

**DARLINGTON COUNTY,
SOUTH CAROLINA**

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

DARLINGTON COUNTY, SOUTH CAROLINA

PRINCIPAL COUNTY OFFICIALS

JUNE 30, 2024

County Council

Bobby Hudson – Chairman
Marvin Le Flowers – Vice Chairman
Dannie Douglas, Jr. – Chaplain
Angie Godbold
Joyce Thomas
Albert Davis, III
M. Kirk Askins
David Coker

County Administrator

Marion C. Stewart, III

DARLINGTON COUNTY, SOUTH CAROLINA

FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

	Page
Principal County Officials	i
Table of Contents	ii and iii

FINANCIAL SECTION

Independent Auditor's Report	1 - 4
Management's Discussion and Analysis	5 - 11
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17
Statement of Net Position – Proprietary Funds	18
Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	20 and 21
Statement of Fiduciary Net Position – Fiduciary Funds	22
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	23
Notes to Financial Statements.....	24 - 68
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – General Fund	69 and 70
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Fire Board Fund.....	71
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Emergency Services Fund	72
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Road Maintenance Fund.....	73
Schedules of County's Proportionate Share of the Net Pension Liability	74
Schedules of County Contributions.....	75 and 76
Schedule of Changes in the Total OPEB Liability and Related Ratios.....	77

DARLINGTON COUNTY, SOUTH CAROLINA

FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (CONTINUED)

	Page
Combining Nonmajor Fund Financial Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds.....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	79
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position – Custodial Funds	80
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	81
Supplementary Information Required by the State of South Carolina:	
Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96).....	82 and 83

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	84 and 85
Independent Auditor's Report on Internal Control for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	86 - 88
Schedule of Expenditures of Federal Awards	89
Notes to the Schedule of Expenditures of Federal Awards.....	90
Schedule of Findings and Questioned Costs	91 and 92

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

**To the County Council
of Darlington County
Darlington, South Carolina**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Darlington County, South Carolina** (the "County") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 11), the Schedule of Revenues, Expenditures, and changes in Fund Balance – Budget (GAAP Basis) and Actual – General Fund (on pages 69 through 70), the Schedule of Revenues, Expenditures, and changes in Fund Balance – Budget (GAAP Basis) and Actual – Fire Board Fund (on page 71), the Schedule of Revenues, Expenditures, and changes in Fund Balance – Budget (GAAP Basis) and Actual – Emergency Services Fund (on page 72), the Schedule of Revenues, Expenditures, and changes in Fund Balance – Budget (GAAP Basis) and Actual – Road Maintenance Fund (on page 73), the Schedule of Changes in the County's Total Other Postemployment Benefits Liability and Related Ratios (on page 77), the Schedules of the County's Proportionate Share of the Net Pension Liability (on page 74), and the Schedules of County Contributions (on pages 75 through 76) 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements. The combining and individual nonmajor fund financial statements and schedules, the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), as required by the State of South Carolina, and the Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (collectively, the "supplementary information"), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Darlington County, South Carolina's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 4, 2024

DARLINGTON COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

This section of Darlington County, South Carolina's (the "County") annual financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2024.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at June 30, 2024, by approximately \$73.8 million (net position).
- At June 30, 2024, the County's General Fund reported a total fund balance of \$36.5 million.
- At the end of the current fiscal year, the County's unassigned fund balance for the General Fund was \$26.3 million.

Overview of the Financial Statements

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

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. All governmental activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the Statement of Net Position and the Statement of Activities, which are described below.

The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement consolidates the governmental funds' current financial resources (short-term) with capital assets and long-term liabilities.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The governmental activities of the County include general government, public safety, public works, health and social services, culture and recreation, economic development and planning, and nondepartmental. The business-type activities of the County include environmental services and airport.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains governmental funds to account for the following activities: General, Special Revenue, and Debt Service.

Information is presented separately in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Fire Board, Emergency Services, and Road Maintenance funds, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund, Fire Board Fund, Emergency Services Fund, and Road Maintenance Fund within the required supplementary information section of these financial statements.

Proprietary funds. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County maintains two proprietary funds including the Environmental Services and Airport funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiduciary funds. Fiduciary Funds are used to account for resources held for the benefit of outside parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information and Other Information. The required supplementary information (RSI) includes the General Fund, Fire Board Fund, Emergency Services Fund, and Road Maintenance Fund Budgetary schedules and are presented immediately following the notes to the financial statements. The other information includes the combining statements referred to earlier in connection with non-major governmental funds and the new uniform schedule of fines, assessments, and surcharges are presented immediately following the RSI.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$73,846,365 at the close of the most recent fiscal year.

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

Darlington County's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 61,648,456	\$ 59,428,934	\$ 1,292,205	\$ 1,569,851	\$ 62,940,661	\$ 60,998,785
Right-to-use assets	2,028,964	2,730,643	-	-	2,028,964	2,730,643
Capital assets	44,932,183	42,938,621	7,991,351	8,533,444	52,923,534	51,472,065
Total assets	108,609,603	105,098,198	9,283,556	10,103,295	117,893,159	115,201,493
Deferred outflows of resources	6,181,358	6,502,558	320,688	365,828	6,502,046	6,868,386
Long-term liabilities	3,165,334	4,079,493	262,665	349,366	3,427,999	4,428,859
Other liabilities	10,770,667	12,109,535	328,946	352,077	11,099,613	12,461,612
Total OPEB liability	2,040,916	1,848,295	-	-	2,040,916	1,848,295
Net pension liability	29,266,882	30,647,845	1,989,698	2,169,409	31,256,580	32,817,254
Total liabilities	45,243,799	48,685,168	2,581,309	2,870,852	47,825,108	51,556,020
Deferred inflows of resources	2,380,244	1,563,093	343,489	272,111	2,723,733	1,835,204
Net position:						
Net investment in capital assets	49,119,941	44,899,047	7,863,445	8,345,244	56,983,386	53,244,291
Restricted	11,746,899	12,953,376	-	-	11,746,899	12,953,376
Unrestricted	6,300,078	3,500,072	(1,183,999)	(1,019,084)	5,116,079	2,480,988
Total net position	\$ 67,166,918	\$ 61,352,495	\$ 6,679,446	\$ 7,326,160	\$ 73,846,364	\$ 68,678,655

MANAGEMENT'S DISCUSSION AND ANALYSIS

Darlington County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 5,675,752	\$ 5,586,306	\$ 2,781,546	\$ 2,559,274	\$ 8,457,298	\$ 8,145,580
Operating grants and contributions	3,173,473	8,931,208	289,263	127,222	3,462,736	9,058,430
Capital grants and contributions	1,876,972	160,463	-	-	1,876,972	160,463
General revenues:						
Property taxes	34,821,095	30,462,958	647,653	589,968	35,468,748	31,052,926
Other taxes and licenses	430,601	459,514	-	-	430,601	459,514
Grants and contributions not restricted to specific programs	3,204,227	3,075,014	-	-	3,204,227	3,075,014
Unrestricted investment earnings	2,169,167	1,373,503	51,470	2,975	2,220,637	1,376,478
Miscellaneous	448,044	487,934	15,278	244,387	463,322	732,321
Total revenues	<u>51,799,331</u>	<u>50,536,900</u>	<u>3,785,210</u>	<u>3,523,826</u>	<u>55,584,541</u>	<u>54,060,726</u>
Program expenses						
General government	4,622,072	5,484,380	-	-	4,622,072	5,484,380
Public safety	22,754,578	20,691,909	-	-	22,754,578	20,691,909
Public works	5,302,322	4,900,903	-	-	5,302,322	4,900,903
Health and social services	7,466,111	6,452,011	-	-	7,466,111	6,452,011
Culture and recreation	3,293,593	2,712,483	-	-	3,293,593	2,712,483
Economic development and planning	742,119	458,351	-	-	742,119	458,351
Nondepartmental	1,565,427	941,959	-	-	1,565,427	941,959
Interest and fiscal charges	193,158	142,366	-	-	193,158	142,366
Environmental services	-	-	3,827,433	3,590,988	3,827,433	3,590,988
Airport	-	-	650,019	620,783	650,019	620,783
Total expenses	<u>45,939,380</u>	<u>41,784,362</u>	<u>4,477,452</u>	<u>4,211,771</u>	<u>50,416,832</u>	<u>45,996,133</u>
Excess (deficiency) before transfers	5,859,951	8,752,538	(692,242)	(687,945)	5,167,709	8,064,593
Transfers	(45,528)	(37,320)	45,528	37,320	-	-
Increase (decrease) in net position	5,814,423	8,715,218	(646,714)	(650,625)	5,167,709	8,064,593
Net position, beginning of year	<u>61,352,495</u>	<u>52,637,277</u>	<u>7,326,160</u>	<u>7,976,785</u>	<u>68,678,655</u>	<u>60,614,062</u>
Net position, end of year	<u>\$ 67,166,918</u>	<u>\$ 61,352,495</u>	<u>\$ 6,679,446</u>	<u>\$ 7,326,160</u>	<u>\$ 73,846,364</u>	<u>\$ 68,678,655</u>

The changes in net position between fiscal years 2024 and 2025 were affected by the following:

- Total revenue increased \$1,523,815 or 2.82% due primarily to an increase in property tax revenues.
- Total expenses increased \$4,420,699 or 9.61% as a result of increased health and social services and public safety expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

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

General Fund

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the County had restricted fund balance of \$4,173,995 for capital projects, public safety, and culture and recreation. The County also committed \$190,682 for the subsequent year's budget. The General Fund also reported assigned fund balances of \$3,730,768 for capital replacement and \$1,485,960 for economic development. This resulted in a remaining unassigned fund balance of \$26,340,428 for total fund balance of \$36,485,234.

As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unassigned fund balance represents 73%, while total fund balance represents 102% of that same amount.

Fire Board

For the year ended June 30, 2024, Fire Board expenditures were approximately \$3,561,989 and revenues were approximately \$3,586,155, and other financing uses in the form of transfers between the County's funds were \$1,900,000, resulting in an increase in fund balance of \$1,924,166 as of year-end.

Emergency Services

For the year ended June 30, 2024, Emergency Services expenditures were approximately \$6,580,010, revenues were approximately \$6,491,644, and other financing uses in the form of transfers between the County's funds were \$16,823, resulting in a decrease in fund balance of \$105,189 as of year-end.

Road Maintenance

At the end of the current fiscal year, Road Maintenance Fund expenditures were approximately \$36,418, revenues were approximately \$1,902,465, and other financing sources in the form of transfers between the County's funds were \$1,541,979, resulting in a decrease in fund balance of \$324,068 as of year-end.

Proprietary funds. The County reports two enterprise-type proprietary funds. Those funds are the Environmental Services Fund and the Airport Fund. The total net position for both funds at June 30, 2024, was \$6.7 million with \$1.3 million attributed to the Environmental Services Fund and \$5.4 million attributed to the Airport Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Budgetary Highlights

The General Fund's adopted fiscal year 2024 budget totaled \$32,768,004. By the end of the year, General Fund actual revenues totaled \$37,197,956; \$8,911,438 more than the final budget attributed mainly due to tax revenues. During the year, there were several budget amendments to both revenues and expenditures. Actual expenditures totaled \$35,930,359, thus creating a budget variance in total expenditures of \$7,584,081. This difference between the actual expenditures and the final budgeted expenditures was realized by actual expenditures being more than the final budget in certain functions as well as certain functions with expenditures less than the final budgeted amounts of the General Fund.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities and business-type activities as of June 30, 2024, amounts to \$44,932,183 and \$7,991,351, respectively (net of accumulated depreciation). This investment in capital assets includes land, construction in process, buildings and improvements, furniture, fixtures and equipment, and infrastructure.

Darlington County's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 3,419,956	\$ 4,630,956	\$ 1,804,762	\$ 1,804,762	\$ 5,224,718	\$ 6,435,718
Construction in progress	20,469,855	17,972,176	3,800	-	20,473,655	17,972,176
Buildings and improvements	9,030,794	6,076,642	334,566	370,043	9,365,360	6,446,685
Infrastructure	5,102,770	6,433,470	5,035,257	5,407,700	10,138,027	11,841,170
Furniture, fixtures and equipment	6,908,808	7,825,377	812,966	950,939	7,721,774	8,776,316
Total	\$ 44,932,183	\$ 42,938,621	\$ 7,991,351	\$ 8,533,444	\$ 52,923,534	\$ 51,472,065

Additional information on the County's capital assets can be found in Note 5 of this report.

Long-term Liabilities. The County's long-term liabilities for the year ended June 30, 2024, are summarized below:

	Governmental Activities		Business-type Activities	
	2024	2023	2024	2023
County GO bonds	\$ 2,232,133	\$ 1,888,000	\$ -	\$ -
Revenue bonds	-	-	127,906	188,200
Financed purchases	449,644	751,434	-	-
Leases payable	2,082,224	2,757,929	-	-
Landfill post-closure care costs	-	-	205,710	246,852
Annual leave	1,205,878	1,032,280	49,727	48,920
Total OPEB Liability	2,040,916	1,848,295	-	-
Net pension liability - SCRS	17,253,973	18,928,864	1,989,698	2,169,409
Net pension liability - PORS	12,012,909	11,718,981	-	-
Total long-term liabilities	\$ 37,277,677	\$ 38,925,783	\$ 2,373,041	\$ 2,653,381

MANAGEMENT'S DISCUSSION AND ANALYSIS

At year-end, the County had \$39.6 million in long-term liabilities outstanding. This was an increase of 5% from the prior year. The state limits the amount of general obligation debt the County can issue to 8% of the assessed value of all taxable property within the County's legal limits. The County's outstanding debt is significantly below this limit as reflected in Note 7 of this report.

Additional information regarding the County's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets

- Unemployment for June 2024 was at 5.1%, compared to 3.9% a year ago. This is comparable with both the State of South Carolina's unemployment rate of 3.6% and to the national rate of 4.1%.
- Inflationary trends in the region compare favorably to national indices.

These indicators were taken into account when adopting the General Fund budget for 2025. Amounts available for appropriation in the General Fund budget are estimated at approximately \$34.30 million, an increase of 13.5% over the 2024 budgeted expenditures. If these estimates are realized, the County's budgetary general fund balance is expected to end relatively unchanged at the close of fiscal year 2025.

Requests for Information

This financial report is designed to provide a general overview of Darlington 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 financial information should be addressed to the Finance Director, Darlington County, 1 Public Square, Darlington, South Carolina 29532, or visit the County website at www.darcosc.com.

DARLINGTON COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 56,174,655	\$ 617,684	\$ 56,792,339
Investments	87,973	1,043	89,016
Receivables, net:			
Taxes	2,187,171	353,160	2,540,331
Accounts	1,590,034	30,891	1,620,925
Due from other governments	882,426	10,873	893,299
Leases, current portion	-	83,112	83,112
Inventory	98,903	37,349	136,252
Prepaid items	627,294	49,938	677,232
Leases receivable, net of current portion	-	108,155	108,155
Capital assets:			
Right-to-use lease asset, net	2,028,964	-	2,028,964
Nondepreciable	23,889,811	1,808,562	25,698,373
Depreciable, net	21,042,372	6,182,789	27,225,161
Total assets	<u>108,609,603</u>	<u>9,283,556</u>	<u>117,893,159</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefits	336,965	-	336,965
Pension - South Carolina Retirement System	2,866,287	320,688	3,186,975
Pension - South Carolina Police Officers Retirement System	2,978,106	-	2,978,106
Total deferred outflows of resources	<u>6,181,358</u>	<u>320,688</u>	<u>6,502,046</u>
LIABILITIES			
Accounts payable	3,289,728	98,796	3,388,524
Accrued liabilities	1,274,476	109,472	1,383,948
Unearned revenues	3,401,918	-	3,401,918
Noncurrent liabilities:			
Due within one year	2,804,545	79,536	2,884,081
Due in more than one year	3,165,334	98,097	3,263,431
Landfill post-closure care costs due within one year	-	41,142	41,142
Landfill post-closure care costs due in more than one year	-	164,568	164,568
Total other postemployment benefits liability	2,040,916	-	2,040,916
Net pension liability:			
South Carolina Retirement System	17,253,973	1,989,698	19,243,671
South Carolina Police Officers Retirement System	12,012,909	-	12,012,909
Total liabilities	<u>45,243,799</u>	<u>2,581,309</u>	<u>47,825,108</u>
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits	1,017,726	-	1,017,726
Pension - South Carolina Retirement System	1,193,809	150,153	1,343,962
Pension - South Carolina Police Officers Retirement System	168,709	-	168,709
Lease receipts	-	193,336	193,336
Total deferred inflows of resources	<u>2,380,244</u>	<u>343,489</u>	<u>2,723,733</u>
NET POSITION			
Net investment in capital assets	49,119,941	7,863,445	56,983,386
Restricted for debt service	755,699	-	755,699
Restricted for capital projects	926,384	-	926,384
Restricted for other purposes	10,064,816	-	10,064,816
Unrestricted	6,300,078	(1,183,999)	5,116,079
Total net position	<u>\$ 67,166,918</u>	<u>\$ 6,679,446</u>	<u>\$ 73,846,364</u>

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

DARLINGTON COUNTY, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 4,622,072	\$ 973,470	\$ 1,040,769	\$ 1,000,000	\$ (1,607,833)	\$ -	\$ (1,607,833)
Public safety	22,754,578	1,704,797	610,231	-	(20,439,550)	-	(20,439,550)
Public works	5,302,322	-	839,450	876,542	(3,586,330)	-	(3,586,330)
Health and social services	7,466,111	2,853,336	-	-	(4,612,775)	-	(4,612,775)
Culture and recreation	3,293,593	136,589	215,506	430	(2,941,068)	-	(2,941,068)
Economic development and planning	742,119	7,560	467,517	-	(267,042)	-	(267,042)
Nondepartmental	1,565,427	-	-	-	(1,565,427)	-	(1,565,427)
Interest on long-term debt	193,158	-	-	-	(193,158)	-	(193,158)
Total governmental activities	<u>45,939,380</u>	<u>5,675,752</u>	<u>3,173,473</u>	<u>1,876,972</u>	<u>(35,213,183)</u>	<u>-</u>	<u>(35,213,183)</u>
Business-type activities:							
Environmental services	3,827,433	2,563,632	289,263	-	-	(974,538)	(974,538)
Airport	650,019	217,914	-	-	-	(432,105)	(432,105)
Total business-type activities	<u>4,477,452</u>	<u>2,781,546</u>	<u>289,263</u>	<u>-</u>	<u>-</u>	<u>(1,406,643)</u>	<u>(1,406,643)</u>
Total primary government	<u>\$ 50,416,832</u>	<u>\$ 8,457,298</u>	<u>\$ 3,462,736</u>	<u>\$ 1,876,972</u>	<u>(35,213,183)</u>	<u>(1,406,643)</u>	<u>(36,619,826)</u>
General revenues:							
Property taxes and fees levied for:							
General purposes					32,031,487	-	32,031,487
Emergency medical services					36,865	-	36,865
Debt service					971,691	-	971,691
Special revenue projects					1,781,052	-	1,781,052
Environmental services					-	647,653	647,653
Other taxes					430,601	-	430,601
Grants and contributions not restricted for a specific purpose					3,204,227	-	3,204,227
Unrestricted investment earnings					2,169,167	51,470	2,220,637
Miscellaneous					448,044	15,278	463,322
Transfers					(45,528)	45,528	-
Total general revenues and transfers					<u>41,027,606</u>	<u>759,929</u>	<u>41,787,535</u>
Change in net position					5,814,423	(646,714)	5,167,709
Net position, beginning of year					61,352,495	7,326,160	68,678,655
Net position, end of year					<u>\$ 67,166,918</u>	<u>\$ 6,679,446</u>	<u>\$ 73,846,364</u>

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

DARLINGTON COUNTY, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General	Fire Board	Emergency Services	Road Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 42,237,054	\$ 6,836,029	\$ 1,506,018	\$ 1,481,205	\$ 4,114,349	\$ 56,174,655
Investments	63,695	12,171	2,472	2,631	7,004	87,973
Receivables, net:						
Taxes	1,054,227	149,433	818,336	-	165,175	2,187,171
Accounts	44,088	-	1,526,239	-	19,707	1,590,034
Due from other governments	711,487	-	-	-	170,939	882,426
Due from other funds	145,356	-	-	-	-	145,356
Prepaid expenditures	464,498	-	71,665	40,951	50,180	627,294
Inventories	98,903	-	-	-	-	98,903
Total assets	<u>44,819,308</u>	<u>6,997,633</u>	<u>3,924,730</u>	<u>1,524,787</u>	<u>4,527,354</u>	<u>61,793,812</u>
LIABILITIES						
Accounts payable	3,091,132	50,008	63,232	51,123	34,233	3,289,728
Accrued liabilities	852,639	75,296	226,091	40,723	51,231	1,245,980
Unearned revenue	3,401,918	-	-	-	-	3,401,918
Due to other funds	-	-	-	-	145,356	145,356
Total liabilities	<u>7,345,689</u>	<u>125,304</u>	<u>289,323</u>	<u>91,846</u>	<u>230,820</u>	<u>8,082,982</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	988,385	139,591	284,396	-	148,244	1,560,616
Unavailable revenue - emergency medical services	-	-	972,364	-	-	972,364
Total deferred inflows of resources	<u>988,385</u>	<u>139,591</u>	<u>1,256,760</u>	<u>-</u>	<u>148,244</u>	<u>2,532,980</u>
FUND BALANCES						
Nonspendable:						
Prepaid expenditures	464,498	-	71,665	40,951	50,180	627,294
Inventories	98,903	-	-	-	-	98,903
Restricted for:						
Public works	-	-	-	1,391,990	-	1,391,990
Health and social services	-	-	2,294,830	-	-	2,294,830
Public safety and judiciary	205,131	6,683,598	-	-	237,207	7,125,936
Culture and recreation	179,685	-	-	-	1,932,147	2,111,832
Tourism	-	-	-	-	1,200,228	1,200,228
Capital projects	3,789,179	-	-	-	-	3,789,179
Debt service	-	-	-	-	755,699	755,699
Committed:						
Subsequent year's budget	190,682	49,140	12,152	-	45,753	297,727
Assigned:						
Capital replacement reserve	3,730,768	-	-	-	-	3,730,768
Economic development	1,485,960	-	-	-	-	1,485,960
Unassigned	26,340,428	-	-	-	(72,924)	26,267,504
Total fund balances	<u>36,485,234</u>	<u>6,732,738</u>	<u>2,378,647</u>	<u>1,432,941</u>	<u>4,148,290</u>	<u>51,177,850</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 44,819,308</u>	<u>\$ 6,997,633</u>	<u>\$ 3,924,730</u>	<u>\$ 1,524,787</u>	<u>\$ 4,527,354</u>	<u>\$ 61,793,812</u>

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

DARLINGTON COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total fund balances for governmental funds:		\$	51,177,850
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets, including right-to-use lease assets, used in governmental activities are not financial resources and, therefore, are not reported in the funds.			46,961,147
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			2,532,980
Certain long-term liabilities are not due and payable in the current period and are, therefore, not reported in the funds. All liabilities, both current and long-term, are reported in the Statement of Net Position net of issuance premiums, discounts, and refunding deferral amounts.			
General obligation bonds	\$	(2,232,133)	
Financed purchases		(449,644)	
Leases payable		(2,082,224)	
Compensated absences payable		(1,205,878)	
Total OPEB liability, net of related deferred outflows and deferred inflows of resources		(2,721,677)	
Net pension liability, net of related deferred outflows and deferred inflows of resources		<u>(24,785,007)</u>	
Total long-term liabilities			(33,476,563)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.			<u>(28,496)</u>
Net position of governmental activities		\$	<u><u>67,166,918</u></u>

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

DARLINGTON COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	General	Fire Board	Emergency Services	Road Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 24,090,243	\$ 3,479,989	\$ 3,561,992	\$ -	\$ 3,619,952	\$ 34,752,176
Other taxes	430,601	-	-	-	-	430,601
Licenses, permits and fees	847,625	-	-	-	-	847,625
Intergovernmental	6,682,862	29,280	11,882	-	619,517	7,343,541
Charges for services	2,226,210	-	2,886,877	-	301,787	5,414,874
Fines and forfeitures	439,519	-	-	-	-	439,519
Contributions and donations	63,506	-	-	-	-	63,506
Interest revenue	2,015,177	67,818	1,254	36,418	48,500	2,169,167
Other revenues	402,213	9,068	29,639	-	7,124	448,044
Total revenues	<u>37,197,956</u>	<u>3,586,155</u>	<u>6,491,644</u>	<u>36,418</u>	<u>4,596,880</u>	<u>51,909,053</u>
EXPENDITURES						
Current:						
General government	4,500,503	-	-	-	-	4,500,503
Public safety and judiciary	16,644,643	2,732,546	-	-	1,032,511	20,409,700
Public works	2,637,238	-	-	1,902,465	-	4,539,703
Health and social services	873,220	-	6,466,682	-	-	7,339,902
Culture and recreation	879,230	-	-	-	1,923,199	2,802,429
Economic development and planning	275,882	-	-	-	100,579	376,461
Nondepartmental	1,565,427	-	-	-	-	1,565,427
Capital outlay	7,121,895	18,457	108,498	-	-	7,248,850
Debt service:						
Principal retirement	1,336,850	770,000	4,830	-	885,867	2,997,547
Interest and fiscal charges	95,471	40,986	-	-	30,491	166,948
Total expenditures	<u>35,930,359</u>	<u>3,561,989</u>	<u>6,580,010</u>	<u>1,902,465</u>	<u>3,972,647</u>	<u>51,947,470</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,267,597</u>	<u>24,166</u>	<u>(88,366)</u>	<u>(1,866,047)</u>	<u>624,233</u>	<u>(38,417)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	553,013	-	87,791	1,696,230	-	2,337,034
Transfers out	(1,877,929)	(100,000)	(104,614)	(154,251)	(145,768)	(2,382,562)
Sale of capital assets	1,868,477	-	-	-	-	1,868,477
Issuance of bonds	-	2,000,000	-	-	-	2,000,000
Issuance of leases	364,185	-	-	-	-	364,185
Total other financing sources (uses), net	<u>907,746</u>	<u>1,900,000</u>	<u>(16,823)</u>	<u>1,541,979</u>	<u>(145,768)</u>	<u>4,187,134</u>
Net change in fund balances	2,175,343	1,924,166	(105,189)	(324,068)	478,465	4,148,717
Fund balances, beginning of year	<u>34,309,891</u>	<u>4,808,572</u>	<u>2,483,836</u>	<u>1,757,009</u>	<u>3,669,825</u>	<u>47,029,133</u>
Fund balances, end of year	<u>\$ 36,485,234</u>	<u>\$ 6,732,738</u>	<u>\$ 2,378,647</u>	<u>\$ 1,432,941</u>	<u>\$ 4,148,290</u>	<u>\$ 51,177,850</u>

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

DARLINGTON COUNTY, SOUTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds \$ 4,148,717

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

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

Capital outlay	\$ 8,369,559	
Amortization expense	(1,065,864)	
Depreciation expense	<u>(3,161,504)</u>	4,142,191

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position. (2,850,308)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (109,722)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Also, the refunding deferral amount, which is the difference in the amount that is sent to the paying agent to be escrowed for payment of refunded debt and the principal amount of debt refunded, is amortized as an adjustment of interest expense in the Statement of Activities. The effects of these items are as follows:

Repayment of the principal of long-term debt	\$ 2,997,547	
Issuance of lease liabilities	(364,185)	
Issuance of general obligation bonds	<u>(2,000,000)</u>	633,362

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

Compensated absences	\$ (173,598)	
Total OPEB liability, net of related deferred outflows and inflows of resources	(7,336)	
Net pension liability, net of related deferred outflows and inflows of resources	57,327	
Accrued interest on long-term debt	<u>(26,210)</u>	<u>(149,817)</u>

Change in net position of governmental activities \$ 5,814,423

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

DARLINGTON COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2024

ASSETS	<u>Environmental Services</u>	<u>Airport</u>	<u>Totals</u>
CURRENT ASSETS			
Cash	\$ 561,828	\$ 55,856	\$ 617,684
Investments	962	81	1,043
Receivables:			
Accounts, net of allowance	25,301	5,590	30,891
Taxes, net of allowance	353,160	-	353,160
Due from other governments	10,873	-	10,873
Lease receivable, current portion	10,816	72,296	83,112
Inventories	-	37,349	37,349
Prepaid items	34,514	15,424	49,938
Total current assets	<u>997,454</u>	<u>186,596</u>	<u>1,184,050</u>
NONCURRENT ASSETS			
Lease receivable, net of current portion	34,766	73,389	108,155
Capital assets:			
Nondepreciable	1,331,233	477,329	1,808,562
Depreciable, net of accumulated depreciation	1,109,348	5,073,441	6,182,789
Total noncurrent assets	<u>2,475,347</u>	<u>5,624,159</u>	<u>8,099,506</u>
Total assets	<u>3,472,801</u>	<u>5,810,755</u>	<u>9,283,556</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	307,522	13,166	320,688
Total deferred outflows of resources	<u>307,522</u>	<u>13,166</u>	<u>320,688</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	89,322	9,474	98,796
Accrued liabilities	64,192	45,280	109,472
Compensated absences, current portion	15,548	1,296	16,844
Landfill post-closure care costs, current portion	41,142	-	41,142
Revenue bonds payable, current portion	-	62,692	62,692
Total current liabilities	<u>210,204</u>	<u>118,742</u>	<u>328,946</u>
NONCURRENT LIABILITIES			
Compensated absences, net of current portion	25,420	7,463	32,883
Landfill post-closure care costs due in more than one year	164,568	-	164,568
Revenue bonds payable, net of current portion	-	65,214	65,214
Net pension liability	1,913,456	76,242	1,989,698
Total noncurrent liabilities	<u>2,103,444</u>	<u>148,919</u>	<u>2,252,363</u>
Total liabilities	<u>2,313,648</u>	<u>267,661</u>	<u>2,581,309</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	144,001	6,152	150,153
Lease receipts	49,729	143,607	193,336
Total deferred inflows of resources	<u>193,730</u>	<u>149,759</u>	<u>343,489</u>
NET POSITION			
Net investment in capital assets	2,440,581	5,422,864	7,863,445
Unrestricted	(1,167,636)	(16,363)	(1,183,999)
Total net position	<u>\$ 1,272,945</u>	<u>\$ 5,406,501</u>	<u>\$ 6,679,446</u>

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

DARLINGTON COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Environmental Services	Airport	Totals
OPERATING REVENUES			
Charges for services:			
Landfill user charges	\$ 2,563,632	\$ -	\$ 2,563,632
Airport user charges	-	217,914	217,914
Other revenues	15,278	-	15,278
Total operating revenues	2,578,910	217,914	2,796,824
OPERATING EXPENSES			
Personnel services	1,567,163	74,308	1,641,471
Professional services	1,029,176	28,654	1,057,830
Supplies and materials	379,425	106,176	485,601
Other operating expenses	489,709	51,588	541,297
Depreciation	361,960	383,763	745,723
Total operating expenses	3,827,433	644,489	4,471,922
Operating loss	(1,248,523)	(426,575)	(1,675,098)
NONOPERATING REVENUES (EXPENSES)			
Property taxes	647,653	-	647,653
Interest revenue	49,311	2,159	51,470
Interest expense	-	(5,530)	(5,530)
Intergovernmental revenues	289,263	-	289,263
Total nonoperating revenues (expenses), net	986,227	(3,371)	982,856
Loss before transfers	(262,296)	(429,946)	(692,242)
TRANSFERS			
Transfers in	-	93,908	93,908
Transfers out	(48,380)	-	(48,380)
Total transfers	(48,380)	93,908	45,528
Change in net position	(310,676)	(336,038)	(646,714)
Net position, beginning of year	1,583,621	5,742,539	7,326,160
Net position, end of year	\$ 1,272,945	\$ 5,406,501	\$ 6,679,446

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

DARLINGTON COUNTY, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Environmental Services</u>	<u>Airport</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,654,894	\$ 215,019	\$ 2,869,913
Payments to suppliers	(1,964,686)	(204,662)	(2,169,348)
Payments to employees	(1,562,025)	(74,966)	(1,636,991)
Net cash used in operating activities	<u>(871,817)</u>	<u>(64,609)</u>	<u>(936,426)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(48,380)	-	(48,380)
Transfers in	-	93,908	93,908
Property tax receipts	662,446	-	662,446
Net cash provided by noncapital financing activities	<u>614,066</u>	<u>93,908</u>	<u>707,974</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(199,830)	(3,800)	(203,630)
Proceeds from intergovernmental grants	278,390	9,534	287,924
Principal paid on revenue bonds	-	(60,294)	(60,294)
Interest paid	-	(5,843)	(5,843)
Net cash provided by (used in) capital and related financing activities	<u>78,560</u>	<u>(60,403)</u>	<u>18,157</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of investments	233	45	278
Interest received	49,311	2,159	51,470
Net cash provided by investing activities	<u>49,544</u>	<u>2,204</u>	<u>51,748</u>
Net change in cash and cash equivalents	(129,647)	(28,900)	(158,547)
Cash and cash equivalents:			
Beginning of year	691,475	84,756	776,231
End of year	<u>\$ 561,828</u>	<u>\$ 55,856</u>	<u>\$ 617,684</u>

(Continued)

DARLINGTON COUNTY, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Environmental Services</u>	<u>Airport</u>	<u>Totals</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (1,248,523)	\$ (426,575)	\$ (1,675,098)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	361,960	383,763	745,723
(Increase) decrease in assets and deferred outflows of resources:			
Accounts receivable	72,872	(5,590)	67,282
Lease receivable	(36,085)	86,244	50,159
Prepaid items	4,891	(5,918)	(1,027)
Inventories	-	(11,047)	(11,047)
Deferred outflows of resources - pension	43,277	1,863	45,140
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable	(17,421)	4,858	(12,563)
Accrued liabilities	5,023	(1,350)	3,673
Compensated absences	115	692	807
Accrued closure/post-closure costs	(41,142)	-	(41,142)
Net pension liability	(172,293)	(7,418)	(179,711)
Deferred inflows of resources - pension and leases	155,509	(84,131)	71,378
Net cash used in operating activities	<u>\$ (871,817)</u>	<u>\$ (64,609)</u>	<u>\$ (936,426)</u>

DARLINGTON, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2024

	ASSETS	Custodial Funds
Cash and cash equivalents		\$ 106,860,705
Investments		118,751
Taxes receivable		<u>4,188,527</u>
Total assets		<u>111,167,983</u>
	LIABILITIES	
Due to others		103,140,274
Uncollected taxes		<u>4,188,527</u>
Total liabilities		<u>107,328,801</u>
	FIDUCIARY NET POSITION	
Restricted for individuals, organizations, and other governments		<u>3,839,182</u>
Total fiduciary net position		<u>\$ 3,839,182</u>

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

DARLINGTON, SOUTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Custodial Funds
ADDITIONS	
Taxes	\$ 178,074,194
Funds from state and municipalities	97,475
Fine and fees	283,238
Criminal and civil bonds	2,995,807
Funds from state and participants	7,471
Total additions	<u>181,458,185</u>
DEDUCTIONS	
Taxes and fees paid to other governments	177,475,988
Funds disbursed per court order	2,960,809
Other funds disbursed	7,471
Total deductions	<u>180,444,268</u>
Change in net position	1,013,917
Fiduciary net position, beginning of year	<u>2,825,265</u>
Fiduciary net position, end of year	<u><u>\$ 3,839,182</u></u>

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

NOTES TO FINANCIAL STATEMENTS

DARLINGTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Darlington County, South Carolina (the "County") operates under a council-administrator form of government and provides the following services as authorized by its charter: public safety (police and fire), road maintenance, health and social services, and general administrative services.

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

Reporting Entity

Darlington County, South Carolina - the primary government - is a political subdivision of the State of South Carolina. An eight-member council elected from single-member districts governs the County. These financial statements present all the fund types of the County. Component units may be presented by two different methods. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the County. The County reports no component units.

Basis of Presentation

Government-wide Financial Statements

The County's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities and fund financial statements which provide a more detailed level of financial information.

The Statement of Net Position and the Statement of Activities display 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Financial Statements (Continued)

The Statement of Net Position presents the financial condition for the County at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

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 focus of governmental 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.

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 **Fire Board Fund** is used to account for property taxes levied and other revenues received for the County fire control service.

The **Emergency Services Fund** is used to account for the activities of the County's emergency medical services, emergency management and 911 central communications center.

The **Road Maintenance Fund** is used to account for fees levied on motor vehicles to provide funding for maintenance of County roads.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The County reports the following major proprietary funds:

The ***Environmental Services Fund*** is used to account for the activities of the County's landfill and the related environmental and recycling services.

The ***Airport Fund*** is used to account for the activities of the County's airport operations. It is also used to account for intergovernmental funds received from state and federal governments for grants that are restricted for airport improvements and capital projects.

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditure for specified purposes. Resources restricted to expenditures for purposes normally financed from the general fund may be accounted for through the general fund provided that applicable legal requirements can be appropriately satisfied, and use of special revenue funds is not required unless they are legally mandated.

The ***Debt Service Fund*** is used to account for and report financial resources that are restricted, committed or assigned for the payment of governmental activities long term debt principal and interest.

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

Measurement Focus and Basis of Accounting

Government-wide 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 revenue 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Government-wide Financial Statements (Continued)

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

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

Fund Financial Statements

All governmental funds are accounted for using a *flow of current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, lease payments, and claims and judgments, are recorded when payment is due.

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increase (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Custodial funds are also accounted for on a flow of economic resources measurement focus.

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

Revenue – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within 60 days of fiscal year-end.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Revenue – Exchange and Non-exchange Transactions (Continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes, sales tax, grants, interest, fees and charges for services.

Unavailable/Unearned Revenues

Unavailable revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unavailable revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year-end are reported as commitments of fund balance and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. The assigned fund balance for the subsequent year's budget includes \$297,727 for outstanding encumbrances.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

Cash and Investments

Cash includes demand deposits as well as cash equivalents and short-term investments with a maturity date within three months of the date acquired by the County.

Investments with a readily determined fair value are stated at fair value which approximates cost. State statutes authorize the County to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its political subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposits collaterally secured, repurchase agreements secured by the foregoing obligations, and the State Treasurer's Local Government Investment Pool (LGIP). There is no regulatory oversight of the LGIP. The total fair value of the LGIP is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.

The County Treasurer combines cash and time deposits of some of the funds, but separate fund balance accounts are maintained for accounting purposes so that the equity of each fund is properly reflected in the overall cash. Interest earned on co-mingled cash is distributed to funds based on their average monthly fund balances for the fiscal year. The purpose of co-mingling funds is to obtain maximum return of interest through the investment of funds considered temporarily surplus. This practice does not apply to certain funds earmarked for specific purposes.

Receivables

All trade and property taxes receivable are shown net of an allowance for uncollectibles. Trade accounts receivable consist primarily of emergency medical services receivables, environmental services and emergency telephone user fees.

Intergovernmental Receivables

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

Inventories and Prepaid Assets

Inventories are valued at cost using the first-in/first-out (FIFO) method. The cost inventories are recorded as expenditures/expenses when consumed rather than when purchased or produced.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

Capital Assets

Capital assets and right to use lease assets, which include buildings and improvements, furniture, fixtures, equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of three years.

Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at their 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 assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of proprietary capital assets is included as part of the capitalized value of the assets constructed.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

Capital Assets (Continued)

All reported capital assets except land and site preparation are depreciated and all reported right-to-use lease assets are amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation and amortization are computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	20 - 50
Buildings	15 - 40
Right-to-use lease buildings	15 - 40
Improvements	5 - 40
Furniture, fixtures, and equipment	3 - 15
Right-to-use lease equipment	3 - 15
Right-to-use lease vehicles	3 - 15
Right-to-use lease land	3 - 15

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

Leases

Lessee

The County is a lessee for noncancellable leases of land, buildings, equipment, and vehicles. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

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

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

Leases

Lessor

The County is a lessor for noncancellable leases of land, buildings, and airport hangars. The County recognizes a lease receivable and deferred inflow of lease receipts in the Proprietary Funds Balance Sheet and the government-wide financial statements. The County recognizes lease receivables with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

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

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

Deferred inflows of lease receipts are reported with deferred inflows of resources and lease receivables are reported with assets on the Statement of Net Position.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation (up to 30 days) and sick pay benefits (up to 90 days). No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Inflows/Outflows 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 so will not be recognized as an outflow of resources (expense) until then. The County has four (4) items that qualify for reporting in this category. These items relate to the County's Retirement Plan and OPEB Plan and are reported in the government-wide and proprietary Statements of Net Position. (1) Experience gains result from periodic studies by the Plans' actuaries, which adjust the net position liability and total OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains are recorded as deferred outflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of the Plan members. (2) The changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred outflows. (3) Changes in actuarial assumptions adjust the net pension liability and the total OPEB liability and are amortized into pension and OPEB expense over the expected remaining service lives of Plan members. (4) Any contributions made by the County to the pension plan before year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources. Any contributions made by the County to the OPEB plan before year end but subsequent to the measurement date of the County's total OPEB liability are reported as deferred outflows of resources.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

Deferred Inflows/Outflows of Resources (Continued)

The County has seven (7) types of items that qualify for reporting in this category, three of which arise only under a modified accrual basis of accounting. Accordingly, the items, *unavailable revenue*, are reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from (1) property taxes and (2) emergency medical services revenues and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. (3) Deferred inflows from lease receipts are reported in the Proprietary Funds Balance Sheet as well as the government-wide Statement of Net Position. The other items relate to the County's pension and OPEB plans and are reported in the government-wide and proprietary fund Statements of Net Position. (4) Certain experience losses (discussed in the previous paragraph) are deferred and amortized against pension and OPEB expense over a five-year period, resulting in recognition as deferred inflows of resources. (5) The differences between projected investment return on pension investments and actual return on those investments are deferred and amortized against pension expense over a five-year period. (6) Additionally, the changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions (discussed in the previous paragraph) are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred inflows. (7) Finally, changes in actuarial assumptions (discussed in the previous paragraph) adjust the total OPEB liability and are amortized against OPEB expense over the expected remaining service lives of Plan members.

Interfund Transactions

Transactions among County funds that would be treated as revenues and expenditures or expenses if they involved organizations external to County government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended are separately reported in the respective fund's operating statements.

Activities between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

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.

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 inventories and prepaid items 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 by 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 County Council, through passage of an ordinance. These amounts cannot be used for any other purpose unless the County 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

Fund Equity (Continued)

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, the County Council has authorized the County Administrator to assign fund balances to a specific purpose. 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 then 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.

It is the policy of the County to maintain adequate levels of fund balance to mitigate current and future risks and to ensure stable tax rates. The County intends to maintain a General Fund unassigned fund balance of at least thirty-five percent of General Fund operating expenditures. If the year-end unassigned fund balance exceeds the thirty-five percent threshold, the excess may be used to fund one-time capital purchases or expenditures with County Council approval. If the unassigned fund balance declines below thirty-five percent of General Fund operating expenditures, the County Council will pursue ways of increasing revenues or decreasing expenditures, or a combination of both until the thirty-five percent threshold is attained.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

Restricted Resources

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as needed, but the County Council reserves the right to selectively spend unrestricted resources first and to defer the use of the restricted funds.

Use of Estimates

The financial statements include estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenditures/expenses. Actual results could differ from these estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

County Council adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, Emergency Services Fund, Fire Board Fund, and the Road Maintenance Fund prior to the beginning of each fiscal year. The adopted budget specifies expenditure limits appropriated to each County department. Departmental expenditures may not exceed amounts appropriated without the approval of County Council and unexpended appropriations lapse at fiscal year-end with the exception of those that are in the County's Budget Ordinance. Budget amounts reflected in the accompanying financial statements represent the adopted budget and any revisions approved by County Council during the fiscal year. The County Administrator approves fund level transfers within operating departments and transfers between departments. County Council must approve any additional appropriations. The level of budgetary control is the fund level.

Excess of Expenditures over Appropriations

For the year ended June 30, 2024, expenditures exceeded appropriations as follows:

	Excess
General Fund	\$ 7,584,081
Fire Board Fund	284,345
Road Maintenance Fund	62,068

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Deficit Fund Equity

For the year ended June 30, 2024, the Emergency Telephone System Fund reported a deficit in fund balance of \$55,334. This deficit will be eliminated through transfers from other funds, and from other future revenues.

NOTE 3. CASH AND INVESTMENTS

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

As reported in the *Statement of Net Position*:

Primary government	
Cash and cash equivalents	\$ 56,792,339
Investments	89,016

As reported in the *Statement of Fiduciary*

Assets and Liabilities:

Custodial Fund - cash and cash equivalents	106,860,705
Custodial Fund - investments	118,751
	\$ 163,860,811

Cash deposited with financial institutions	\$ 32,934,597
LGIP	130,718,447
Certificates of deposit	207,767
	\$ 163,860,811

Custodial Credit Risk

This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County's policy regarding cash custodial credit risk is to require the banks with which the County maintains deposits to collateralize or insure the County's funds. As of June 30, 2024, the carrying amount of the County's deposits was \$32,935,570 and the bank balance was \$34,711,894. All of the County's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the County's name.

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

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1-5	Thereafter
Certificates of deposit	\$ 207,767	\$ 207,767	\$ -	\$ -
	\$ 207,767	\$ 207,767	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County did not hold investments outside of certificates of deposit at June 30, 2024.

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investments classified as Level 2 of the fair value hierarchy are valued using an option-adjusted discounted cash flow model. The County has no investments classified in the fair value hierarchy.

The LGIP is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose its investment in the LGIP within the fair value hierarchy.

Credit Risk

This is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The County has no investment policy that would further limit its investment choices. The County is invested in certificates of deposit with varying maturity dates and the LGIP. The County's certificates of deposit are properly collateralized for those deposits that are in excess of federal depository insurance. The LGIP is not rated, but generally, investments in this pool are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality and in federal agency securities.

Interest Rate Risk

This is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk

This is the risk of loss attributable to the magnitude of the County's investment in a single issuer. The County places no limit on the amount the County may invest in any one issuer.

Custodial Credit Risk

This is the risk that, in the event of a failure of the counterparty, the County may not be able to recover the value of investments, or collateral securities that are in possession of an outside party. The County has no investment policy that would further limit its investment choices other than state law.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES AND PROPERTY TAXES

Property taxes are levied on the assessed value of real and personal property, excluding automobiles, as of December 31 of the calendar year preceding the fiscal year. The levy date for automobiles is the first day of the month in which the vehicle license expires and the tax is due by the end of the same month. Liens attach to the property at the time taxes are levied. Taxes are due without penalty, for real and personal property excluding automobiles, through January 15. After that time, penalties are added depending on the date paid as follows:

January 16 through February 1	3% of tax
February 2 through March 16	10% of tax
March 17 and thereafter	15% of tax

Property tax revenues are recognized when due or past due and collectible within the current period or soon enough thereafter (defined as 60 days) to pay liabilities of the current period. The County bills and collects its own property taxes, and also collects taxes for the municipal fire districts, Florence – Darlington Technical College and the local school district. Collections of the County taxes and remittance of them to the districts are accounted for in the agency funds. Also, the County collects taxes for surrounding municipalities. Unavailable property tax revenue represents that portion of property taxes which is deemed not available to pay current expenditures.

Receivables as of June 30, 2024, including the applicable allowances for uncollectible accounts, are as follows:

	General	Fire Board	Emergency Services
Taxes receivable	\$ 1,171,364	\$ 166,037	\$ 2,840,689
Accounts receivable	44,088	-	22,497,389
Lease receivable	-	-	-
Due from other governments	711,487	-	-
Less: allowance for uncollectible	(117,137)	(16,604)	(22,993,503)
Net receivables	\$ 1,809,802	\$ 149,433	\$ 2,344,575

	Environmental Services	Airport	Nonmajor Governmental	Total
Taxes receivable	\$ 392,400	\$ -	\$ 183,527	\$ 4,754,017
Accounts receivable	35,228	5,590	19,707	22,602,002
Lease receivable	45,582	145,685	-	191,267
Due from other governments	10,873	-	170,939	893,299
Less: allowance for uncollectible	(49,167)	-	(18,352)	(23,194,763)
Net receivables	\$ 434,916	\$ 151,275	\$ 355,821	\$ 5,245,822

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES AND PROPERTY TAXES (CONTINUED)

Fiscal Year Ending June 30,	Leases		
	Principal	Interest	Total
2025	\$ 83,112	\$ 2,735	\$ 85,847
2026	75,518	1,618	77,136
2027	14,766	881	15,647
2028	15,193	454	15,647
2029	1,603	17	1,620
2030-2034	1,075	4	1,079
Total	<u>\$ 191,267</u>	<u>\$ 5,709</u>	<u>\$ 196,976</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the County's governmental activities for the year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 4,630,956	\$ -	\$ (1,211,000)	\$ -	\$ 3,419,956
Construction in progress	17,972,176	6,472,301	-	(3,974,622)	20,469,855
Total capital assets not being depreciated	<u>22,603,132</u>	<u>6,472,301</u>	<u>(1,211,000)</u>	<u>(3,974,622)</u>	<u>23,889,811</u>
Capital assets being depreciated/amortized:					
Buildings and improvements	26,203,515	202,680	-	3,671,444	30,077,639
Infrastructure	13,435,818	515,038	(2,493,647)	303,178	11,760,387
Equipment	27,374,099	815,355	(1,286,487)	-	26,902,967
Right-to-use lease asset building	20,499	-	-	-	20,499
Right-to-use lease asset equipment	146,734	14,157	-	-	160,891
Right-to-use lease asset land	60,236	-	-	-	60,236
Right-to-use lease asset vehicle	2,574,451	350,028	-	-	2,924,479
Total capital assets being depreciated/amortized	<u>69,815,352</u>	<u>1,897,258</u>	<u>(3,780,134)</u>	<u>3,974,622</u>	<u>71,907,098</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(20,126,873)	(919,972)	-	-	(21,046,845)
Infrastructure	(7,002,348)	(582,146)	926,877	-	(6,657,617)
Equipment	(19,548,722)	(1,659,386)	1,213,949	-	(19,994,159)
Right-to-use lease asset building	(9,647)	(4,823)	-	-	(14,470)
Right-to-use lease asset equipment	(52,998)	(41,912)	-	-	(94,910)
Right-to-use lease asset land	(8,500)	(4,888)	-	-	(13,388)
Right-to-use lease asset vehicle	(132)	(1,014,241)	-	-	(1,014,373)
Total accumulated depreciation/amortization	<u>(46,749,220)</u>	<u>(4,227,368)</u>	<u>2,140,826</u>	<u>-</u>	<u>(48,835,762)</u>
Total capital assets being depreciated/amortized, net	<u>23,066,132</u>	<u>(2,330,110)</u>	<u>(1,639,308)</u>	<u>3,974,622</u>	<u>23,071,336</u>
	<u>\$ 45,669,264</u>	<u>\$ 4,142,191</u>	<u>\$ (2,850,308)</u>	<u>\$ -</u>	<u>\$ 46,961,147</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

General government	\$ 1,316,873
Public works	793,380
Public safety	1,291,845
Health and social services	340,998
Culture and recreation	484,272
	484,272
Total governmental activities depreciation/amortization expense	\$ 4,227,368

Capital asset activity for the County's business-type activities for the year ended June 30, 2024, was as follows:

Business-type Activities	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 1,804,762	\$ -	\$ -	\$ -	\$ 1,804,762
Construction in progress	-	3,800	-	-	3,800
Total capital assets not being depreciated	1,804,762	3,800	-	-	1,808,562
Capital assets being depreciated:					
Infrastructure	7,506,851	-	-	-	7,506,851
Buildings and improvements	2,505,533	-	-	-	2,505,533
Equipment	4,941,270	199,830	(52,283)	-	5,088,817
Total capital assets being depreciated	14,953,654	199,830	(52,283)	-	15,101,201
Less accumulated depreciation for:					
Infrastructure	(2,099,151)	(372,443)	-	-	(2,471,594)
Buildings and improvements	(2,135,490)	(35,477)	-	-	(2,170,967)
Equipment	(3,990,331)	(337,803)	52,283	-	(4,275,851)
Total accumulated depreciation	(8,224,972)	(745,723)	52,283	-	(8,918,412)
Total capital assets being depreciated, net	6,728,682	(545,893)	-	-	6,182,789
Capital assets, net	\$ 8,533,444	\$ (542,093)	\$ -	\$ -	\$ 7,991,351

Depreciation expense was charged to programs of the business-type activities as follows:

Environmental services	\$ 361,960
Airport	383,763
	383,763
Total business-type activities depreciation expense	\$ 745,723

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LEASES

A summary of lease asset activity for the County for the year ended June 30, 2024, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Amortization</u>	<u>Ending Balance</u>
Governmental Activities:					
Lease assets:					
Equipment	\$ 93,736	\$ 14,157	\$ -	\$ (41,912)	\$ 65,981
Vehicles	2,574,319	350,028	-	(1,014,241)	1,910,106
Land	51,736	-	-	(4,888)	46,848
Buildings	10,852	-	-	(4,823)	6,029
Total lease assets, net	<u>\$ 2,730,643</u>	<u>\$ 364,185</u>	<u>\$ -</u>	<u>\$ (1,065,864)</u>	<u>\$ 2,028,964</u>

NOTE 7. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the governmental activities of the County for the fiscal year ended June 30, 2024:

Governmental Activities	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>	<u>Due within One Year</u>
General obligation bonds	\$ 1,888,000	\$ 2,000,000	\$ (1,655,867)	\$ 2,232,133	\$ 1,337,279
Financed purchases	751,434	-	(301,790)	449,644	251,394
Lease liability	2,757,929	364,185	(1,039,890)	2,082,224	763,676
Compensated absences	1,032,280	452,196	(278,598)	1,205,878	452,196
Total other postemployment benefit liability	1,848,295	244,647	(52,026)	2,040,916	-
Net pension liability - SCRS	18,928,864	1,949,674	(3,624,565)	17,253,973	-
Net pension liability - PORS	11,718,981	2,222,964	(1,929,036)	12,012,909	-
	<u>\$ 38,925,783</u>	<u>\$ 7,233,666</u>	<u>\$ (8,881,772)</u>	<u>\$ 37,277,677</u>	<u>\$ 2,804,545</u>

The General Fund has typically been used in prior years to liquidate the liability for leases, compensated absences and the total other postemployment benefits liability for the governmental activities portions of these liabilities.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of long-term liability activity for the business-type activities of the County for the fiscal year ended June 30, 2024:

Business-type Activities	Balance			Balance June 30, 2024	Due within One Year
	June 30, 2023	Additions	Reductions		
Revenue bonds	\$ 188,200	\$ -	\$ (60,294)	\$ 127,906	\$ 62,692
Landfill post-closure care cost	246,852	-	(41,142)	205,710	41,142
Compensated absences	48,920	16,845	(16,038)	49,727	16,844
Net pension liability - SCRS	2,169,409	209,194	(388,905)	1,989,698	-
	<u>\$ 2,653,381</u>	<u>\$ 226,039</u>	<u>\$ (506,379)</u>	<u>\$ 2,373,041</u>	<u>\$ 120,678</u>

For the County's business-type activities, compensated absences are generally liquidated by the respective proprietary funds.

General Obligation Bonds

General Obligation Bonds payable due at June 30, 2024, are comprised of the following issues:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
2023B GO Bond - Fire District	4.400%	3 years	2026	\$ 2,000,000	\$ 1,230,000
2023 GO Bond - Hartsville Fire District	3.450%	5 years	2028	685,000	557,133
2021 GO Bond - County Capital Improvements	0.570%	4 years	2025	2,100,000	445,000
					<u>\$ 2,232,133</u>

The County issues general obligation debt to provide funds for acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

During 2022, the County issued \$2,100,000 in Series 2021 general obligation bonds for the purpose of making improvements to County buildings. The bonds are due in annual installments of \$150,000 to \$765,000 through March 1, 2025. Interest is payable annually on March 1 at a rate of 0.57%.

During 2023, the County issued \$685,000 in Series 2023 general obligation bonds for the purpose of constructing and equipping a fire service facility. The bonds are due in annual installments of \$151,500 through January 12, 2028. Interest is payable annually on January 12 at a rate of 3.45%.

During 2024, the County issued \$2,000,000 in Series 2023B general obligation bonds for the purpose of purchasing fire-fighting equipment and vehicles and related equipment. The bonds are due in annual installments of \$770,000 to \$470,000 through March 1, 2026. Interest is payable annually on March 1 at a rate of 4.40%.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

Then annual requirements to amortize all general obligation bonds as of June 30, 2024, including interest payments are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2025	\$ 1,337,279	\$ 75,878	\$ 1,413,157
2026	606,843	35,337	642,180
2027	141,564	9,936	151,500
2028	146,447	5,053	151,500
Total	<u>\$ 2,232,133</u>	<u>\$ 126,204</u>	<u>\$ 2,358,337</u>

Debt service funds of \$752,855 are available to service the general obligation bonds. The general obligation bonds are secured by a pledge of full faith, credit and taxing power of the County. There are a number of limitations and restrictions contained in the various debt instruments. The County is in compliance with all significant limitations and restrictions including the legal debt limit imposed by Article X, Section 15 of the Constitution of the State of South Carolina, 1895, as amended. The County is allowed to incur general obligation (general purpose) bonded indebtedness in an amount not exceeding eight percent of the assessed value of all taxable property of the County. Based on the taxable assessed property valuation net of exemptions of \$290,418,557, the legal debt limit is \$23,233,485, and the legal debt margin is \$25,832,200 as of June 30, 2024.

Revenue Bonds

The County also issues bonds where the County pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding as of June 30, 2024, are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
2015 Revenue Refunding Bond	4.000%	10 years	2026	\$ 550,000	\$ 127,906
					<u>\$ 127,906</u>

During 1996, the County issued revenue bonds to finance the construction of an airport hangar with associated office space, parking ramp, jet fuel system, parking lot, and access road at the Darlington County Airport. During 2015, the County issued revenue refunding bonds for the purposes of refunding the 1996 bonds, purchasing certain equipment, and defraying the costs of the issuance of the 2015 bonds. The principal and interest on the bonds are payable from the gross revenues derived from the facilities and are irrevocably pledged for this purpose. The bonds do not constitute a general obligation of the County.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds (Continued)

The annual requirements to amortize the revenue bonds as of June 30, 2024, including interest payments, are as follows:

Fiscal Year Ending June 30,	Revenue Bond		
	Principal	Interest	Total
2025	\$ 62,692	\$ 5,130	\$ 67,822
2026	65,214	2,608	67,822
Total	<u>\$ 127,906</u>	<u>\$ 7,738</u>	<u>\$ 135,644</u>

Financed Purchases

The County has entered into agreements for financing the acquisition of various equipment. These agreements qualify as financed purchases for accounting purposes and, therefore, have been recorded at the present value of the future minimum payments as of the date of their inception.

The following is a schedule of future minimum payments under financed purchases and the present value of the net minimum payments at June 30, 2024:

Fiscal Year Ending June 30,	Governmental Activities
2025	\$ 258,993
2026	201,604
Total Minimum Payments	460,597
Less: Amount Representing Interest	(10,953)
	<u>\$ 449,644</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Leases

The County has entered into multiple noncancelable leases as the lessee for various right-to-use assets. The incremental borrowing rate varies from 0.514% to 6.975%. As of June 30, 2024, the County has \$2,082,224 outstanding in leases payable.

The annual requirements to amortize all leases payable as of June 30, 2024, including interest payments are as follows:

Fiscal Year Ending June 30,	Leases		
	Principal	Interest	Total
2025	\$ 763,676	\$ 83,261	\$ 846,937
2026	592,755	57,190	649,945
2027	425,048	31,495	456,543
2028	215,813	9,605	225,418
2029	61,815	1,906	63,721
2030-2034	23,117	311	23,428
Total	<u>\$ 2,082,224</u>	<u>\$ 183,768</u>	<u>\$ 2,265,992</u>

Landfill Closure/Post-closure Care Costs

During 1993, the County's municipal solid waste (MSW) landfill was closed, and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform maintenance and monitoring functions at the site for a minimum of thirty (30) years. Additionally, a portion of the County's Class II C&D landfill was closed in 2009. The County must perform maintenance and monitoring functions at the site for a minimum of twenty (20) years according to South Carolina Department of Health and Environmental Control. A portion of the County's Class II C&D landfill remains open and as a result the County estimates closure costs based on the capacity of the landfill used. For the year ended June 30, 2024, the County recognized post-closure care costs of approximately \$205,710.

The estimated costs of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfills were acquired as of June 30, 2024. However, the actual cost of closure and post-closure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS

Retirement Plan

Overview:

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

Plan Description:

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Plan Description (Continued):

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

Membership:

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

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

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

Benefits:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Benefits (Continued):

South Carolina Retirement System

A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

South Carolina Police Officers Retirement System

A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Contributions:

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. 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.

For the year ended June 30, 2024, the County contributed \$2,106,348 to the SCRS plan and \$1,704,398 to the PORS plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Contributions (Continued):

Required employee contribution rates for the year ended June 30, 2024, are as follows:

South Carolina Retirement System

Employee class two	9.00% of earnable compensation
Employee class three	9.00% of earnable compensation

South Carolina Police Officers Retirement System

Employee class two	9.75% of earnable compensation
Employee class three	9.75% of earnable compensation

Required employer contribution rates for the year ended June 30, 2024, are as follows:

South Carolina Retirement System

Employer class two	18.41% of earnable compensation
Employer class three	18.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employer class two	20.84% of earnable compensation
Employer class three	20.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability:

The June 30, 2023 (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2022, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2023, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS. The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2024 (measurement date of June 30, 2023), the net pension liability amounts for the County's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows (amounts are expressed in thousands):

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	County's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 58,464,402	\$ 34,286,962	\$ 24,177,440	58.6%	0.079593%
PORS	\$ 9,450,021	\$ 6,405,925	\$ 3,044,096	67.8%	0.394630%

Actuarial Assumptions and Methods:

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

The June 30, 2023 (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2022, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued):

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

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

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumption, the 2020 Public Retirees of South Carolina Mortality table (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.

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

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the following page.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued):

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private equity	9.0%	10.91%	0.98%
Private debt	7.0%	6.16%	0.43%
Real assets	12.0%		
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
	100.0%		
		Total expected real return	5.31%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	7.56%

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Discount Rate (Continued):

The following table presents the sensitivity of the net pension liability to changes in the discount rate.

Sensitivity of the Net Position Liability to Changes in the Discount Rate			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's portion - SCRS	\$ 24,864,658	\$ 19,243,671	\$ 14,571,701
County's portion - PORS	\$ 16,946,024	\$ 12,012,909	\$ 7,972,072

Pension Expense:

For the year ended June 30, 2024, the County recognized its proportionate share of collective pension expense of \$1,900,178 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$69,311 for a total of \$1,969,489 for the SCRS plan. Additionally, for the year ended June 30, 2024, the County recognized its proportionate share of collective pension expense of \$1,413,761 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$356,914 for a total of \$1,770,675 for the PORS plan. Total pension expense for both plans amounted to \$3,740,164 for the year ended June 30, 2024.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

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

At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 334,103	\$ 53,366
Changes of assumptions	294,841	-
Net difference between projected and actual earnings on pension plan investments	-	26,340
Changes in proportion and differences between employer contributions and proportionate share of contributions	451,683	1,264,256
Employer contributions subsequent to the measurement date	<u>2,106,348</u>	<u>-</u>
Total	<u>\$ 3,186,975</u>	<u>\$ 1,343,962</u>
PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 565,338	\$ 148,093
Changes of assumptions	261,450	-
Net difference between projected and actual earnings on pension plan investments	-	20,616
Changes in proportion and differences between employer contributions and proportionate share of contributions	446,920	-
Employer contributions subsequent to the measurement date	<u>1,704,398</u>	<u>-</u>
Total	<u>\$ 2,978,106</u>	<u>\$ 168,709</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

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

County contributions subsequent to the measurement date of \$2,106,348 and \$1,704,398 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	<u>SCRS</u>	<u>PORS</u>
2025	\$ 242,379	\$ 627,642
2026	(739,938)	(115,047)
2027	245,510	604,971
2028	(11,286)	(12,567)

Pension Plan Fiduciary Net Position:

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for SCRS and PORS. The ACFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Road, Columbia, SC 29223.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Other Post-employment Healthcare Benefits (OPEB)

Plan Description. In addition to providing pension benefits through the South Carolina Retirement System, the County, authorized by its County Council, provides certain healthcare benefits for employees who retire from service or who terminate with at least 20 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 have at least 10 years of retirement service credit 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. The plan is a single employer defined benefit plan.

Plan Membership. The Plan has 394 covered members for the year ended June 30, 2024; 71 members are retirees receiving benefits and 323 are active participants and dependents.

Funding Policy and Contributions. The County currently pays for other post-employment benefits on a pay-as-you-go basis. For the year ended June 30, 2024, the County paid \$62,789 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 County 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, 2023, and was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions. The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	3.86% as of June 30, 2023
Healthcare cost trend rate:	6.00% - 4.00%, Ultimate Trend after 13 years
Inflation rate:	2.25%
Salary increase:	3.00% - 9.50% for SCRS and 3.50% - 10.50% for PORS, including inflation.
Participation rate:	60.00% of retirees eligible for the County subsidy and 20.00% of retirees not eligible for the County subsidy.

For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with fully generational mortality projections using 80% of the ultimate rates of Scale MP (as published in 2019) to account for future mortality improvements. The following multipliers are applied to the base tables: 97% for male members, and 107% for female members.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Other Post-employment Healthcare Benefits (OPEB) (Continued)

Discount Rate. The discount rate used to measure the total OPEB liability was 3.86% as of June 30, 2023. 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 3.86% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2023.

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	\$ 1,848,295
Changes for the year:	
Service cost	213,403
Interest	71,179
Changes in benefit terms	-
Difference between actual and expected experience	(6,550)
Assumption changes	(33,385)
Benefit payments and implicit subsidy	(52,026)
Net changes	192,621
Balances end of year	\$ 2,040,916

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, 2023 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 (2.86%) or 1-percentage-point higher (4.86%) than the current discount rate:

<u>Darlington County Health Care Plan</u>		
<u>Sensitivity of the Total OPEB Liability to Changes in the Discount Rate</u>		
	Current	
1% Decrease	Discount Rate	1% Increase
(2.86%)	(3.86%)	(4.86%)
\$ 2,249,908	\$ 2,040,916	\$ 1,858,251

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Other Post-employment Healthcare Benefits (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued). At June 30, 2024, the County reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 162,511	\$ 697,461
Changes of assumptions	111,665	320,265
Employer contributions subsequent to the measurement date	62,789	-
Total	\$ 336,965	\$ 1,017,726

County contributions subsequent to the measurement date of \$62,789 are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	\$ (212,137)
2026	(111,356)
2027	(84,325)
2028	(100,354)
2029	(145,218)
Thereafter	(90,160)

NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND ASSETS AND LIABILITIES

Interfund receivable and payable balances as of June 30, 2024, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 145,356
		\$ 145,356

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.

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds. Total transfers during the year ended June 30, 2024, consisted of the following individual amounts:

Transfer in Fund	Transfer Out Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 145,768
General Fund	Environmental Services Fund	48,380
Emergency Services Fund	General Fund	87,791
General Fund	Road Maintenance Fund	154,251
General Fund	Fire Board Fund	100,000
General Fund	Emergency Services Fund	104,614
Road Maintenance Fund	General Fund	1,696,230
Airport Fund	General Fund	93,908
		\$ 2,430,942

Transfers are used to (1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries insurance through the State Budget and Control Board Office of Insurance Reserve Fund. The County pays premiums to the Fund for its general insurance coverage. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event. Additionally, the County participates in a self-funded program to provide workers' compensation insurance through the South Carolina Association of Counties, which works in a similar way as the Insurance Reserve Fund. The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries insurance through the South Carolina Counties Property and Liability Trust. In addition, the County carries employee health and accident insurance through the South Carolina Office of Insurance Services. This South Carolina state health plan represents various South Carolina governmental entities joined together in a public entity risk pool. The County pays premiums to the Fund for its employee health and accident insurance. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event.

The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 11. COMMITMENTS AND CONTINGENT LIABILITIES

The County participates in a number of federal and state assisted grant programs. These programs are subject to audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2024, have not yet been conducted. Therefore, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

At June 30, 2024, the County had construction commitments related to various capital projects for approximately \$221,028

NOTE 12. LITIGATION

The County is party to a number of lawsuits arising in the course of operations. It is the opinion of management, in consultation with legal counsel, that it cannot be determined whether resolution of the other pending cases will have a material adverse effect on the financial condition of the County.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. TAX ABATEMENTS

The County, acting through its County Council, negotiates property tax abatement agreements on an individual basis under several programs in accordance with the provisions of Chapter 44 of Title 12, Code of Laws of South Carolina 1976, as amended. Local governments may enter into tax abatement agreements in accordance with South Carolina state law as follows:

1. *Fee in lieu of tax for economic development properties* – any industry or business whereby the industry or business would pay fees in lieu of taxes with respect to certain properties which constitute “economic development properties” through which powers the industrial development of the State of South Carolina will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate or remain in the State and thus utilize and employ the manpower, products, and resources of the State and benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise provided locally. At the time of termination, the sponsor shall pay to the County an additional fee equal to the difference between the total amount of property taxes that would have been paid by the sponsor had the project been taxable, taking into account exemptions from property taxes that would have been available to the sponsor, and the amount of fee payments actually made to the sponsor. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event sponsor had the project been taxable, taking into account exemptions from property taxes that would have been available to the sponsor, and the amount of fee payments actually made by the sponsor. Abatement agreements under the Economic Development Program equal a 100% reduction in property taxes during the exemption period as outlined in the agreement. A fee in lieu of tax (FILOT) is to be paid within the following parameters: the sponsor shall pay to the County an annual fee payment in connection with the economic development property which has been placed in service, in an amount not less than that the property taxes that would be due on the economic development property if it were taxable but using (1) an assessment ratio of not less than 6%; (2) a millage rate this is either fixed for the life of the fee or is allowed to increase or decrease every fifth year in step with the average cumulative actual millage rate applicable to the project based upon the preceding five-year period; or (3) a fair market value for the economic development property.
2. *Special Source Revenue and Infrastructure Tax Credits* – In addition to the program defined in item one above, the County, in accordance with South Carolina state law, may issue special source and infrastructure tax credits to effectively reduce the assessed value of certain qualifying properties. Such credits are approved via the State of South Carolina Department of Revenue and the Oconee County Auditor provided that the project sponsor expands its operations to levels outlined in state law. Provisions for recapturing abated tax revenues are specific to each agreement.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. TAX ABATEMENTS (CONTINUED)

For the year ended June 30, 2024, the County abated taxes totaling \$15,046,586 under the programs previously noted. The effective abatement for the General Government, School District, and all other municipalities, funds and districts is \$3,800,217, \$9,680,134, and \$1,566,235, respectively.

Commitments made by the County and other governments are negotiated individually for each agreement. Various commitments have been made by the County and the State of South Carolina as a part of the agreements; however, no commitments were made by either the County or other governments relative to the two individual agreements noted above.

REQUIRED SUPPLEMENTARY INFORMATION

DARLINGTON COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 19,398,186	\$ 19,398,186	\$ 24,090,243	\$ 4,692,057
Other taxes	495,000	495,000	430,601	(64,399)
Licenses, permits and fees	661,800	661,800	847,625	185,825
Intergovernmental	5,190,518	5,190,518	6,682,862	1,492,344
Charges for services	1,725,064	1,725,064	2,226,210	501,146
Fines and forfeitures	306,000	306,000	439,519	133,519
Interest revenue	350,000	350,000	2,015,177	1,665,177
Contributions and donations	-	-	63,506	63,506
Other revenues	159,950	159,950	402,213	242,263
Total revenues	<u>28,286,518</u>	<u>28,286,518</u>	<u>37,197,956</u>	<u>8,911,438</u>
EXPENDITURES:				
Current:				
General government:				
County council	1,596,606	1,596,606	1,658,587	(61,981)
Auditor	467,655	467,655	450,219	17,436
Coroner	333,625	333,625	391,631	(58,006)
Veterans affairs	138,679	138,679	104,544	34,135
Legal	100,000	100,000	181,471	(81,471)
Registration/elections	512,502	512,502	437,221	75,281
Treasurer	460,553	460,553	430,859	29,694
Tax collector	319,020	319,020	345,797	(26,777)
Tax assessor	597,809	597,809	500,174	97,635
Total general government	<u>4,526,449</u>	<u>4,526,449</u>	<u>4,500,503</u>	<u>25,946</u>
Public safety and judiciary:				
Correctional center	4,933,568	4,933,568	4,857,503	76,065
Prison farm	1,267,636	1,267,636	1,289,110	(21,474)
Solicitor	140,000	140,000	140,000	-
Probate	482,365	482,365	478,545	3,820
Public defender	140,000	140,000	140,000	-
Clerk of court	1,223,290	1,223,290	1,143,705	79,585
Magistrate court	1,001,124	1,001,124	797,953	203,171
Sheriff	7,672,761	7,672,761	7,795,643	(122,882)
Central communications	-	-	2,184	(2,184)
Total public safety and judiciary	<u>16,860,744</u>	<u>16,860,744</u>	<u>16,644,643</u>	<u>216,101</u>
Public works:				
Roads and bridges	-	-	2,100	(2,100)
Car wash	3,300	3,300	902	2,398
Building maintenance	1,085,174	1,085,174	1,094,146	(8,972)
Fleet operations/shop	1,669,308	1,669,308	934,149	735,159
Planning	349,599	349,599	326,667	22,932
Grants	1,260,000	1,260,000	279,274	980,726
Total public works	<u>4,367,381</u>	<u>4,367,381</u>	<u>2,637,238</u>	<u>1,730,143</u>

(Continued)

DARLINGTON COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EXPENDITURES: (CONTINUED)	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Current: (Continued)				
Health and social services:				
Health department	\$ 25,950	\$ 25,950	\$ 27,607	\$ (1,657)
DSS	179,952	179,952	118,226	61,726
Codes enforcement	486,736	486,736	410,405	76,331
Animal shelter	264,925	264,925	264,925	-
Rubicon advisory committee	1,200	1,200	475	725
Clemson extension	11,240	11,240	11,240	-
Soil and water conservation	44,000	44,000	40,342	3,658
Total health and social services	1,014,003	1,014,003	873,220	140,783
Culture and recreation:				
Recreation	600,718	600,718	650,153	(49,435)
Historical commission	222,099	222,099	228,952	(6,853)
Tourism	-	-	125	(125)
Total culture and recreation	822,817	822,817	879,230	(56,413)
Economic development and planning	282,531	282,531	275,882	6,649
Nondepartmental	462,795	462,795	1,565,427	(1,102,632)
Capital outlay	3,860	3,860	7,121,895	(7,118,035)
Debt service:				
Principal retirement	5,067	5,067	1,336,850	(1,331,783)
Interest and fiscal charges	631	631	95,471	(94,840)
Total debt service	5,698	5,698	1,432,321	(1,426,623)
Total expenditures	28,346,278	28,346,278	35,930,359	(7,584,081)
Excess (deficiency) of revenues over (under) expenditures	(59,760)	(59,760)	1,267,597	1,327,357
OTHER FINANCING SOURCES (USES)				
Transfers in	345,802	345,802	553,013	207,211
Transfers out	(1,877,929)	(1,877,929)	(1,877,929)	-
Sale of capital assets	50,000	50,000	1,868,477	1,818,477
Issuance of leases	-	-	364,185	364,185
Total other financing sources (uses), net	(1,482,127)	(1,482,127)	907,746	2,389,873
Net change in fund balances	(1,541,887)	(1,541,887)	2,175,343	\$ 3,717,230
Fund balances, beginning of year	34,309,891	34,309,891	34,309,891	
Fund balances, end of year	\$ 32,768,004	\$ 32,768,004	\$ 36,485,234	

DARLINGTON COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FIRE BOARD FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 2,552,644	\$ 2,552,644	\$ 3,479,989	\$ 927,345
Intergovernmental	-	-	29,280	29,280
Interest revenue	10,000	10,000	67,818	57,818
Other revenues	-	-	9,068	9,068
Total revenues	<u>2,562,644</u>	<u>2,562,644</u>	<u>3,586,155</u>	<u>1,023,511</u>
EXPENDITURES:				
Current:				
Public Safety	<u>2,637,644</u>	<u>2,637,644</u>	<u>2,732,546</u>	<u>(94,902)</u>
Capital outlay				
	<u>-</u>	<u>-</u>	<u>18,457</u>	<u>(18,457)</u>
Debt service:				
Principal retirement	636,643	636,643	770,000	(133,357)
Interest and fiscal charges	<u>3,357</u>	<u>3,357</u>	<u>40,986</u>	<u>(37,629)</u>
Total debt service	<u>640,000</u>	<u>640,000</u>	<u>810,986</u>	<u>(170,986)</u>
Total expenditures	<u>3,277,644</u>	<u>3,277,644</u>	<u>3,561,989</u>	<u>(284,345)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(715,000)</u>	<u>(715,000)</u>	<u>24,166</u>	<u>739,166</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(100,000)	(100,000)	(100,000)	-
Issuance of bonds	<u>815,000</u>	<u>815,000</u>	<u>2,000,000</u>	<u>1,185,000</u>
Total other financing sources, net	<u>715,000</u>	<u>715,000</u>	<u>1,900,000</u>	<u>1,185,000</u>
Net change in fund balances	-	-	1,924,166	<u>\$ 1,924,166</u>
Fund balances, beginning of year	<u>4,808,572</u>	<u>4,808,572</u>	<u>4,808,572</u>	
Fund balances, end of year	<u>\$ 4,808,572</u>	<u>\$ 4,808,572</u>	<u>\$ 6,732,738</u>	

DARLINGTON COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
EMERGENCY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property Tax	\$ 3,670,000	\$ 3,670,000	\$ 3,561,992	\$ (108,008)
Intergovernmental	85,813	85,813	11,882	(73,931)
Charges for services	3,070,000	3,070,000	2,886,877	(183,123)
Interest revenue	-	-	1,254	1,254
Other revenues	27,810	27,810	29,639	1,829
Total revenues	<u>6,853,623</u>	<u>6,853,623</u>	<u>6,491,644</u>	<u>(361,979)</u>
EXPENDITURES:				
Current:				
Health and social services:				
EMS	5,284,596	5,284,596	5,021,577	263,019
Emergency preparedness	171,141	171,141	169,217	1,924
Central communications	1,359,432	1,359,432	1,275,888	83,544
Total health and social services	<u>6,815,169</u>	<u>6,815,169</u>	<u>6,466,682</u>	<u>348,487</u>
Capital outlay	<u>40,000</u>	<u>40,000</u>	<u>108,498</u>	<u>(68,498)</u>
Debt service:				
Principal retirement	-	-	4,830	(4,830)
Total expenditures	<u>6,855,169</u>	<u>6,855,169</u>	<u>6,580,010</u>	<u>275,159</u>
Deficiency of revenues under expenditures	<u>(1,546)</u>	<u>(1,546)</u>	<u>(88,366)</u>	<u>(86,820)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	87,791	87,791	87,791	-
Transfers out	(86,245)	(86,245)	(104,614)	(18,369)
Total other financing sources (uses), net	<u>1,546</u>	<u>1,546</u>	<u>(16,823)</u>	<u>(18,369)</u>
Net change in fund balances	-	-	(105,189)	<u>\$ (105,189)</u>
Fund balances, beginning of year	<u>2,483,836</u>	<u>2,483,836</u>	<u>2,483,836</u>	
Fund balances, end of year	<u>\$ 2,483,836</u>	<u>\$ 2,483,836</u>	<u>\$ 2,378,647</u>	

DARLINGTON COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
ROAD MAINTENANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest revenue	\$ 17,000	\$ 17,000	\$ 36,418	\$ 19,418
Total revenues	<u>17,000</u>	<u>17,000</u>	<u>36,418</u>	<u>19,418</u>
EXPENDITURES:				
Current:				
Public works	<u>1,840,397</u>	<u>1,840,397</u>	1,902,465	<u>(62,068)</u>
Total expenditures	<u>1,840,397</u>	<u>1,840,397</u>	<u>1,902,465</u>	<u>(62,068)</u>
Deficiency of revenues under expenditures	<u>(1,823,397)</u>	<u>(1,823,397)</u>	<u>(1,866,047)</u>	<u>(42,650)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,696,230	1,696,230	1,696,230	-
Transfers out	-	-	(154,251)	(154,251)
Total other financing sources, net	<u>1,696,230</u>	<u>1,696,230</u>	<u>1,541,979</u>	<u>(154,251)</u>
Net change in fund balances	(127,167)	(127,167)	(324,068)	<u>\$ (196,901)</u>
Fund balances, beginning of year	<u>1,757,009</u>	<u>1,757,009</u>	<u>1,757,009</u>	
Fund balances, end of year	<u>\$ 1,629,842</u>	<u>\$ 1,629,842</u>	<u>\$ 1,432,941</u>	

DARLINGTON COUNTY, SOUTH CAROLINA

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

South Carolina Retirement System

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.079593%	\$ 19,243,671	\$ 10,063,891	191.2%	58.6%
2022	0.087031%	21,098,273	10,362,775	203.6%	57.1%
2021	0.085106%	18,417,975	9,622,283	191.4%	60.7%
2020	0.080659%	20,609,829	8,998,542	229.0%	50.7%
2019	0.077888%	17,785,066	8,224,323	216.2%	54.4%
2018	0.074862%	16,774,133	7,761,049	216.1%	54.1%
2017	0.073955%	16,648,461	6,862,397	242.6%	53.3%
2016	0.081214%	17,347,192	6,950,516	249.6%	52.9%
2015	0.080252%	15,220,180	6,786,406	224.3%	57.0%
2014	0.089780%	15,457,141	6,674,982	231.6%	59.9%

South Carolina Police Officers Retirement System

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.39463%	\$ 12,012,909	\$ 6,913,731	173.8%	67.8%
2022	0.39077%	11,718,981	6,181,239	189.6%	66.4%
2021	0.37639%	9,684,279	5,658,126	171.2%	70.4%
2020	0.35699%	11,838,693	5,392,925	219.5%	58.8%
2019	0.34322%	9,836,445	4,969,178	197.9%	62.7%
2018	0.34518%	9,780,882	4,746,694	206.1%	61.7%
2017	0.36792%	10,079,420	4,320,167	233.3%	60.9%
2016	0.40726%	10,330,002	4,290,608	240.8%	60.4%
2015	0.39198%	8,543,081	4,133,525	206.7%	64.6%
2014	0.44375%	8,495,253	4,584,775	185.3%	67.5%

DARLINGTON COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30,

South Carolina Retirement System

County's Fiscal Year Ended June 30,	Actuarially required contribution	Contributions in relation to the actuarially required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2024	\$ 2,106,348	\$ 2,106,348	\$ -	\$ 11,348,858	18.56%
2023	1,767,220	1,767,220	-	10,063,891	17.56%
2022	1,716,076	1,716,076	-	10,362,775	16.56%
2021	1,497,228	1,497,228	-	9,622,283	15.56%
2020	1,400,174	1,400,174	-	8,998,542	15.56%
2019	1,197,461	1,197,461	-	8,224,323	14.56%
2018	1,052,398	1,052,398	-	7,761,049	13.56%
2017	862,581	862,581	-	6,862,397	12.57%
2016	869,816	869,816	-	6,950,516	12.51%
2015	820,185	820,185	-	6,786,406	12.09%

South Carolina Police Officers Retirement System

County's Fiscal Year Ended June 30,	Actuarially required contribution	Contributions in relation to the actuarially required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2024	\$ 1,704,398	\$ 1,704,398	\$ -	\$ 8,024,473	21.24%
2023	1,399,339	1,399,339	-	6,913,731	20.24%
2022	1,189,271	1,189,271	-	6,181,239	19.24%
2021	1,032,043	1,032,043	-	5,658,126	18.24%
2020	983,670	983,670	-	5,392,925	18.24%
2019	846,748	846,748	-	4,969,178	17.04%
2018	771,863	771,863	-	4,746,694	16.26%
2017	705,549	705,549	-	4,320,167	16.33%
2016	713,383	713,383	-	4,290,608	16.63%
2015	651,194	651,194	-	4,133,525	15.75%

DARLINGTON COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30,

Notes to the schedule:

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

System	SCRS	PORS
Calculation date	July 1, 2021	July 1, 2021
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	26 years maximum, closed	26 years maximum, closed
Investment return	7.00%	7.00%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service.	3.50% plus step-rate increases for members with less than 21 years of service.
Mortality	The 2020 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale UMP from the year 2020. Male rates multiplied by 97% for non-educators and 95% for educators. Female rates multiplied by 107% for non-educators and 94% for educators.	The 2020 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale UMP from the year 2020. Male rates multiplied by 127% and female rates are multiplied by 107%.

DARLINGTON COUNTY, SOUTH CAROLINA

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

Total OPEB liability	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 213,403	\$ 212,425	\$ 217,765	\$ 151,224	\$ 89,747	\$ 99,651	\$ 125,791
Interest on the total OPEB liability	71,179	34,931	37,524	28,571	27,735	55,066	44,714
Benefit changes	-	1,024,333	-	-	-	-	-
Difference between actual and expected experience	(6,550)	(757,435)	507	333,878	(7,378)	(772,200)	9,658
Assumption changes	(33,385)	(356,992)	79,075	109,175	34,008	(114,717)	(91,066)
Benefit payments	(52,026)	(44,163)	(44,763)	(29,942)	(26,458)	(60,507)	(60,507)
Net change in total OPEB liability	192,621	113,099	290,108	592,906	117,654	(792,707)	28,590
Total OPEB liability - beginning	1,848,295	1,735,196	1,445,088	852,182	734,528	1,527,235	1,498,845
Total OPEB liability - ending	\$ 2,040,916	\$ 1,848,295	\$ 1,735,196	\$ 1,445,088	\$ 852,182	\$ 734,528	\$ 1,527,435
Covered-employee payroll	\$ 17,599,269	\$ 17,185,513	\$ 15,806,391	\$ 13,338,897	\$ 12,117,424	\$ 11,735,971	\$ 11,924,627
Total OPEB liability as a percentage of covered-employee payroll	11.60%	10.75%	10.98%	10.83%	7.03%	6.26%	12.81%

Notes to the schedule:

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

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.

The discount rate changed from 3.56% as of June 30, 2018, to 3.62% as of June 30, 2019.

The discount rate changed from 3.62% as of June 30, 2019, to 3.13% as of June 30, 2020.

The discount rate changed from 3.13% as of June 30, 2020, to 2.45% as of June 30, 2021.

The discount rate changed from 2.45% as of June 30, 2021, to 1.92% as of June 30, 2022.

The discount rate changed from 1.92% as of June 30, 2022, to 3.69% as of June 30, 2023.

The discount rate changed from 3.69% as of June 30, 2023, to 3.86% as of June 30, 2024.

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

COMBINING STATEMENTS AND SCHEDULES

DARLINGTON COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The **Library Board of Trustees Fund** is used to account for the property taxes levied and other revenues received for the County public library system and related expenditures.

The **Emergency Telephone System Fund** is used to account for revenues received from surcharges designated for E911 and state reimbursements used for E911 services.

The **State Accommodations Tax Fund** is used to account for accommodations tax monies received from the State. The first \$25,000 and 5% is transferred to the General Fund. The remainder is restricted for tourism.

The **Hospitality Tax Fund** accounts for the revenues collected as a percentage of sales for restaurants in the County used for improvement of tourism related services and facilities.

The **Woodrow Lewis Court Library Fund** is used to account for revenues generated through special filing charges in the County court system which are used to acquire and maintain library materials.

The **Hartsville Fire Tax Fund** accounts for the property tax revenues collected for Hartsville fire service.

DEBT SERVICE FUND

The **Debt Service Fund** is used to account for the property taxes levied and other resources used for the payment of the County's principal and interest on various debt obligations.

DARLINGTON COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Special Revenue Funds						Debt Service Fund	Totals
	Library Board of Trustees	Emergency Telephone System	State Accommodations Tax	Woodrow Lewis Court Library	Hartsville Fire Tax	Hospitality Tax	Debt Service	
ASSETS								
Cash and cash equivalents	\$ 2,052,734	\$ -	\$ -	\$ 32,616	\$ 196,290	\$ 1,081,208	\$ 751,501	\$ 4,114,349
Investments	3,674	-	-	28	-	1,948	1,354	7,004
Taxes receivable, net	76,185	-	-	-	47,775	-	41,215	165,175
Accounts receivable, net	-	-	-	-	-	19,707	-	19,707
Due from other governments	-	-	170,939	-	-	-	-	170,939
Prepaid expenditures	32,590	17,590	-	-	-	-	-	50,180
Total assets	<u>2,165,183</u>	<u>17,590</u>	<u>170,939</u>	<u>32,644</u>	<u>244,065</u>	<u>1,102,863</u>	<u>794,070</u>	<u>4,527,354</u>
LIABILITIES								
Accounts payable	33,091	1,142	-	-	-	-	-	34,233
Accrued liabilities	51,231	-	-	-	-	-	-	51,231
Due to other funds	-	71,782	73,574	-	-	-	-	145,356
Total liabilities	<u>84,322</u>	<u>72,924</u>	<u>73,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,820</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	70,371	-	-	-	39,502	-	38,371	148,244
Total deferred inflows of resources	<u>70,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,502</u>	<u>-</u>	<u>38,371</u>	<u>148,244</u>
FUND BALANCES								
Nonspendable:								
Prepaid expenditures	32,590	17,590	-	-	-	-	-	50,180
Restricted for:								
Public safety and judiciary	-	-	-	32,644	204,563	-	-	237,207
Culture and recreation	1,932,147	-	-	-	-	-	-	1,932,147
Tourism	-	-	97,365	-	-	1,102,863	-	1,200,228
Debt service	-	-	-	-	-	-	755,699	755,699
Committed:								
Subsequent year's budget	45,753	-	-	-	-	-	-	45,753
Unassigned	-	(72,924)	-	-	-	-	-	(72,924)
Total fund balances (deficits)	<u>2,010,490</u>	<u>(55,334)</u>	<u>97,365</u>	<u>32,644</u>	<u>204,563</u>	<u>1,102,863</u>	<u>755,699</u>	<u>4,148,290</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 2,165,183</u>	<u>\$ 17,590</u>	<u>\$ 170,939</u>	<u>\$ 32,644</u>	<u>\$ 244,065</u>	<u>\$ 1,102,863</u>	<u>\$ 794,070</u>	<u>\$ 4,527,354</u>

DARLINGTON COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds						Debt Service Fund	Totals
	Library Board of Trustees	Emergency Telephone System	State Accommodations Tax	Woodrow Lewis Court Library	Hartsville Fire Tax	Hospitality Tax	Debt Service	
Revenues:								
Taxes	\$ 1,794,824	\$ -	\$ -	\$ -	\$ 846,534	\$ -	\$ 978,594	\$ 3,619,952
Intergovernmental	152,000	-	175,348	-	-	292,169	-	619,517
Charges for services	42,712	244,110	-	14,965	-	-	-	301,787
Interest revenue	-	2,975	-	20	-	-	45,505	48,500
Other revenues	4,836	-	-	-	-	-	2,288	7,124
Total revenues	<u>1,994,372</u>	<u>247,085</u>	<u>175,348</u>	<u>14,985</u>	<u>846,534</u>	<u>292,169</u>	<u>1,026,387</u>	<u>4,596,880</u>
Expenditures:								
Current:								
Public safety	-	345,911	-	6,867	679,733	-	-	1,032,511
Culture and recreation	1,923,199	-	-	-	-	-	-	1,923,199
Economic development and planning	-	-	100,579	-	-	-	-	100,579
Debt service:								
Principal retirement	-	-	-	-	127,867	-	758,000	885,867
Interest and fiscal charges	-	-	-	-	23,633	-	6,858	30,491
Total expenditures	<u>1,923,199</u>	<u>345,911</u>	<u>100,579</u>	<u>6,867</u>	<u>831,233</u>	<u>-</u>	<u>764,858</u>	<u>3,972,647</u>
Excess (deficiency) of revenues over (under) expenditures	<u>71,173</u>	<u>(98,826)</u>	<u>74,769</u>	<u>8,118</u>	<u>15,301</u>	<u>292,169</u>	<u>261,529</u>	<u>624,233</u>
Other financing uses								
Transfers out	(50,000)	-	(32,518)	-	-	(63,250)	-	(145,768)
Total other financing uses	<u>(50,000)</u>	<u>-</u>	<u>(32,518)</u>	<u>-</u>	<u>-</u>	<u>(63,250)</u>	<u>-</u>	<u>(145,768)</u>
Net change in fund balances (deficits)	21,173	(98,826)	42,251	8,118	15,301	228,919	261,529	478,465
Fund balances, beginning of year	<u>1,989,317</u>	<u>43,492</u>	<u>55,114</u>	<u>24,526</u>	<u>189,262</u>	<u>873,944</u>	<u>494,170</u>	<u>3,669,825</u>
Fund balances (deficits), end of year	<u>\$ 2,010,490</u>	<u>\$ (55,334)</u>	<u>\$ 97,365</u>	<u>\$ 32,644</u>	<u>\$ 204,563</u>	<u>\$ 1,102,863</u>	<u>\$ 755,699</u>	<u>\$ 4,148,290</u>

DARLINGTON COUNTY, SOUTH CAROLINA

FIDUCIARY FUNDS

CUSTODIAL FUNDS

The **Treasurer's Office Fund** receives funds on behalf of the County as well as taxes that have been levied by the County and other taxing authorities.

The **Clerk of Court Fund** receives funds per a court order. Most orders will refer to the power of eminent domain and S.C. Code Section 28-2-0 which allows the funds to be held in an interest-bearing account. The Clerk of Court also collects certain fines.

The **Magistrates Fund** is used to account for fines and fees of the County Magistrates. The funds are forwarded to the State Treasurer or County Treasurer for disbursement.

The **Sheriff's Fund** accounts for Drug Fund monies and forfeitures.

The **Delinquent Tax Collector Fund** is used to account for monies collected at the annual tax sales. The funds are held for a prescribed time as the original property owners can redeem the property.

The **Historical Commission Fund** holds funds used for specific purposes of the historical committee.

The **Fireman's Insurance and Inspection Fund** accounts for the funds forwarded by South Carolina State Firefighter's Association. The funds are disbursed among the County fire districts to cover benefits and expenses regulated by the State One Percent Fund.

DARLINGTON COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2024**

	<u>Treasurer's Office</u>	<u>Delinquent Tax Collector</u>	<u>Magistrates</u>	<u>Clerk of Court</u>	<u>Historical Commission</u>	<u>Sheriff's Office</u>	<u>Fireman's Insurance and Inspection</u>	<u>Total</u>
ASSETS								
Cash and cash equivalents	\$ 101,991,764	\$ 3,001,523	\$ 22,306	\$ 897,170	\$ 717	\$ 607,519	\$ 339,706	\$ 106,860,705
Investments	118,751	-	-	-	-	-	-	118,751
Taxes receivable	4,188,527	-	-	-	-	-	-	4,188,527
Total assets	<u>106,299,042</u>	<u>3,001,523</u>	<u>22,306</u>	<u>897,170</u>	<u>717</u>	<u>607,519</u>	<u>339,706</u>	<u>111,167,983</u>
LIABILITIES								
Due to others	102,110,515	1,000,507	22,306	5,779	717	450	-	103,140,274
Uncollected taxes	4,188,527	-	-	-	-	-	-	4,188,527
Total liabilities	<u>106,299,042</u>	<u>1,000,507</u>	<u>22,306</u>	<u>5,779</u>	<u>717</u>	<u>450</u>	<u>-</u>	<u>107,328,801</u>
NET POSITION								
Restricted for individuals, organizations and other governments	<u>\$ -</u>	<u>\$ 2,001,016</u>	<u>\$ -</u>	<u>\$ 891,391</u>	<u>\$ -</u>	<u>\$ 607,069</u>	<u>\$ 339,706</u>	<u>\$ 3,839,182</u>
Total net position	<u>\$ -</u>	<u>\$ 2,001,016</u>	<u>\$ -</u>	<u>\$ 891,391</u>	<u>\$ -</u>	<u>\$ 607,069</u>	<u>\$ 339,706</u>	<u>\$ 3,839,182</u>

DARLINGTON COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Treasurer's Office</u>	<u>Delinquent Tax Collector</u>	<u>Magistrates</u>	<u>Clerk of Court</u>	<u>Historical Commission</u>	<u>Sheriff's Office</u>	<u>Fireman's Insurance and Inspection</u>	<u>Total</u>
ADDITIONS								
Taxes	\$ 174,206,333	\$ 3,867,861	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,074,194
Funds from state and municipalities	-	-	-	-	-	-	97,475	97,475
Fines and fees	-	-	-	-	-	283,238	-	283,238
Criminal and civil bonds	-	-	1,233,801	1,762,006	-	-	-	2,995,807
Funds from state and participants	-	-	-	-	7,471	-	-	7,471
Total additions	<u>174,206,333</u>	<u>3,867,861</u>	<u>1,233,801</u>	<u>1,762,006</u>	<u>7,471</u>	<u>283,238</u>	<u>97,475</u>	<u>181,458,185</u>
DEDUCTIONS								
Taxes and fees paid to other governments	174,206,333	3,107,042	-	-	-	153,437	9,176	177,475,988
Funds disbursed per court order	-	-	1,239,294	1,721,515	-	-	-	2,960,809
Other funds disbursed	-	-	-	-	7,471	-	-	7,471
Total deductions	<u>174,206,333</u>	<u>3,107,042</u>	<u>1,239,294</u>	<u>1,721,515</u>	<u>7,471</u>	<u>153,437</u>	<u>9,176</u>	<u>180,444,268</u>
Change in fiduciary net position	-	760,819	(5,493)	40,491	-	129,801	88,299	1,013,917
Net position, beginning of year	<u>-</u>	<u>1,240,197</u>	<u>5,493</u>	<u>850,900</u>	<u>-</u>	<u>477,268</u>	<u>251,407</u>	<u>2,825,265</u>
Net position, end of year	<u>\$ -</u>	<u>\$ 2,001,016</u>	<u>\$ -</u>	<u>\$ 891,391</u>	<u>\$ -</u>	<u>\$ 607,069</u>	<u>\$ 339,706</u>	<u>\$ 3,839,182</u>

**SUPPLEMENTARY INFORMATION REQUIRED
BY THE STATE OF SOUTH CAROLINA**

DARLINGTON COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2024

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	\$ -	\$ -	N/A	\$ 1,555,649
Court fines and assessments remitted to State Treasurer	-	-	N/A	874,767
Total Court Fines and Assessments retained	\$ -	\$ -	N/A	\$ 2,430,416
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	-	-	N/A	\$ 32,304
Assessments retained	-	-	N/A	46,283
Total Surcharges and Assessments retained for victim services	\$ -	\$ -	N/A	\$ 78,587

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	N/A	\$ (21,679)	\$ (21,679)
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	N/A	-	-
Victim Service Assessments Retained by City/County Treasurer	N/A	46,283	46,283
Victim Service Surcharges Retained by City/County Treasurer	N/A	32,304	32,304
Interest Earned	N/A	-	-
Grant Funds Received			
Grant from:	N/A	-	-
General Funds Transferred to Victim Service Fund	N/A	-	-
Contribution Received from Victim Service Contracts:			
(1) Town of Society Hill	N/A	1,093	1,093
(2) Town of Lamar	N/A	-	-
(3) City of	N/A	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	N/A	\$ 58,001	\$ 58,001

DARLINGTON COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2024

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	N/A	\$ 103,602	\$ 103,602
Operating Expenditures	N/A	10,682	10,682
Victim Service Contract(s):			
(1) Entity's Name:	N/A	-	-
(2) Entity's Name	N/A	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	N/A	-	-
(2) Rape Crisis Center:	N/A	-	-
(3) Other local direct crime victims service agency:	N/A	-	-
Transferred to General Fund	N/A	-	-
Total Expenditures from Victim Service Fund/Program (B)	N/A	\$ 114,284	\$ 114,284
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	N/A	\$ (56,283)	\$ (56,283)
Less: Prior Year Fund Deficit Repayment	N/A	-	-
Carryforward Funds – End of Year	N/A	\$ (56,283)	\$ (56,283)

COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Council
of Darlington County
Darlington, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Darlington County, South Carolina** (the "County") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 4, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Columbia, South Carolina
December 4, 2024

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

To the County Council
of Darlington County
Darlington, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Darlington County, South Carolina's** (the "County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 4, 2024

DARLINGTON COUNTY, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Grant Identification Number	Federal Expenditures	Passed through to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>				
(Passed through the SC Department of Commerce)				
Community Development Block Grant/State's Program	14.228	4-CE-20-004	\$ 10,979	\$ -
Community Development Block Grant/State's Program	14.228	4-CE-21-008	453	-
Community Development Block Grant/State's Program	14.228	CV1-015	11,884	-
Total U.S. Department of Housing and Urban Development			<u>23,316</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
(Direct)				
Airport Improvement Program	20.106	3-45-0021-020-2021	3,800	-
Total U.S. Department of Transportation			<u>3,800</u>	<u>-</u>
<u>U.S. Department of the Treasury</u>				
(Direct)				
COVID-19 State and Local Fiscal Recovery Program	21.027	N/A	1,930,885	-
Total U.S. Department of the Treasury			<u>1,930,885</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
(Passed through the SC Emergency Management Division)				
Emergency Management Performance Grants	97.042	22EMPG01	59,247	-
Total U.S. Department of Homeland Security			<u>59,247</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>				
(Passed through the SC Department of Social Services)				
Child Support Enforcement - Unit Cost	93.563	G1401SC1401	221,941	-
Child Support Enforcement - Incentive	93.563	G1401SC1401	57,787	-
Total U.S. Department of Health and Human Services			<u>279,728</u>	<u>-</u>
<u>U.S. Department of the Interior</u>				
(Passed through the SC Department of Natural Resources)				
Sport Fish Restoration Program	15.605	P24012401222	158,261	-
Total U.S. Department of the Interior			<u>158,261</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 2,455,237</u>	<u>\$ -</u>

DARLINGTON COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Darlington County, South Carolina (the "County"), and is presented on the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for the proprietary fund types. The County reporting entity is described in Note 1 to the County's basic financial statements.

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

NOTE 2. DE MINIMIS INDIRECT COST RATE

The County chose not to use the ten percent de Minimis indirect cost rate for the year ended June 30, 2024.

NOTE 3. NON-CASH AWARDS AND LOANS

There were no federal awards expended in the form of noncash assistance during the fiscal year. There were also no loans or loan guarantees outstanding at year end.

DARLINGTON COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified
Internal control over financial reporting:
Material weaknesses identified? ___ Yes ___X___ No
Significant deficiencies identified? ___ Yes ___X___ No
Noncompliance material to financial statements noted? ___ Yes ___X___ No

Federal Awards

Internal Control over major programs:
Material weaknesses identified? ___ Yes ___X___ No
Significant deficiencies? ___ Yes ___X___ No
Type of auditor's report issued on compliance for major programs: Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___ Yes ___X___ No

Identification of major programs:

AL Number 21.027
Name of Federal Program or Cluster
U.S. Department of the Treasury
COVID-19 State and Local Fiscal Recovery Program

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

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

DARLINGTON COUNTY, SOUTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

SECTION II

FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV

SCHEDULE OF PRIOR YEAR FINDINGS

None reported.