

LAURENS COUNTY, SOUTH CAROLINA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

LAURENS COUNTY, SOUTH CAROLINA

FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the County Council
of Laurens County
Laurens, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Laurens County, South Carolina** (the "County") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information of the County as of June 30, 2022, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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.

Emphasis of Matter

As discussed in Notes 1, 6, and 7 to the financial statements, the County adopted new accounting guidance, GASBS No. 87, *Leases*, as of July 1, 2021. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility 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 opinion. 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, the Schedule of Revenues, Expenditures, and changes in Fund Balance – Budget (GAAP Basis) and Actual – EMS Fund, the Schedule of Changes in the County's Total Other Postemployment Benefits Liability and Related Ratios, the Schedules of the County's Proportionate Share of the Net Pension Liability, and the Schedules of Employer Contributions 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 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*, and the Uniform Schedule of Court Fines, Assessments, and Surcharges, as required by the State of South Carolina are presented for purposes of additional analysis and are not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the 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 30, 2022, on our consideration of Laurens County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Laurens County, South Carolina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Laurens County, South Carolina's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 30, 2022

Laurens County, South Carolina
Management's Discussion and Analysis
June 30, 2022

This section of Laurens County (the County) annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2022, by \$44 million (net position). Of this amount, \$60.6 million is net investment in capital assets; \$6 million is restricted for capital activity, debt service, family services and public safety, and with unrestricted net position of approximately (\$22.7 million).
- The County repaid \$4.7 million of bond, financed purchases, notes and lease payables during the year.
- During the year, the County's General Fund balance increased by \$2.2 million. The General Fund total fund balance is \$13.9 million. Of this amount \$12.8 million is unassigned.
- The General Fund actual revenues were \$14,048,000 greater than budgeted and General Fund expenditures were \$388,000 less than budgeted.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
- The business-type fund reports the activities of the County's solid waste department where the County charges fees to cover the costs of these services.
- Fiduciary fund statements provide information about resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Laurens County, South Carolina
Management's Discussion and Analysis
June 30, 2022

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds, each of which are added together and presented in single columns in the basic financial statements.

Figure A-1 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1
Major Features of Laurens County Government-wide and Fund Financial Statements

	Government-wide	Fund Statements		
	Statements	Governmental Funds	Business-type Funds	Fiduciary Funds
Scope	Entire County government (except Fiduciary funds)	The activities of the County that are not proprietary or fiduciary, such as police, fire, and parks	The activities of the County that are not governmental or fiduciary, such as solid waste	Instances in which the County is the agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenditures, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All custodial assets and liabilities, both short-term and long-term
Type of inflow /outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's *net position* and how it has changed. Net position - the difference between the County's assets and liabilities - is one way to measure the County's financial health.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of the County's assets.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the County's most significant funds - not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The County Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has three kinds of funds:

- *Governmental funds* - Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary fund* – The County's Solid Waste department is included in the business-type activities of the County as a proprietary fund which uses accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the Solid Waste Fund's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses and changes in net position regardless of when cash is received or paid.
- *Fiduciary funds* - The County acts as agent, or *fiduciary*, for other entities' resources. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

Laurens County, South Carolina
Management's Discussion and Analysis
June 30, 2022

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position: The County combined net position increased \$11.6 million or 35.9 percent between fiscal years 2021 and 2022 (See Table A-1).

Table A-1
Laurens County Net Position
(in thousands of dollars)

	Governmental		Total	Business-type		Total	Total		Total
	Activities		Percent	Activities		Percent	2021	2022	Percent
	2021	2022	Change	2021	2022	Change	2021	2022	Change
Current and other assets	\$ 58,610	\$ 52,142	-11.0%	\$ 9	\$ 42	366.7%	\$ 58,619	\$ 52,184	-11.0%
Internal balances	982	(250)	125.5%	(982)	250	-125.5%	-	-	0.0%
Capital assets	65,540	73,417	12.0%	2,012	2,198	9.2%	67,552	75,615	11.9%
Total assets	125,132	125,309	0.1%	1,039	2,490	139.7%	126,171	127,799	1.3%
Total deferred outflow s of resources	9,127	10,363	13.5%	175	317	81.1%	9,302	10,680	14.8%
Current liabilities	29,147	27,085	-7.1%	109	119	9.2%	29,256	27,204	-7.0%
Long-term liabilities	66,804	56,197	-15.9%	857	1,320	54.0%	67,661	57,517	-15.0%
Total liabilities	95,951	83,282	-13.2%	966	1,439	49.0%	96,917	84,721	-12.6%
Total deferred inflow s of resources	6,225	9,597	54.2%	24	256	966.7%	6,249	9,853	57.7%
Net position:									
Net investment in capital assets	52,125	58,409	12.1%	2,012	2,198	9.2%	54,137	60,607	12.0%
Restricted	7,694	6,042	-21.5%	14	-	100.0%	7,708	6,042	-21.6%
Unrestricted	(27,736)	(21,658)	-21.9%	(1,802)	(1,086)	-39.7%	(29,538)	(22,744)	-23.0%
Total net position	\$ 32,083	\$ 42,793	33.4%	\$ 224	\$ 1,112	396.4%	\$ 32,307	\$ 43,905	35.9%

Unrestricted net position of governmental activities decreased by \$6.1 million to a deficit of \$21.7 million. Capital assets of \$14.2 million were acquired during the year while depreciation expense on new and existing capital assets totaled \$6.1 million.

Changes in net position. The County's total revenues increased by 40.7 percent to \$67.5 million (See Table A-2). Approximately 45.3 percent of the County's total revenue comes from property taxes, 14.5 percent comes from fees charged for services and 40.1 percent is from state and federal aid.

The total cost of all programs and services increased approximately \$10.3 million or 22.5 percent. The County's expenses cover a range of services, with about 27.4 percent related to public safety and 39.2% related to general government. Table A-2 and the narrative that follows consider the operations of governmental activities.

Laurens County, South Carolina
Management's Discussion and Analysis
June 30, 2022

CHANGES IN NET POSITION

Revenues for the County's governmental activities increased 42.2 percent, while total expenses increased by 21.5 percent.

Table A-2
Changes in Laurens County Net Position
(in thousands of dollars)

	Governmental		Total	Business-type		Total	Total		Total
	Activities		Percent	Activities		Percent	Total		Percent
	2021	2022	Change	2021	2022	Change	2021	2022	Change
Revenues									
Program revenues:									
Charges for services	\$ 6,684	\$ 7,335	9.7%	\$ 2,230	\$ 2,427	8.8%	\$ 8,914	\$ 9,762	9.5%
Operating grants and contributions	4,816	16,151	235.4%	-	-	0.0%	4,816	16,151	235.4%
Capital grants and contributions	5,248	10,915	108.0%	-	-	0.0%	5,248	10,915	108.0%
General revenues:									
Property taxes	28,940	30,553	5.6%	-	-	0.0%	28,940	30,553	5.6%
Unrestricted investment earnings	57	104	82.5%	-	-	0.0%	57	104	82.5%
Total revenues	<u>45,745</u>	<u>65,058</u>	42.2%	<u>2,230</u>	<u>2,427</u>	8.8%	<u>47,975</u>	<u>67,485</u>	40.7%
Program Expenses									
General government	8,949	21,925	145.0%	-	-	0.0%	8,949	21,925	145.0%
Judicial	1,851	1,845	-0.3%	-	-	0.0%	1,851	1,845	-0.3%
Public safety	19,778	15,293	-22.7%	-	-	0.0%	19,778	15,293	-22.7%
Public works	6,002	9,340	55.6%	-	-	0.0%	6,002	9,340	55.6%
Health and welfare	397	449	13.1%	-	-	0.0%	397	449	13.1%
Culture and recreation	1,117	266	-76.2%	-	-	0.0%	1,117	266	-76.2%
Economic development	4,438	3,401	-23.4%	-	-	0.0%	4,438	3,401	-23.4%
Interest on long-term debt	1,007	391	-61.2%	-	-	0.0%	1,007	391	-61.2%
Solid Waste	-	-	0.0%	2,079	2,977	43.2%	2,079	2,977	43.2%
Total expenses	<u>43,539</u>	<u>52,910</u>	21.5%	<u>2,079</u>	<u>2,977</u>	43.2%	<u>45,618</u>	<u>55,887</u>	22.5%
Excess of revenues over expenses before transfers	<u>2,206</u>	<u>12,148</u>	451%	<u>151</u>	<u>(550)</u>	-464.2%	<u>2,357</u>	<u>11,598</u>	392.1%
Increase in net position	<u>\$ 2,206</u>	<u>\$ 10,710</u>		<u>\$ 151</u>	<u>\$ 888</u>		<u>\$ 2,357</u>	<u>\$ 11,598</u>	35.9%

Total revenues were \$19.5 million more than the prior year. During the current year, grants and contributions increased by \$17.0 million, property taxes increased by \$1.6 million, and other revenues increased by \$47,000 as compared to the prior year.

Current year expenses were \$10.3 million greater than prior year. General government, public works, health and welfare and solid waste had increases in expenses totaling \$17.3 million while judicial, public safety, culture and recreation, economic development and interest on long-term debt had decreases in expenses totaling \$7.0 million.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$46.6 million which is less than the prior year by \$3.5 million. The County's proprietary Solid Waste fund reported net position of \$1.1 million which was an increase from the prior year of \$887,728.

General Fund Budgetary Highlights

Actual general fund expenditures were \$388,000 less than budgeted amounts, primarily resulting from positive budget variances of \$123,000 for judicial departments, \$206,000 for public safety departments and \$219,000 for public works departments partially offset by certain negative budget variances in the health and welfare and housing and development departments.

The resources available for appropriation were \$14.0 million greater than the budgeted amount.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the County had invested \$75.8 million in a broad range of capital assets (See Table A-3). This amount represents a net increase before amortization and depreciation (including additions and deductions) of \$14.1 million. However, after depreciation, capital assets increased \$8.0 million or 11.8 percent, over last year.

Table A-3
Laurens County Capital Assets
(net of depreciation, in thousands of dollars)

	Governmental Activities		Total Percent Change	Business-type Activities		Total Percent Change
	2021	2022		2021	2022	
Land	\$ 4,969	\$ 4,969	0.0%	\$ 2	\$ 2	0.0%
Construction in progress	2,722	12,195	348.0%	-	-	0.0%
Buildings	23,843	25,224	5.8%	1,290	1,224	-5.1%
Equipment	10,778	10,708	-0.6%	718	971	35.2%
Right-to-use lease equipment	206	150	-27.2%	-	-	0.0%
Infrastructure	23,228	20,320	-12.5%	-	-	0.0%
Total capital assets, net	<u>\$ 65,746</u>	<u>\$ 73,566</u>	11.9%	<u>\$ 2,012</u>	<u>\$ 2,198</u>	9.2%

More detailed information about the County's capital assets is presented in Note 6 on pages 43 and 44 in the notes to the financial statements.

Laurens County, South Carolina
Management's Discussion and Analysis
June 30, 2022

Long-term Debt

At year-end, the County had \$35.2 million in bonds, notes payable, financed purchases and lease obligations outstanding, a decrease of \$5.7 million or 13.9 percent over last year as shown in Table A-4. More detailed information about the County's long-term debt is presented in Note 8 on pages 45 through 49 in the notes to the financial statements.

The state limits the amount of general obligation debt the County can issue to 8 percent of the assessed value of all taxable property within the County's legal limits.

Table A-4
Laurens County Outstanding Debt
(in thousands of dollars)

	Governmental Activities		Total Percent Change	Business-type Activities		Total Percent Change
	2021	2022		2021	2022	
General obligation bonds	\$ 32,383	\$ 28,288	-12.6%	\$ -	\$ -	0.0%
Unamortized premiums	4,795	3,755	-21.7%	-	-	0.0%
Leases payable	206	151	-26.7%	-	-	0.0%
Notes payable from direct borrowing	267	178	-33.3%	-	-	0.0%
Financed purchases	3,285	2,872	-12.6%	-	-	0.0%
Total outstanding debt	<u>\$ 40,936</u>	<u>\$ 35,244</u>	-13.9%	<u>\$ -</u>	<u>\$ -</u>	0.0%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The budget for FY 2022/2023 factors in the growth that continued during FY22 in the Northern sector of the County, the Lake Greenwood region, as well as other areas around the Cities of Laurens and Clinton. Although the growth mentioned in the preceding paragraph may add revenue, Council and Administration reviewed staffing needs and equipment needs to service the citizens in the growth sectors. The need for more staff and equipment was a unique challenge for the FY22-23 budget.

The County continued to enhance the Capital Improvement Plan (CIP) for FY23 which identified numerous capital assets. Council has systematically addressed CIP to gradually reduce the neglected CIP debt. At the end of FY22, only a few large CIP projects remain that do not have a financial implementation plan, which included new emergency services facilities (Law Enforcement, E911, EMS). County council and staff have begun discussions about options that are available to fund additional facilities.

Since the County has maintained a positive fund balance over the past four years, the County plans to continue its conservative financial strategy by ensuring all budgeted items are necessary to the operation of the County. The County is projected to be on the verge of one of the best economic expansions in its recent history. The minimal impacts of COVID-19 have only slightly retracted some potential growth, however projected growth is expected to propel the County forward in FY23. Thousands of new residential units are under construction and many others are approved for implementation. Commercial growth is also projected to follow the forecasted residential development. The County industrial economy remains strong. For instance, during the pandemic one the County industrial entity closed but others have expressed their interest to locate in the vacated facility as soon as possible.

Laurens County, South Carolina
Management's Discussion and Analysis
June 30, 2022

The County's investment in its CIP, especially those CIP projects that affect quality of life, are further propelling the County's economic expansion. The county continues to administer the projects included in the voter-passed referendum that will add \$35,000,000 in capital sales taxes into the County over the next 6-8 years. These projects are all quality-of-life investments, which are resulting in increased interest in making the County home to thousands of new residents, as well as improving the quality of life for existing residents. The Capital Projects that were included in the approved referendum are currently underway.

As stated above, the County's assets have been neglected in the past few decades resulting in significant accumulation of capital investment needs. Looking solely at the growing fund balance and overall economy of the County does not take account for the condition of the County's assets. The County will continue to be conservative in spending while wisely continuing to invest in our future.

Although many of the County's funds have been stabilized throughout this financial restructuring, the Solid Waste Enterprise (proprietary) fund that was projected to run deficits in the future has maintained a positive fund balance at the end of FY22. The positive fund balance at the end of FY21 and FY22 is a great accomplishment considering that this fund was identified as not having the proper level of revenues to cover the current levels of service provided during FY18. In FY19, the Laurens County Council made positive moves on the revenue side but did not increase the revenue to the level needed which resulted in a continued decline in the fund's health. In FY20 and 21 County Council continued to address this fund's deficit in capital investments as well as create new waste management systems that significantly reduced expenses. During FY21, construction of a Solid Waste site was completed. The County will continue to closely monitor this fund to encourage continued success and growth for FY23.

The net results of this FY22 audit show the finances of the County once again moved in a positive direction thanks to the hard work of the dedicated Laurens County Government employees. The 2022 spending plan was prepared with the continuation of the goals set by County Council to produce a spending plan that provides the best services possible while minimizing financial impact to the taxpayer.

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Renee W. Morrow, Finance Director, Laurens County, PO Box 1488, Laurens, SC 29360.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Thomas R Higgs, Laurens County Administrator, Post Office Box 445, Laurens, SC 29360 or visit the County website at www.laurenscounty.us.

LAURENS COUNTY, SOUTH CAROLINA

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Laurens County Library
ASSETS				
Cash and cash equivalents	\$ 43,356,052	\$ 100	\$ 43,356,152	\$ 27,820
Investments	3,747,555	-	3,747,555	20,176
Taxes receivable, net	953,242	-	953,242	-
Accounts receivable, net	810,021	41,959	851,980	12,051
Internal balances	(250,000)	250,000	-	-
Due from other governments	2,926,482	-	2,926,482	-
Prepaid expenses	198,751	-	198,751	38,430
Right-to-use lease asset, net of accumulated amortization	149,959	-	149,959	-
Capital assets, non-depreciable	17,164,637	2,031	17,166,668	33,700
Capital assets, depreciable, net of accumulated depreciation	56,252,386	2,196,241	58,448,627	874,357
Total assets	<u>125,309,085</u>	<u>2,490,331</u>	<u>127,799,416</u>	<u>1,006,534</u>
DEFERRED OUTFLOWS OF RESOURCES				
Other postemployment benefits	4,247,589	-	4,247,589	119,444
Pension - SCRS	2,600,146	317,436	2,917,582	178,502
Pension - PORS	3,514,884	-	3,514,884	-
Total deferred outflows of resources	<u>10,362,619</u>	<u>317,436</u>	<u>10,680,055</u>	<u>297,946</u>
LIABILITIES				
Accounts payable	2,154,987	93,818	2,248,805	11,531
Accrued liabilities	1,291,287	-	1,291,287	-
Due to other governments	72,736	-	72,736	-
Unearned revenues	1,141,042	-	1,141,042	-
Leases due within one year	61,384	-	61,384	-
Leases due in more than one year	89,976	-	89,976	-
Financed purchases due within one year	326,750	-	326,750	-
Financed purchases due in more than one year	2,544,992	-	2,544,992	-
Notes payable from direct borrowings due within one year	88,890	-	88,890	-
Notes payable from direct borrowings due in more than one year	88,890	-	88,890	-
Bonds payable due within one year	4,306,328	-	4,306,328	-
Bonds payable due in more than one year	27,736,949	-	27,736,949	-
Compensated absences due within one year	425,748	25,162	450,910	-
Compensated absences due in more than one year	478,330	-	478,330	-
Net pension liability - SCRS	13,888,492	1,320,454	15,208,946	742,527
Net pension liability - PORS	11,548,554	-	11,548,554	-
Total OPEB liability	17,036,563	-	17,036,563	479,505
Total liabilities	<u>83,281,898</u>	<u>1,439,434</u>	<u>84,721,332</u>	<u>1,233,563</u>
DEFERRED INFLOWS OF RESOURCES				
Other postemployment benefits	4,659,627	-	4,659,627	126,852
Pension - SCRS	2,282,102	256,311	2,538,413	144,130
Pension - PORS	2,655,423	-	2,655,423	-
Total deferred inflows of resources	<u>9,597,152</u>	<u>256,311</u>	<u>9,853,463</u>	<u>270,982</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	58,408,819	2,198,272	60,607,091	908,057
Restricted for:				
Detention center	350,627	-	350,627	-
Debt service	1,406,990	-	1,406,990	-
Public safety	4,199,144	-	4,199,144	-
Public works	15,529	-	15,529	-
Capital projects	69,434	-	69,434	-
Unrestricted	(21,657,889)	(1,086,250)	(22,744,139)	(1,108,122)
Total net position (deficit)	<u>\$ 42,792,654</u>	<u>\$ 1,112,022</u>	<u>\$ 43,904,676</u>	<u>\$ (200,065)</u>

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

LAURENS COUNTY, SOUTH CAROLINA

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 21,925,651	\$ 2,822,362	\$ 15,971,600	\$ -
Judicial	1,845,043	1,465,041	-	-
Public safety	15,292,943	3,047,711	178,973	518,335
Public works	9,340,106	-	-	10,291,299
Health and welfare	449,021	-	-	-
Culture and recreation	265,616	-	-	-
Housing and development	3,401,499	-	-	105,312
Interest on long-term debt	390,505	-	-	-
Total governmental activities	<u>52,910,384</u>	<u>7,335,114</u>	<u>16,150,573</u>	<u>10,914,946</u>
Business-type activities:				
Solid waste	2,977,399	2,426,864	-	-
Total business-type activities	<u>2,977,399</u>	<u>2,426,864</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 55,887,783</u>	<u>\$ 9,761,978</u>	<u>\$ 16,150,573</u>	<u>\$ 10,914,946</u>
Component unit:				
Laurens County Library	\$ 810,023	\$ 90,843	\$ 673,532	\$ -
Total component unit	<u>\$ 810,023</u>	<u>\$ 90,843</u>	<u>\$ 673,532</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Unrestricted investment earnings				
Transfers				
Total general revenues				
Change in net position				
Net position (deficit), beginning of year				
Net position (deficit), end of year				

Net (Expense) Revenue and Changes in Net Position			
			<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Laurens County Library</u>
\$ (3,131,689)	\$ -	\$ (3,131,689)	\$ -
(380,002)	-	(380,002)	-
(11,547,924)	-	(11,547,924)	-
951,193	-	951,193	-
(449,021)	-	(449,021)	-
(265,616)	-	(265,616)	-
(3,296,187)	-	(3,296,187)	-
(390,505)	-	(390,505)	-
<u>(18,509,751)</u>	<u>-</u>	<u>(18,509,751)</u>	<u>-</u>
<u>-</u>	<u>(550,535)</u>	<u>(550,535)</u>	<u>-</u>
<u>-</u>	<u>(550,535)</u>	<u>(550,535)</u>	<u>-</u>
<u>(18,509,751)</u>	<u>(550,535)</u>	<u>(19,060,286)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,648)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,648)</u>
30,553,257	-	30,553,257	-
104,338	-	104,338	54
(1,438,263)	1,438,263	-	-
<u>29,219,332</u>	<u>1,438,263</u>	<u>30,657,595</u>	<u>54</u>
10,709,581	887,728	11,597,309	(45,594)
32,083,073	224,294	32,307,367	(154,471)
<u>\$ 42,792,654</u>	<u>\$ 1,112,022</u>	<u>\$ 43,904,676</u>	<u>\$ (200,065)</u>

LAURENS COUNTY, SOUTH CAROLINA

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

	General	Capital Fund	Fire Capital Reserve	EMS	Nonmajor Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 41,176,276	\$ -	\$ -	\$ 23,716	\$ 2,156,060	\$ 43,356,052
Investments	3,747,555	-	-	-	-	3,747,555
Taxes receivable, net	728,541	-	9,520	70,737	144,444	953,242
Accounts receivable, net	165,552	-	-	443,903	200,566	810,021
Due from other funds	502,690	24,786,984	494,119	-	4,927,699	30,711,492
Due from other governments	1,121,361	1,805,121	-	-	-	2,926,482
Prepaid expenditures	185,415	-	-	13,336	-	198,751
Total assets	<u>\$ 47,627,390</u>	<u>\$ 26,592,105</u>	<u>\$ 503,639</u>	<u>\$ 551,692</u>	<u>\$ 7,428,769</u>	<u>\$ 82,703,595</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 523,055	\$ 1,437,058	\$ 12,900	\$ 98,709	\$ 83,265	\$ 2,154,987
Accrued expenses	920,436	-	-	-	660	921,096
Due to other funds	30,458,802	-	412,760	31,970	57,960	30,961,492
Due to other governments	72,736	-	-	-	-	72,736
Unearned revenue	1,084,706	56,336	-	-	-	1,141,042
Total liabilities	<u>33,059,735</u>	<u>1,493,394</u>	<u>425,660</u>	<u>130,679</u>	<u>141,885</u>	<u>35,251,353</u>
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue	646,173	-	8,545	62,651	128,851	846,220
Total deferred inflow of resources	<u>646,173</u>	<u>-</u>	<u>8,545</u>	<u>62,651</u>	<u>128,851</u>	<u>846,220</u>
FUND BALANCES						
Nonspendable:						
Prepaid expenditures	185,415	-	-	13,336	-	198,751
Restricted for:						
Detention center	350,627	-	-	-	-	350,627
Debt service	-	-	-	-	1,406,990	1,406,990
Public safety	389,992	-	-	345,026	3,464,126	4,199,144
Public works	-	-	-	-	15,529	15,529
Capital outlay	-	-	69,434	-	-	69,434
Committed for:						
Demolition projects	95,935	-	-	-	-	95,935
Roads and bridges	-	-	-	-	2,341,867	2,341,867
Parks and recreation	126,099	-	-	-	-	126,099
Capital outlay	-	25,098,711	-	-	-	25,098,711
Unassigned balance (deficit)	12,773,414	-	-	-	(70,479)	12,702,935
Total fund balances	<u>13,921,482</u>	<u>25,098,711</u>	<u>69,434</u>	<u>358,362</u>	<u>7,158,033</u>	<u>46,606,022</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 47,627,390</u>	<u>\$ 26,592,105</u>	<u>\$ 503,639</u>	<u>\$ 551,692</u>	<u>\$ 7,428,769</u>	

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.	73,566,982
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	846,220
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. These deferred outflows of resources consist of pension and OPEB related experience differences, investment return, changes in proportionate share of contributions, and subsequent contributions.	10,362,619
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(78,992,037)
Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. These deferred inflows of resources consist of pension and OPEB related experience differences and changes in proportionate share of contributions.	(9,597,152)
Net position of governmental activities	<u>\$ 42,792,654</u>

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

LAURENS COUNTY, SOUTH CAROLINA

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

	General	Capital Fund	Fire Capital Reserve	EMS	Nonmajor Governmental Fund	Total
Revenues:						
Property taxes	\$ 19,847,360	\$ 1,374,370	\$ 341,676	\$ 1,654,769	\$ 7,139,664	\$ 30,357,839
Licenses and permits	697,458	-	-	-	-	697,458
Intergovernmental	16,667,827	6,610,794	-	9,398	3,777,500	27,065,519
Charges for services	3,258,626	-	-	1,791,185	-	5,049,811
Fines and forfeitures	1,465,041	-	-	-	92,378	1,557,419
Interest	34,620	61,408	-	-	8,310	104,338
Other revenues	30,426	-	-	-	-	30,426
Total revenues	<u>42,001,358</u>	<u>8,046,572</u>	<u>341,676</u>	<u>3,455,352</u>	<u>11,017,852</u>	<u>64,862,810</u>
Expenditures:						
Current:						
General government	16,888,058	-	-	-	-	16,888,058
Judicial	1,824,432	-	-	-	-	1,824,432
Public safety	13,021,026	-	-	4,569,104	3,740,866	21,330,996
Public works	3,075,630	-	-	-	-	3,075,630
Health and welfare	308,918	-	-	-	-	308,918
Culture and recreation	1,200,757	-	-	-	-	1,200,757
Housing and development	1,535,396	-	-	-	1,858,479	3,393,875
Capital outlay	-	8,322,547	161,990	-	4,334,874	12,819,411
Debt service:						
Principal	152,642	2,420,000	318,253	1,019	1,764,532	4,656,446
Interest	5,742	1,223,438	87,767	55	188,769	1,505,771
Total expenditures	<u>38,012,601</u>	<u>11,965,985</u>	<u>568,010</u>	<u>4,570,178</u>	<u>11,887,520</u>	<u>67,004,294</u>
Excess (deficiency) of revenues over (under) expenditures	3,988,757	(3,919,413)	(226,334)	(1,114,826)	(869,668)	(2,141,484)
Other financing sources (uses):						
Sale of assets	3,000	16,150	22,250	-	-	41,400
Lease proceeds	5,195	-	-	-	-	5,195
Transfers in	-	-	-	-	366,787	366,787
Transfers out	(1,805,050)	-	-	-	-	(1,805,050)
Total other financing sources (uses), net	<u>(1,796,855)</u>	<u>16,150</u>	<u>22,250</u>	<u>-</u>	<u>366,787</u>	<u>(1,391,668)</u>
Net change in fund balances	2,191,902	(3,903,263)	(204,084)	(1,114,826)	(502,881)	(3,533,152)
Fund balances, beginning of year	<u>11,729,580</u>	<u>29,001,974</u>	<u>273,518</u>	<u>1,473,188</u>	<u>7,660,914</u>	<u>50,139,174</u>
Fund balances, end of year	<u>\$ 13,921,482</u>	<u>\$ 25,098,711</u>	<u>\$ 69,434</u>	<u>\$ 358,362</u>	<u>\$ 7,158,033</u>	<u>\$ 46,606,022</u>

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

LAURENS COUNTY, SOUTH CAROLINA

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

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

Net change in fund balances - total governmental funds	\$ (3,533,152)
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. This is the difference between depreciation and amortization expense and capital outlay in the current period.	7,835,938
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(14,946)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	195,418
The issuance of long-term debt (i.e., bonds, leases) 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	5,690,857
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	<u>535,466</u>
Change in net position of governmental activities	<u>\$ 10,709,581</u>

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

LAURENS COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 19,141,200	\$ 19,141,200	\$ 19,847,360	\$ 706,160
Licenses and permits	581,200	581,200	697,458	116,258
Intergovernmental	3,976,229	3,976,229	16,667,827	12,691,598
Charges for services	3,020,650	3,020,650	3,258,626	237,976
Fines and forfeitures	1,175,000	1,175,000	1,465,041	290,041
Interest income	40,000	40,000	34,620	(5,380)
Miscellaneous	19,500	19,500	30,426	10,926
Total revenues	<u>27,953,779</u>	<u>27,953,779</u>	<u>42,001,358</u>	<u>14,047,579</u>
Expenditures:				
Current:				
General government:				
Administrative	604,342	604,342	603,805	537
County attorney	212,294	212,294	240,314	(28,020)
Tax assessor	643,515	643,515	575,906	67,609
Auditor	443,377	443,377	456,853	(13,476)
Contingency	75,000	75,000	85,460	(10,460)
County council	183,472	183,472	200,738	(17,266)
Finance	384,008	384,008	509,817	(125,809)
Human resources	354,715	354,715	380,179	(25,464)
Planning	1,620	1,620	2,894	(1,274)
Registration and elections	277,469	277,469	308,020	(30,551)
Treasurer	1,173,364	1,173,364	883,702	289,662
Purchasing	109,417	109,417	117,827	(8,410)
Benefits and insurance	1,130,563	1,130,563	967,654	162,909
Equipment	11,074,040	11,074,040	11,377,482	(303,442)
Miscellaneous	179,150	179,150	177,407	1,743
Total general government	<u>16,846,346</u>	<u>16,846,346</u>	<u>16,888,058</u>	<u>(41,712)</u>
Judicial:				
Clerk of court	755,609	755,609	702,481	53,128
Magistrate court	665,353	665,353	651,012	14,341
Probate court	489,974	489,974	450,501	39,473
Judicial grants	36,000	36,000	20,438	15,562
Total judicial	<u>1,946,936</u>	<u>1,946,936</u>	<u>1,824,432</u>	<u>122,504</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures: (Continued)				
Current: (Continued)				
Public safety:				
Emergency operations	\$ 1,397,955	\$ 1,397,955	\$ 1,140,242	\$ 257,713
Coroner	297,788	297,788	337,245	(39,457)
Detention center	4,711,855	4,711,855	4,379,047	332,808
E911	612,547	612,547	594,122	18,425
Emergency management services	8,447	8,447	11,245	(2,798)
Emergency management	181,017	181,017	89,763	91,254
Sheriff	6,017,168	6,017,168	6,469,362	(452,194)
Total public safety	<u>13,226,777</u>	<u>13,226,777</u>	<u>13,021,026</u>	<u>205,751</u>
Public works:				
Building and grounds	1,197,206	1,197,206	1,325,963	(128,757)
Public works	253,148	253,148	249,225	3,923
Roads and bridges	1,843,832	1,843,832	1,500,442	343,390
Total public works	<u>3,294,186</u>	<u>3,294,186</u>	<u>3,075,630</u>	<u>218,556</u>
Health and welfare:				
Health department	12,000	12,000	36,070	(24,070)
Social services	64,000	64,000	66,894	(2,894)
Veterans affairs	195,749	195,749	205,954	(10,205)
Total health and welfare	<u>271,749</u>	<u>271,749</u>	<u>308,918</u>	<u>(37,169)</u>
Culture and recreation:				
Libraries	856,409	856,409	825,742	30,667
Parks and recreation	342,870	342,870	375,015	(32,145)
Total culture and recreation	<u>1,199,279</u>	<u>1,199,279</u>	<u>1,200,757</u>	<u>(1,478)</u>
Housing and development:				
Airport	101,056	101,056	100,406	650
Clemson extension	32,800	32,800	32,428	372
Inspections	533,685	533,685	551,457	(17,772)
Local government assistance	485,025	485,025	521,954	(36,929)
Special appropriations	103,500	103,500	98,500	5,000
Technical education	261,200	261,200	230,651	30,549
Total housing and development	<u>1,517,266</u>	<u>1,517,266</u>	<u>1,535,396</u>	<u>(18,130)</u>

(Continued)

LAURENS COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures: (Continued)				
Debt service:				
Principal	\$ 95,240	\$ 95,240	\$ 152,642	\$ (57,402)
Interest	2,352	2,352	5,742	(3,390)
Total debt service	<u>97,592</u>	<u>97,592</u>	<u>158,384</u>	<u>(60,792)</u>
 Total expenditures	 <u>38,400,131</u>	 <u>38,400,131</u>	 <u>38,012,601</u>	 <u>387,530</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(10,446,352)</u>	 <u>(10,446,352)</u>	 <u>3,988,757</u>	 <u>14,435,109</u>
Other financing sources (uses):				
Sale of assets	-	-	3,000	3,000
Lease proceeds	-	-	5,195	5,195
Transfers in	35,000	35,000	-	(35,000)
Transfers out	(1,358,000)	(1,358,000)	(1,805,050)	(447,050)
Total other financing sources (uses), net	<u>(1,323,000)</u>	<u>(1,323,000)</u>	<u>(1,796,855)</u>	<u>(473,855)</u>
 Net change in fund balances	 (11,769,352)	 (11,769,352)	 2,191,902	 13,961,254
 Fund balance, beginning of year	 <u>11,729,580</u>	 <u>11,729,580</u>	 <u>11,729,580</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$ (39,772)</u>	 <u>\$ (39,772)</u>	 <u>\$ 13,921,482</u>	 <u>\$ 13,961,254</u>

LAURENS COUNTY, SOUTH CAROLINA

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

	Major Enterprise Fund Solid Waste Fund
ASSETS	
CURRENT ASSETS	
Cash	\$ 100
Accounts receivable, net	41,959
Due from other funds	250,000
Total current assets	292,059
NONCURRENT ASSETS	
Capital assets:	
Nondepreciable	2,031
Depreciable, net of accumulated depreciation	2,196,241
Total noncurrent assets	2,198,272
Total assets	2,490,331
DEFERRED OUTFLOWS OF RESOURCES	
Pension	317,436
Total deferred outflows of resources	317,436
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	93,818
Compensated absences due within one year	25,162
Total current liabilities	118,980
NONCURRENT LIABILITIES	
Net pension liability	1,320,454
Total noncurrent liabilities	1,320,454
Total liabilities	1,439,434
DEFERRED INFLOWS OF RESOURCES	
Pension	256,311
Total deferred inflows of resources	256,311
NET POSITION	
Investment in capital assets	2,198,272
Unrestricted	(1,086,250)
Total net position	\$ 1,112,022

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

LAURENS COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Major Enterprise Fund Solid Waste Fund</u>
OPERATING REVENUES	
Charges for services:	
Landfill user charges	\$ 2,426,864
Total operating revenues	<u>2,426,864</u>
OPERATING EXPENSES	
Salaries and fringe benefits	1,930,192
Professional services	448,858
Repairs and maintenance	288,052
Other operating expenses	165,789
Depreciation	148,834
Total operating expenses	<u>2,981,725</u>
Operating loss	<u>(554,861)</u>
NONOPERATING REVENUES	
Miscellaneous	4,326
Total nonoperating revenues	<u>4,326</u>
Income before transfers	(550,535)
TRANSFERS	
Transfers in	1,438,263
Total transfers	<u>1,438,263</u>
Change in net position	887,728
Net position, beginning of year	<u>224,294</u>
Net position, end of year	<u>\$ 1,112,022</u>

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

LAURENS COUNTY, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Major Enterprise Fund Solid Waste Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 1,161,901
Other receipts	4,326
Payments to suppliers	(896,772)
Payments to employees	(1,372,386)
Net cash provided by operating activities	(1,102,931)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	1,438,263
Net cash provided by noncapital financing activities	1,438,263
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(335,332)
Net cash used in capital and related financing activities	(335,332)
Net change in cash and cash equivalents	-
Cash and cash equivalents:	
Beginning of year	100
End of year	\$ 100
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (554,861)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	148,834
Miscellaneous receipts	4,326
Changes in assets and liabilities:	
Increase in accounts receivable	(32,522)
Decrease in due from other funds	26,783
Increase in deferred outflows of resources	(141,303)
Increase in accounts payable	5,927
Increase in due to other funds	(1,259,224)
Increase in compensated absences	4,082
Increase in net pension liability	463,149
Increase in deferred inflows of resources	231,878
Net cash provided by operating activities	\$ (1,102,931)

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

LAURENS COUNTY, SOUTH CAROLINA

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

		<u>Custodial Funds</u>
	ASSETS	
Cash		\$ 37,957,034
Taxes receivable		<u>1,656,189</u>
Total assets		<u>39,613,223</u>
	LIABILITIES	
Due to others		37,757,011
Uncollected taxes		<u>1,656,189</u>
Total liabilities		<u>39,413,200</u>
	NET POSITION	
Restricted for individuals, organizations, and other governments		<u>200,023</u>
Total net position		<u>\$ 200,023</u>

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

LAURENS COUNTY, SOUTH CAROLINA

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

	Custodial Funds
ADDITIONS	
Taxes	\$ 137,236,782
Fine and fees	2,066,485
Criminal and civil bonds	2,883,820
	<hr/>
Total additions	142,187,087
	<hr/>
DEDUCTIONS	
Taxes and fees paid to other governments	137,236,782
Funds disbursed per court order	4,047,971
Other custodial funds disbursed	740,691
	<hr/>
Total deductions	142,025,444
	<hr/>
Change in net position	161,643
Net position, beginning of year	<hr/> 38,380
Net position, end of year	<hr/> <hr/> \$ 200,023

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

LAURENS COUNTY, SOUTH CAROLINA

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Laurens County, South Carolina (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.

A. Reporting Entity

The County operates under a council form of government. For financial statement purposes, the County has divided its operations into the functions of the general government, judicial services, public safety, public works, health and welfare, culture and recreation, and housing and development. The County is a political subdivision of the State of South Carolina. A seven-member council elected from single-member districts govern it. These financial statements present all the fund types of the County.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County (the primary government) and its component unit. The component unit discussed below is included in the County's reporting entity because of the significance of its operational and financial relationship with 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 component unit discussed below is included in the County's reporting entity because of the significance of their operational or financial relationship with the County.

The Board of the Laurens County Library (the "Library") oversees the operations of the County library. The Library is governed by an eight-member Board of Trustees appointed by the County Council. The Library is fiscally dependent upon the primary government. Separate financial statements for the Library were not prepared.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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 they are needed.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 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, leases, and claims and judgments, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, sales taxes, franchise taxes, intergovernmental grants, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

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 Revenues, Expenses and Changes in Net Position presents increases (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.

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 or capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major governmental funds:

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

The **Capital Fund** is used to account for property taxes received and intergovernmental funds received from the state that are used for acquisition or construction of capital facilities.

The **Fire Capital Reserve Fund** is used to account for property taxes received that are restricted for fire department capital projects.

The **EMS Fund** accounts for activities of the County's emergency medical services, the resources of which are restricted for public safety.

The County reports the following major proprietary fund:

The **Solid Waste Fund** is used to account for the fees received from customers for provided landfill and waste disposal.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the County reports the following fund types:

The **special revenue funds** account for revenue sources that are legally restricted or committed for expenditures of specific purposes.

The **debt service funds** account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The **capital project funds** account for the acquisition or construction of capital facilities.

The **custodial funds** are used to account for assets held by the County as an agent for individuals, private organizations, other governmental units, and/or other funds.

Amounts reported as *program revenues* include: 1) charges for services 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.

D. Cash, Cash Equivalents, and Investments

The County and the discretely presented component unit's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County and the discretely presented component unit to invest in obligations of the United States and agencies thereof; general obligations of the State of South Carolina or any of its political units; financial institutions to the extent that the same are insured by an agency of the federal government; certificates of deposit where the certificates are collaterally secured by securities of the type described previously and held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit secured, including interest, provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government; repurchase agreements when collateralized by securities as set forth in this section; and no load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or other financial institution when acting as trustee or agent for a bond or other debt issue of the County, if the particular portfolio of the investment company or investment trust in investment is made (i) is limited to obligations described in this section, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash, Cash Equivalents, and Investments (Continued)

Investments are stated at fair value; except repurchase agreements and U.S. Government agencies that have a maturity at the time of purchase of one year or less are shown at cost.

The County Treasurer pools cash and time deposits for some of the funds. 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 is distributed to funds based on their average fund balances for the fiscal year. The purpose of pooling funds is to obtain maximum return of interest through the investment of funds.

E. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide Statement of Net Position. In the fund financial statements, these receivables and payables are classified as “due from other funds” or “due to other funds”.

F. Prepaid Items

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

G. Capital Assets

Capital assets and right-to-use leased assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. In accordance with GASB 34, infrastructure assets acquired after June 30, 1980, have been capitalized. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

The cost 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 improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of assets constructed.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Capital assets of the primary government are depreciated using the straight-line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Buildings	30
Equipment	3 - 10
Right-to-use leased equipment	3 - 10
Infrastructure	30

H. Leases

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has four (4) items that qualify for reporting in this category. These items relate to the County's Retirement Plans 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' actuary, which adjust the net pension and total OPEB liabilities 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 pension and OPEB liabilities 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 or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has (5) five types of items that qualify for reporting in this category, one of which arises only under a modified accrual basis of accounting.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources (Continued)

Accordingly, the first item, *unavailable revenue*, is reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other four items relate to the County's pension and OPEB plans and are reported in the government-wide and proprietary fund Statements of Net Position. (1) Experience losses are recorded as deferred inflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of the plan members. (2) 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 (3) 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 inflows. (4) 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.

J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when the employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide financial statements. Employees are required to take the equivalent of at least one work week of annual leave per year. Accumulated annual leave time may be carried over from one calendar year to the next, subject to a maximum of 30 days. Upon leaving the County's employment, the maximum payout of accrued leave shall not exceed 30 days. 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.

L. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Council through the adoption of a resolution. Only the County Council may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. Through resolution, the County Council has authorized the County Administrator to assign fund balances.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Management Estimates

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position

The Governmental Funds Balance Sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$78,992,037 difference are as follows:

Bonds payable	\$ (28,288,270)
Unamortized bond premium	(3,755,007)
Leases payable	(151,360)
Financed purchases	(2,871,742)
Notes payable from direct borrowings	(177,780)
Accrued interest	(370,191)
Net pension liability	(25,437,046)
Total OPEB liability	(17,036,563)
Compensated absences	(904,078)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (78,992,037)

Another element of that reconciliation states the “deferred outflows of resources are not due and payable in the current period and therefore are not reported in governmental funds.” The details of this \$10,362,619 difference are as follows:

Pension experience differences	\$ 614,732
OPEB experience differences	14,059
Pension assumption changes	1,569,537
OPEB assumption changes	3,792,749
Pension changes in proportion and differences between County contributions and proportionate share of contributions	1,241,222
Pension contributions subsequent to the measurement date	2,689,539
OPEB contributions subsequent to the measurement date	440,781
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 10,362,619

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

A. Explanation of Certain Differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position

Another element of that reconciliation states the “deferred inflows of resources are not due and payable in the current period and therefore are not reported in governmental funds.” The details of this \$9,597,152 difference are as follows:

Pension experience differences	\$ (53,182)
OPEB experience differences	(3,742,025)
Pension investment return	(4,538,238)
Pension changes in proportion and differences between County contributions and proportionate share of contributions	(346,105)
OPEB assumption changes	<u>(917,602)</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (9,597,152)</u>

B. Explanation of Certain Differences between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as amortization and depreciation expense.” The details of this \$7,835,938 difference are as follows:

Capital outlay	\$ 13,822,804
Amortization expense	(61,065)
Depreciation expense	<u>(5,925,801)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 7,835,938</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation explains that “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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.” The details of this \$5,690,857 difference are as follows:

Issuance of leases	\$ (5,195)
Principal repayment - leases	59,664
Principal repayment - notes payable from direct borrowings	88,890
Principal repayment - general obligation bonds	4,094,399
Principal repayment - financed purchases	413,493
Amortization of bond premium	<u>1,039,606</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u><u>\$ 5,690,857</u></u>

Another element of that reconciliation explains that “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”. The details of this \$535,466 difference are as follows:

Compensated absences	\$ (183,207)
Net pension liability, net of related deferred outflows and inflows of resources	894,791
Total OPEB liability, net of related deferred outflows and inflows of resources	(251,778)
Accrued interest	<u>75,660</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities</i>	<u><u>\$ 535,466</u></u>

NOTE 3. BUDGETARY ACCOUNTING AND REPORTING

A. Budgetary Policies

On or before March 1 of each year, all agencies of the County submit requests for appropriation to the County Administrator so that a budget may be prepared. The budget is prepared by fund, function and department, and includes information on the past year and current year estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. BUDGETARY ACCOUNTING AND REPORTING (CONTINUED)

A. Budgetary Policies (Continued)

Before April 1, the proposed budget is presented to the County Council for review. The County Council holds public hearings and may add to, subtract from or change appropriations. Any changes in the budget must be within the revenues and reserves estimated as available by the County Administrator. The revenue estimates must be changed by an affirmative vote of majority of the County Council. Department heads may make budget transfers within their department's budgets. Transfers from one department to another require County Council approval. The legal level of budgetary control is the department level. The other special revenue funds are budgeted as grants are awarded and are budgeted on a project basis; therefore, some grants span several years. The capital projects funds are budgeted on a project basis and some projects span several years.

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2022, expenditures exceeded appropriations as follows:

Fund/Department	Excess
General Fund:	
County attorney	\$ 28,020
Auditor	13,476
County council	17,266
Finance	125,809
Human resources	25,464
Planning	1,274
Registration and elections	30,551
Purchasing	8,410
Equipment	303,442
Coroner	39,457
Emergency management services	2,798
Sheriff	452,194
Building and grounds	128,757
Health department	24,070
Social services	2,894
Veterans affairs	10,205
Parks and recreation	32,145
Inspections	17,772
Local government assistance	36,929
Debt service	60,792
EMS Fund:	
Emergency medical services	495,610
Debt service	1,074

These over-expenditures were funded by under-expenditures in other departments of the General Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2022, are summarized as follows:

Statement of Net Position:

Primary government:

Cash and cash equivalents	\$ 43,356,152
Investments	3,747,555

Component Unit:

Cash and cash equivalents	27,820
Investments	20,176

Statement of Fiduciary Net Position:

Cash and cash equivalents	37,957,034
	<u>\$ 85,108,737</u>

Cash deposited with financial institutions	\$ 11,589,579
LGIP	69,771,603
Certificates of deposit	3,747,555
	<u>\$ 85,108,737</u>

Credit risk. This is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy parallels state law and has no restrictions that would further limit its investment choices other than state law. As of June 30, 2022, the underlying security ratings of the County's investment in the South Carolina Local Government Investment Pool (LGIP) may be obtained from the LGIP's complete financial statements. This investment pool does not have a credit quality rating assigned. These financial statements may be obtained by writing to the following address:

The State Treasurer's Office
Local Government Investment Pool
Post Office Box 11778
Columbia, South Carolina 29211

At June 30, 2022, the County had the following investments:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1-5	6-10
LGIP	\$ 69,771,603	\$ 69,771,603	\$ -	\$ -
Certificates of deposit	3,747,555	498,000	3,249,555	-
	<u>\$ 73,519,158</u>	<u>\$ 70,269,603</u>	<u>\$ 3,249,555</u>	<u>\$ -</u>

Interest rate risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk – Deposits. The County does not have a formal custodial credit risk policy. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2022, none of the County or Library deposits were exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

Fair Value Measurement: 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.

NOTE 5. RECEIVABLES

Receivables at June 30, 2022, for the County’s individual major funds and nonmajor funds in the aggregate, are as follows:

	General	Capital Fund	Fire Capital Reserve	Solid Waste	Nonmajor Governmental Funds
Receivables:					
Taxes	\$ 761,844	\$ -	\$ 9,917	\$ -	\$ 150,462
Accounts	173,872	-	-	41,959	200,566
Due from other governments	1,121,361	1,805,121	-	-	-
Gross receivables	<u>2,057,077</u>	<u>1,805,121</u>	<u>9,917</u>	<u>41,959</u>	<u>351,028</u>
Less allowance for uncollectibles	(41,623)	-	(397)	-	(6,018)
Net receivables	<u>\$ 2,015,454</u>	<u>\$ 1,805,121</u>	<u>\$ 9,520</u>	<u>\$ 41,959</u>	<u>\$ 345,010</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES (CONTINUED)

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.

NOTE 6. CAPITAL ASSETS

The County's capital asset activity for the fiscal year ended June 30, 2022, was as follows:

A. Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 4,969,385	\$ -	\$ -	\$ -	\$ 4,969,385
Construction in progress	2,722,096	11,443,589	-	(1,970,433)	12,195,252
Total capital assets, not being depreciated	<u>7,691,481</u>	<u>11,443,589</u>	<u>-</u>	<u>(1,970,433)</u>	<u>17,164,637</u>
Capital assets, being depreciated:					
Buildings	36,133,905	524,276	-	1,970,433	38,628,614
Equipment	28,596,139	1,849,744	(29,896)	-	30,415,987
Infrastructure	114,900,152	-	-	-	114,900,152
Total capital assets, being depreciated	<u>179,630,196</u>	<u>2,374,020</u>	<u>(29,896)</u>	<u>1,970,433</u>	<u>183,944,753</u>
Less accumulated depreciation for:					
Buildings	(12,291,293)	(1,113,540)	-	-	(13,404,833)
Equipment	(17,818,033)	(1,904,415)	14,950	-	(19,707,498)
Infrastructure	(91,672,190)	(2,907,846)	-	-	(94,580,036)
Total accumulated depreciation	<u>(121,781,516)</u>	<u>(5,925,801)</u>	<u>14,950</u>	<u>-</u>	<u>(127,692,367)</u>
Total capital assets, being depreciated, net	<u>57,848,680</u>	<u>(3,551,781)</u>	<u>(14,946)</u>	<u>1,970,433</u>	<u>56,252,386</u>
Governmental activities capital assets, net	<u>\$ 65,540,161</u>	<u>\$ 7,891,808</u>	<u>\$ (14,946)</u>	<u>\$ -</u>	<u>\$ 73,417,023</u>

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

Governmental activities:	
General government	\$ 665,475
Public safety	2,234,485
Public works	2,817,500
Health and welfare	127,735
Culture and recreation	77,802
Housing and development	2,804
Total depreciation expense - governmental activities	<u>\$ 5,925,801</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,031	\$ -	\$ -	\$ -	\$ 2,031
Total capital assets, not being depreciated	<u>2,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,031</u>
Capital assets, being depreciated:					
Buildings	1,328,961	-	-	-	1,328,961
Equipment	1,483,419	335,332	-	-	1,818,751
Total capital assets, being depreciated	<u>2,812,380</u>	<u>335,332</u>	<u>-</u>	<u>-</u>	<u>3,147,712</u>
Less accumulated depreciation for:					
Buildings	(38,627)	(66,448)	-	-	(105,075)
Equipment	(764,010)	(82,386)	-	-	(846,396)
Total accumulated depreciation	<u>(802,637)</u>	<u>(148,834)</u>	<u>-</u>	<u>-</u>	<u>(951,471)</u>
Total capital assets, being depreciated, net	<u>2,009,743</u>	<u>186,498</u>	<u>-</u>	<u>-</u>	<u>2,196,241</u>
Proprietary capital assets, net	<u>\$ 2,011,774</u>	<u>\$ 186,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,198,272</u>

B. Discretely Presented Component Unit – Laurens County Library

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 33,700	\$ -	\$ -	\$ -	\$ 33,700
Total capital assets, not being depreciated	<u>33,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,700</u>
Capital assets, being depreciated:					
Buildings	1,633,833	-	-	-	1,633,833
Equipment and books	1,202,203	105,197	(194,220)	-	1,113,180
Total capital assets, being depreciated	<u>2,836,036</u>	<u>105,197</u>	<u>(194,220)</u>	<u>-</u>	<u>2,747,013</u>
Less accumulated depreciation for:					
Buildings	(855,177)	(41,147)	-	-	(896,324)
Equipment and books	(1,055,281)	(115,271)	194,220	-	(976,332)
Total accumulated depreciation	<u>(1,910,458)</u>	<u>(156,418)</u>	<u>194,220</u>	<u>-</u>	<u>(1,872,656)</u>
Total capital assets, being depreciated, net	<u>925,578</u>	<u>(51,221)</u>	<u>-</u>	<u>-</u>	<u>874,357</u>
Laurens County Library capital assets, net	<u>\$ 959,278</u>	<u>\$ (51,221)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 908,057</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LEASES

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

	Beginning Balance	Additions	Remeasurements	Amortization	Ending Balance
Governmental activities:					
Lease assets:					
Equipment	\$ 205,829	\$ 5,195	\$ -	\$ (61,065)	\$ 149,959
Total lease assets, net	<u>205,829</u>	<u>5,195</u>	<u>-</u>	<u>(61,065)</u>	<u>149,959</u>

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term liability activity for the year ended June 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
General obligation bonds	\$ 32,382,669	\$ -	\$ (4,094,399)	\$ 28,288,270	\$ 4,306,328
Deferred amounts:					
Unamortized premiums	4,794,613	-	(1,039,606)	3,755,007	-
Total bonds payable	<u>37,177,282</u>	<u>-</u>	<u>(5,134,005)</u>	<u>32,043,277</u>	<u>4,306,328</u>
Financed purchases	3,285,235	-	(413,493)	2,871,742	326,750
Leases payable	205,829	5,195	(59,664)	151,360	61,384
Notes payable from direct borrowings	266,670	-	(88,890)	177,780	88,890
Compensated absences	720,871	608,955	(425,748)	904,078	425,748
Net pension liability	30,562,351	5,013,864	(10,139,169)	25,437,046	-
Total OPEB liability	<u>15,105,376</u>	<u>2,737,790</u>	<u>(806,603)</u>	<u>17,036,563</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 87,323,614</u>	<u>\$ 8,365,804</u>	<u>\$ (17,067,572)</u>	<u>\$ 78,621,846</u>	<u>\$ 5,209,100</u>

For governmental activities, leases and compensated absences are generally liquidated by the General Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds. The County issued general obligation bonds to provide funds for the construction and improvements of major capital facilities. These bonds are direct and general obligations of the County. General obligation bonds have been issued for general government activities and are reported in the governmental activities column of the government-wide statements. General obligation bonds outstanding at June 30, 2022, are as follows:

	<u>Interest Rates</u>	<u>Balance June 30, 2022</u>
2013 General Obligation Issue	2.30%	\$ 808,791
2015 General Obligation Issue	2.28%	787,000
2019A General Obligation Issue	2.15%	3,674,906
2019B General Obligation Issue	1.93%	1,947,573
2021 General Obligation Issue	5.00%	21,070,000
		<u>\$ 28,288,270</u>

General Obligation Bonds, Series 2013, \$3,700,000 Principal

During the fiscal year ended June 30, 2014, the County issued bonds in the amount of \$3,700,000. The bonds bear interest at 2.30% with final maturity in 2024. The proceeds from the sale of the bonds will be used for the purpose of (i) defraying the cost of capital improvements of the County and (ii) paying all or a portion of the costs of issuance of the bonds. The County has imposed an ad valorem tax, without limit, on all taxable property in the County sufficient in amount to pay the principal and interest on the bonds.

General Obligation Bonds, Series 2015, \$2,450,000 Principal

During the fiscal year ended June 30, 2016, the County issued bonds in the amount of \$2,450,000. The bonds bear interest at 2.28% with final maturity in 2025. The proceeds from the sale of the bonds will be used for the purpose of (i) repairing and renovating existing fire stations of the District, (ii) constructing new fire stations and acquiring necessary accessories for the District, and (iii) paying all or a portion of the costs of issuance of the bonds. The County has imposed an ad valorem tax, without limit, on all taxable property in the County sufficient in amount to pay the principal and interest on the bonds.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds. (Continued)

General Obligation Bonds, Series 2019A, \$4,500,000 Principal and Series 2019B, \$3,750,000 Principal

During the fiscal year ended June 30, 2020, the County issued bonds in the total amount of \$8,250,000. The 2019A bonds bear interest at 2.15% with final maturity in 2030. Principal payments are due beginning on March 1, 2020, and in annual installments thereafter through 2030. Interest is payable semiannually on March 1 and September 1 through maturity. The proceeds from the sale of the bonds will be used for the purpose of funding new capital projects including renovation of the historic courthouse and new department facilities and paying all of the costs of issuance of the bonds. The 2019B bonds bear interest at 1.93% with final maturity in 2025. Principal payments are due beginning on March 1, 2020, and in annual installments thereafter through 2030. Interest is payable semiannually on March 1 and September 1 through maturity. The proceeds from the sale of the bonds was used for the purpose of refunding the 2010 General Obligation Bonds outstanding at the date of issuance. The refunding transaction resulted in a present value savings of \$147,471 as of the date of issuance. The difference between debt service cash flow requirements on the 2010 refunded bonds and the 2019B refunding bonds was \$161,919. The County has imposed an ad valorem tax, without limit, on all taxable property in the County sufficient in amount to pay the principal and interest on these bonds.

General Obligation Bonds, Series 2021, \$23,490,000 Principal

During the fiscal year ended June 30, 2021, the County issued bonds in the amount of \$23,490,000. The bonds bear interest at 5.00% with final maturity in 2029. The proceeds from the sale of the bonds will be used for the purpose of providing funds to defray all or a portion of the costs of (i) the Capital Projects Sales Tax and (ii) the costs of issuance of the bonds. The County has imposed an ad valorem tax, without limit, on all taxable property in the County sufficient in amount to pay the principal and interest on the bonds.

General obligation bonds debt service requirements to maturity are as follows:

Fiscal year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,306,328	\$ 1,206,645	\$ 5,512,973
2024	4,469,858	1,040,704	5,510,562
2025	4,232,541	867,697	5,100,238
2026	3,448,964	696,445	4,145,409
2027	3,608,724	536,935	4,145,659
2028-2030	8,221,855	574,872	8,796,727
	<u>\$ 28,288,270</u>	<u>\$ 4,923,298</u>	<u>\$ 33,211,568</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Financed Purchases. The County has entered into agreements for financing the acquisition of various equipment. The following is an analysis of assets under financed purchases as of June 30, 2022:

	Governmental Activities
Equipment	\$ 1,462,443
Less: Accumulated depreciation	(1,084,850)
	\$ 377,593

The County recorded depreciation expense of \$262,979 in the fiscal year ended June 30, 2022, on assets under financed purchases.

Financed purchases debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2023	\$ 326,750	\$ 76,676	\$ 403,426
2024	335,475	67,952	403,427
2025	344,432	58,995	403,427
2026	353,628	49,799	403,427
2027	363,070	40,357	403,427
2028-2030	1,148,387	61,864	1,210,251
	\$ 2,871,742	\$ 355,643	\$ 3,227,385

Leases. The County has entered into multiple noncancelable leases as the lessee for various right-to-use assets. The incremental borrowing rate for these leases is 2%. As of June 30, 2022, the County has \$151,360 outstanding in leases payable.

The annual requirements to amortize all leases payable as of June 30, 2022, including interest payments are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2023	\$ 61,384	\$ 2,467	\$ 63,851
2024	59,559	1,235	60,794
2025	15,649	436	16,085
2026	10,325	200	10,525
2027	4,443	32	4,475
	\$ 151,360	\$ 4,370	\$ 155,730

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Notes payable from direct borrowings. The County has entered into an agreement to purchase equipment for EMS use. The note bears no interest and is to be paid in three annual installments of \$88,890.

Note payable debt requirements to maturity are as follows:

Fiscal year ending June 30,	<u>Principal</u>
2023	\$ 88,890
2024	88,890
	<u>\$ 177,780</u>

Long-term liabilities for Business-type activities at June 30, 2022, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Business-type Activities					
Compensated absences	\$ 21,080	\$ 15,476	\$ (11,394)	\$ 25,162	\$ 25,162
Net pension liability	857,305	463,149	-	1,320,454	-
Business-type Activities long-term liabilities	<u>\$ 878,385</u>	<u>\$ 478,625</u>	<u>\$ (11,394)</u>	<u>\$ 1,345,616</u>	<u>\$ 25,162</u>

B. Discretely Presented Component Unit – Laurens County Library

Long-term liabilities for the Laurens County Library at June 30, 2022, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Laurens County Library					
Net pension liability	\$ 869,461	\$ 146,359	\$ (273,293)	\$ 742,527	\$ -
Total OPEB liability	414,414	75,975	(10,884)	479,505	-
Laurens County Library long-term liabilities	<u>\$ 1,283,875</u>	<u>\$ 222,334</u>	<u>\$ (284,177)</u>	<u>\$ 1,222,032</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2022, is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
Fire Capital Reserve Fund	General Fund	\$ 494,119
Capital Fund	General Fund	24,786,984
Solid Waste Fund	General Fund	250,000
General Fund	Fire Capital Reserve Fund	412,760
General Fund	EMS Fund	31,970
General Fund	Nonmajor Governmental Funds	57,960
Nonmajor Governmental Funds	General Fund	4,927,699
		\$ 30,961,492

These balances resulted 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.

Interfund Transfers

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, 2022, consisted of the following individual amounts:

Transfer in Fund	Transfer out Fund	Amount
Nonmajor Governmental Funds	General Fund	\$ 366,787
Solid Waste	General Fund	1,438,263
		\$ 1,805,050

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) 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. EMPLOYEE BENEFITS

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

Plan Description

The County contributes to the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan. The plan was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions. In addition to the SCRS pension plan, the County also contributes to the South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan. The plan was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plan (Continued)

Membership

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

SCRS. Generally, all employees of covered employers are required to participate in and contribute to the SCRS as a condition of employment. This plan covers general employees and 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.

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

Benefits

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plan (Continued)

Benefits (Continued)

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

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

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contributions rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plan (Continued)

Contributions (Continued)

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the Board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent. For the year ended June 30, 2022, the County contributed \$1,530,264 to the SCRS plan and \$1,377,401 to the PORS plan.

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

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

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

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

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plan (Continued)

Net Pension Liability

The June 30, 2021, (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, 2020, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2021, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS. The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position.

As of June 30, 2022, (measurement date of June 30, 2021), the net pension liability amounts for the County's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a percentage of Total Pension	County's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 40,636,936	\$ 24,685,463	\$ 15,951,473	60.7%	0.073709%
PORS	\$ 38,980,853	\$ 27,432,299	\$ 11,548,554	70.4%	0.448851%

Actuarial Assumptions and Methods

Actuarial valuations 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 during the valuation process 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, 2021 (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, 2020, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2021, using generally accepted actuarial principles.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued)

There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the systems. In FY 2021 the Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

The following table provides a summary of the actuarial assumptions and methods used in the June 30, 2021, valuations for SCRS and PORS.

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry Age Normal	Entry Age Normal
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.

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
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.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued)

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 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.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public equity	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private equity	9.0%	9.68%	0.87%
Private debt	7.0%	5.47%	0.39%
Real assets	12.0%		
Real Estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
	100.0%		
		Total expected real return	5.18%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	7.43%

Discount Rate

The discount rate used to measure the total pension liability was 7 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 State Code of Laws. Based on those assumptions, the County's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. 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%)
SCRS	\$ 20,894,444	\$ 15,951,473	\$ 11,842,842
PORS	\$ 16,755,475	\$ 11,548,554	\$ 7,283,289

Pension Expense

For the year ended June 30, 2022, the County recognized its proportionate share of collective pension expense of \$1,164,798 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 (\$82,649) for a total of \$1,082,149 for the SCRS plan. Additionally, for the year ended June 30, 2022, the County recognized its proportionate share of collective pension expense of \$1,263,414 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 \$212,917 for a total of \$1,486,331 for the PORS plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plan (Continued)

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

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

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 271,715	\$ 21,529
Changes of assumptions	873,131	-
Net difference between projected and actual earnings on pension plan investments	-	2,317,162
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	420,974	343,852
Employer contributions subsequent to the measurement date	<u>1,530,264</u>	<u>-</u>
Total	<u>\$ 3,096,084</u>	<u>\$ 2,682,543</u>
PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 392,872	\$ 35,966
Changes of assumptions	823,698	-
Net difference between projected and actual earnings on pension plan investments	-	2,589,134
Changes in proportion and differences between employer contributions and proportionate share of contributions	920,913	30,323
Employer contributions subsequent to the measurement date	<u>1,377,401</u>	<u>-</u>
Total	<u>\$ 3,514,884</u>	<u>\$ 2,655,423</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

A. Retirement Plan (Continued)

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

County contributions subsequent to the measurement date of \$1,530,264 and \$1,377,401 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	SCRS	PORS
2023	\$ (40,243)	\$ 166,711
2024	(101,381)	201,129
2025	(108,044)	3,103
2026	(867,055)	(888,883)

Pension Plan Fiduciary Net Position

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

B. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, which is administered and controlled by the State of South Carolina. The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Great-West Retirement Services, P.O. Box 173764, Denver, CO 80217-3764, (under state contract) is the program administrator of the 457 plan as well as the 401(k) plan and 401(k) Roth plan which are also available to County employees at their option.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

In addition to providing pension benefits, the County, authorized by its County Council, provides certain healthcare benefits for eligible retired employees and their dependents through a single employer plan. The Laurens County Library (Component Unit) also participates in the post-employment health care benefits with the County. The coverage is optional and not all retirees participate. Employees retiring with 10 or more years of service, regardless of age, may elect to remain in the county health insurance group. Also, employees retiring with 15 years or more of service can remain in the county health insurance group at no charge to retiree. Individual coverage premiums and any spouse or family coverage must be paid by the retiree, as set forth by the State Health Plan in such amounts as may be in effect at the time of retirement. Upon Medicare eligibility, each retiree must convert to Medicare as their primary coverage, with supplemental coverage paid by the County for the retiree. Any spouse of a retiree may remain in the County plan until Medicare eligibility, provided all premiums are paid by the retiree. Spouses may be included in the supplement plan, with premiums paid by the retiree. Cash in lieu of coverage shall not be an option. Any deputized officer determined totally disabled as a result of the performance of his duties, shall qualify for these same benefits with 15 years of service regardless of age. Benefits are effective at date of retirement or when the employee is eligible for retirement benefits.

Plan Membership

The Plan has 403 covered members for the year ended June 30, 2022; 61 members are retirees receiving benefits and 342 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, 2022, the County paid \$453,177 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 Laurens 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, 2021, and was determined by an actuarial valuation as of June 30, 2020, with the actuary using standard techniques to roll forward the liability to the measurement date.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	2.45% as of June 30, 2020 1.92% as of June 30, 2021
Healthcare cost trend rate:	6.00% - 4.00%, Ultimate Trend after 15 years
Inflation rate:	2.25%
Salary increase:	3.50% - 10.50% for PORS eligible employees and 3.00% - 9.50% for SCRS eligible employees per annum
Participation rate:	95% of all eligible employees and 15% of future retirees and beneficiaries who are required to pay the full premium.

For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with the following multipliers applied to the base tables: 97% for male SCRS members, 107% for female SCRS members, 127% for male PORTS members, and 107% for female PORS members. The rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.

Discount Rate

The discount rate used to measure the total OPEB liability was 1.92% as of June 30, 2021 (measurement date). 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 1.92% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2021 (measurement date).

Changes in the Total OPEB Liability

The changes in the total OPEB liability of the County for the year ended June 30, 2022 (June 30, 2021 measurement date), were as follows:

	Total OPEB Liability
Balances beginning of year	\$ 15,105,376
Changes for the year:	
Service cost	566,746
Interest	372,690
Difference between actual and expected experience	(49,251)
Assumption changes	1,874,329
Benefit payments and implicit subsidy	(353,822)
Net changes	<u>2,410,692</u>
Balances end of year	<u>\$ 17,516,068</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability (Continued)

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, 2022, (June 30, 2021 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 (.092%) or 1-percentage-point higher (2.92%) than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate		
1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
\$ 20,937,862	\$ 17,516,068	\$ 14,820,996

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

The following presents the total OPEB liability of the County as of June 30, 2022, (June 30, 2021 measurement date), as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00% decreasing to 3.00%) or 1-percentage-point higher (7.00% decreasing to 5.00%) than the current healthcare cost trend rates:

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate		
1% Decrease (5.00% decreasing to 3.00%)	Current Healthcare Cost Trend Rates (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
\$ 14,267,320	\$ 17,516,068	\$ 21,831,934

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2022, and the current sharing pattern of costs between employer and inactive employees.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2022, the County recognized OPEB expense as follows:

Description		
Service cost (annual cost of current service)	\$	566,746
Interest on the total OPEB liability		372,690
Recognition of current year amortization - difference between expected and actual experience & assumption changes		199,565
Recognition of prior year amortization - difference between projected and actual investment earnings		<u>(427,060)</u>
 Total aggregate OPEB expense	 \$	 <u><u>711,941</u></u>

At June 30, 2022, 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	\$ 14,454	\$ 3,845,867
Changes of assumptions	3,899,402	940,612
Employer contributions subsequent to the measurement date	<u>453,177</u>	<u>-</u>
Total	<u><u>\$ 4,367,033</u></u>	<u><u>\$ 4,786,479</u></u>

County contributions subsequent to the measurement date of \$453,177 are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. 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:	
2023	\$ (227,495)
2024	(227,495)
2025	(227,495)
2026	(227,495)
2027	(136,286)
Thereafter	173,643

NOTES TO FINANCIAL STATEMENTS

NOTE 12. 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 "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.

NOTE 13. COMMITMENTS

At June 30, 2022, the County had outstanding construction commitments totaling approximately \$2,842,195.

NOTE 14. 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, 2022, 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.

NOTE 15. 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.

NOTE 16. DEFICIT NET POSITION/FUND BALANCE

For the year ended June 30, 2022, the Victims' Assistance Fund had a deficit fund balance of \$17,068. The Special Source Revenue Bond Fund reported a deficit fund balance at June 30, 2022, of \$38,348. The EMS Capital Fund reported a deficit fund balance at June 30, 2022, of \$15,063. These deficits are expected to be reduced future revenues.

NOTES TO FINANCIAL STATEMENTS

NOTE 17. TAX ABATEMENT PROGRAM

As of June 30, 2022, the County provides tax abatements through one program – the Economic Development Program.

The County, acting through its County Council, is authorized and empowered under and pursuant to the provisions of Chapter 44 of Title 12, Code of Laws of South Carolina 1976, as amended, to enter into agreements with 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.

Abatements are obtained through the program by application by a sponsor to County Council prior to commencing the improvements and are subject to approval by County Council by passage of an ordinance. Eligible abatement agreements are subject to a minimum investment as outlined in each individual agreement. The Code of Laws of South Carolina provides for a recapture of fees upon termination of approved agreements that did not meet the minimum investment criteria in the time frame provided for in each agreement. 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 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 4%; (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.

No other commitments were made by the County as part of the agreements.

Taxes abated as a result of the agreements under the Economic Development Program totaled approximately \$1,209,290 for the year ended June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

LAURENS COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
EMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 1,440,000	\$ 1,440,000	\$ 1,654,769	\$ 214,769
Intergovernmental	-	-	9,398	9,398
Charges for services	<u>2,105,000</u>	<u>2,105,000</u>	<u>1,791,185</u>	<u>(313,815)</u>
Total revenues	<u>3,545,000</u>	<u>3,545,000</u>	<u>3,455,352</u>	<u>(89,648)</u>
Expenditures:				
Current:				
Public safety:				
Emergency medical services	<u>4,073,494</u>	<u>4,073,494</u>	<u>4,569,104</u>	<u>(495,610)</u>
Total public safety	<u>4,073,494</u>	<u>4,073,494</u>	<u>4,569,104</u>	<u>(495,610)</u>
Debt service:				
Principal	-	-	1,019	(1,019)
Interest	-	-	55	(55)
Total debt service	<u>-</u>	<u>-</u>	<u>1,074</u>	<u>(1,074)</u>
 Total expenditures	 <u>4,073,494</u>	 <u>4,073,494</u>	 <u>4,570,178</u>	 <u>(496,684)</u>
 Deficiency of revenues under expenditures	 <u>(528,494)</u>	 <u>(528,494)</u>	 <u>(1,114,826)</u>	 <u>(586,332)</u>
 Net change in fund balances	 <u>(528,494)</u>	 <u>(528,494)</u>	 <u>(1,114,826)</u>	 <u>(586,332)</u>
 Fund balance, beginning of year	 <u>1,473,188</u>	 <u>1,473,188</u>	 <u>1,473,188</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$ 944,694</u>	 <u>\$ 944,694</u>	 <u>\$ 358,362</u>	 <u>\$ (586,332)</u>

LAURENS COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE 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
2021	0.073709%	\$ 15,951,473	\$ 8,313,742	191.9%	60.7%
2020	0.072003%	18,398,091	7,994,473	230.1%	50.7%
2019	0.074999%	17,125,278	7,918,169	216.3%	54.4%
2018	0.072683%	16,285,878	7,522,584	216.5%	54.1%
2017	0.075351%	16,962,771	7,598,329	223.2%	53.3%
2016	0.076610%	16,363,782	7,404,426	221.0%	52.9%
2015	0.079116%	15,004,730	7,418,056	202.3%	57.0%
2014	0.081547%	14,039,690	7,084,548	198.2%	59.9%

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
2021	0.448851%	\$ 11,548,554	\$ 6,718,637	171.9%	70.4%
2020	0.418882%	13,891,026	6,365,919	218.2%	58.8%
2019	0.399571%	11,451,467	5,798,470	197.5%	62.7%
2018	0.400571%	11,350,343	5,567,832	203.9%	61.7%
2017	0.412650%	11,304,799	5,561,808	203.3%	60.9%
2016	0.426480%	10,817,584	5,462,034	198.1%	60.4%
2015	0.446030%	9,721,209	5,525,694	175.9%	64.6%
2014	0.443260%	8,485,948	5,277,264	160.8%	67.5%

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

The assumptions used in the preparation of the above schedule are disclosed in Note 9 to the financial statements.

LAURENS COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF COUNTY PENSION CONTRIBUTIONS FOR THE FISCAL YEAR END 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	
2022	\$ 1,530,264	\$ 1,530,264	\$ -	\$ 9,240,718	16.56%	
2021	1,293,620	1,293,620	-	8,313,742	15.56%	
2020	1,243,940	1,243,940	-	7,994,473	15.56%	
2019	1,152,885	1,152,885	-	7,918,169	14.56%	
2018	1,008,781	1,008,781	-	7,522,584	13.41%	
2017	807,823	807,823	-	7,598,329	10.63%	
2016	755,187	755,187	-	7,404,426	10.20%	
2015	784,756	784,756	-	7,418,056	10.58%	

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	
2022	\$ 1,377,401	\$ 1,377,401	\$ -	\$ 7,159,051	19.24%	
2021	1,224,589	1,224,589	-	6,718,637	18.23%	
2020	1,161,144	1,161,144	-	6,365,919	18.24%	
2019	999,656	999,656	-	5,798,470	17.24%	
2018	881,944	881,944	-	5,567,832	15.84%	
2017	728,635	728,635	-	5,561,808	13.10%	
2016	678,396	678,396	-	5,462,034	12.42%	
2015	684,542	684,542	-	5,525,694	12.39%	

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

The assumptions used in the preparation of the above schedule are presented on the following page.

LAURENS COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF COUNTY PENSION CONTRIBUTIONS FOR THE FISCAL YEAR END JUNE 30

System	SCRS	PORS
Calculation date	July 1, 2019	July 1, 2019
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	28 years maximum, closed	28 years maximum, closed
Investment return	7.25%	7.25%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service	3.50% plus step-rate increases for members with less than 15 years of service
Mortality	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Males rates multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators.	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Males rates multiplied by 125% and female rates are multiplied by 111%.

LAURENS COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 566,746	\$ 446,350	\$ 710,300	\$ 721,301	\$ 998,727
Interest on total OPEB liability	372,690	535,024	544,482	540,748	461,770
Assumption changes	1,874,329	1,700,642	1,325,017	(277,231)	(1,656,100)
Difference between actual and expected experience	(49,251)	(4,264,436)	(31,761)	(781,978)	30,629
Benefit payments and implicit subsidy	<u>(353,822)</u>	<u>(364,906)</u>	<u>(362,258)</u>	<u>(329,617)</u>	<u>(311,990)</u>
Net change in total OPEB liability	2,410,692	(1,947,326)	2,185,780	(126,777)	(476,964)
Total OPEB liability - beginning	<u>15,105,376</u>	<u>17,052,702</u>	<u>14,866,922</u>	<u>14,993,699</u>	<u>15,470,663</u>
Total OPEB liability - ending	<u>\$ 17,516,068</u>	<u>\$ 15,105,376</u>	<u>\$ 17,052,702</u>	<u>\$ 14,866,922</u>	<u>\$ 14,993,699</u>
Discount Rate	1.92%	2.45%	3.13%	3.62%	3.56%
Covered-employee payroll	\$ 14,297,484	\$ 13,417,208	\$ 11,061,717	\$ 10,435,414	\$ 10,383,497
Total OPEB liability as a percentage of covered-employee payroll	122.51%	112.58%	154.16%	142.47%	144.40%

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, 2017, to 3.62% as of June 30, 2018.

The discount rate changed from 3.62% as of June 30, 2018, to 3.13% as of June 30, 2019.

The discount rate changed from 3.13% as of June 30, 2019, to 2.45% as of June 30, 2020.

The discount rate changed from 2.45% as of June 30, 2020, to 1.92% as of June 30, 2021.

The assumptions used in the preparation of the above schedule are disclosed in Note 11 to the financial statements.

**COMBINING AND INDIVIDUAL NONMAJOR FUND
FINANCIAL STATEMENTS AND SCHEDULES**

LAURENS 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 ***Community Development Fund*** accounts for grant revenues and expenditures restricted for economic development within the County.

The ***Victims' Assistance Fund*** is used to account for fines restricted for expenditures related to witnesses in legal proceedings.

The ***Rural Fire Fund*** accounts for taxes collected which are restricted for rural fire activities.

The ***Special District Fund*** accounts for fees-in-lieu of taxes which are restricted for economic development.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The ***Laurens Rural Fire Department Debt Service Fund*** accounts for the resources used for the payment of the County's principal and interest on various fire department debt obligations.

The ***Special Source Revenue Bond Debt Service Fund*** accounts for the resources used for the payment of the County's principal and interest on various economic development debt obligations.

The ***General Obligation Bond Debt Service Fund*** accounts for the resources used for the payment of the County's principal and interest on various County debt obligations.

LAURENS COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities for the County's governmental funds.

The ***C Funds Fund*** is used to account for the intergovernmental funds received from the state that are restricted to improve and repair the County road system.

The ***EMS Capital Fund*** is a capital projects fund used to account for the construction and/or acquisition of EMS equipment and facilities.

LAURENS COUNTY, SOUTH CAROLINA

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

	Special Revenue Funds			
	Community Development	Victims' Assistance	Rural Fire	Special District
ASSETS				
Cash and cash equivalents	\$ 18,529	\$ -	\$ -	\$ -
Taxes receivable	-	-	90,659	-
Accounts receivable	-	204	10,994	-
Due from other funds	-	-	1,680,859	1,831,192
Total assets	<u>\$ 18,529</u>	<u>\$ 204</u>	<u>\$ 1,782,512</u>	<u>\$ 1,831,192</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 68,202	\$ -
Accrued expenses	-	660	-	-
Due to other funds	3,000	16,612	-	-
Total liabilities	<u>3,000</u>	<u>17,272</u>	<u>68,202</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - property taxes	-	-	81,376	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>81,376</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted for:				
Debt service	-	-	-	-
Public safety	-	-	1,632,934	1,831,192
Public works	15,529	-	-	-
Committed for:				
Roads and bridges	-	-	-	-
Unassigned (deficit)	-	(17,068)	-	-
Total fund balances (deficits)	<u>15,529</u>	<u>(17,068)</u>	<u>1,632,934</u>	<u>1,831,192</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 18,529</u>	<u>\$ 204</u>	<u>\$ 1,782,512</u>	<u>\$ 1,831,192</u>

Debt Service Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
Laurens Rural Fire Department	Special Source Revenue Bond	General Obligation Bond	EMS Capital Projects	C Funds	
\$ -	\$ -	\$ -	\$ -	\$ 2,137,531	\$ 2,156,060
8,540	-	45,245	-	-	144,444
-	-	-	-	189,368	200,566
589,607	-	811,073	-	14,968	4,927,699
<u>\$ 598,147</u>	<u>\$ -</u>	<u>\$ 856,318</u>	<u>\$ -</u>	<u>\$ 2,341,867</u>	<u>\$ 7,428,769</u>
\$ -	\$ -	\$ -	\$ 15,063	\$ -	\$ 83,265
-	-	-	-	-	660
-	38,348	-	-	-	57,960
-	38,348	-	15,063	-	141,885
7,657	-	39,818	-	-	128,851
<u>7,657</u>	<u>-</u>	<u>39,818</u>	<u>-</u>	<u>-</u>	<u>128,851</u>
590,490	-	816,500	-	-	1,406,990
-	-	-	-	-	3,464,126
-	-	-	-	-	15,529
-	-	-	-	2,341,867	2,341,867
-	(38,348)	-	(15,063)	-	(70,479)
<u>590,490</u>	<u>(38,348)</u>	<u>816,500</u>	<u>(15,063)</u>	<u>2,341,867</u>	<u>7,158,033</u>
<u>\$ 598,147</u>	<u>\$ -</u>	<u>\$ 856,318</u>	<u>\$ -</u>	<u>\$ 2,341,867</u>	<u>\$ 7,428,769</u>

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

	Special Revenue Funds			
	Community Development	Victims' Assistance	Rural Fire	Special District
Revenues:				
Property taxes	\$ -	\$ -	\$ 3,235,013	\$ 466,635
Intergovernmental	95,914	-	1,081	-
Fines and forfeitures	-	92,378	-	-
Interest income	-	433	-	4,727
Total revenues	<u>95,914</u>	<u>92,811</u>	<u>3,236,094</u>	<u>471,362</u>
Expenditures:				
Current:				
Public safety	-	87,186	3,653,680	-
Housing and development	93,900	-	-	669,690
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	1,243	-
Interest	-	-	67	-
Total expenditures	<u>93,900</u>	<u>87,186</u>	<u>3,654,990</u>	<u>669,690</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,014</u>	<u>5,625</u>	<u>(418,896)</u>	<u>(198,328)</u>
Other financing sources (uses):				
Proceeds from sale of assets	-	-	-	-
Proceeds from issuance of capital lease	-	-	-	-
Issuance of debt	-	-	-	-
Payments to refunding bonds escrow	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,014	5,625	(418,896)	(198,328)
Fund balances (deficits), beginning of year	<u>13,515</u>	<u>(22,693)</u>	<u>2,051,830</u>	<u>2,029,520</u>
Fund balances (deficits), end of year	<u>\$ 15,529</u>	<u>\$ (17,068)</u>	<u>\$ 1,632,934</u>	<u>\$ 1,831,192</u>

Debt Service Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
Laurens Rural Fire Department	Special Source Revenue Bond	General Obligation Bond	EMS Capital Projects	C Funds	
\$ 190,778	\$ 1,056,540	\$ 1,744,867	\$ 445,831	\$ -	\$ 7,139,664
-	-	-	-	3,680,505	3,777,500
-	-	-	-	-	92,378
1,428	-	1,722	-	-	8,310
<u>192,206</u>	<u>1,056,540</u>	<u>1,746,589</u>	<u>445,831</u>	<u>3,680,505</u>	<u>11,017,852</u>
-	-	-	-	-	3,740,866
-	1,094,889	-	-	-	1,858,479
-	-	-	384,657	3,950,217	4,334,874
251,000	-	1,423,399	88,890	-	1,764,532
23,666	-	165,036	-	-	188,769
<u>274,666</u>	<u>1,094,889</u>	<u>1,588,435</u>	<u>473,547</u>	<u>3,950,217</u>	<u>11,887,520</u>
<u>(82,460)</u>	<u>(38,349)</u>	<u>158,154</u>	<u>(27,716)</u>	<u>(269,712)</u>	<u>(869,668)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	366,787	-	366,787
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>366,787</u>	<u>-</u>	<u>366,787</u>
(82,460)	(38,349)	158,154	339,071	(269,712)	(502,881)
<u>672,950</u>	<u>1</u>	<u>658,346</u>	<u>(354,134)</u>	<u>2,611,579</u>	<u>7,660,914</u>
<u>\$ 590,490</u>	<u>\$ (38,348)</u>	<u>\$ 816,500</u>	<u>\$ (15,063)</u>	<u>\$ 2,341,867</u>	<u>\$ 7,158,033</u>

LAURENS COUNTY, SOUTH CAROLINA

FIDUCIARY FUNDS

CUSTODIAL FUNDS

Treasurer – This fund is used to account for all receipts collected and forwarded to the County and other government units.

Other Custodial Funds – These funds are used to account for fines, fees and other monies collected by the courts and remitted to other parties in accordance with court orders and state law.

LAURENS COUNTY, SOUTH CAROLINA

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

ASSETS	Treasurer's Office	Probate Court	Magistrates	Clerk of Court	Sheriff's Office	Total
Cash and cash equivalents	\$ 37,150,713	\$ 16,448	\$ 154,705	\$ 200,023	\$ 435,145	\$ 37,957,034
Taxes receivable	1,656,189	-	-	-	-	1,656,189
Total assets	38,806,902	16,448	154,705	200,023	435,145	39,613,223
LIABILITIES						
Due to others	37,150,713	16,448	154,705	-	435,145	37,757,011
Uncollected taxes	1,656,189	-	-	-	-	1,656,189
Total liabilities	38,806,902	16,448	154,705	-	435,145	39,413,200
NET POSITION						
Restricted for individuals, organizations and other governments	-	-	-	200,023	-	200,023
Total net position	\$ -	\$ -	\$ -	\$ 200,023	\$ -	\$ 200,023

LAURENS COUNTY, SOUTH CAROLINA

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

	<u>Treasurer's Office</u>	<u>Probate Court</u>	<u>Magistrates</u>	<u>Clerk of Court</u>	<u>Sheriff's Office</u>	<u>Total</u>
ADDITIONS						
Taxes	\$ 137,236,782	\$ -	\$ -	\$ -	\$ -	\$ 137,236,782
Fines and fees	-	131,437	1,194,357	-	740,691	2,066,485
Criminal and civil bonds	-	-	-	2,883,820	-	2,883,820
Total additions	<u>137,236,782</u>	<u>131,437</u>	<u>1,194,357</u>	<u>2,883,820</u>	<u>740,691</u>	<u>142,187,087</u>
DEDUCTIONS						
Taxes and fees paid to other governments	137,236,782	-	-	-	-	137,236,782
Funds disbursed per court order	-	131,437	1,194,357	2,722,177	-	4,047,971
Other custodial funds disbursed	-	-	-	-	740,691	740,691
Total deductions	<u>137,236,782</u>	<u>131,437</u>	<u>1,194,357</u>	<u>2,722,177</u>	<u>740,691</u>	<u>142,025,444</u>
Change in fiduciary net position	-	-	-	161,643	-	161,643
Net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,380</u>	<u>-</u>	<u>38,380</u>
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,023</u>	<u>\$ -</u>	<u>\$ 200,023</u>

LAURENS COUNTY, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
COMPONENT UNIT - LAURENS COUNTY LIBRARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Component Unit Laurens County Library</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 88,259
Other receipts	54
Payments to suppliers	(202,706)
Payments to employees	(453,395)
Net cash used in operating activities	<u>(567,788)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Intergovernmental receipts	<u>673,532</u>
Net cash provided by noncapital financing activities	<u>673,532</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(105,197)</u>
Net cash used in capital and related financing activities	<u>(105,197)</u>
Net change in cash and cash equivalents	547
Cash and cash equivalents:	
Beginning of year	<u>27,273</u>
End of year	<u>\$ 27,820</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (719,180)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	156,418
Miscellaneous receipts	54
Changes in assets and liabilities:	
Increase in accounts receivable	(2,584)
Increase in prepaid expenses	(3,696)
Increase in deferred outflows of resources	(38,707)
Increase in accounts payable	1,668
Increase in net OPEB liability	65,091
Decrease in net pension liability	(126,934)
Increase in deferred inflows of resources	100,082
Net cash used in operating activities	<u>\$ (567,788)</u>

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

**LAURENS COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2022**

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	\$ 1,263,510	\$ 1,324,942	N/A	\$ 2,588,452
Court fines and assessments remitted to State Treasurer	268,257	698,670	N/A	966,927
Total Court Fines and Assessments retained	\$ 995,253	\$ 626,272	N/A	\$ 1,621,525
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	\$ 17,768	\$ -	N/A	\$ 17,768
Assessments retained	754	68,359	N/A	69,113
Total Surcharges and Assessments retained for victim services	\$ 18,522	\$ 68,359	N/A	\$ 86,881

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	\$ (22,693)	\$ (22,693)
<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	69,113	69,113
Victim Service Surcharges Retained by City/County Treasurer	N/A	17,768	17,768
Interest Earned	N/A	434	434
Grant Funds Received			
Grant from:	N/A	-	-
General Funds Transferred to Victim Service Fund	N/A	-	-
Contribution Received from Victim Service Contracts:			
(1) City of Laurens	N/A	-	-
(2) City of Clinton	N/A	5,160	5,160
(3) Town of Gray Court	N/A	336	336
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	N/A	\$ 70,118	\$ 70,118

**LAURENS COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	N/A	\$ 67,115	\$ 67,115
Operating Expenditures	N/A	20,071	20,071
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	87,186	87,186
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	N/A	(17,068)	(17,068)
Less: Prior Year Fund Deficit Repayment	N/A	-	-
Carryforward Funds – End of Year	N/A	\$ (17,068)	\$ (17,068)

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 Laurens County
Laurens, South Carolina**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Laurens County, South Carolina** (the "County") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 30, 2022. Our report includes a reference to an emphasis of a matter relative to the change in accounting principle resulting from the implementation of GASBS No. 87, *Leases*.

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 30, 2022



**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 Laurens County
Laurens, South Carolina**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Laurens County, South Carolina's** (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Laurens County, South Carolina 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 *U.S. Code of Federal Regulations* (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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 may exist that have not been 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 30, 2022

LAURENS COUNTY, SOUTH CAROLINA

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

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Identification Number</u>	<u>Federal Expenditures</u>	<u>Passed through to Subrecipients</u>
U.S. Department of Homeland Security				
Passed through South Carolina Law Enforcement Division				
Local Emergency Management Performance	97.042	20LEMPG01	\$ 88,000	\$ -
Total U.S. Department of Homeland Security			<u>88,000</u>	<u>-</u>
U.S. Department of Justice				
Direct				
Edward R. Byrne Justice Assistant Grant	16.738	2021-GG-01813-JAGX	20,437	-
Bullet Proof Vest Program	16.607	2021BUBX	<u>2,819</u>	<u>-</u>
Total U.S. Department Justice			<u>23,256</u>	<u>-</u>
U.S. Department of Transportation				
Passed through South Carolina Department of Transportation				
Airport Improvement Grant	20.106	3-45-0036-017-2019	<u>7,237</u>	<u>-</u>
Total U.S. Department of Transportation			<u>7,237</u>	<u>-</u>
U.S. Department of the Treasury				
Direct				
COVID-19 State and Local Fiscal Recovery Program	21.027	N/A	<u>12,025,018</u>	<u>-</u>
Total U.S. Department of the Treasury			<u>12,025,018</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed through South Carolina Department of Social Services				
Child Support Enforcement	93.563	N/A	<u>7,722</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>7,722</u>	<u>-</u>
U.S. Department of Housing & Urban Development				
Passed through South Carolina Department of Commerce				
CDBG - State Administered CDBG	14.228	4-CI-20-012	<u>15,000</u>	<u>-</u>
Total U.S. Department of Housing & Urban Development			<u>15,000</u>	<u>-</u>
Total Expenditures of Federal Awards			<u><u>\$ 12,166,233</u></u>	<u><u>\$ -</u></u>

LAURENS COUNTY, SOUTH CAROLINA

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

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Laurens 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, 2022.

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.

LAURENS COUNTY, SOUTH CAROLINA

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

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:

CFDA 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? ___ Yes ___X___ No

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

SECTION II
FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

None reported.