,782		322,210		280,678		284,805		259,155	233,733	199,132	 176,583	_	172,974
Contribution deficiency (excess)	\$		\$		\$		\$		\$		\$		\$ 	\$ 	\$ 	\$	
County's covered-employee payroll	\$	2,163,741	\$	1,413,256	\$	1,692,278	\$	1,555,863	\$	1,561,480	\$	1,503,217	\$ 1,439,245	\$ 1,334,981	\$ 1,285,274	\$	1,289,894
Contributions as a percentage of covered-employee payroll		21.24%		24.11%		19.04%		18.04%		18.24%		17.24%	16.24%	14.92%	13.74%		13.41%



#### **CALHOUN COUNTY, SOUTH CAROLINA COMBINING BALANCE SHEET** NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2024

OF RESOURCES, AND FUND BALANCES

			Special Revenue Funds Calhoun										
	Sheriff's Department Fund	Victim's Advocate Fund	Child Support Fund	Calhoun Rural Fire District Fund	Banks Estate Fund	OC Tech and L.M. Gressette Center Fund							
ASSETS													
Cash and cash equivalents	\$ 2,935	\$ -	\$ 154,156	\$ 461,883	\$ 384,679	\$ 474,191							
Taxes receivable,net	-	-	-	-	-	7,825							
Accounts receivable, net	-	2,655	11	286,026	-	-							
Due from other funds		1,077	538	538									
Total assets	2,935	3,732	154,705	748,447	384,679	482,016							
LIABILITIES													
Accounts payable	-	-	227	56,277	85	-							
Due to other funds	-	-	-	-	-	-							
Due to other governments	-	-	-	52,629	-	-							
Accrued liabilities	-	4,326	173	2,712	-	_							
Other liability	-	30,929	-	-	-	-							
Total liabilities	-	35,255	400	111,618	85	-							
DEFERRED INFLOWS OF RESOURCES													
Unavailable revenue - property taxes	_	_	_	_	_	6,474							
Deferred revenue - state treasurer's office	_	_	_	286,026	_	-							
Total Deferred Inflows of Resources				286,026		6,474							
FUND BALANCES													
Restricted for:													
General government	-	-	-	-	-	475,542							
Public safety	2,935	-	-	350,803	-	-							
Debt service	-	-	-	-	-	-							
Health and welfare	-	-	154,305	-	-	-							
Economic development	-	-	-	-	-	-							
Committed for:													
Other purposes	-	-	-	-	384,594	-							
Unassigned		(31,523)											
Total fund balances (deficits)	2,935	(31,523)	154,305	350,803	384,594	475,542							

(Continued)

482,016

3,732

154,705

748,447

384,679

2,935

#### CALHOUN COUNTY, SOUTH CAROLINA COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2024

			Special Revenue Funds Debt Service Funds									
	Coun E-911 on Ag		Council Community on Aging Development Fund Alliance Fund			E <sub>1</sub> Dev	Calhoun conomic velopment rporation	 Debt Service Fund	R Dis	oun County ural Fire trict Debt vice Fund		Total Nonmajor overnmental Funds
ASSETS												
Cash and cash equivalents	\$ -	\$	680,179	\$	17,300	\$	237,202	\$ 237,484	\$	198,975	\$	2,848,984
Taxes receivable, net	-		-		-		-	12,443		2,770		23,038
Accounts receivable, net	74		45,221		-		-	-		-		333,987
Due from funds	-		-		-		300,000	-		-		302,153
Total assets	\$ 74	\$	725,400	\$	17,300	\$	537,202	\$ 249,927	\$	201,745	\$	3,508,162
LIABILITIES												
Accounts payable	\$ -	\$	-	\$	4,996	\$	12,000	\$ -	\$	-	\$	73,585
Due to other funds	-		-		89		-	-		-		89
Due to other governments	-		-		-		-	-		-		52,629
Accrued liabilities	21,875		6,286		-		-	-		-		35,372
Other liability	447,517		-		-		-	-		-		478,446
Total liabilities	 469,392		6,286		5,085		12,000	-		-		640,121
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue - property taxes	_		_		_		-	10,308		2,390		19,172
Deferred revenue - state treasurer's office	_		_		_		_			-,		286,026
Total Deferred Inflows of Resources	-		-		-		-	10,308		2,390		305,198
FUND BALANCES												
Restricted for:												
General government	-		-		-		-	-		-		475,542
Public safety	-		-		-		-	-		-		353,738
Debt service	-		-		-		-	239,619		199,355		438,974
Health and welfare	-		719,114		-		-	-		-		873,419
Economic development	-		-		12,215		525,202	-		-		537,417
Committed for:												
Other purposes	-		-		-		-	-		-		384,594
Unassigned	 (469,318)		-				-					(500,841)
Total fund balances (deficits)	 (469,318)		719,114		12,215		525,202	239,619		199,355		2,562,843
TOTAL LIABILITIES, DEFERRED INFLOWS												
OF RESOURCES, AND FUND BALANCES	\$ 74	Ş	725,400	\$	17,300	\$	537,202	\$ 249,927	\$	201,745	Ş	3,508,162

## CALHOUN COUNTY, SOUTH CAROLINA COMBINING STATEMENT OF REVENUES, EXPENDITURES

## AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2024

						Special Rev	enue Fu	nds			
	Sheriff's Department Fund			ictim's Ivocate Fund	S	Child Support Fund	Ru D	alhoun ıral Fire District Fund	 Banks Estate Fund	a Gi	C Tech nd L.M. ressette nter Fund
REVENUES			<u> </u>								462.252
Property taxes	\$	-	\$	-	\$	-	\$	-	\$ -	\$	462,352
Other taxes		-		-		-		549,949	-		-
Intergovernmental		-		18,115		57,708		3,268	-		51,647
Charges for services		-		-		-		439,660	-		-
Other revenues		-				-			 23,222		12,349
Total revenues		-		18,115		57,708		992,877	 23,222		526,348
EXPENDITURES											
Current:											
General government		-		-		-		-	39,918		351,664
Public safety		-		49,639		-		614,335	-		-
Health and welfare		-		-		24,392		-	-		-
Capital outlay		-		-		-		-	-		-
Debt service:											
Principal		-		-		-		-	-		-
Interest and fiscal charges		-		-		-		-	-		-
Total expeditures		-		49,639		24,392		614,335	39,918		351,664
EXCESS (DEFICIENCY) OF REVENUE											
OVER EXPENDITURES				(31,524)		33,316		378,542	 (16,696)		174,684
OTHER FINANCING SOURCES											
Transfers in		-		1		538		538	-		
Transfers out								(269)			
Total other financing sources		-		1		538		269	-		-
Net change in fund balances		-		(31,523)		33,854		378,811	(16,696)		174,684
Fund balances (deficits), beginning of year		2,935				120,451		248,691	 401,290		300,858
Prior period adjustment (see Note 13)		-		-		-		(276,699)	-		-
Fund balances (deficits), beginning of year (as restated)		2,935				120,451		(28,008)	 401,290		300,858
Fund balances (deficits), end of year	\$	2,935	\$	(31,523)	\$	154,305	\$	350,803	\$ 384,594	\$	475,542

# CALHOUN COUNTY, SOUTH CAROLINA COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

#### NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2024

				Special Reve	nue Fund	ls				Debt Serv	vice Fund	ds	
		E-911 Fund		Council on Aging Fund	Deve	nmunity lopment nce Fund	Ec Dev	alhoun conomic elopment poration		Debt Service Fund	Ru Dist	oun County ural Fire trict Debt vice Fund	Total Nonmajor Governmental Funds
REVENUES	<b>,</b>		<b>,</b>		ć		¢	00.000	¢	701 600	<b>,</b>	112.076	ć 1.462.82C
Property taxes Other taxes	\$	-	\$	-	\$	-	\$	96,999	\$	791,609	\$	112,876	\$ 1,463,836 549,949
Intergovernmental		- 86,014		- 426,546		-		300,000		-		-	943,298
Charges for services		50,014		420,340				300,000		_		-	439,660
Other revenues				9,132		25,773		99,222					169,698
Total revenues		86,014		435,678		25,773		496,221		791,609		112,876	3,566,441
				,						,			
EXPENDITURES													
Current:													
General government		-		-		-		-		-		-	391,582
Public safety		313,230		-		-		-		-		-	977,204
Health and welfare		-		555,192		-		-		-		-	579,584
Economic development		-		-		38,163		62,276		-		-	100,439
Capital outlay		-		-		-		333,796		-		-	333,796
Debt service:													
Principal		-		-		-		-		551,000		105,043	656,043
Interest and fiscal charges		-		-		-		-		39,112		6,790	45,902
Total expeditures		313,230		555,192		38,163		396,072		590,112		111,833	3,084,550
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES		(227,216)		(119,514)		(12,390)		100,149		201,497		1,043	481,891
OTHER FINANCING SOURCES													
Transfers in		-		150,250		-		-		-		-	151,327
Transfers out		-		-		-		-		-		-	(269)
Total other financing sources		-		150,250		-		-		-		-	151,058
Net change in fund balances		(227,216)		30,736		(12,390)		100,149		201,497		1,043	632,949
Fund balances (deficits), beginning of year		(242,102)		688,378		24,605		423,053		38,122		198,312	2,204,593
Prior period adjustment (see Note 13)		-		-		-		2,000		-		-	(274,699)
Fund balances (deficits), beginning of year (as restated)		(242,102)		688,378		24,605		425,053		38,122		198,312	1,929,894
Fund balances (deficits), end of year	\$	(469,318)	\$	719,114	\$	12,215	\$	525,202	\$	239,619	\$	199,355	\$ 2,562,843

# CALHOUN COUNTY COMBINING STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2024

	De	elinquent Tax	 School District	P	udge of robate Court	Clerk of Court	aster in Equity	agistrate Court	 Total
ASSETS									
Cash and cash equivalents Taxes receivables	\$	586,850 <u>-</u>	\$ 11,874,866 188,034	\$	- -	\$ 53,005	\$ 21,454	\$ 26,434	\$ 12,562,609 188,034
Total assets	\$	586,850	\$ 12,062,900	\$		\$ 53,005	\$ 21,454	\$ 26,434	\$ 12,750,643
LIABILITIES									
Due to others	\$	586,850	\$ 11,874,866	\$	-	\$ 15,473	\$ -	\$ 19,754	\$ 12,496,943
Uncollected taxes			 188,034		-	 -	 -	 -	 188,034
Total liabilities		586,850	 12,062,900			15,473		19,754	 12,684,977
FIDUCIARY NET POSITION  Restricted for individuals, organizations									
and other governments			 <u>-</u>		<u>-</u> _	 37,532	 21,454	 6,680	 65,666
Total fiduciary net position	\$		\$ _	\$		\$ 37,532	\$ 21,454	\$ 6,680	\$ 65,666

# CALHOUN COUNTY, SOUTH CAROLINA COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS YEAR ENDED JUNE 30, 2024

	Delinquent Tax		School District		Judge of Probate Court		Clerk of Court		Master in Equity		MagistrateCourt			Total
ADDITIONS														
Taxes and assessments Fines and fees	\$ ——	2,152,790 <u>-</u>	\$ —	45,296,627 	\$	- -	\$	- 310,675	\$	- -	\$	243,863	\$ ——	47,449,417 554,538
Total additions		2,152,790		45,296,627		-		310,675		-		243,863		48,003,955
DEDUCTIONS														
Taxes and fees paid to other governments		2,175,896		45,296,627		-		-		-		-		47,472,523
Funds disbursed per court order				-		-		298,866		-		238,510		537,376
Total deductions		2,175,896		45,296,627				298,866				238,510	_	48,009,899
TRANSFERS														
Transfers in		23,106												23,106
Total transfers		23,106				-				-				23,106
Change in fiduciary net position		-		-		-		11,809		-		5,353		17,162
NET POSITION														
Fiduciary net position, beginning of year		-		-		-		25,723		21,454		1,327		48,504
Fiduciary net position, end of year	\$	-	\$		\$	-	\$	37,532	\$	21,454	\$	6,680	\$	65,666

# CALHOUN COUNTY , SOUTH CAROLINA STATEMENT OF CASH FLOWS DISCRETELY PRESENTED COMPONENT UNIT SANDY RUN FIRE DISTRICT YEAR ENDED JUNE 30, 2024

	Sandy Run Fire District					
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$	120,248				
Payments to suppliers	,	(151,205)				
Net cash used in operating activities		(30,957)				
CASH FLOWS FROM NONCAPITAL AND RELATED						
FINANCING ACTIVITIES						
Transfer in (out)		532,300				
Net cash provided by non capital and related						
financing activities		532,300				
		<u> </u>				
CASH FLOWS FROM CAPITAL AND						
RELATED FINANCING ACTIVITIES						
Purchase of capital assets		(557,300)				
Principal paid on finance lease obligations		(29,134)				
Net cash used in capital and related financing activities		(586,434)				
Net decrease in cash and cash equivalents		(85,091)				
Cash and cash equivalents, beginning of year		434,968				
Cash and cash equivalents, end of year	\$	349,877				
Reconciliation of operating income to net cash						
provided by operating activities:						
Operating loss	\$	(101,083)				
Adjustments to reconcile operating income to net						
cash provided by operating activities:						
Depreciation		44,508				
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable		13,350				
(Increase) decrease in taxes receivable		1,169				
Increase (decrease) in accounts payable		11,099				
Net cash used in operating activities	\$	(30,957)				

#### CALHOUN COUNTY, SOUTH CAROLINA SCHEDULE OF LEGAL DEBT MARGIN JUNE 30, 2024

ASSESSED PROPERTY VALUATION		\$ 70,785,720
DEBT LIMIT (8% OF ASSESSED VALUE)		\$ 5,662,858
DEBT APPLICABLE TO DEBT LIMIT  Total bonded debt  Bonded debt not applicable to County's debt limit  Bonded debt applicable to County's debt limit	\$ 5,749,106 (4,286,106) 1,463,000	
Total debt applicable to debt limit		 1,463,000
LEGAL DEBT MARGIN		\$ 4,199,858

# CALHOUN COUNTY, SOUTH CAROLINA UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (PER ACT 96) YEAR ENDED JUNE 30, 2024

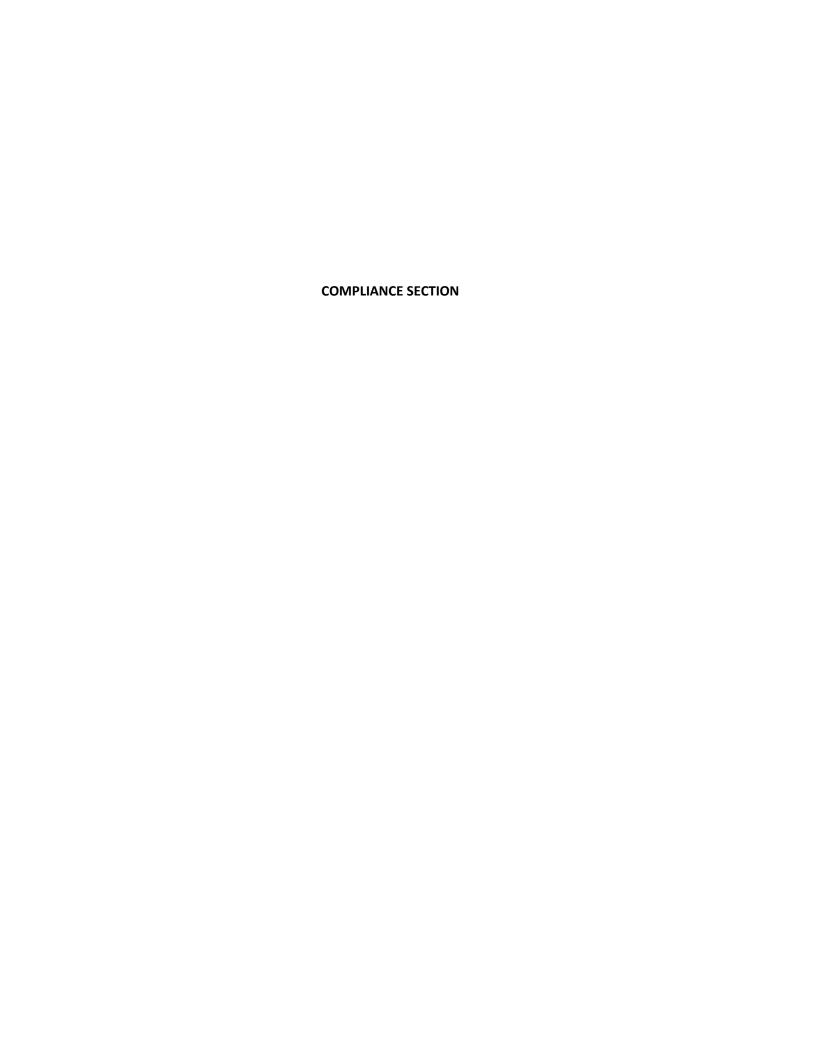
#### FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED		General	eneral Magistrate		Municipal	
BY CLERK OF COURT		<u>Sessions</u>	<u>Court</u>		<u>Court</u>	<u>Total</u>
Court Fines and Assessments:						
Court fines and assessments collected	\$	196,031	\$	189,590	N/A	\$ 385,621
Court fines and assessments remitted to State Treasurer		(67,166)		(106,127)	N/A	(173,293)
Total Court Fines and Assessments retained	\$	128,865	\$	83,463	N/A	\$ 212,328
Surcharges and Assessments retained for victim services:						
Surcharges collected and retained	\$	5,024	\$	3,227	N/A	\$ 8,251
Assessments retained		1,633		8,205	N/A	9,838
Total Surcharges and Assessments retained for victim services	\$	6,657	\$	11,432	N/A	\$ 18,089

#### FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	<u>Total</u>	
Carryforward from Previous Year – Beginning Balance	N/A	\$ -	\$	-
Victim Service Revenue:				
Victim Service Fines Retained by City/County Treasurer	N/A	-		-
Victim Service Assessments Retained by City/County Treasurer	N/A	9,838	9,8	838
Victim Service Surcharges Retained by City/County Treasurer	N/A	8,251	8,2	251
Interest Earned	N/A	26		26
Grant Funds Received	N/A	-		-
Grant from:				
General Funds Transferred to Victim Service Fund	N/A	1		1
Contribution Received from Victim Service Contracts:				
(1) City of	N/A	-		-
(2) Town of	N/A	-		-
(3) City of	N/A	-		-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	N/A	\$ 18,116	\$ 18,3	116
Expenditures for Victim Service Program:	<u>Municipal</u>	<u>County</u>	<u>Total</u>	
Salaries and Benefits	N/A	\$ 48,819	\$ 48,8	819
Operating Expenditures	N/A	820	6	820
Victim Service Contract(s):				
(1) Entity's Name	N/A	-		-
(2) Entity's Name	N/A	-		-
Victim Service Donation(s):				
(1) Domestic Violence Shelter:	N/A	-		-
(2) Rape Crisis Center:	N/A	-		-
(3) Other local direct crime victims service agency:	N/A	-		-
Transferred to General Fund	N/A	-		-
	N/A	49,639	49,6	639
Total Expenditures from Victim Service Fund/Program (B)	IN/A			
Total Expenditures from Victim Service Fund/Program (B) Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	N/A N/A	(31,523)	(31,5	523)
		(31,523)	(31,	523) -

Developed by the Office of the Attorney General, Department of Crime Victim Compensation





#### CERTIFIED PUBLIC ACCOUNTANTS

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 Chairman and Members of County Council Calhoun County, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Calhoun County, South Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Calhoun County, South Carolina's basic financial statements and have issued our report thereon dated October 21, 2025.

#### **Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2024-001, 2024-002, 2024-003, 2024-004, 2024-005, 2024-006, and 2024-007 that we consider to be material weaknesses.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Calhoun County, South Carolina'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*.

#### **Calhoun County, South Carolina's Response to Findings**

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

#### **Purpose of This Report**

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

Love Bailey & Associates, LLC Laurens, South Carolina

Love Barley & Associates, LC

October 21, 2025

#### **SECTION I FINANCIAL STATEMENT FINDINGS AND RESPONSES**

#### **Material Weaknesses**

#### 2024-001: Delinquent Tax Office

#### Criteria:

Effective internal control standards require adequate segregation of duties, particularly in cash handling functions. No single individual should have control over all phases of a transaction—collection, recording, and deposit. This is essential to prevent fraud, detect errors timely, and ensure the integrity of financial reporting.

#### **Condition:**

1.) The delinquent tax collector is the sole person responsible for collecting receipts and turning them into the treasurer's office. No review is performed to check behind the delinquent tax collector to ensure the accuracy of the collections. 2.) No review process in place over bank statement reconciliations.

#### Context:

This finding was noted during the internal control walkthroughs over financial reporting for the fiscal year ended June 30, 2024.

#### Effect:

When one person is solely responsible for collecting, recording, and depositing funds, the risk of intentional fraud, theft, or accidental errors increases significantly. Such a lack of checks and balances compromises the reliability of financial reporting and could result in undetected misappropriation of County revenues.

#### Cause:

This issue stems from limited staffing within the Delinquent Tax Office, coupled with the absence of enforced policies requiring oversight or review of cash-handling processes. Additionally, there was a lack of cross-training and no compensating controls implemented to mitigate the risks posed by a single individual managing critical financial tasks.

#### **Recommendation:**

1.) Require a secondary individual (e.g., an independent reviewer or a treasurer's office representative) to review and reconcile the collections against receipts and deposit records. 2.) Assign a separate person, such as a supervisor or treasurer, to review bank reconciliations after they are prepared.

#### **Response:**

Management concurs with the recommendation. Corrective action will be taken to address the issue noted. The County will implement the necessary procedures and controls to mitigate the risks identified.

#### Material Weaknesses, Continued

2024-002: Magistrate Office

#### Criteria:

Governmental accounting standards require that cash handling and financial reconciliation duties be segregated. Additionally, supervisory review of reconciliations is a key control to ensure accuracy, completeness, and the safeguarding of public funds. Independent verification helps prevent and detect errors or irregularities in financial transactions.

#### **Condition:**

The Chief Magistrate reviews the bank reconciliations for the other magistrates, but no review is performed over the bank reconciliations the Chief of Magistrate performs.

#### **Context:**

This finding was noted during the internal control walkthroughs over financial reporting for the fiscal year ended June 30, 2024.

#### Effect:

Failure to implement a review of bank reconciliations increases the risk of errors, misstatements, or intentional manipulation of financial records going unnoticed. This could lead to financial losses, diminished accountability, and public mistrust in the County's financial stewardship.

#### Cause:

This deficiency occurred due to the lack of formally assigned responsibilities for oversight of bank reconciliations. Operational reliance on a single staff member performing reconciliations without review reflects gaps in internal controls and suggests that management underestimated the importance of independent verification procedures.

#### Recommendation:

Assign a separate person, such as finance department or treasurer's office, to review bank reconciliations performed by the Chief of Magistrate after they are prepared.

#### Response:

Management concurs with the recommendation. Corrective action will be taken to address the issue noted. The County will implement the necessary procedures and controls to mitigate the risks identified.

#### Material Weaknesses, Continued

**2024-003: Clerk of Court** 

#### Criteria:

Strong internal controls dictate that the responsibilities for receiving, recording, and depositing funds be segregated among different individuals. This control is fundamental in public sector financial management to minimize the risk of fraud and ensure the accuracy of financial records. Where segregation is not feasible due to staffing constraints, compensating controls must be implemented.

#### **Condition:**

- 1.) The Clerk of Court can both receive money (deposits) and has check signing authority (disbursements).
- 2.) Bank reconciliations are not being performed on a monthly basis.

#### Context:

This finding was noted during the internal control walkthroughs over financial reporting for the fiscal year ended June 30, 2024.

#### Effect:

Allowing one person to manage both the receipt and disbursement of funds creates significant risks of undetected fraud, misappropriation, or errors. This weakness jeopardizes the integrity of the Clerk of Court's financial transactions and exposes the County to financial losses and reputational damage.

#### Cause:

This condition resulted from operational practices that prioritized efficiency over risk mitigation. The Clerk's office lacked sufficient staff to separate duties effectively and failed to implement compensating controls such as independent reviews, supervisory oversight, or periodic audits to address the risks associated with combining incompatible duties.

#### Recommendation:

1.) Assign the responsibility for receiving deposits and signing checks to two separate individuals. Alternatively, implement dual-signature requirements for checks written to ensure review by a second party. 2.) Make monthly bank reconciliations mandatory and include this requirement in written internal control policies. Require the reconciliations to be reviewed and signed off by a supervisor or independent party.

#### Response:

Management concurs with the recommendation. Corrective action will be taken to address the issue noted. The County will implement the necessary procedures and controls to mitigate the risks identified.

#### Material Weaknesses, Continued

#### 2024-004: Finance Department

#### Criteria:

Sound financial management and internal controls require that all credit card purchases be properly authorized, supported by detailed receipts, and approved by an appropriate supervisor prior to payment. Additionally, adherence to documented procurement policies is critical to ensuring accountability and transparency.

#### **Condition:**

1.) When credit card purchases and backup is sent to the Finance Department, there is no formal policy governing credit card usage, including what expenditures are allowed and who has authorization to use the cards. Additionally, there was no formal process of indicating the information had been reviewed for accuracy and sufficient backup. 2.) In some instances no backup was provided for credit card purchases to the Finance Department from different departments within the County. 3.) There is uncertainty about how the petty cash fund is managed, reflecting weak documentation or oversight. 4.) Roles and responsibilities are shared, and checks are reviewed by one of two staff members, creating an increased risk of errors. Pre-signed checks are used, reducing accountability and increasing the risk of unauthorized transactions. 5.) Key processes, such as bank reconciliations, are outsourced to an external CPA consultant, which may lead to delayed detection of issues or lack of immediate oversight.

#### Context:

This finding was noted during the internal control walkthroughs over financial reporting for the fiscal year ended June 30, 2024.

#### Effect:

Failure to implement proper documentation and approval processes for credit card transactions increases the risk of unauthorized spending, fraudulent purchases, or misallocation of County funds. This also weakens the County's ability to maintain accurate financial records and undermines public trust in financial management.

#### Cause:

The condition arose due to a lack of formalized procedures requiring detailed documentation and supervisory approval for credit card transactions. Additionally, there was insufficient oversight by financial management to enforce procurement policies consistently. Limited training and failure to implement a systematic review process contributed to this breakdown in internal controls.

#### Material Weaknesses, Continued

#### **Recommendation:**

1.) Implement a formal sign-off by the Finance Department on the review process of credit card purchases. Develop and enforce policies for credit card usage. 2.) Reiterate and enforce policies requiring proper documentation for all purchases. Provide training to department heads and staff on the importance of maintaining purchase documentation. 3.) Provide training and develop policies over petty cash management within the County. 4.) Clearly define roles and ensure separate individuals handle recording, reconciliation, and approval processes. Address staffing shortages to reduce dependency on external consultants and ensure continuity of operations. 5.) Implement regular, timely internal reviews of reconciliations, cash handling, and disbursements. Require bank reconciliations to be completed monthly and reviewed by a designated official.

#### Response:

Management concurs with the recommendation. Corrective action will be taken to address the issue noted. The County will implement the necessary procedures and controls to mitigate the risks identified.

#### 2024-005: Sheriff's Department

#### Criteria:

All financial accounts, including donation accounts, must be subject to the same internal controls as County funds. This includes monthly reconciliations, oversight by financial personnel, and accurate reporting in accordance with government accounting standards to ensure transparency and accountability for restricted or designated funds.

#### **Condition:**

1.) The Sheriff's office has a donations bank account that has not been recorded as County funds in the past. 2.) No bank reconciliations have been performed over this bank account. 3.) There was a lack of documentation over the approval process for payments out of the donations account and receipt of funds for the donation account.

#### Context:

This finding was noted during the audit of internal controls over financial reporting for the fiscal year ended June 30, 2024.

#### Effect:

Without proper reconciliation and oversight of the donations account, there is an increased risk of funds being misappropriated, misused, or going unreported. This undermines the integrity of financial reporting, exposes the County to potential legal risks, and diminishes public trust in the responsible stewardship of donated funds.

#### Material Weaknesses, Continued

#### Cause:

The deficiency occurred because the donations account was managed outside of the County's centralized financial system without appropriate oversight from the Finance Department. This was compounded by the absence of established procedures for reconciling and monitoring non-operational accounts, as well as limited communication between departmental leadership and financial oversight personnel regarding the proper handling of these funds.

#### **Recommendation:**

1.) Ensure the donations bank account is recognized as part of the County's financial records. 2.) Implement monthly bank reconciliations moving forward. Require the reconciliations to be reviewed and signed off by a supervisor or independent party. 3.) Develop a documented process requiring approval for payments. Maintain an approval log with clear authorization details. Use pre-numbered receipts or a system to track incoming donations. Maintain an audit trail (i.e. - copy of check received, excel log of cash receipts, etc.) for all transactions in the donations account, including supporting documents for receipts.

#### Response:

Management concurs with the recommendation. Corrective action will be taken to address the issue noted. The County will implement the necessary procedures and controls to mitigate the risks identified.

#### 2024-006: Year-end Close

#### Criteria:

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

Generally accepted accounting principles require assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenditures/expenses to be recognized in the accounting period in which they become measurable, and in certain instances, available. Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial transactions and activities.

#### Material Weaknesses, Continued

#### **Condition:**

A significant amount of accounting, reporting, and reconciling activity was not properly performed and reviewed during the fiscal year which required a significant effort to close the County's 2024 fiscal year. Significant audit adjustments (totaling approximately \$2.5 million) across fifteen (15) County funds and the County's discretely presented component unit were determined and required to be recorded in the months that followed June 30, 2024. Further, and throughout the course of the audit process, we noted there was an overall lack of proper and adequate accounting on a timely basis. We noted deficiencies in timeliness, completeness, and accuracy. Specifically, we noted a lack of timely and accurate financial information needed to properly maintain general ledgers, subsidiary ledgers, reconciliations; and, to close-out and report activities, events, and transactions on a periodic basis.

#### Context:

We addressed these matters with County officials, who were able to ultimately determine the propriety of all respective details and reconciliations as of and for the fiscal year ended June 30, 2024.

#### Effect:

A significantly delayed conclusion to the 2024 fiscal year financial reporting process. The potential for errors and irregularities to occur and not be detected and corrected in a timely manner.

#### Cause:

There was an overall lack of appropriate controls implemented in the County during the fiscal year to ensure accounting records were maintained and timely financial reporting requirements were met.

#### **Recommendation:**

We recommend the County consider a variety of options to address the above condition. In no particular order, the County should evaluate the respective staffing of the accounting function and determine if an adequate number of qualified people are currently available to address the condition. The County also should consider and evaluate the strengths and weaknesses relative to the accounting function and take measures to address the concerns noted above with a goal of providing timely recording, reconciling, and reporting of County operations and financial activities.

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

#### Response:

Management concurs with the recommendation. Corrective action will be taken to address the issue noted. The County will implement the necessary procedures and controls to mitigate the risks identified.

#### Material Weaknesses, Continued

#### 2024-007: Revenue Recognition Controls

#### Criteria:

Governmental accounting standards and internal control frameworks require that transactions be accurately recorded in a timely manner to ensure the reliability of financial reporting. Controls should be in place to prevent or detect material misstatements in revenue recognition.

#### Condition:

During the audit of Calhoun County's financial statements for the fiscal year ended June 30, 2024, we identified numerous instances where revenue transactions were not recorded in the County's general ledger during the year. These omissions resulted in material adjustments being necessary at year-end.

#### Context:

At year-end, the County's Finance Director, with the assistance of an external CPA, performed a detailed review of bank statements and identified a series of deposits that were never posted to the County's books. These included property tax receipts, grant revenues, and other miscellaneous receipts that had not been recorded when received. The total amount of the unrecorded revenue exceeded the County's overall materiality threshold for the audit.

#### Effect:

The failure to record these revenue transactions in a timely manner led to a material misstatement of the County's financial statements prior to adjustments. Without the manual review performed by the external CPA and Finance Director, the financial statements would have been materially misstated. This control failure undermines confidence in the County's internal controls over financial reporting and raises concerns about the accuracy of interim financial data used for decision-making and reporting to stakeholders.

#### Cause:

The County does not currently have an effective system or procedure in place to ensure all incoming revenues are promptly and accurately recorded. There is no routine reconciliation between bank deposits and general ledger activity throughout the year. In addition, staffing limitations and reliance on manual processes contribute to oversight and untimely recognition of financial activity.

#### Material Weaknesses, Continued

#### **Recommendation:**

We recommend that the County implement a formal revenue reconciliation process, to be performed monthly, that includes:

- Comparing deposits per bank statements to general ledger postings.
- Investigating and resolving any discrepancies promptly.
- Developing procedures that clearly assign responsibility and timelines for posting all revenue.
- Considering automation or accounting software features to assist with timely revenue recognition.

Training staff on proper revenue recording procedures and maintaining oversight throughout the year will significantly strengthen internal control and reduce the risk of future misstatements.

#### Response:

Management concurs with the finding. In the past year, challenges with staffing turnover and limited resources contributed to inconsistent oversight of revenue recording. The County has already begun developing a monthly reconciliation process to help automate the matching of deposits and ledger entries. We expect the new procedures to be fully implemented by FY 2025 and will provide training to appropriate personnel to ensure ongoing compliance and accuracy.

#### CALHOUN COUNTY, SOUTH CAROLINA SCHEDULE OF PRIOR YEAR FINDINGS YEAR ENDED JUNE 30, 2024

#### 2023-001 Segregation of Duties

#### Finding:

The current organizational structure at the County's Magistrates Court, Probate Court, Clerk of Court, Master in Equity, and the Delinquent Tax Office cannot separate personnel duties sufficiently to reduce risks of not meeting financial reporting objectives and to provide safeguards for the County's assets. Additionally, during the audit there was a lack of a formal bank reconciliation preparation, review, and approval process specific to the Master in Equity and Clerk of Court offices. Several instances of overlapping duties were noted during interviews regarding internal control procedures. Failure to properly segregate duties among recording, distribution, and reconciliation of accounts can lead to misappropriation of assets that is not detected during the normal course of business and lead to a failure of the organization to meet its financial reporting goals. Additionally, the failure to implement a formal bank reconciliation preparation, review, and approval process specific to the Master in Equity and Clerk of Court offices can lead to errors or misappropriation of assets that is not detected in the normal course of business for these offices.

#### **Current Status:**

See Finding 2024-001, 2024-002, 2024-003

#### 2023-002 Year-end Close

#### Finding:

A significant amount of accounting, reporting, and reconciling activity was not properly performed and reviewed during the fiscal year which required a significant effort to close the County's 2023 fiscal year. Significant audit adjustments (totaling approximately \$14.1 million) across fifteen (15) County funds and the County's discretely presented component unit were determined and required to be recorded in the months that followed June 30, 2023. Further, and throughout the course of the audit process, we noted there was an overall lack of proper and adequate accounting on a timely basis. There were noted deficiencies in timeliness, completeness, and accuracy. Specifically, it was noted that there was a lack of timely and accurate financial information needed to properly maintain general ledgers, subsidiary ledgers, reconciliations; and, to close-out and report activities, events, and transactions on a periodic basis.

#### **Current Status:**

See Finding 2024-006

#### CALHOUN COUNTY, SOUTH CAROLINA SCHEDULE OF PRIOR YEAR FINDINGS YEAR ENDED JUNE 30, 2024

#### **2023-003 Purchasing Card Policies**

#### Finding:

There was an overall lack of adequate policies as it relates to the County's purchasing cards. The County was not conducting timely reviews and thorough reconciliation of the individual user purchases. No approval process is in place to ensure proper purchases were made. The County lacked certain supporting documentation for various purchases.

#### **Current Status:**

See Finding 2024-004