

CHESTERFIELD COUNTY, SOUTH CAROLINA

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2021

**CHESTERFIELD COUNTY, SOUTH CAROLINA
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AND SUPPLEMENTARY INFORMATION
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INDEPENDENT AUDITOR'S REPORT

To Chesterfield County Council
Chesterfield, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chesterfield County, South Carolina (the "County"), as of and for the year ended June 30, 2021, 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 financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Chesterfield County, South Carolina, as of June 30, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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. 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 – Change in Accounting Principle

As discussed in Note 14 to the financial statements, as of June 30, 2021, Chesterfield County, South Carolina adopted new accounting guidance, Statement No. 84 of the Governmental Accounting Standards Board (GASB), *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The County's 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 one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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, Budgetary Comparison Schedule - General Fund, Schedules of the County's Proportionate Share of the Net Pension Liability, Schedules of the County's Contributions, and Schedule of Changes in the County's Total OPEB Liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and the supplementary information required by the State of South Carolina are presented for purposes of additional analysis and are not a required part of the financial statements.

This supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the supplementary information required by the State of South Carolina are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Halliday, Schwartz & Co.

Spartanburg, South Carolina
March 21, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Chesterfield County, South Carolina ("the County"), we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of Chesterfield County, South Carolina for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

The following are key financial highlights for the fiscal year:

- Chesterfield County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2021 by \$519,191 (net position). This amount is significantly lower than fund balance primarily due to the implementation of GASB No. 68 and GASB No. 75 related to Accounting and Financial Reporting for Pension and Other Post-Employment Benefits. For additional information, please refer to footnote 9 and 10 to the financial statements.
- Governmental activities have a negative unrestricted net position balance of \$30,752,979. This is primarily due to the implementation of GASB No. 68 and GASB No. 75 related to Accounting and Financial Reporting for Pension and Other Post-Employment Benefits. For additional information, please refer to footnote 9 and 10 to the financial statements.
- The County's net position increased by \$3,373,307 during the fiscal year, primarily due to an increase in grant monies received for economic development, an increase in assessed values for operations, and a reduction in spending due to COVID-19.
- At the close of this fiscal year, the County's combined governmental funds reported ending fund balances of \$22,244,689, an increase of \$3,790,558 from the prior year. This is primarily due to an increase in grant monies received for economic development, an increase in assessed values for operations, and a reduction in spending due to COVID-19.
- At June 30, 2021, unassigned fund balance for the General Fund was \$1,423,442, an increase of \$160,716 from the prior year. This is primarily due to revenues exceeding budget, and thus not needing to utilize monies from the reserve fund, as budgeted for.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. These statements consist of a statement of net position and a statement of activities, which report information about the overall financial position and activities of the County government as a whole.

The statement of net position presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between all four reported as net position. One can think of the County's net position as a measure of financial health. Over time, increases or decreases in the County's net position is one indicator of whether financial health is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All 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 focus of the statement of activities is on the net cost of activities provided by the County.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public works, economic development, judicial administration, culture and recreation, rescue and fire protections, legislative oversight and other.

Fund Financial Statements

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

Governmental Funds - Governmental funds are used to account for the County's general government activities. Unlike the government-wide financial statements, governmental fund financial statements are reported using current financial resources. Revenues are recognized to the degree that they are available to finance expenditures of the fiscal period being reported.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information provided for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances are accompanied by a reconciliation that facilitates this comparison.

The County maintains twenty-two individual governmental funds. The General Fund, which is considered to be a major fund, accounts for all financial resources except those required to be accounted for in another fund. The Capital Reserve Fund, a capital project fund, which sets aside a portion of property tax collections for future use of capital asset purchases, is also considered to be a major fund. The Capital Projects Fund - Public Facilities Corporation accounts for the debt issuance and expenditures related to the renovations of the current courthouse, and is also considered to be a major fund. The County's remaining funds are presented as non-major funds.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the general fund as required supplementary information.

Fiduciary Funds - Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. The resources of the fiduciary funds are not available to support the County's programs and are therefore excluded from the government-wide financial statements.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report presents a combining balance sheet and combining statement of revenues, expenditures and changes in fund balance for the non-major governmental funds, and a few other schedules required by the State of South Carolina.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the statement of net position presents the difference between the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources and over time may serve as an indicator of its financial position. In the case of Chesterfield County, assets and deferred outflows of resources were more than liabilities and deferred inflows of resources by \$519,191 at the close of the most recent fiscal year.

The following table presents a summary of the statement of net position as of June 30, 2021:

Table 1
Chesterfield County's Net Position

	Governmental Activities		Total Percent Change
	2021	2020	2021-2020
Current and Other Assets	\$ 28,733,468	\$ 20,994,783	36.9%
Capital Assets	21,355,893	21,258,093	0.5%
Total Assets	50,089,361	42,252,876	18.5%
Total Deferred Outflows of Resources	5,746,069	3,214,343	78.8%
Total Assets and Deferred Outflows of Resources	\$ 55,835,430	\$ 45,467,219	22.8%
Current Liabilities	\$ 2,900,696	\$ 2,904,397	-0.1%
Non-Current Liabilities	44,366,812	42,052,480	5.5%
Total Liabilities	47,267,508	44,956,877	5.1%
Total Deferred Inflows of Resources	8,048,731	3,364,458	139.2%
Net Position			
Net Investment in Capital Assets	10,513,437	9,721,530	8.1%
Restricted	20,758,733	17,106,992	21.3%
Unrestricted	(30,752,979)	(29,682,638)	-3.6%
Total Net Position	519,191	(2,854,116)	118.2%
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 55,835,430	\$ 45,467,219	22.8%

The County's current and other assets at year-end increased \$7,738,685 or 36.9% primarily due to an increase in cash and cash equivalents and investments at year end. The steady increase in cash and cash equivalents and investments for the past two years was intentional to keep the County from being dependent on the issuance of TANs for cash flow needs throughout the fiscal year.

Capital assets, net of depreciation increased \$97,800 or 0.5%. This small increase was primarily due to current year depreciation being close to current year purchases. Due to the uncertainty that COVID-19 brought to the economy, the County prioritized and limited large purchases, as needed.

The County's long-term liabilities are comprised mainly of three components: general obligation bonds, installment purchase revenue (IPR) bonds and capital leases. Also included in long-term liabilities are the County's proportionate share of the Net Pension Liability and the County's Total OPEB Liability. Long-term liabilities decreased \$2,314,332 or 5.5% from prior year, primarily due to payments being made, offset by a few lease purchase issuances and increases in the Net Pension and Total OPEB Liabilities. More detailed information on the capital assets and long-term debt activity are provided in the notes to the financial statements.

The following table summarizes the change in net position of the County for the year ended June 30, 2021:

Table 2
Changes in Chesterfield County's Net Position

	Governmental Activities		Total Percent Change
	2021	2020	2021-2020
Revenues:			
Program Revenues:			
Charges for services	\$ 5,185,575	\$ 5,226,445	-0.8%
Operating grants and contributions	2,112,670	3,389,025	-37.7%
Capital grants and contributions	290,322	17,140	1593.8%
General Revenues:			
Property taxes	12,909,280	13,772,404	-6.3%
Other taxes	5,838,761	5,673,454	2.9%
Grants	1,901,114	1,878,886	1.2%
Gain/(Loss) on sale of capital assets	372,034	(5,730)	6592.7%
Other	774,963	809,568	-4.3%
Total Revenues	<u>29,384,719</u>	<u>30,761,192</u>	<u>-4.5%</u>
Expenses:			
General government	4,282,375	4,796,479	-10.7%
Public safety	10,325,099	10,292,372	0.3%
Public works	3,147,029	3,347,518	-6.0%
Economic development	687,477	322,610	113.1%
Judicial administration	1,221,476	1,279,437	-4.5%
Culture and recreation	748,146	739,712	1.1%
Rescue and fire protection	1,857,333	1,683,178	10.3%
Non-departmental/other agencies	2,903,838	3,687,549	-21.3%
Legislative oversight	401,899	343,012	17.2%
Interest and other charges	436,740	312,957	39.6%
Total Expenses	<u>26,011,412</u>	<u>26,804,824</u>	<u>-3.0%</u>
Change in net position	3,373,307	3,956,368	14.7%
Beginning net position	<u>(2,854,116)</u>	<u>(6,810,484)</u>	<u>58.1%</u>
Ending net position	<u>\$ 519,191</u>	<u>\$ (2,854,116)</u>	<u>-118.2%</u>

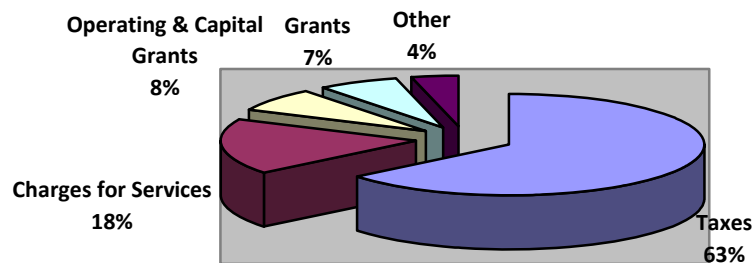
Governmental Activities

Governmental activities increased the County's net position by \$3,373,307 during the current fiscal year. This is primarily due to an increase in grant revenues for economic development and a reduction in spending due to COVID-19.

The costs for all governmental activities were \$26,011,412 for the fiscal year. Providing activities for public safety was the largest expense (\$10,325,099) to the County. The total cost to the County for providing general government administration was (\$4,282,375), which includes various administrative functions such as county administrator, assessor, auditor, and treasurer.

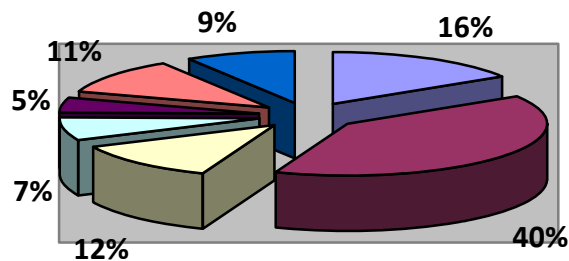
Total revenues decreased by \$1,376,473 or 4.5% from the prior year, primarily due to a decrease in grants received for economic development.

Revenues by Source: Governmental Activities



Total expenses decreased by \$793,412 or 3.0%, primarily due to a reduction in spending with COVID-19 related expenditures.

Expenses by Category: Governmental Activities



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

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

The General Fund is the major governmental fund of the County. At the end of the fiscal year, Chesterfield County reported an unassigned fund balance of \$1,423,442 in the General Fund. Total fund balance for all the governmental funds was \$22,244,689. As a measure of the General Fund's liquidity, the total unassigned fund balance represents 6.3% of total general fund expenditures.

The County has fourteen special revenue funds. Eleven special revenue funds account for fire protection and rescue squad services provided to various sections of the County. The other funds account for revenues provided from various funding sources for emergency preparedness, E-911, and the sheriff's department drug law enforcement activities.

During the year, the County also operated four capital project funds. Two of these funds, the Capital Reserve Fund and the Capital Equipment Fund, were determined to be major funds.

The County also maintains a Debt Service Fund that accounts for the property taxes levied and collected to pay principal and interest on the outstanding general obligation bonds.

GENERAL FUND BUDGETARY HIGHLIGHTS

A budgetary comparison schedule for the General Fund is provided in the Required Supplementary Information. The schedule shows the original adopted budget, the final budget, the actual results on GAAP basis, and the variance between budget and actual. After the original budget is approved, it may be revised for a variety of reasons such as unforeseen circumstances, new bond or loan proceeds, new grant awards, or other unanticipated revenues. The General Fund budget was not revised during the current fiscal year.

Actual revenues exceeded budgeted revenues by \$2,329,786, primarily due to an increase in state and local grants. Actual expenditures were less than budgeted expenditures by \$431,770, primarily due to conservative spending.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Chesterfield County's investment in capital assets for its governmental activities as of June 30, 2021, totaled \$21,355,893, net of accumulated depreciation. This investment in capital assets includes land, construction in progress, buildings and building improvements, and vehicles, furniture and equipment.

Majority of capital asset expenditures during the current fiscal year were related to the purchase of various vehicles and equipment.

Net capital assets at June 30, 2021 and 2020 included:

	Governmental Activities		Total Percent
	2021	2020	Change 2021-2020
Land	\$ 1,530,321	\$ 1,653,148	-7.4%
Construction in Progress	4,743,148	4,743,148	0.0%
Buildings and Improvements	11,418,332	11,781,095	-3.1%
Vehicles/Machinery/Equipment	3,664,092	3,080,702	18.9%
	<u>\$ 21,355,893</u>	<u>\$ 21,258,093</u>	<u>0.5%</u>

Additional information on the County's capital assets can be found in Note 4.

Long-Term Debt

The legal limit on the amount of general obligation bond indebtedness that a County can incur is 8% of their assessed value. At the end of the current fiscal year, the County had total long-term debt outstanding of \$11,506,341. General obligation bonds constitute 36.0% of long-term debt and are backed by the full faith and credit of the County. The next largest long-term debt for the County is comprised of two installment purchase revenue bonds (47.3%). The remaining long-term debt for the County is seven capital leases (16.7%).

	Governmental Activities		Total Percent
	2021	2020	Change 2021-2020
General obligation bonds	\$ 4,147,340	\$ 4,621,209	-10.3%
Installment purchase revenue bonds	5,438,000	5,680,000	-4.3%
Capital leases	1,921,001	1,498,539	28.2%
	<u>\$ 11,506,341</u>	<u>\$ 11,799,748</u>	<u>-2.5%</u>

During fiscal year 2016, the County entered into an Installment Purchase and Use Agreement with the SCAGO Public Facilities Corporation for Chesterfield County (the Corporation). This 501(c)3 is a blended component unit of the County due to the specific charitable purpose of the Corporation to serve as a "support organization" for the capital projects of the County. Because of this, the installment purchase revenue bonds issued by the Corporation is blended with that of the County.

The County's long-term debt from bonds and capital leases decreased \$293,407 from the prior fiscal year. During fiscal year 2021, the County made payments on current long-term debt, paying off three leases, and entering into three new leases during the year. No new long-term bonds were issued during the fiscal year; however, three were refunded to reduce the interest rate, and thus, reducing the County's debt service requirements over the next ten years by \$234,222.

Other long-term obligations of the County include accrued compensated absences of \$437,382 and landfill closure and post closure costs of \$1,212,500.

Additional information on the County's long-term debt can be found in Note 6.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local, national and international economic factors influence the County's revenues. Positive economic growth is correlated with increased revenues from property taxes, sales taxes, charges for services, as well as state and federal grants. Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment, new construction, and assessed valuation.

- As of September 2021, the unemployment rate for Chesterfield County was 4.0%, which is more a decrease of 0.8% from last September. Statewide unemployment was at 3.3%, while the nationwide average was 4.6%. These unemployment rates still reflect the economic impact of COVID-19.
- In 2006, the South Carolina General Assembly enacted property tax reform legislation. The legislation imposed limitations on the millage rate increase and on increased in assessed valuations due to reassessment at 15%. For the tax year 2021, the County increased millage for operations by 1.66 mills and reduced debt service by 2.5 mills due to decrease in required annual payments.

County Council adopted a budget for fiscal year 2022, where budgeted expenditures are projected to be \$21,874,158, an increase of approximately \$1,019,948 or 4.9% over the fiscal year 2021 budgeted expenditures, as to approximately reflect fiscal year 2021 actual expenditures. The County has added no major new programs or initiatives to the fiscal year 2022 budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Chesterfield County, South Carolina's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the County Administrator, Chesterfield County, 178 Mill Street, Chesterfield, SC 29709.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2021**

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 16,857,641
Investments	9,504,592
Taxes receivable - net	1,422,740
Other receivables	203,385
Due from other governments	745,110
Capital assets - net of accumulated depreciation	21,355,893
	<u>50,089,361</u>
Deferred Outflows of Resources	
Deferred loss on refunding	122,904
Deferred amounts related to pensions	3,583,813
Deferred amounts related to OPEB	2,039,352
	<u>5,746,069</u>
Liabilities	
Accounts payable and accrued expenses	985,317
Accrued interest payable	88,551
Non-current liabilities:	
Due within one year:	
General obligation bonds	587,399
Installment purchase revenue bonds	503,000
Capital leases	661,429
Landfill post-closure costs	75,000
Due in more than one year:	
General obligation bonds	3,559,941
Installment purchase revenue bonds	4,935,000
Capital leases	1,259,572
Compensated absences	437,382
Landfill post-closure costs	1,137,500
Net pension liability	18,961,077
Total OPEB liability	14,076,340
	<u>47,267,508</u>
Deferred Inflows of Resources	
Unearned revenue	4,477,693
Deferred amounts related to pensions	1,287,842
Deferred amounts related to OPEB	2,283,196
	<u>8,048,731</u>
Net Position	
Net investment in capital assets	10,513,437
Restricted for:	
Public safety	775,713
Public works	413,034
Economic development	1,610,044
Capital projects	17,102,182
Debt service	857,760
Unrestricted	(30,752,979)
	<u>\$ 519,191</u>

The accompanying notes are an integral part of these statements.

CHESTERFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

<u>Functions/Programs</u>	<u>Program Revenue</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government					
Governmental activities					
General government	\$ 4,282,375	\$ 351,282	\$ 127,466	\$ 27,422	\$ (3,776,205)
Public safety	10,325,099	1,210,141	436,805	-	(8,678,153)
Public works	3,147,029	2,387,384	878,312	-	118,667
Economic development	687,477	-	207,784	262,900	(216,793)
Judicial administration	1,221,476	477,922	279,304	-	(464,250)
Culture and recreation	748,146	59,811	182,999	-	(505,336)
Rescue and fire protection	1,857,333	699,035	-	-	(1,158,298)
Non-departmental/other agencies	2,903,838	-	-	-	(2,903,838)
Legislative oversight	401,899	-	-	-	(401,899)
Interest and other charges	436,740	-	-	-	(436,740)
	<u>26,011,412</u>	<u>5,185,575</u>	<u>2,112,670</u>	<u>290,322</u>	<u>(18,422,845)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					\$ 10,512,508
Property taxes, levied for rural fire service					1,108,846
Property taxes, levied for debt service					1,287,926
Fees in lieu of taxes					2,528,486
Local option sales tax					3,310,275
Grants and contributions not restricted to specific programs					1,901,114
Unrestricted investment earnings					31,742
Gain (Loss) on sale of capital assets					372,034
Miscellaneous					743,221
Total general revenues					<u>21,796,152</u>
Change in Net Position					3,373,307
Net Position - Beginning of Year					<u>(2,854,116)</u>
Net Position - End of Year					<u>\$ 519,191</u>

The accompanying notes are an integral part of these statements.

CHESTERFIELD COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Capital Reserve Fund	Capital Equipment Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets and Deferred Outflows of Resources					
Assets:					
Cash and cash equivalents	\$ 14,743,047	\$ -	\$ -	\$ 2,114,594	\$ 16,857,641
Investments	9,504,592	-	-	-	9,504,592
Taxes receivable - net	885,489	283,031	85,530	168,690	1,422,740
Due from other funds	50,029	15,547,499	828,834	1,224,636	17,650,998
Due from other governments	745,110	-	-	-	745,110
Other receivables	201,916	-	-	1,469	203,385
	<u>\$ 26,130,183</u>	<u>\$ 15,830,530</u>	<u>\$ 914,364</u>	<u>\$ 3,509,389</u>	<u>\$ 46,384,466</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable and accrued expenses	\$ 260,584	\$ -	\$ 11,926	\$ 144,318	\$ 416,828
Accrued payroll	568,489	-	-	-	568,489
Due to other funds	17,600,969	-	-	50,029	17,650,998
	<u>18,430,042</u>	<u>-</u>	<u>11,926</u>	<u>194,347</u>	<u>18,636,315</u>
Deferred Inflows of Resources:					
Unearned revenue	5,131,746	192,724	58,242	120,750	5,503,462
	<u>5,131,746</u>	<u>192,724</u>	<u>58,242</u>	<u>120,750</u>	<u>5,503,462</u>
Fund Balances:					
Restricted					
Public safety	26,782	-	-	748,931	775,713
Public works	413,034	-	-	-	413,034
Economic development	641,207	-	-	968,837	1,610,044
Capital projects	-	15,637,806	844,196	620,180	17,102,182
Debt service	-	-	-	857,760	857,760
Assigned					
Public safety	17,804	-	-	-	17,804
Culture and recreation	46,126	-	-	-	46,126
Unassigned	1,423,442	-	-	(1,416)	1,422,026
	<u>2,568,395</u>	<u>15,637,806</u>	<u>844,196</u>	<u>3,194,292</u>	<u>22,244,689</u>
	<u>\$ 26,130,183</u>	<u>\$ 15,830,530</u>	<u>\$ 914,364</u>	<u>\$ 3,509,389</u>	<u>\$ 46,384,466</u>

The accompanying notes are an integral part of these statements.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2021**

Fund Balance - Total Governmental Funds	\$ 22,244,689
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	21,355,893
Uncollected delinquent tax revenue is not available in the current period and, therefore, are deferred in the funds.	1,025,769
Deferred outflows and inflows of resources are not available to use in the current period and, therefore, are not reported in the funds:	
Deferred loss on refunding	122,904
Pension related deferred outflows	3,583,813
OPEB related deferred outflows	2,039,352
Pension related deferred inflows	(1,287,842)
OPEB related deferred inflows	(2,283,196)
Non-current liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds:	
Accrued interest payable	(88,551)
General obligation bonds	(4,147,340)
Installment purchase revenue bonds	(5,438,000)
Capital leases	(1,921,001)
Compensated absences	(437,382)
Landfill post-closure costs	(1,212,500)
Net pension liability	(18,961,077)
Total OPEB liability	(14,076,340)
Net Position of Governmental Activities in the Statement of Net Position	\$ 519,191

The accompanying notes are an integral part of these statements.

CHESTERFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Capital Reserve Fund	Capital Equipment Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 9,380,438	\$ 3,200,098	\$ 968,823	\$ 2,379,693	\$ 15,929,052
Local option sales tax	3,310,275	-	-	-	3,310,275
Fees and fines	280,764	-	-	9,239	290,003
Licenses and permits	2,047,711	-	-	-	2,047,711
Intergovernmental	3,952,184	-	-	245,000	4,197,184
Charges for services	1,599,554	-	-	429,171	2,028,725
Investment earnings	29,702	-	-	2,040	31,742
Miscellaneous	470,898	-	-	150,940	621,838
Fire department dues	699,035	-	-	-	699,035
Grants	388,756	-	-	-	388,756
Contributions	4,171	-	-	86,399	90,570
	<u>22,163,488</u>	<u>3,200,098</u>	<u>968,823</u>	<u>3,302,482</u>	<u>29,634,891</u>
Expenditures					
Current:					
General government	3,788,535	-	-	140,000	3,928,535
Public safety	8,885,019	-	-	655,019	9,540,038
Public works	2,284,817	-	1,848,036	-	4,132,853
Economic development	601,801	-	-	-	601,801
Judicial administration	1,166,536	-	-	-	1,166,536
Culture and recreation	737,345	-	-	-	737,345
Rescue and fire protection	802,071	-	-	1,045,122	1,847,193
Grant programs	3,126,899	-	-	-	3,126,899
Legislative oversight	360,030	-	-	49,651	409,681
Debt Service:					
Principal	-	-	785,923	996,869	1,782,792
Interest and other charges	-	-	76,212	255,238	331,450
	<u>21,753,053</u>	<u>-</u>	<u>2,710,171</u>	<u>3,141,899</u>	<u>27,605,123</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>410,435</u>	<u>3,200,098</u>	<u>(1,741,348)</u>	<u>160,583</u>	<u>2,029,768</u>
Other Financing Sources (Uses)					
Proceeds from long-term debt, net	-	-	-	176,360	176,360
Proceeds from capital leases	-	-	1,208,385	-	1,208,385
Proceeds from refunding bonds	-	-	-	9,359,640	9,359,640
Payments to refunded bond escrow agent	-	-	-	(9,536,000)	(9,536,000)
Proceeds from sale of capital assets	27,529	-	524,876	-	552,405
Transfers in	73,218	-	-	355,000	428,218
Transfers out	(355,000)	-	-	(73,218)	(428,218)
	<u>(254,253)</u>	<u>-</u>	<u>1,733,261</u>	<u>281,782</u>	<u>1,760,790</u>
Net Change in Fund Balances	156,182	3,200,098	(8,087)	442,365	3,790,558
Fund Balances - Beginning of Year	<u>2,412,213</u>	<u>12,437,708</u>	<u>852,283</u>	<u>2,751,927</u>	<u>18,454,131</u>
Fund Balances - End of Year	<u>\$ 2,568,395</u>	<u>\$ 15,637,806</u>	<u>\$ 844,196</u>	<u>\$ 3,194,292</u>	<u>\$ 22,244,689</u>

The accompanying notes are an integral part of these statements.

CHESTERFIELD COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Total Governmental Funds: \$ 3,790,558

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$1,981,461 exceeded depreciation expense of \$1,655,598. 325,863

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the difference between the proceeds received from the sale of assets and the gain or loss on the sale. (228,063)

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. However, neither transaction has any effect on net position. The issuance of long-term debt increases non-current liabilities on the Statement of Net Position and the repayment of principal on long-term debt reduces non-current liabilities on the Statement of 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 over the term of the long-term debt in the Statement of Activities.

Principal payments on long-term debt	11,037,792
Deferred loss on advanced refunding	131,140
Amortization of deferred loss on advanced refunding	(8,236)

Proceeds from debt issuances are an other financing source in the governmental funds, but a debt issuance increases non-current liabilities in the Statement of Net Position. (10,744,385)

In the Statement of Activities, interest is accrued on outstanding debt, whereas in the governmental funds, interest is recognized as an expenditure when due. 52,805

The cost of pension benefits earned net of employee contributions is reported in the Statement of Activities as an element of pension expense. The fund financial statements report pension contributions as expenditures. (575,843)

The cost of OPEB benefits earned net of employee contributions is reported in the Statement of Activities as an element of OPEB expense. The fund financial statements report OPEB contributions as expenditures. (109,395)

Some items reported in the Statement of Activities do not provide or use current financial resources, and therefore, are not reported as revenues or expenditures in the governmental funds:

Property taxes	(491,285)
Landfill post-closure costs	115,550
Compensated absences	76,806

Change in Net Position of Governmental Activities \$ 3,373,307

The accompanying notes are an integral part of these statements.

CHESTERFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

	Custodial Funds			
	Clerk of Court	Magistrates	Treasurer's Office	Total
Assets				
Cash and cash equivalents	\$ 237,274	\$ 172,243	\$ 15,210,904	\$ 15,620,421
Investments	-	-	10,717,807	10,717,807
	<u>237,274</u>	<u>172,243</u>	<u>25,928,711</u>	<u>26,338,228</u>
Liabilities				
Due from other governments	<u>-</u>	<u>-</u>	<u>283,145</u>	<u>283,145</u>
Deferred Inflows of Resources				
Unearned revenue - sales tax	<u>-</u>	<u>-</u>	<u>111,438</u>	<u>111,438</u>
Net Position				
Restricted for:				
Other governments	-	-	24,478,417	24,478,417
Other claimants	237,274	172,243	1,055,711	1,465,228
	<u>\$ 237,274</u>	<u>\$ 172,243</u>	<u>\$ 25,534,128</u>	<u>\$ 25,943,645</u>

The accompanying notes are an integral part of these statements.

CHESTERFIELD COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Funds			
	Clerk of Court	Magistrates	Treasurer's Office	Total
Additions				
Collections of taxes	\$ -	\$ -	\$ 50,751,527	\$ 50,751,527
Collections on behalf of school district	-	-	51,929,053	51,929,053
Collections of fines and fees	319,882	177,810	-	497,692
Collections of assessments	753	164,973	-	165,726
Collections of surcharges	22,111	67,179	-	89,290
	342,746	409,962	102,680,580	103,433,288
Deductions				
Payments to other governments	-	-	92,675,403	92,675,403
Payments to taxpayers	-	-	4,589,470	4,589,470
Payments to State Treasurer	188,411	203,116	-	391,527
Payments to other claimants	147,448	149,605	775,951	1,073,004
	335,859	352,721	98,040,824	98,729,404
Net increase in fiduciary net position	6,887	57,241	4,639,756	4,703,884
Net Position - Beginning, as Restated	230,387	115,002	20,894,372	21,239,761
Net Position - Ending	\$ 237,274	\$ 172,243	\$ 25,534,128	\$ 25,943,645

The accompanying notes are an integral part of these statements.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Chesterfield County, South Carolina (the County), is a political subdivision of the State of South Carolina. The County operates under the “Council-Administrator” form of government and is governed by an elected nine-member council. The council employs an administrator who is responsible for the day-to-day management of the County’s operations.

The County has one blended component unit, the Chesterfield County Public Facilities Corporation (PFC), which is a not-for-profit 501(c)(3) organization incorporated for the specific charitable purpose of serving as a “support organization” for the capital projects of the County. The Corporation’s board members are selected as follows: three shall be elected from among members of Chesterfield County Council, and three are appointed by Chesterfield County Council. Since the Corporation exclusively benefits the County, the Corporation’s financial information is blended with that of the County in these basic financial statements. Separate financial statement information for the Corporation is included in individual columns throughout the financial statements. The Corporation does not issue separate financial statements.

The County’s financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

Basis of Presentation

Financial statements for governments like that of Chesterfield County are presented from two perspectives, the government-wide perspective and the fund perspective.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government and its component units. Net position is calculated based on information on all the County’s assets, deferred outflows/inflows of resources, and liabilities, including capital assets and long-term debt. For the most part, the effect of inter-fund activity, if any, has been removed from these statements. In these statements, governmental activities, which are normally supported by taxes and intergovernmental revenues, are distinguished from any business-type activities in which the government may be engaged, which rely on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses, including depreciation of capital assets, are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that are not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental and fiduciary funds, groupings of accounts used to control resources that have been segregated for specific activities or objectives. Major individual governmental funds are reported as separate columns in the fund financial statements. The governmental fund balance sheet includes a reconciliation of the total fund balance for all governmental funds to total net position of governmental activities reported in the government-wide statement of net position. In addition, the governmental statement of revenues, expenditures, and changes in fund balances also includes a reconciliation of the changes in fund balances of the governmental funds to the government-wide statement of activities.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting

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

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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 and claims and judgments, are recorded only when payment is due.

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

The funds of the reporting entity are described below:

Governmental Funds

The following governmental funds are included in these financial statements:

General Fund - The general fund is the government's primary operating fund and is always classified as a major fund. It is used to account for all activities except those required to be accounted for in other funds.

Special Revenue Funds – Special revenue funds are used to account and report the proceeds for specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds – The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned for the payment of general long-term debt principal and interest.

Capital Projects Funds – Capital project funds are used to account for the resources that are restricted, committed, or assigned for the acquisition and construction of major capital facilities. The Industrial Spec Building Construction Fund and the Capital Projects Fund - Public Facilities Corporation have been classified as major funds.

Fiduciary Funds (not included in the government-wide statements)

Custodial Funds – Custodial funds account for assets held by the County as an agent for other governmental units and courts in accordance with the Acts of the General Assembly of South Carolina. The County's only category of fiduciary funds is custodial funds for education, clerk of court, magistrates, and property taxes.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenues, Exchange, and Nonexchange Transactions

In the government-wide financial statements, revenue is recognized when earned. Property taxes are recognized when levied. By referendum the County has adopted the provisions of State statutes which allow the collection of a one-percent sales tax on essentially all consumer goods sold at retail in the County. In addition, as a “small” county, Chesterfield County shares a portion of the one-percent sales tax collected in the “larger” counties which have elected to participate. The State collects the revenue and distributes it monthly to the County. By ordinance, the County has decreed that all monies received will be used to reduce *ad valorem* taxes. Revenue is recognized when credits are applied to the taxpayers’ property tax bills. Sales tax revenue received in advance of these credit applications is deferred and held in a custodial fund until earned. At June 30, 2021, the amount deferred was \$111,438.

Property taxes on licensed motor vehicles are collected on a monthly basis in the month in which individual motor vehicle licenses are renewed and revenue is recognized as collected. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Service and fee revenue is recognized as it is earned. In governmental funds, the recognition of property tax revenue not collected within sixty days is deferred since they are not available to finance current activities. Grants from other governments are recognized when qualifying expenditures are incurred. Other revenues are recorded when received in cash because they are generally not measurable until actually received.

Property taxes on real and personal property, other than licensed motor vehicles, are levied on July 1 based on the assessed value of property lists on the previous January 1. Assessed values are an approximation of market value. Periodic revaluation of all real property is made in accordance with state statutes. Property taxes are due January 15, after which penalties accrue. At March 15, delinquent costs accrue and uncollected taxes are assigned into execution for collection.

Unearned Revenue

The County reports unearned revenue on its statement of net position and governmental funds balance sheet. In both the government-wide and governmental fund statements, resources received that are “intended to finance” a future period are reported as unearned revenue. In subsequent periods, the liability for unearned revenue is removed from the statement of net position and governmental funds balance sheet and revenue is recognized.

Expenditures/Expenses

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Cash and Investments

The government'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 primary government and its component units to invest in (1) obligations of the United States and its agencies, (2) general obligations of the State of South Carolina and its political subdivisions, (3) savings and loan associations if their deposits are insured by an agency of the federal government, (4) certificates of deposit which are collaterally secured by securities of the type described at (1) and (2) held by a third party, and (5) the State Treasurer’s Investment Pool.

Investments are stated at fair value, which approximates costs.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash and Investments – Continued

The County Treasurer collects, receives, and holds funds belonging to the County (internal) and to external entities (e.g., other governments). Internal and external funds are not commingled. For the purposes of these financial statements the cash and investments belonging to the County funds are reported as cash and investments on the statements of net position and governmental fund balance sheets. The funds belonging to external entities are reported in a custodial fund.

Receivables and Payables

Property tax receivables are shown net of all allowances for uncollectible amounts. The County reserves all property taxes that did not arise from the latest tax levy year. For collection purposes, taxes receivable are written off at the end of ten years in accordance with South Carolina law. All other levies are recognized as revenue on the government-wide financial statements, while all those not collected within sixty days are deferred on the governmental fund statements. The uncollectible reserve at June 30, 2021, was \$800,185.

Outstanding balances between funds are reported as “due to/from other funds”.

All other receivables are reported at amounts management expects to collect and are considered delinquent when not collected within one year. All delinquent receivables are reserved.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items) and are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects that are constructed.

In accordance with U.S. generally accepted accounting principles, the County has elected to implement only prospective reporting of infrastructure assets. Accordingly, only infrastructures acquired or constructed after June 30, 2003, are included in capital assets.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: infrastructure assets-50 years; buildings-20 to 50 years; improvements-5 to 50 years; equipment-5 to 15 years.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position includes separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an expenditure until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as revenue until that time. The County has deferred outflows/inflows of resources related to unearned revenue, pensions and other post-employment benefits.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Pension Plans

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of South Carolina Retirement Systems (SCRS) and additions to/deductions from the SCRS' fiduciary net position have been determined on the accrual basis of accounting as they are reported by the SCRS 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 of the plan are reported at fair value.

Compensated Absences

The County permits employees to accumulate earned but unused vacation (up to thirty days) and sick pay benefits (up to ninety days). There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service from the County. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for that amount is reported in the governmental funds only if they have matured and are material.

Long - Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond issue premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Fund Balance

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

Nonspendable - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact. The County has classified assets held for resale as being nonspendable because they are not expected to be converted to cash within the next current year.

Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.

Committed - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned - amounts that are available for any purpose; positive amounts are reported only in the general fund. The unassigned classification also includes negative residual fund balances of any governmental fund that cannot be eliminated by the offsetting assigned fund balance amounts.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance - Continued

County Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by County Council through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, etc.).

Although the County has not formally adopted a fund balance spending policy, the County would typically use restricted funds balances first, followed by committed resources, and the assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these classified funds. Where applicable, these classifications are presented on the face of the governmental fund balance sheet.

Net Position

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

Restricted Sources

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

Use of Estimates

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

An annual budget is adopted on a basis consistent with U.S. generally accepted accounting principles for the General Fund. Each year, all County departments submit requests for appropriations to the county finance director. After the department requests are submitted, the finance director prepares a draft budget. The proposed budget is presented to County Council for review and approval. County Council holds public hearings and adopts the budget no later than June 30. The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control is the departmental level.

Excess of Expenditures over Appropriations

The following departments presented in the budgetary comparison schedule had excess expenditures over appropriations:

Culture and Recreation	\$	53,454
Rescue and Fire Protection	\$	103,391
Grant Programs	\$	893,658

Deficit Fund Balance

The Alligator Fire District had a deficit fund balance as of June 30, 2021 of \$1,416.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 – CASH AND INVESTMENTS

Cash

The County does not have a formal deposit policy for custodial credit risk, which is the risk that in the event of bank failure, the deposits may not be returned to the County.

As of June 30, 2021, the County had the following deposits:

	Carrying Amount	Bank Balance
Demand deposits	\$ 32,475,637	\$ 32,683,585

Of the County's bank balance, \$784,998 was covered by FDIC insurance and \$31,898,587 was collateralized by securities held by the pledging bank's trust department or agent in the County's name.

Investments

The County's investments are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

As of June 30, 2021, the County's investments consisted of the following:

Investment Type	Fair Value	Maturity	Rating
State Treasurer's Investment Pool	\$ 20,222,399	<60 days	Not Rated

The County Treasurer has invested, in accordance with their instructions, funds belonging to the Chesterfield County School District in the South Carolina State Treasurer's Investment Pool. The State Treasurer's Investment Pool is a 2a 7-like pool, which is not registered with the Securities and Exchange Commission (SEC), but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940.

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. Although the County does not have a formal investment policy, the County minimizes interest rate risk by investing operating funds in money market funds or similar investment pools and limiting the average maturity in accordance with the County's cash requirements.

Credit risk 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 nationally recognized statistical rating organization. The County's policy is to invest only in those securities allowed by state statute and that are highly rated. The State Treasurer's Investment Pool is not rated, but generally investments in the pool are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality, and in federal agency securities.

Custodial credit risk for an investment is the risk that, in the event in the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County minimizes credit risk by limiting investments to the types of securities allowed by state statute.

Concentration of credit risk is the risk of loss attributable to the magnitude of the County's investment in a single issuer. The risk is mitigated by diversifying the investment portfolio so that the impact of potential losses from any one type of security or investor will be minimized. The County places no limits on the amount that may be invested in any one issuer.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Reconciliation of cash and investments to the financial statements is as follows:

	Cash	Investments
Statement of Net Position	\$ 16,857,641	\$ 9,504,592
Statement of Fiduciary Net Position	15,620,421	10,717,807
Less: Petty cash	(2,425)	-
	\$ 32,475,637	\$ 20,222,399

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 1,653,148	\$ 31,000	\$ (153,827)	\$ 1,530,321
Construction in progress	4,743,148	-	-	4,743,148
	6,396,296	31,000	(153,827)	6,273,469
<i>Capital Assets Being Depreciated:</i>				
Buildings and improvements	17,807,212	-	-	17,807,212
Intangible assets	172,377	-	-	172,377
Vehicles/machinery/equipment	13,009,805	1,950,461	(1,665,053)	13,295,213
	30,989,394	1,950,461	(1,665,053)	31,274,802
<i>Accumulated Depreciation:</i>				
Buildings and improvements	(6,026,117)	(362,763)	-	(6,388,880)
Intangible assets	(172,377)	-	-	(172,377)
Vehicles/machinery/equipment	(9,929,103)	(1,292,835)	1,590,817	(9,631,121)
	(16,127,597)	(1,655,598)	1,590,817	(16,192,378)
Net Assets Being Depreciated	14,861,797	294,863	(74,236)	15,082,424
Net Capital Assets - Governmental Activities	\$ 21,258,093	\$ 325,863	\$ (228,063)	\$ 21,355,893

Depreciation was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 229,215
Public safety	543,786
Public works	814,232
Culture and recreation	8,716
Judicial administration	49,507
Rescue and fire protection	10,142
	\$ 1,655,598

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 – SHORT-TERM DEBT

Short-term debt activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
2020 GO Bond	\$ -	\$ 626,000	\$ 626,000	\$ -

NOTE 6 – LONG-TERM DEBT

The following is a summary of long-term debt of the County for the year ended June 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:					
Non-Current Liabilities					
General obligation bonds	\$ 4,621,209	\$ 4,098,000	\$ 4,571,869	\$ 4,147,340	\$ 587,399
Installment purchase revenue bonds	5,680,000	5,438,000	5,680,000	5,438,000	503,000
Capital leases	1,498,539	1,208,385	785,923	1,921,001	661,429
Compensated absences	514,188	-	76,806	437,382	-
Landfill post-closure costs	1,328,050	-	115,550	1,212,500	75,000
Total Non-Current Liabilities for Governmental Activities	<u>\$ 13,641,986</u>	<u>\$ 10,744,385</u>	<u>\$ 11,230,148</u>	<u>\$ 13,156,223</u>	<u>\$ 1,826,828</u>

General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition, construction, and major improvement to its buildings and other facilities. The original amount of general obligation bonds issued in prior years was \$7,185,000. General obligation bonds are direct obligations and pledged with the full faith and credit of the County. These bonds are issued as multi-year (13 to 15 years) serial bonds with varying amounts of principal maturing each year. Payments on general obligation bonds are made by the debt service fund.

General obligations bonds currently outstanding are:

Description	Maturity Date	Interest Rates	Amounts
2015 GO Bond	02/05/2023	2.22%	\$ 49,340
2020B GO Refunding Bond	03/01/2028	1.31%	<u>4,098,000</u>
			<u>\$4,147,340</u>

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 – LONG-TERM DEBT – CONTINUED

General Obligation Bonds - Continued

Annual debt service requirements to maturity for general obligations bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 587,399	\$ 54,779	\$ 642,178
2023	595,941	46,863	642,804
2024	577,000	38,828	615,828
2025	585,000	31,270	616,270
2026	593,000	23,606	616,606
2027-2029	1,209,000	23,802	1,232,802
	<u>\$ 4,147,340</u>	<u>\$ 219,148</u>	<u>\$ 4,366,488</u>

Defeased Debt - General Obligation Bonds

On December 3, 2020, the County issued \$4,098,000 of General Obligation Refunding Bonds, Series 2020B with an interest rate of 1.31%. These bonds were issued to advance refund \$4,548,000 of the General Obligation Bonds, Series 2013 with an interest rate of 2.28% and a total outstanding indebtedness of \$7,000,000. The General Obligation Bonds, Series 2013 mature on May 1, 2028, and are callable at any time. The General Obligation Refunding Bonds, Series 2020B were issued at par value and, after County contributions of \$551,499.68 and paying issuance costs of \$75,000, the net proceeds were \$4,574,499.68. The net proceeds from the issuance of the General Obligation Refunding Bonds, Series 2020B were used to purchase U.S. Government securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the General Obligation Bonds, Series 2013 are called or matured. The advance refunding met the requirements of an in-substance defeasance and the refunded bonds were removed from the County's Statement of Net Position.

As a result of this advanced refunding, the County reduced its total debt service requirements over the next seven years by \$115,369. This resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$89,115. Total remaining defeased debt at June 30, 2021 is \$4,023,000.

Installment Purchase Revenue Bonds

The Chesterfield County Public Facilities Corporation (the Corporation) Installment Purchase Revenue Bonds were issued pursuant to an Installment Purchase and Use Agreement and evidence proportionate interest of owners in certain rental payments to be made by the County under the terms of a Base Lease Agreement between the County and the Corporation dated December 1, 2015. The County leased certain real property and conveyed the improvements to the Corporation so that the Corporation may finance the cost of renovating, remodeling and improving the County's main administration building, the County's main animal shelter and the County's main Judicial Center, to be sold to the County pursuant to a Purchase and Use Agreement dated December 1, 2015. The Purchase and Use Agreement obligates the County to make annual installment payments of the purchase price to the Corporation, in amounts calculated to be sufficient to enable the Corporation to pay the principal and interest on the outstanding bonds and amounts budgeted as reserves for the repair and replacement of the facilities. The County's obligations under the Purchase and Use Agreement are from year-to-year only and do not constitute a mandatory payment obligation by the County in any fiscal year in which funds are not appropriated by the County to pay the installment payments due in such fiscal year. The County has no continuing obligation to appropriate funds to pay the installment payments under the Purchase and Use Agreement and may terminate its obligations under the Purchase and Use Agreement on an annual basis without penalty. However, the County would forfeit possession of the facilities for the remainder of the lease term.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 – LONG-TERM DEBT – CONTINUED

Installment Purchase Revenue Bonds - Continued

The Corporation's Installment Purchase Revenue Bonds are not a debt of the County; however, as the Corporation is blended with the operations of the County, the debt of the Corporation is included with the County's other obligations, as required by generally accepted accounting principles.

On December 18, 2015, the Corporation issued a \$3,000,000 Installment Purchase Revenue Bond, Series 2015, due in annual installments with varying amounts of principal maturing each year, beginning December 1, 2016 through December 1, 2030, with an interest rate of 2.99%. On May 26, 2016, the Corporation issued a \$3,800,000 Installment Purchase Revenue Bond, Series 2016, due in annual installments with varying amounts of principal maturing each year, beginning December 1, 2016 through December 1, 2030, with an interest rate of 2.67%. Both bonds were issued to finance the costs of County renovations, as listed above.

On December 1, 2020, the Corporation issued \$5,438,000 of Installment Purchase Revenue Refunding Bonds, Series 2020, in order to advance refund the remaining balances of the \$3,000,000 Installment Purchase Revenue Bonds, Series 2015 issued on December 18, 2015 and the \$3,800,000 Installment Purchase Revenue Bonds, Series 2016 issued on May 26, 2016. The unspent bond proceeds from the Installment Purchase Revenue Bonds, Series 2016, combined with the proceeds of the new Installment Purchase Revenue Refunding Bonds, Series 2020, was placed into an escrow account to continue paying the remainder of the 2015 and 2016 Installment Purchase Revenue Bonds and to fund various capital projects at the discretion of County Council.

Arbitrage is the difference between the yield on the issuer's tax-exempt bonds and the investment income earned on the proceeds. Arbitrage restrictions imposed by the Federal Government prohibit an issuer from retaining arbitrage profits when investing bond proceeds at a yield that exceeds the yield on the bonds. Any excess arbitrage must be relayed to the U.S. Treasury. The Chesterfield County Public Facilities Corporation (the Corporation) Installment Purchase Revenue Bonds are subject to an arbitrage calculation. As of June 30, 2021, no arbitrage liability exists.

Annual debt service requirements for the Chesterfield County Public Facilities Corporation Installment Purchase Revenue Bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 503,000	\$ 91,902	\$ 594,902
2023	512,000	83,401	595,401
2024	521,000	74,749	595,749
2025	530,000	65,944	595,944
2026	539,000	56,987	595,987
2026-2031	2,833,000	145,239	2,978,239
	\$ 5,438,000	\$ 518,222	\$ 5,956,222

Defeased Debt - Installment Purchase Revenue Bonds

On December 1, 2020, the County issued \$5,438,000 of Installment Purchase Revenue Refunding Bonds, Series 2020 with an interest rate of 1.69%. These bonds were issued to advance refund: \$2,527,000 of the Installment Purchase Revenue Bonds, Series 2015, with an interest rate of 2.99%, maturing on December 1, 2030; and \$3,153,000 of the Installment Purchase Revenue Bonds, Series 2016, with an interest rate of 2.67%, maturing on December 1, 2030.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 – LONG-TERM DEBT – CONTINUED

Defeased Debt - Installment Purchase Revenue Bonds - Continued

The Installment Purchase Revenue Refunding Bonds, Series 2020 were issued at par value and, after County contributions of \$663,185.23 and paying issuance costs of \$101,360, the net proceeds were \$5,999,825. \$663,185.23 of the net proceeds from the issuance of the Installment Purchase Revenue Refunding Bonds, Series 2020 were placed in a separate account for the County to use for various capital projects. The remainder of the net proceeds were used to purchase U.S. Government securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the Installment Purchase Revenue Bonds, Series 2015 and 2016, have matured. The advance refunding met the requirements of an in-substance defeasance, and the refunded bonds were removed from the County's Statement of Net Position.

As a result of this advanced refunding, the County reduced its total debt service requirements over the next ten years by \$118,853. This resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$108,563. Total remaining defeased debt at June 30, 2021 is \$5,232,000.

Capital Leases

The County has entered into six lease agreements as lessee to finance equipment, which are each collateralized by the equipment purchased. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Assets	Governmental Activities
Equipment	\$ 6,080,457
Less: Accumulated Depreciation	<u>(3,753,942)</u>
	<u>\$ 2,326,515</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, are as follows:

Year Ended June 30	Amount
2022	\$ 697,591
2023	697,594
2024	476,378
2025	60,786
2026	<u>60,786</u>
Total minimum lease payments	1,993,135
Less, amount representing interest	<u>(72,134)</u>
Present value of minimum lease payments	<u>\$ 1,921,001</u>

Payments for lease purchase agreements are made by the general fund, special revenue funds, capital project funds, and debt service fund.

At March 26, 2021, the County entered into an additional lease purchase agreement to purchase two dump trucks and one roll-off truck. The County was unable to get the trucks they ordered due to supply chain issues, and thus cancelled the debt subsequent to year end. Therefore, the debt for the related lease purchase agreement is not recorded on the County's books at June 30, 2021.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – LONG-TERM DEBT – CONTINUED

Landfill Closure and Post Closure Care Costs

The South Carolina Department of Health and Environmental Control (DHEC) requires landfill operators to provide for the inspection and maintenance of the physical characteristics of the site, as well as monitoring and maintenance of the groundwater and gas monitoring systems and the leachate collection and treatment system for a period of thirty years following the closing of the landfill. DHEC also requires that operators cover the landfill with a minimum cover of certain permeability. The County's liability for closure and post-closure care costs is based on landfill capacity used to date. The County's landfill has been closed and is considered to be at 100 percent of capacity. Remaining post-closure care costs are \$1,212,500 and the long-term liabilities in the statement of net position include that amount. Post-closure care costs are based on engineering estimates and are subject to change due to inflation, deflation, technology, and/or applicable laws and regulations and are reported in the General Fund.

Conduit Debt Obligations

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, nor the State of South Carolina, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Such debt exceeded \$6,000,000 when originally issued.

Payments on general obligation bonds are made by the debt service fund. Governmental activities lease purchase agreements are paid for by the general fund, special revenue funds, capital project funds, and debt service fund. Compensated absences are liquidated by the general fund.

NOTE 7 – UNEARNED REVENUE

At June 30, 2021, unearned revenue consisted of the following:

Victims of Crime Escrow	\$ 40,545
Deferred Tax Revenue	1,025,769
Sheriff's Drug Escrow	31,082
American Rescue Plan	<u>4,406,066</u>
	<u>\$ 5,503,462</u>

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES

Due To/From Other Funds

Interfund balances arise because the County Treasurer utilizes a cash pool to maximize earnings. Interfund balances at June 30, 2021, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service Fund	\$ 50,029
Capital Reserve	General Fund	15,547,499
Capital Projects Fund - PFC	General Fund	5,623
Emergency Preparedness	General Fund	74,587
E-911 Fund	General Fund	76,380
Industrial Site Fund	General Fund	658,837
Capital Equipment Fund	General Fund	828,834
Alligator Fire District	General Fund	33,073
Cash Fire District	General Fund	69,508
Cheraw Fire District	General Fund	126,462
Cheraw Rescue Squad	General Fund	71,221
Chesterfield Fire District	General Fund	14,559
Chesterfield Rescue Squad	General Fund	26,824
Harris Creek Fire District	General Fund	25,426
Jefferson Rescue Squad	General Fund	12,605
McBee Rescue Squad	General Fund	4,148
Pageland Rescue Squad	General Fund	21,698
Patrick Rescue Squad	General Fund	3,685
		<u>\$ 17,650,998</u>

Transfers To/From Other Funds

The following transfers were made during the year:

Transfers To	Transfers From	Amount
General Fund	Sheriff's Department	\$ 73,218
Industrial Site Fund	General Fund	310,000
Alligator Fire District	General Fund	15,000
Cash Fire District	General Fund	15,000
Harris Creek Fire District	General Fund	15,000
		<u>\$ 428,218</u>

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – PENSION PLANS

South Carolina Retirement System

Plan Description

The County, as the employer, participates in the South Carolina Retirement System (SCRS) Plan - a cost-sharing multiple-employer defined benefit pension plan administered and managed by the South Carolina Public Employee Benefit Authority (PEBA), a state agency. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR that is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Benefits Provided/Membership

SCRS provides retirement and other benefits for employees of the state, its public school districts, and political subdivisions. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws, and PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current year salary.

This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. 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.

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

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 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.

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 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 employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS. The legislation also increased 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 employer contribution rate that was scheduled to go into effect beginning July 1, 2020.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Retirement System – Continued

If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA 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 is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018, to 20 years by fiscal year 2028.

Additionally, the PEBA board is prohibited from decreasing the SCRS contribution rates until the funded ratio is at least 85%. If the most recent actuarial valuation of the System for funding purposes shows a ratio of the actuarial value of the system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85%, then the board, effective on the following July 1st, 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%. If contribution rates decreased pursuant to this provision and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective the following July 1st, and annually thereafter as necessary, the PEBA 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%.

Required employee (both Class II and III) contribution rates for the year ended June 30, 2021 was 9.00%. Required employer contribution rates for the year ended June 30, 2021 was 15.41%. Both required employee and employer contribution rates are calculated on earnable compensation, as defined in Title 9 of the South Carolina Code of Laws. Employers also contribute an additional .15% of earnable compensation, if participating in the death benefit program.

Contributions to the Plan from the County were \$702,770, for the year ended June 30, 2021. For the State's year end June 30, 2020, the State General Assembly appropriated funds to cover 1% of the 2% contribution rate increase for all employers participating in the State retirement plans. For the year ended June 30, 2020, \$51,592 of contributions paid on behalf of the County by the General Assembly for SCRS was recognized as other operating revenues.

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

At June 30, 2021, the County reported a net pension liability of \$11,243,685 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2020, using generally accepted actuarial principles. The allocation of the County's proportionate share of the collective net pension liability and pension expense were calculated on the basis of the County's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2020. Based upon this information, the County's proportion of the collective net pension liability is 0.044004%, a decrease of 0.004488% since June 30, 2019, the prior measurement date.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Retirement System – Continued

For the year ended June 30, 2021, the County recognized pension expense of \$853,233. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of
Differences between expected and actual experience	\$ 129,737	\$ 42,517
Changes in assumptions	13,775	-
Net difference between projected and actual earnings on pension plan investments	827,068	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	1,027,205
County contributions subsequent to the measurement date	702,770	-
Total	\$ 1,673,350	\$ 1,069,722

Deferred outflows of resources of \$702,770 related to pensions in 2021, resulted from County contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Any 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	
2022	\$ 240,339
2023	107,215
2024	(37,363)
2025	(211,049)
	\$ 99,142

Actuarial Assumptions

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision, as actual results are compared to 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 System was most recently issued for the period ending July 1, 2019 for the first use in the July 1, 2021 actuarial valuation.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Retirement System – Continued

The June 30, 2020 total pension liability, net pension liability, and sensitivity information determined by the July 1, 2019 valuation, which used the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.0% to 12.5% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.25% (includes 2.25% inflation)

The post-retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina mortality table (2016 PRSC), was developed using the Systems’ mortality experience. The base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

The long-term expected rate of return on pension plan investments is based upon the 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. Expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation, and is summarized in the following table. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes 5.00% real rate of return and a 2.25% inflation component.

Asset Class	Target Allocation	Long-term Expected Portfolio Real Rate of Return
Global Equity	51%	3.89%
Real Assets	12%	0.69%
Opportunistic	8%	0.29%
Credit	15%	0.71%
Rate Sensitive	14%	0.22%
Total Expected Real Return	100%	5.80%
Inflation for Actuarial Purposes		2.25%
Total Expected Nominal Return		8.05%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the System’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.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Retirement System – Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the County’s proportionate share of the collective net pension liability calculated using the discount rate of 7.25%, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the collective net pension liability	\$13,935,169	\$11,243,685	\$ 8,996,264

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems’ audited financial statements for the fiscal year ended June 30, 2020 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System’s fiduciary net position have been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2020. The additional information is publicly available on PEBA’s website at www.peba.sc.gov.

South Carolina Police Officers Retirement System

Plan Description

The County, as the employer, participates in the South Carolina Police Officers Retirement System (PORS) Plan - a cost-sharing multiple-employer defined benefit pension plan administered and managed by the South Carolina Public Employee Benefit Authority (PEBA), a state agency. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Benefits Provided/Membership

PORS provides retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions. PORS also covers peace officers, coroners, probate judges and magistrates. 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. Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws, and PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current year salary.

CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Police Officers Retirement System – Continued

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

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 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, 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 PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.75% for PORS. The legislation also increased 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 PORS employer contribution rate 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 PEBA board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of 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.

Additionally, the PEBA board is prohibited from decreasing the PORS contribution rates until the funded ratio is at least 85%. If the most recent actuarial valuation of the System for funding purposes shows a ratio of the actuarial value of the system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85%, then the PEBA board, effective on the following July 1st, 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%. If contribution rates decreased pursuant to this provision and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective the following July 1st, and annually thereafter as necessary, the PEBA 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%.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Police Officers Retirement System – Continued

Required employee (both Class II and III) contribution rates for the year ended June 30, 2021 was 9.75%. Required employer contribution rates for the year ended June 30, 2021 was 17.84%. Both required employee and employer contribution rates are calculated on earnable compensation, as defined in Title 9 of the South Carolina Code of Laws. Employers also contribute an additional .20% of earnable compensation, if participating in the incidental and/or accidental death benefit program, respectively.

Contributions to the Plan from the County were \$587,684, for the year ended June 30, 2021. For the State's year end June 30, 2020, the State General Assembly appropriated funds to cover 1% of the 2% contribution rate increase for all employers participating in the State retirement plans. For the year ended June 30, 2020, \$31,634 of contributions paid on behalf of the County by the General Assembly for PORS was recognized as other operating revenues.

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

At June 30, 2021, the County reported a net pension liability of \$7,717,392 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2020, using generally accepted actuarial principles. The allocation of the County's proportional share of the collective net pension liability and pension expense were calculated on the basis of the County's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2020. Based upon this information, the County's proportion of the collective net pension liability is 0.232717%, an increase of 0.013474% since June 30, 2019, the prior measurement date.

For the year ended June 30, 2021, the County recognized pension expense of \$1,096,265. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of
Differences between expected and actual experience	\$ 164,010	\$ 33,970
Changes in assumptions	94,178	-
Net difference between projected and actual earnings on pension plan investments	790,243	-
Changes in proportion and differences between County contributions and proportionate share of contributions	274,348	184,150
County contributions subsequent to the measurement date	587,684	-
Total	<u>\$ 1,910,463</u>	<u>\$ 218,120</u>

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Police Officers Retirement System – Continued

Deferred outflows of resources of \$587,684 related to pensions in 2021, resulted from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Any 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	
2021	\$ (289,722)
2022	(268,581)
2023	(327,044)
2024	(219,312)
	<u>\$ (1,104,659)</u>

Actuarial Assumptions

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision, as actual results are compared to 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 System was most recently issued for the period ending July 1, 2019 for first use in the July 1, 2021 actuarial valuation.

The June 30, 2020 total pension liability, net pension liability, and sensitivity information is determined by the July 1, 2019 valuation, which used the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.5% to 9.5% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.25% (includes 2.25% inflation)

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina mortality table (2016 PRSC), was developed using the Systems' mortality experience. The base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

The long-term expected rate of return on pension plan investments is based upon the 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 expectation and market based inputs. Expected-returns are net of investment fees. Expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation, and is summarized in the following table. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes 5.00% real rate of return and a 2.25% inflation component.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – PENSION PLANS – CONTINUED

South Carolina Police Officers Retirement System – Continued

Asset Class	Target Allocation	Long-term Expected Portfolio Real Rate of Return
Global Equity	51%	3.89%
Real Assets	12%	0.69%
Opportunistic	8%	0.29%
Credit	15%	0.71%
Rate Sensitive	14%	0.22%
Total Expected Real Return	<u>100%</u>	<u>5.80%</u>
Inflation for Actuarial Purposes		<u>2.25%</u>
Total Expected Nominal Return		<u>8.05%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in PORS will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the System'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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the County's proportionate share of the collective net pension liability calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the collective net pension liability	\$ 10,216,528	\$ 7,717,392	\$ 5,710,747

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2020 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of July 1, 2019. The additional information is publicly available through PEBA's website at www.peba.sc.gov.

Reconciliation of pension-related items to the Government-wide Statement of Net Position:

	SCRS	PORS	Total
Net pension liability	\$ 11,243,685	\$ 7,717,392	\$ 18,961,077
Deferred outflows related to pensions	\$ 1,673,350	\$ 1,910,463	\$ 3,583,813
Deferred inflows related to pensions	\$ 1,069,722	\$ 218,120	\$ 1,287,842

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 – POST RETIREMENT HEALTHCARE BENEFITS

Plan Description

Chesterfield County maintains a single-employer defined benefit plan to provide certain post-retirement healthcare benefits, in accordance with County ordinances, to all employees hired before July 1, 2009, that retire from service with at least ten years of service. Employees must meet one or more of the SCRS eligibility requirements, such as age, length of service, and hire date. Benefits are effective at the date of retirement or when the employee is eligible for retirement benefits. The County does not issue separate audited financial statements for this plan.

Benefits Provided/Funding Policy

The County currently pays 100% of employer’s share of premiums towards eligible retirees’ health insurance premiums to the State of South Carolina Insurance Benefits Program. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis through an annual appropriation; and thus, no assets are accumulated in a trust. For the year ended June 30, 2021, the County paid \$283,026 to provide these benefits to eligible retirees. Membership in the plan as of June 30, 2020, the date of the last actuarial valuation was:

Inactive plan members or beneficiaries receiving benefits	62
Active plan members	<u>264</u>
Total plan members	<u><u>326</u></u>

Total OPEB Liability

The County’s total OPEB liability of \$14,076,340 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods including the measurement date, unless otherwise specified:

Actuarial Cost Method:	Individual Entry-Age Normal
Discount Rate:	2.45%, as of June 30, 2020
Inflation:	2.25%
Salary Increases:	3.50% to 9.50% for PORS and 3.00% to 7.00% for SCRS, including inflation
Healthcare Costs Trends:	Initial rate of 6.00%, declining to an ultimate rate of 4.00% after 15 years.
Retiree Participation Rates:	90% for fully funded; 60% for partially-funded; 15% for unfunded; unfunded retirees were assumed to discontinue coverage at age 65.

The discount rate changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020 (a decrease of 0.68%), and was based on the Fidelity 20-Year Municipal GO AA Index. The health care trend rates were updated to reflect the plan’s anticipated experience and the repeal of excise tax on high-cost employer health plans. The period of service used for the allocation of service cost was changed to only reflect service with the County.

Mortality rates were based on the 2016 Public Retirees of South Carolina Mortality Table for Males and Females with fully generational mortality projections based on Scale AA from the year 2016. The following multipliers are applied to the base tables: 100% for male SCRS members, 111% for female SCRS members, 125% for male PORS members, and 111% for female PORS members.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 – POST RETIREMENT HEALTHCARE BENEFITS – CONTINUED

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study used for the valuations of the SCRS. The experience report on the SCRS was most recently issued as of July 1, 2015, and are required to be completed at least once in each five-year period by S.C. state statute.

Changes in the Total OPEB Liability

Balance as of June 30, 2020	\$ 12,912,156
Changes During the Year:	
Service Cost	310,403
Interest on Total OPEB Liability	404,579
Difference between expected and actual experience of the Total OPEB Liability	(434,241)
Changes of Assumptions	1,166,469
Benefit Payments	(283,026)
Balance as of June 30, 2021	<u>\$ 14,076,340</u>

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

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate of 1% lower (1.45%) or 1% higher (3.45%) than the current discount rate:

	1% Decrease 1.45%	Current Discount Rate Assumption 2.45%	1% Increase 3.45%
Total OPEB Liability	\$ 16,384,963	\$ 14,076,340	\$ 12,206,913

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 well as what the County's total OPEB liability would be if it were calculated using a healthcare cost trend rates of 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Trend Rate
Total OPEB Liability	\$ 11,879,875	\$ 14,076,340	\$ 16,872,078

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 – POST RETIREMENT HEALTHCARE BENEFITS – CONTINUED

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$480,809. At June 30, 2021, the County’s contributions subsequent to the measurement date of \$371,414 are reported as deferred outflows of resources, and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. The County reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,349	\$ 1,530,861
Changes in assumptions	1,663,589	752,335
County contributions subsequent to the measurement date	371,414	-
Total	\$ 2,039,352	\$ 2,283,196

NOTE 11 – TAX ABATEMENTS

The County enters into property tax abatement agreements with local businesses under Title 4, Chapter 12 and Title 12, Chapter 44 of the Code of Laws of South Carolina of 1976, as amended (the “Act”). Under the Act, localities may grant property tax abatements for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the County.

For the fiscal year ended June 30, 2021, the County abated property taxes totaling \$5,005,682 under this law, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- An ad valorem property tax abatement to Schaeffler Group USA, Inc. for investing at least \$65 million into the County and creating new jobs. The agreement states the fee payment will be determined using an assessment ratio of 6%, a fixed millage rate, and a fair market value estimate of original cost less allowable depreciation for personal property under SC law. For fiscal year 2021, the total abated taxes amounted to \$2,567,060.
- An ad valorem property tax abatement to Nestle Waters North America, Inc. for investing at least \$45 million into the County and creating new jobs. The agreement states the fee payment will be determined using an assessment ratio of 6%, a fixed millage rate, and a fair market value estimate of original cost less allowable depreciation for personal property under SC law. For fiscal year 2021, the total abated taxes amounted to \$582,515.

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; injuries to employees; and natural disasters. The County maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from grant programs are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Litigation

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County’s legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

NOTE 14 – CUMULATIVE CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2021, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Governments with activities meeting the criteria should present a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

Based on the established criteria in this statement, all the County’s fiduciary activities will remain custodial funds (formerly called agency funds). However, the County will now report a fiduciary net position, in lieu of liabilities, on the Statement of Fiduciary Net Position; and will now report a Statement of Changes in Fiduciary Net Position as part of the basic financial statements.

NOTE 15 – PRIOR PERIOD ADJUSTMENT

The accompanying statement of changes in fiduciary net position reflects adjustments resulting from a restatement of beginning net position as of June 30, 2020. A decrease in the Treasurer’s Office cash of \$279,361 was to reflect a cumulative adjustment to cash due to errors in the bank reconciliations.

	Custodial Funds
Net Position at beginning of year, as previously reported	\$ -
Implementation of GASB Statement No. 84	21,519,122
Decrease in Treasurer’s Office cash	(279,361)
Net Position at beginning of year, as restated	\$ 21,239,761

NOTE 16 – SUBSEQUENT EVENTS

Subsequent to June 30, 2021, County Council authorized the following transactions:

- Issued a \$613,000 General Obligation Bond, due in full on March 1, 2022, with an interest rate of 1.08%.
- Entered into a contract with Davco Roofing and Sheet Metal, Inc. for \$468,000 to reroof the courthouse.

Management has evaluated subsequent events through March 21, 2022, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

CHESTERFIELD COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 9,055,651	\$ 9,055,651	\$ 9,380,438	\$ 324,787
Local option sales tax	2,800,000	2,800,000	3,310,275	510,275
Fees and fines	325,715	325,715	280,764	(44,951)
Licenses and permits	1,825,000	1,825,000	2,047,711	222,711
Intergovernmental	3,484,928	3,484,928	3,952,184	467,256
Charges for services	1,411,032	1,411,032	1,599,554	188,522
Investment earnings	110,000	110,000	29,702	(80,298)
Miscellaneous	200,950	200,950	470,898	269,948
Fire department dues	565,680	565,680	699,035	133,355
Grants	39,746	39,746	388,756	349,010
Contributions	15,000	15,000	4,171	(10,829)
Total Revenues	19,833,702	19,833,702	22,163,488	2,329,786
Expenditures				
General Government				
Register of deeds	183,236	183,236	163,684	19,552
Voter registration	226,288	227,788	271,148	(43,360)
County administrator	689,682	689,682	669,048	20,634
Assessor	447,898	447,898	391,209	56,689
Auditor	248,838	248,838	230,780	18,058
Treasurer / delinquent tax collector	561,362	561,362	489,814	71,548
Building codes	295,881	295,881	282,026	13,855
Public buildings	1,242,708	1,171,208	1,109,992	61,216
Data processing	213,070	213,070	180,834	32,236
	4,108,963	4,038,963	3,788,535	250,428
Public Safety				
Victim's advocate	64,938	64,938	27,243	37,695
Sheriff	3,354,973	3,364,973	3,471,685	(106,712)
Detention center	1,858,225	1,883,225	1,779,691	103,534
Coroner	175,894	175,894	244,238	(68,344)
Ambulance	1,287,500	1,287,500	1,327,803	(40,303)
School resource officers	408,865	408,865	598,650	(189,785)
Town of McBee officers	116,337	116,337	109,459	6,878
Civil processors	23,236	23,236	22,730	506
Jefferson law enforcement	123,006	123,006	108,206	14,800
Grant: JAG narcotics	214,302	214,302	-	214,302
Telecommunicators	687,989	687,989	644,195	43,794
Animal shelter	460,689	468,189	393,537	74,652
Emergency preparedness	215,562	215,562	157,582	57,980
	8,991,516	9,034,016	8,885,019	148,997
Public Works				
Road department	1,869,633	1,884,633	1,719,397	165,236
Landfill	573,909	581,909	565,420	16,489
	2,443,542	2,466,542	2,284,817	181,725

SCHEDULE 1 - CONTINUED

CHESTERFIELD COUNTY, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Economic Development	1,274,425	1,276,925	601,801	675,124
Judicial Administration				
Clerk of court	476,338	476,338	343,657	132,681
Probate court	257,036	257,036	240,454	16,582
Magistrates	461,928	461,928	414,762	47,166
Family court	197,136	197,136	156,917	40,219
Solicitor	-	-	10,746	(10,746)
	<u>1,392,438</u>	<u>1,392,438</u>	<u>1,166,536</u>	<u>225,902</u>
Culture and Recreation				
Veterans' affairs	108,308	108,308	99,753	8,555
Library	573,583	575,583	637,592	(62,009)
	<u>681,891</u>	<u>683,891</u>	<u>737,345</u>	<u>(53,454)</u>
Rescue and Fire Protection	698,680	698,680	802,071	(103,391)
Grant Programs				
Other agencies	2,116,495	2,116,495	2,665,279	(548,784)
Other pass through funds	116,746	116,746	461,620	(344,874)
	<u>2,233,241</u>	<u>2,233,241</u>	<u>3,126,899</u>	<u>(893,658)</u>
Legislative Oversight				
County council members and attorney	315,881	315,881	317,307	(1,426)
Delegation	44,246	44,246	42,723	1,523
	<u>360,127</u>	<u>360,127</u>	<u>360,030</u>	<u>97</u>
Total Expenditures	<u>22,184,823</u>	<u>22,184,823</u>	<u>21,753,053</u>	<u>431,770</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,351,121)</u>	<u>(2,351,121)</u>	<u>410,435</u>	<u>2,761,556</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	264,633	279,633	27,529	(252,104)
Transfers in	2,338,925	2,338,925	73,218	(2,265,707)
Transfers out	(254,633)	(269,633)	(355,000)	(85,367)
	<u>2,348,925</u>	<u>2,348,925</u>	<u>(254,253)</u>	<u>(2,603,178)</u>
Net Change in Fund Balance	<u>\$ (2,196)</u>	<u>\$ (2,196)</u>	156,182	<u>\$ 158,378</u>
Fund Balance - Beginning of Year			<u>2,412,213</u>	
Fund Balance - End of Year			<u>\$ 2,568,395</u>	

SCHEDULE 2

CHESTERFIELD COUNTY, SOUTH CAROLINA
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
 OF THE COLLECTIVE NET PENSION LIABILITY
 SOUTH CAROLINA RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015
County's Proportion of the Collective Net Pension Liability	0.044004%	0.048492%	0.050646%	0.051441%	0.052231%	0.044875%	0.046159%
County's Proportionate Share of the Collective Net Pension Liability	\$ 11,243,685	\$ 11,072,767	\$ 11,348,215	\$ 11,580,196	\$ 11,156,465	\$ 8,510,760	\$ 7,947,050
County's Covered Payroll	\$ 4,909,368	\$ 5,120,639	\$ 5,247,623	\$ 5,195,004	\$ 5,040,222	\$ 4,267,195	\$ 4,190,233
County's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	229.03%	216.24%	216.25%	222.91%	221.35%	199.45%	189.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%

Note to Schedule:
 June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

* The amounts presented were determined as of the prior fiscal year ending June 30.

SCHEDULE 3

CHESTERFIELD COUNTY, SOUTH CAROLINA
 SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
 SOUTH CAROLINA RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015
Statutorially Required Contributions	\$ 702,770	\$ 712,306	\$ 693,973	\$ 659,986	\$ 600,542	\$ 557,449	\$ 458,627
Contributions in Relation to the Statutorially Required Contributions	702,770	712,306	693,973	659,986	600,542	557,449	458,627
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 4,848,087	\$ 4,909,368	\$ 5,120,639	\$ 5,247,623	\$ 5,195,004	\$ 5,040,222	\$ 4,267,195
Contributions as a Percentage of Covered Payroll	14.50%	14.51%	13.55%	12.58%	11.56%	11.06%	10.75%

Note to Schedule:
 June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

CHESTERFIELD COUNTY, SOUTH CAROLINA
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
 OF THE COLLECTIVE NET PENSION LIABILITY
 SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015
County's Proportion of the Collective Net Pension Liability	0.232717%	0.219243%	0.230036%	0.232520%	0.241300%	0.235090%	0.218510%
County's Proportionate Share of the Collective Net Pension Liability	\$ 7,717,392	\$ 6,283,363	\$ 6,518,167	\$ 6,369,917	\$ 6,120,412	\$ 5,123,756	\$ 4,183,254
County's Covered Payroll	\$ 3,515,534	\$ 3,180,025	\$ 3,185,197	\$ 3,128,197	\$ 3,065,478	\$ 2,854,805	\$ 2,628,525
County's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	219.52%	197.59%	204.64%	203.63%	199.66%	179.48%	159.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.50%

Note to Schedule:
 June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

* The amounts presented were determined as of the prior fiscal year ending June 30.

CHESTERFIELD COUNTY, SOUTH CAROLINA
 SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
 SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS

	2020	2020	2019	2018	2017	2016	2015
Statutorially Required Contributions	\$ 587,684	\$ 609,599	\$ 516,602	\$ 485,642	\$ 445,455	\$ 421,197	\$ 390,557
Contributions in Relation to the Statutorially Required Contributions	587,684	609,599	516,602	485,642	445,455	421,197	390,557
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 3,395,385	\$ 3,515,534	\$ 3,180,025	\$ 3,185,197	\$ 3,128,197	\$ 3,065,478	\$ 2,854,805
Contributions as a Percentage of Covered Payroll	17.31%	17.34%	16.25%	15.25%	14.24%	13.74%	13.68%

Note to Schedule:
 June 30, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not available yet.

CHESTERFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
LAST TEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 310,403	\$ 313,608	\$ 326,995	\$ 392,819
Interest on total OPEB liability	404,579	420,600	469,540	409,962
Effect of economic/demographic gains or (losses)	(434,241)	(20,761)	(1,862,714)	9,097
Effect of assumption changes or inputs	1,166,469	873,443	(203,381)	(1,314,397)
Benefit payments	<u>(283,026)</u>	<u>(273,451)</u>	<u>(315,076)</u>	<u>(314,999)</u>
Net Change in Total OPEB Liability	1,164,184	1,313,439	(1,584,636)	(817,518)
Total OPEB Liability - Beginning of Year	<u>12,912,156</u>	<u>11,598,717</u>	<u>13,183,353</u>	<u>14,000,871</u>
Total OPEB Liability - End of Year	<u>\$ 14,076,340</u>	<u>\$ 12,912,156</u>	<u>\$ 11,598,717</u>	<u>\$ 13,183,353</u>
Covered Payroll	\$ 6,751,025	\$ 7,411,069	\$ 7,952,315	\$ 7,229,129
Total OPEB Liability as a % of Covered Payroll	208.51%	174.23%	145.85%	182.36%

Note to Schedule:

There are no assets accumulated in a trust to pay the related benefits.

June 30, 2018 was the first year of GASB 75 implementation, therefore 10-year data is not available yet.

OTHER SUPPLEMENTARY INFORMATION

CHESTERFIELD COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Emergency Preparedness	E-911 Fund	Sheriff's Department	Total Fire Districts & Rescue Squads	Total Special Revenue Funds	Industrial Site Fund	Capital Projects Fund-Public Facilities Corporation	Debt Service Fund	Total Nonmajor Governmental Funds
\$	-	\$ 173,320	\$ 128,626	\$ -	\$ 301,946	\$ 310,000	\$ 622,339	\$ 880,309	\$ 2,114,594
	-	-	-	64,436	64,436	-	-	104,254	168,690
	74,587	76,380	-	409,209	560,176	658,837	5,623	-	1,224,636
	-	1,469	-	-	1,469	-	-	-	1,469
	74,587	251,169	128,626	473,645	928,027	968,837	627,962	984,563	3,509,389
\$	74,587	\$ 251,169	\$ 128,626	\$ 473,645	\$ 928,027	\$ 968,837	\$ 627,962	\$ 984,563	\$ 3,509,389
\$	243	\$ 6,483	\$ -	\$ 129,810	\$ 136,536	\$ -	\$ 7,782	\$ -	\$ 144,318
	-	-	-	-	-	-	-	50,029	50,029
	243	6,483	-	129,810	136,536	-	7,782	50,029	194,347
	-	-	-	43,976	43,976	-	-	76,774	120,750
	-	-	-	43,976	43,976	-	-	76,774	120,750
	74,344	244,686	128,626	301,275	748,931	-	-	-	748,931
	-	-	-	-	-	968,837	-	-	968,837
	-	-	-	-	-	-	620,180	-	620,180
	-	-	-	-	-	-	-	857,760	857,760
	-	-	-	(1,416)	(1,416)	-	-	-	(1,416)
	74,344	244,686	128,626	299,859	747,515	968,837	620,180	857,760	3,194,292
\$	74,587	\$ 251,169	\$ 128,626	\$ 473,645	\$ 928,027	\$ 968,837	\$ 627,962	\$ 984,563	\$ 3,509,389

Assets and Deferred Outflows of Resources

Assets:
Cash and cash equivalents
Taxes receivable - net
Due from other funds
Other receivables

Liabilities, Deferred Inflows of Resources, and Fund Balances

Liabilities:
Accounts payable and accrued expenses
Due to other funds

Deferred Inflows of Resources:
Unearned revenue

Fund balances:
Restricted
Public safety
Economic development
Capital projects
Debt service
Unassigned

**CHESTERFIELD COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Emergency Preparedness	E-911 Fund	Sheriff's Department	Total Fire		Total Special Revenue Funds	Industrial Site Fund	Capital Projects		Total Nonmajor Governmental Funds
				Districts & Rescue Squads	Rescue Squads			Fund-Public Facilities Corporation	Debt Service Fund	
Revenues										
Property taxes	\$ -	\$ -	\$ -	\$ 1,035,371	\$ 1,035,371	\$ -	\$ -	\$ -	\$ 1,344,322	\$ 2,379,693
Fees and fines	-	-	9,239	-	9,239	-	-	-	-	9,239
Intergovernmental	-	-	-	-	-	245,000	-	-	-	245,000
Charges for services	-	429,171	-	-	429,171	-	-	-	-	429,171
Investment earnings	-	264	28	-	292	-	-	-	1,748	2,040
Miscellaneous	-	-	150,341	276	150,617	-	-	323	-	150,940
Contributions	86,399	-	-	-	86,399	-	-	-	-	86,399
	<u>86,399</u>	<u>429,435</u>	<u>159,608</u>	<u>1,035,647</u>	<u>1,711,089</u>	<u>245,000</u>	<u>245,000</u>	<u>323</u>	<u>1,346,070</u>	<u>3,302,482</u>
Expenditures										
Current:										
General government	-	-	-	-	-	-	140,000	-	-	140,000
Public safety	140,390	392,656	121,973	-	655,019	-	-	-	-	655,019
Rescue and fire protection	-	-	-	1,045,122	1,045,122	-	-	-	-	1,045,122
Legislative oversight	-	-	-	-	-	-	-	49,651	-	49,651
Debt Service:										
Principal	-	-	-	23,869	23,869	-	-	-	973,000	996,869
Interest and other charges	-	-	-	1,625	1,625	-	-	-	253,613	255,238
	<u>140,390</u>	<u>392,656</u>	<u>121,973</u>	<u>1,070,616</u>	<u>1,725,635</u>	<u>140,000</u>	<u>140,000</u>	<u>49,651</u>	<u>1,226,613</u>	<u>3,141,899</u>
Excess (Deficiency) of Revenues Over Expenditures	(53,991)	36,779	37,635	(34,969)	(14,546)	105,000	105,000	(49,328)	119,457	160,583
Other Financing Sources (Uses)										
Proceeds from long-term debt, net	-	-	-	-	-	-	-	-	176,360	176,360
Proceeds from refunding bonds	-	-	-	-	-	-	-	-	9,359,640	9,359,640
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	(9,536,000)	(9,536,000)
Transfers in	-	-	-	45,000	45,000	310,000	310,000	-	-	355,000
Transfers out	-	-	(73,218)	-	(73,218)	-	-	-	-	(73,218)
	<u>-</u>	<u>-</u>	<u>(73,218)</u>	<u>45,000</u>	<u>(28,218)</u>	<u>310,000</u>	<u>310,000</u>	<u>-</u>	<u>-</u>	<u>281,782</u>
Net Change in Fund Balances	(53,991)	36,779	(35,583)	10,031	(42,764)	415,000	415,000	(49,328)	119,457	442,365
Fund Balances - Beginning of Year	128,335	207,907	164,209	289,828	790,279	553,837	553,837	669,508	738,303	2,751,927
Fund Balances - End of Year	<u>\$ 74,344</u>	<u>\$ 244,686</u>	<u>\$ 128,626</u>	<u>\$ 299,859</u>	<u>\$ 747,515</u>	<u>\$ 968,837</u>	<u>\$ 968,837</u>	<u>\$ 620,180</u>	<u>\$ 857,760</u>	<u>\$ 3,194,292</u>

CHESTERFIELD COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
FIRE DISTRICTS & RESCUE SQUADS
JUNE 30, 2021

	Alligator Fire District	Cash Fire District	Cheraw Fire District	Chesterfield Fire District	Harris Creek Fire District	Cheraw Rescue Squad	Chesterfield Rescue Squad	Jefferson Rescue Squad	McBee Rescue Squad	Pageland Rescue Squad	Patrick Rescue Squad	Total
\$ 16,969 \$ 3,870 \$ 42,270 \$ - \$ 1,327 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ 64,436												
33,073 69,508 126,462 14,559 25,426 71,221 26,824 12,605 4,148 21,698 3,685 409,209												
<u>\$ 50,042</u> <u>\$ 73,378</u> <u>\$ 168,732</u> <u>\$ 14,559</u> <u>\$ 26,753</u> <u>\$ 71,221</u> <u>\$ 26,824</u> <u>\$ 12,605</u> <u>\$ 4,148</u> <u>\$ 21,698</u> <u>\$ 3,685</u> <u>\$ 473,645</u>												
\$ 40,526 \$ 837 \$ 88,447 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ 129,810												
40,526 837 88,447 - - - - - - - - - 129,810												
10,932 2,768 29,419 - 857 - - - - - - - 43,976												
10,932 2,768 29,419 - 857 - - - - - - - 43,976												
- 69,773 50,866 14,559 25,896 71,221 26,824 12,605 4,148 21,698 3,685 301,275												
(1,416) - - - - - - - - - - - (1,416)												
<u>(1,416)</u> <u>69,773</u> <u>50,866</u> <u>14,559</u> <u>25,896</u> <u>71,221</u> <u>26,824</u> <u>12,605</u> <u>4,148</u> <u>21,698</u> <u>3,685</u> <u>299,859</u>												
<u>\$ 50,042</u> <u>\$ 73,378</u> <u>\$ 168,732</u> <u>\$ 14,559</u> <u>\$ 26,753</u> <u>\$ 71,221</u> <u>\$ 26,824</u> <u>\$ 12,605</u> <u>\$ 4,148</u> <u>\$ 21,698</u> <u>\$ 3,685</u> <u>\$ 473,645</u>												

Assets and Deferred Outflows of Resources

Assets:
Taxes receivable - net
Due from other funds

Liabilities, Deferred Inflows of Resources, and Fund Balances

Liabilities:
Accounts payable
and accrued expenses

Deferred Inflows of Resources:
Unearned revenue

Fund Balances:
Restricted
Public safety
Unassigned

**CHESTERFIELD COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FIRE DISTRICTS & RESCUE SQUADS
FOR THE YEAR ENDED JUNE 30, 2021**

	Alligator Fire District	Cash Fire District	Cheraw Fire District	Chesterfield Fire District	Harris Creek Fire District	Cheraw Rescue Squad	Chesterfield Rescue Squad	Jefferson Rescue Squad	McBee Rescue Squad	Pageland Rescue Squad	Patrick Rescue Squad	Total
Revenues												
Property taxes	\$ 267,509	\$ 48,412	\$ 479,564	\$ 62,164	\$ 32,252	\$ 24,245	\$ 24,245	\$ 24,245	\$ 24,245	\$ 24,245	\$ 24,245	\$ 1,035,371
Miscellaneous	-	276	-	-	-	-	-	-	-	-	-	276
	<u>267,509</u>	<u>48,688</u>	<u>479,564</u>	<u>62,164</u>	<u>32,252</u>	<u>24,245</u>	<u>24,245</u>	<u>24,245</u>	<u>24,245</u>	<u>24,245</u>	<u>24,245</u>	<u>1,035,647</u>
Expenditures												
Current:												
Rescue and fire protection	281,862	36,155	442,232	93,750	30,209	15,385	24,643	13,725	43,495	27,911	35,755	1,045,122
Debt Service:												
Principal	-	23,869	-	-	-	-	-	-	-	-	-	23,869
Interest and other charges	-	1,625	-	-	-	-	-	-	-	-	-	1,625
	<u>281,862</u>	<u>61,649</u>	<u>442,232</u>	<u>93,750</u>	<u>30,209</u>	<u>15,385</u>	<u>24,643</u>	<u>13,725</u>	<u>43,495</u>	<u>27,911</u>	<u>35,755</u>	<u>1,070,616</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,353)	(12,961)	37,332	(31,586)	2,043	8,860	(398)	10,520	(19,250)	(3,666)	(11,510)	(34,969)
Other Financing Sources (Uses)												
Transfers in	15,000	15,000	-	-	15,000	-	-	-	-	-	-	45,000
	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
Net Change in Fund Balances	647	2,039	37,332	(31,586)	17,043	8,860	(398)	10,520	(19,250)	(3,666)	(11,510)	10,031
Fund Balances - Beginning of Year	(2,063)	67,734	13,534	46,145	8,853	62,361	27,222	2,085	23,398	25,364	15,195	289,828
Fund Balances - End of Year	\$ (1,416)	\$ 69,773	\$ 50,866	\$ 14,559	\$ 25,896	\$ 71,221	\$ 26,824	\$ 12,605	\$ 4,148	\$ 21,698	\$ 3,685	\$ 299,859

SUPPLEMENTARY INFORMATION REQUIRED BY THE STATE OF SOUTH CAROLINA

CHESTERFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES AND EXPENDITURES BY FUNDING SOURCE
LIBRARY
FOR THE YEAR ENDED JUNE 30, 2021

Source of Funds	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Balance</u>
Local Sources:				
County or tax appropriation	\$ -	\$ 467,289	\$ 467,289	\$ -
Fees, fines, and other local revenue	44,491	59,811	58,176	46,126
	<u>44,491</u>	<u>527,100</u>	<u>525,465</u>	<u>46,126</u>
State Sources:				
* State aid	-	103,123	103,123	-
* Other state	-	9,004	9,004	-
	<u>-</u>	<u>112,127</u>	<u>112,127</u>	<u>-</u>
Total All Sources of Funds	<u>\$ 44,491</u>	<u>\$ 639,227</u>	<u>\$ 637,592</u>	<u>\$ 46,126</u>

* Indicates funds administered through the South Carolina State Library.

**CHESTERFIELD COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS, AND SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2021**

	Total Collections	Amount Retained by County Treasurer	Amount Remitted to State Treasurer	Amount Allocated to Victims' Services
Clerk of Court:				
Fines and fees	\$ 319,882	\$ 140,341	\$ 179,541	\$ -
Assessments	753	-	659	94
Surcharges	22,111	-	8,211	13,900
	\$ 342,746	\$ 140,341	\$ 188,411	\$ 13,994
Magistrates Court:				
Fines and fees	\$ 177,810	\$ 176,665	\$ 1,145	\$ -
Assessments	164,973	-	141,332	23,641
Surcharges	67,179	-	60,639	6,540
	\$ 409,962	\$ 176,665	\$ 203,116	\$ 30,181
Victim's Advocate				
Amount reserved for victim's advocate, beginning of year				\$ 10,318
Plus: Amount allocated to victim's advocate				44,175
Less: Amounts spent for victim's advocate from assessments and surcharges:				
Salaries and benefits			\$ 26,793	
Operating expenditures			449	
Unearned revenue			2,232	
				(29,474)
Amount reserved for victim's advocate, end of year				\$ 25,019

**CHESTERFIELD COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021**

	E-911 FUND
REVENUES	
Fees and Service Charges	\$ 429,171
Interest and Investment Income	264
	429,435
TOTAL REVENUES ALL SOURCES	429,435
EXPENDITURES	
Public Safety Communications:	
Personnel Services	95,031
General Operating	68,168
Repairs and Maintenance	2,053
Contractual Services	210,695
Supplies	16,709
Total Public Safety Communications	392,656
TOTAL EXPENDITURES	392,656
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	36,779
FUND BALANCE, BEGINNING OF YEAR	207,907
FUND BALANCE, END OF YEAR	\$ 244,686

FINANCIAL STATEMENT FINDINGS (APPLICABLE TO 9-1-1 FUND)

None

RECOMMENDED COURSE OF ACTION (APPLICABLE TO 9-1-1 FUND)

None