

In the opinion of Bond Counsel, assuming continuing compliance by the Issuer with certain covenants, interest on the Series 2023 Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations and judicial decisions. Interest on the Series 2023 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. See "TAX MATTERS" for a brief description of certain federal income tax consequences to certain recipients of interest on the Series 2023 Bonds. The Series 2023 Bonds and the interest thereon will also be exempt from all State, county, municipal and school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes.



\$50,000,000
FLORENCE COUNTY, SOUTH CAROLINA
Florence County Public Facilities Corporation
Installment Purchase Revenue Bonds
(Comprehensive Facilities Improvements)
Series 2023

Dated: Date of Delivery

Due: As shown on the inside cover

The above described Installment Purchase Revenue Bonds (Comprehensive Facilities Improvements) Series 2023 (the "Series 2023 Bonds") are limited obligations of the Florence County Public Facilities Corporation (the "Issuer") payable solely from and secured by amounts pledged (the "Trust Estate") under a Trust Agreement dated as of December 1, 2023 (the "Trust Agreement") between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee. The Trust Estate consists primarily of amounts to be paid by Florence County, South Carolina (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina (the "State"), under a Public Facilities Purchase and Occupancy Agreement dated as of December 1, 2023 (the "Facilities Agreement") with the Issuer. By purchasing the Series 2023 Bonds, the owners of the Series 2023 Bonds will be deemed to have consented to the Base Lease Agreement between the County and the Issuer dated as of December 1, 2023 (the "Base Lease") and the Facilities Agreement.

The Series 2023 Bonds are being issued for the purpose of (i) providing funds for construction of acquisition, construction, renovation and expansion of county facilities (the "Capital Project"), and (ii) paying the costs of issuance of the Series 2023 Bonds. See "PLAN OF FINANCING" herein.

Interest on the Series 2023 Bonds is payable semiannually on June 1 and December 1 of each year, commencing on December 1, 2024. All Series 2023 Bonds bear interest from the date of delivery. See "THE SERIES 2023 BONDS" herein.

The Series 2023 Bonds are not subject to optional redemption prior to maturity.

The financial obligations of the County under the Facilities Agreement do not constitute general obligations of the County to which its faith and credit or taxing power are pledged, but are subject to and dependent upon lawful appropriations of funds being made by Florence County Council ("County Council") to pay the installment payments of purchase price due in each fiscal year under the Facilities Agreement. The County's obligations under the Facilities Agreement are from year to year only and do not constitute a mandatory payment obligation of the County in any fiscal year in which funds are not appropriated by the County to pay the installment payments of purchase price due in such fiscal year. The County has no continuing obligation to appropriate funds to pay installment payments of purchase price due under the Facilities Agreement and may terminate its obligations under the Facilities Agreement on an annual basis without any penalty. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS" herein.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2023 Bonds are offered when, as, and if issued by the Issuer and accepted by Stephens Inc. (the "Underwriter"), subject to prior sale and to withdrawal or modification of the offer without notice, and are subject to the approving opinion of Haynsworth Sinkler Boyd, P.A., Florence, South Carolina, Bond Counsel. Certain legal matters will be passed on for the Issuer by its counsel, Turner, Padgett, Graham & Laney, P.A., Florence, South Carolina, for the County by its counsel, D. Malloy McEachin, Jr., Florence, South Carolina, and for the Underwriter by its counsel, Parker Poe Adams & Bernstein LLP, Columbia, South Carolina. First Tryon Advisors, Charlotte, North Carolina, is acting as Financial Advisor to the Issuer and the County, and Haynsworth Sinkler Boyd, P.A., Florence, South Carolina, is acting as Disclosure Counsel. The Series 2023 Bonds in definitive form are expected to be delivered through the facilities of The Depository Trust Company in New York, New York, approximately two weeks following the sale of the Series 2023 Bonds.

STEPHENS INC.

MATURITY SCHEDULE

<u>Due June 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
2028	\$50,000,000	5.00%	2.92%	340134BG9

* CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® numbers are provided for convenience of reference only. None of the Issuer, the County, the Financial Advisor or the purchasers or their agents or counsel assume responsibility for the accuracy of such numbers.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	1
The Issuer	1
The County	1
The Trustee.....	1
Purpose of the Series 2023 Bonds	1
Security and Sources of Payment for the Series 2023 Bonds.....	1
Description of the Series 2023 Bonds.....	2
Tax Exemption	3
Professionals Involved in the Offering	3
Legal Authority	3
Offering and Delivery of the Series 2023 Bonds.....	3
Continuing Disclosure	3
Investment Considerations.....	4
Other Information.....	5
THE ISSUER.....	7
THE SERIES 2023 BONDS.....	7
Description	7
Redemption.....	7
Book-Entry Only System.....	8
Discontinuance of Book-Entry-Only System	9
Legal Authority	9
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS	10
Facilities Agreement.....	10
Use of Capital Project Sales Tax Proceeds to Pay Base Payments.....	11
Source of Base Payments.....	11
Trust Agreement	12
Limited Obligations	12
Additional Bonds.....	12
Title Insurance	13
Enforceability of Remedies	13
PROJECT FACILITIES	14
PLAN OF FINANCING.....	14
Estimated Sources and Applications of Funds; Use of Proceeds.....	14
The Capital Projects.....	14
The Ancillary Projects	14
DEBT SERVICE REQUIREMENTS	15
THE COUNTY.....	15
General Description	15
Form of Government	15
Services Provided By the County	16
Services Provided By Other Governmental Entities.....	17

FINANCIAL AND TAX INFORMATION	17
Five-Year Summary of General Fund Operations	17
Financial Statements.....	18
Budget Procedure and Accounting Policies.....	18
Summary of General Fund Budget	19
County Operating Revenues	19
Local Option Sales Tax	20
Capital Project Sales Tax.....	21
Sales Tax Collections	21
Local Hospitality and Accommodations Fees	21
Permitted Investments	22
Pension Obligations and Retirement Benefits	23
Liability Insurance.....	25
CERTAIN FISCAL MATTERS.....	25
Property Taxation and Assessment.....	25
Homestead Exemption–Property Tax Relief	26
Payments in Lieu of Taxes	26
Exempt Manufacturing Property	27
Millage History.....	28
Assessed Value	28
Tax Year 2022 Market Value/Assessment Summary of the County	28
Tax Collection Procedure	29
Tax Collections in the County	29
Ten Largest Taxpayers	29
DEBT STRUCTURE	30
Legal Debt Limit of the County.....	30
Outstanding Debt.....	30
Composite General Obligation Bond Debt Service of the County	31
Capital Leases and Other Debt	31
Installment Purchase Revenue Bonds.....	32
Legal Debt Limit of Incorporated Municipalities and Special Purpose Districts	32
Special Tax Districts.....	32
Legal Debt Limit of School Districts.....	33
ECONOMIC CHARACTERISTICS.....	34
Description of Florence County, South Carolina.....	34
Commerce and Industry.....	34
Major Employers	35
Unemployment	35
Labor Force and Employment	36
Population.....	36
Facilities Serving the County.....	36
LEGAL MATTERS	38
Pending Litigation	38
TAX MATTERS	38
Federal Income Tax Generally	38
Collateral Federal Tax Considerations	39

Original Issue Premium	40
State Tax Exemption	40
MISCELLANEOUS.....	40
Closing Certificates	40
Rating	40
Underwriting.....	40
Financial Advisor	41
Independent Auditors	41
Enforceability of Remedies	41
Additional Information	41
RESPONSIBILITY FOR OFFICIAL STATEMENT	42
APPENDIX A: FISCAL YEAR 2022 AUDITED FINANCIAL STATEMENTS OF THE COUNTY	
APPENDIX B-1: FORM OF BASE LEASE AGREEMENT	
APPENDIX B-2: FORM OF PUBLIC FACILITIES PURCHASE AND OCCUPANCY AGREEMENT	
APPENDIX B-3: FORM OF TRUST AGREEMENT	
APPENDIX C: FORM OF BOND COUNSEL OPINION	
APPENDIX D: FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT	

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OFFICIAL STATEMENT

\$50,000,000

**FLORENCE COUNTY, SOUTH CAROLINA
Florence County Public Facilities Corporation
Installment Purchase Revenue Bonds
(Comprehensive Facilities Improvements)
Series 2023**

INTRODUCTION

The purpose of this Official Statement, which includes the cover pages and the Appendices hereto, is to furnish certain information in connection with the sale by Florence County Public Facilities Corporation of \$50,000,000 in aggregate principal amount of its Installment Purchase Revenue Bonds (Comprehensive Facilities Improvements) Series 2023 (the “Series 2023 Bonds”). Definitions of certain terms used in this Official Statement and not otherwise defined herein are set forth in the documents contained in Appendix B-1, B-2 and B-3 to this Official Statement.

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover pages and the Appendices hereto, and the documents summarized or described herein. Potential investors should fully review the entire Official Statement. The offering of the Series 2023 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement, including the Appendices hereto.

The Issuer

Florence County Public Facilities Corporation (the “Issuer”), the issuer of the Series 2023 Bonds, is a nonprofit corporation organized and existing under the laws of the State of South Carolina. For more complete information, see “THE ISSUER” herein.

The County

Florence County, South Carolina (the “County”), is a body politic and corporate and a political subdivision of the State of South Carolina. For more complete information, see “THE COUNTY” herein.

The Trustee

The Bank of New York Mellon Trust Company, N.A. (the “Trustee”) will act as trustee, as bond registrar, and as paying agent for the Series 2023 Bonds under the hereinafter defined Trust Agreement.

Purpose of the Series 2023 Bonds

The Issuer is issuing the Series 2023 Bonds for the purpose of (i) providing funds for construction of acquisition, construction, renovation and expansion of County facilities (the “Capital Projects”); and (ii) paying the costs of issuance of the Series 2023 Bonds. See “PLAN OF FINANCING” herein.

Security and Sources of Payment for the Series 2023 Bonds

The Series 2023 Bonds are special limited obligations of the Issuer, payable solely from and secured by the hereinafter defined Trust Estate pledged under the Trust Agreement, as described below.

In connection with the issuance of the Series 2023 Bonds, the County and the Issuer will enter into a Base Lease Agreement dated as of December 1, 2023 (the “Base Lease”), pursuant to which the County will lease the Real Property (as defined in the Base Lease) to the Issuer, and a Public Facilities Purchase and Occupancy Agreement dated as of December 1, 2023 (the “Facilities Agreement”), pursuant to which the County will purchase the Project Facilities,

which are located on the Real Property, from the Issuer. The Project Facilities are further described in “PROJECT FACILITIES” herein. **By purchasing the Series 2023 Bonds, the owners of the Series 2023 Bonds will be deemed to have consented to the Base Lease and the Facilities Agreement.** The Facilities Agreement will obligate the County to make semiannual installment payments of purchase price, also referred to as “Acquisition Payments”, to the Issuer. The Acquisition Payments will be in amounts sufficient to allow the Issuer to make payments on the Series 2023 Bonds.

The financial obligations of the County under the Facilities Agreement do not constitute general obligations of the County to which its faith and credit or taxing power are pledged, but are subject to and dependent upon lawful appropriations of funds being made by the County Council of the County (“County Council”) to pay the installment payments of purchase price due in each fiscal year under the Facilities Agreement. The County’s obligations under the Facilities Agreement are from year to year only and do not constitute a mandatory payment obligation of the County in any fiscal year in which funds are not appropriated by the County to pay the installment payments of purchase price due in such fiscal year. The County has no continuing obligation to appropriate funds to pay installment payments of purchase price due under the Facilities Agreement and may terminate its obligations under the Facilities Agreement on an annual basis without any penalty.

To secure its obligations under the Series 2023 Bonds, the Issuer will enter into a Trust Agreement dated as of December 1, 2023 (the “Trust Agreement”), with the Trustee, pursuant to which the Issuer will (i) assign to the Trustee, and grant a first priority security interest in, all of its right, title, interest, and remedies in and to (a) the Facilities Agreement (except for certain rights reserved to the Issuer) and all amounts to be received thereunder and (b) the Base Lease, (ii) assign and pledge to the Trustee, and grant a first priority security interest in, all revenues and receipts derived from the Issuer’s ownership interests in the Project Facilities, and (iii) assign and pledge to the Trustee, and grant a first priority security interest in, all moneys held by the Trustee in certain funds and accounts created under the Trust Agreement (the “Trust Estate”).

For more complete and detailed information, see “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS” herein.

Description of the Series 2023 Bonds

Redemption. The Series 2023 Bonds are not subject to optional redemption prior to maturity.

Denominations. The Series 2023 Bonds are issuable in denominations of \$5,000 or any integral multiple thereof.

Book-Entry Bonds. The Series 2023 Bonds will be issued as fully registered bonds in the denomination of one bond per aggregate principal amount of the stated maturity thereof, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York, an automated depository for securities and clearing house for securities transactions, which will act as securities depository for the Series 2023 Bonds. Purchasers will not receive certificates representing their ownership interest in the Series 2023 Bonds purchased. Purchases of beneficial interests in the Series 2023 Bonds will be made in book-entry only form (without certificates), in authorized denominations, and, under certain circumstances as more fully described in this Official Statement, such beneficial interests are exchangeable for one or more fully registered bonds of like principal amount and maturity in authorized denominations. For more complete information, see “THE SERIES 2023 BONDS - Book-Entry Only System” herein.

Payments. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2023 Bonds, payments of the principal of and interest on the Series 2023 Bonds will be made directly to Cede & Co., which will remit such payments to the DTC participants, which will in turn remit such payments to the Beneficial Owners (as defined herein) of the Series 2023 Bonds.

For a more complete description of the Series 2023 Bonds, see “THE SERIES 2023 BONDS” herein.

Tax Exemption

In the opinion of Bond Counsel, assuming continuing compliance by the Issuer with certain covenants, interest on the Series 2023 Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations and judicial decisions. Interest on the Series 2023 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. See “TAX MATTERS” for a brief description of certain federal income tax consequences to certain recipients of interest on the Series 2023 Bonds. The Series 2023 Bonds and the interest thereon will also be exempt from all State, county, municipal and school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes.

Professionals Involved in the Offering

Certain legal matters pertaining to the Issuer and its authorization and issuance of the Series 2023 Bonds are subject to the approving opinion of Haynsworth Sinkler Boyd, P.A., Florence, South Carolina, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Series 2023 Bonds, and a copy of the proposed form of such opinion is attached hereto as Appendix C. Stephens Inc. (the “Underwriter”) is serving as the underwriter for the Series 2023 Bonds. Certain legal matters will be passed on for the Issuer by its counsel, Turner, Padgett, Graham & Laney, P.A., Florence, South Carolina, for the County by its counsel, D. Malloy McEachin, Jr., Florence, South Carolina, and for the Underwriter by its counsel, Parker Poe Adams & Bernstein LLP, Columbia, South Carolina. First Tryon Advisors, Charlotte, North Carolina, is acting as Financial Advisor to the Issuer and the County, and Haynsworth Sinkler Boyd, P.A., Florence, South Carolina, is acting as Disclosure Counsel. The Bank of New York Mellon Trust Company, N.A. is serving as Trustee. The basic financial statements of the County as of June 30, 2022, and for the year then ended, attached hereto as Appendix A, have been audited by Mauldin & Jenkins, LLC, Columbia, South Carolina (“Mauldin & Jenkins”), independent certified public accountants, to the extent and for the period indicated in its report thereon, which appears in Appendix A hereto. See “MISCELLANEOUS - Independent Auditors” herein.

Legal Authority

The Series 2023 Bonds are being issued and secured pursuant to the authority granted by the laws of the State of South Carolina and under the provisions of a Bond Resolution of the Issuer, adopted by the Board of Directors of the Issuer on November 16, 2023. For more complete information, see “THE SERIES 2023 BONDS - Legal Authority” herein.

Offering and Delivery of the Series 2023 Bonds

The Series 2023 Bonds are offered when, as, and if issued by the Issuer and accepted by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice. The Series 2023 Bonds in definitive form are expected to be delivered through the facilities of The Depository Trust Company in New York, New York, approximately three weeks following the sale of the Series 2023 Bonds.

Continuing Disclosure

The Issuer has determined that none of its financial or operating data concerning the Issuer is material to any decision to purchase, hold, or sell the Series 2023 Bonds, and the Issuer will not provide any such information. The County has undertaken all responsibilities for any continuing disclosure to Beneficial Owners of the Series 2023 Bonds as described below, and the Issuer will have no liability to the Beneficial Owners of the Series 2023 Bonds or any other person with respect to such disclosures.

The County will covenant in the Facilities Agreement and a Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), between the County and Digital Assurance Certification, L.L.C. (the “Dissemination Agent”), for the benefit of the Beneficial Owners of the Series 2023 Bonds, to provide certain financial information and operating data relating to the County (the “Annual Report”) by not later than 210 days after the end of each fiscal year of the County, commencing with Fiscal Year 2023, and to provide notices of the occurrence of certain enumerated

events, if material. The Annual Report and the notices of material events will be filed by the Dissemination Agent with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) system. The form of the Disclosure Agreement is attached hereto as Appendix D. These covenants have been made in order to assist the Underwriter in complying with the Rule.

The County has provided annually to the Dissemination Agent all information required by its continuing disclosure undertakings to be included in its annual reports, and has been informed by the Dissemination Agent that all such annual reports have been timely filed. However, a review of continuing disclosure compliance in March 2021 determined that the County's annual reports for the fiscal year ended June 30, 2018, was incomplete in several respects. A supplemental filing entitled "2018-2016 Operating Data – Supplemental" providing such omitted information was filed through the facilities of the Dissemination Agent on March 30, 2021.

The County previously failed to file event notices with respect to its 2020C Bond, 2021 Bond, 2021A Bond, 2022 Bond, and 2023 Bond (the "Incurrence of Indebtedness Notices") as required by the Disclosure Dissemination Agent Agreements ("DDAA") for the County's \$22,000,000 Taxable General Obligation Bond, Series 2020B, \$120,000,000 General Obligation Bonds, Series 2021, and Florence County Public Facilities Corporation's \$37,870,000 Installment Purchase Revenue Refunding Bonds Taxable Series 2021. A failure to file notice regarding the Incurrence of Indebtedness Notices was filed pursuant to the DDAA on November 1, 2023, along with an event notice for the Incurrence of Indebtedness Notices.

Investment Considerations

General

In analyzing the Series 2023 Bonds and the security and sources of payment therefor and in order to make an informed investment decision, potential investors should carefully consider the following investment considerations prior to making a decision to purchase the Series 2023 Bonds. The following investment considerations are not intended to be exhaustive of the general or specific investment considerations relating to the purchase of the Series 2023 Bonds. Additional investment considerations relating to the purchase of the Series 2023 Bonds are described throughout this Official Statement, whether or not specifically designated as investment considerations. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

Nonappropriation

The debt service on the Series 2023 Bonds will be payable primarily from installment payments of purchase price made by the County pursuant to the Facilities Agreement. The obligation of the County to make installment payments of purchase price under the Facilities Agreement is limited to funds that are specifically budgeted and appropriated annually for that purpose. The County may terminate the Facilities Agreement annually without any penalty.

Each installment payment of purchase price made by the County under the Facilities Agreement will cause an undivided interest in the Project Facilities, equal to that percentage of the total debt service (principal and interest) payable on the Series 2023 Bonds funded from such installment payment, to transfer from the Issuer to the County. The Facilities Agreement provides that upon its termination, either by reason of default or nonappropriation, the Project Facilities will be partitioned between the Issuer and the County based upon their respective percentages of undivided interests in the Project Facilities. The determination of which particular portion of the Project Facilities will remain with the Issuer and which portion will be transferred to the County will be made by a consultant appointed by the Trustee, who is directed by the Facilities Agreement to protect the interests of the owners of the Series 2023 Bonds in preparing the partition plan to the extent permissible. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS" herein.

The decision to budget and appropriate funds to make installment payments of purchase price under the Facilities Agreement will be made on the basis of various factors, including the continuing need of the County for the portions of the Project Facilities in which an undivided interest has not transferred to the County.

Continuing Need for/Decreasing Interest in the Project Facilities

As the County makes installment payments of purchase price over the term of the Series 2023 Bonds, it will increase its undivided interest in the Project Facilities and reduce the Issuer's undivided interest in the Project Facilities. As a result, the County's need for the portion of the Project Facilities retained by the Issuer will diminish as the Issuer's undivided interest in the Project Facilities decreases. Moreover, as installment payments of purchase price are made, the County's proportionate undivided interest in the Project Facilities will increase at a relatively faster rate than the outstanding principal amount of the Series 2023 Bonds will be reduced. In the later years of the term of the Series 2023 Bonds, the unpaid principal amount of the Series 2023 Bonds might exceed the fair market value of the Issuer's undivided interest in the Project Facilities. In the event the Facilities Agreement is terminated and the Project Facilities are partitioned between the Issuer and the County, the Facilities Agreement directs the consultant preparing the partition plan to protect the interests of the owners of the Series 2023 Bonds. See "**SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS - Facilities Agreement**" herein.

Remedies Upon Nonappropriation

The Issuer has not granted any lien on or security interest in the Project Facilities to secure the Series 2023 Bonds. In the event the County terminates the Facilities Agreement, the Series 2023 Bonds will be payable from such moneys, if any, as may be held or made available by the Trustee from the leasing until the expiration of the Base Lease (June 1, 2033) of the portions of the Project Facilities that remain with the Issuer after the partitioning described above is accomplished. The Project Facilities are designed to be used solely for governmental purposes. There can be no assurance of the value of the Project Facilities for any use other than governmental purposes in the event of termination of the Facilities Agreement or that the Trustee will be able to lease the portion of the Project Facilities remaining with the Issuer in such event. Thus, in the event of termination of the Facilities Agreement, the revenues from leasing the Project Facilities, if any, may be substantially less than the amount of remaining debt service on the Series 2023 Bonds.

Ability to Issue Future General Obligation Debt

The ability of the County to issue general obligation debt during the term of the Series 2023 Bonds to provide funds to make all or a portion of the installment payments of purchase price under the Facilities Agreement will depend upon, among other things, future credit market conditions, the future credit condition of the County and the ability of the County to issue general obligation debt pursuant to the provisions and limitations of the South Carolina Constitution and the South Carolina Code (as defined herein). Title 4, Chapter 9 of the South Carolina Code provides that within 60 days of the enactment of an ordinance authorizing the issuance of general obligation bonds, upon the presentation of a petition signed by at least 15% of the qualified electors in a county, a referendum shall be held on the question of repealing such ordinance. Article X, Section 14 of the South Carolina Constitution empowers each county in the State of South Carolina to incur general obligation debt in an amount not exceeding 8% of the assessed value of all taxable property within the county without holding a referendum.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Official Statement contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Issuer and the County each disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement, including the cover page and the Appendices hereto, contain brief descriptions of, among other matters, the Issuer, the County, the Series 2023 Bonds, and set forth in their entirety the forms of the

Project Facilities, the Trust Agreement, the Facilities Agreement, the Base Lease, the Disclosure Agreement, and the security and sources of payment for the Series 2023 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, contracts, and other documents are intended as summaries only and are qualified in their entirety by reference to such laws and documents, and references herein to the Series 2023 Bonds are qualified in their entirety by reference to the form thereof included in the Trust Agreement. Forms of the Trust Agreement, Base Lease, and the Facilities Agreement are attached hereto, and copies of such other contracts and documents and information are available, upon request and upon payment to the Trustee of a charge for copying, mailing, and handling, from the Trustee. During the period of the offering of the Series 2023 Bonds, copies of such other contracts and documents are available, upon request and upon payment to the Underwriter of a charge for copying, mailing, and handling, from the Underwriter at 3344 Peachtree Road NE, Suite 1650, Atlanta, Georgia 30326.

Information in this Official Statement has been obtained by the Underwriter from the Issuer, the County and other sources believed to be reliable by the Underwriter. The Issuer has not provided information regarding the County and does not certify as to the accuracy or sufficiency of the disclosure practices of or content of the information provided by the County and is not responsible for the information provided by the County.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction; however, the Underwriter does not guarantee the accuracy or completeness of such information.

The information contained herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer or the County, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, the Rule.

The Series 2023 Bonds and their underlying obligations have not been registered under the Securities Act of 1933, as amended, and the Trust Agreement has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance on exemptions contained in such Acts.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2023 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the Issuer, the County or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Issuer, the County or the Underwriter. Except where otherwise indicated, all information contained in this Official Statement has been provided by the Issuer or the County. The information set forth herein has been obtained by the Issuer or the County from sources that are believed to be reliable but is not guaranteed as to accuracy or completeness by the Underwriter. The Issuer has not provided information regarding the County and does not certify as to the accuracy or sufficiency of the disclosure practices of or content of the information provided by the County and is not responsible for the information provided by the County. The information contained herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer or the County, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

In connection with this offering, the Underwriter may over-allot or effect transactions that stabilize or maintain the market prices of the Series 2023 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

THE ISSUER

The Florence County Public Facilities Corporation is a South Carolina nonprofit corporation organized and operated exclusively to support the governmental operation of the County. The Issuer is governed by a five-member Board of Directors (the “Board of Directors”). Directors are appointed by the then current Board of Directors for five-year terms. The Issuer will have a leasehold interest in the Land and the Project Facilities and will have no taxing authority and no net worth. The Issuer is established as a single-purpose corporate entity which is prohibited from engaging in any business other than to own and lease facilities to be used for governmental functions in connection with the financing of such facilities.

The Issuer has issued numerous bonds and entered into other financing arrangements in support of the County since the early 1990s. The Issuer has outstanding its \$11,100,000 original principal amount Installment Purchase Revenue Bond, Series 2017A (the “Series 2017A Bond”), the proceeds of which were used to construct a parking garage for the Florence County Complex, the County’s administration building (the “Parking Garage Project”) and its \$37,870,000 original principal amount Installment Purchase Revenue Refunding Bonds Taxable Series 2021, (the “Series 2021 Bonds”), the proceeds of which were used to refinance the callable outstanding portion of its \$42,000,000 Installment Purchase Revenue Bonds (Judicial Center Project) Series 2015, the proceeds of which were used to finance the costs of acquiring, constructing and installing the County’s judicial center. The Series 2017A Bond is secured by a leasehold interest in and acquisition payments with respect to the Parking Garage Project and the real property on which the Parking Garage Project is located, which is unrelated to the Real Property on which the Project Facilities relating to the Series 2023 Bonds is located. The Series 2021 Bonds are secured by the amounts pledged under the 2021 Supplemental Trust Agreement dated as of April 1, 2021 with respect to the Judicial Center Project and the real property on which the Judicial Center Project is located, which is unrelated to the Real Property on which the Project Facilities relating to the Series 2023 Bonds is located.

THE SERIES 2023 BONDS

Description

The Series 2023 Bonds will be dated as of the date of delivery and will bear interest at the rates per annum set forth on the inside cover page of this Official Statement, computed on the basis of a 360-day year consisting of twelve 30-day months, payable on December 1, 2024 and semiannually thereafter on June 1 and December 1 of each year (each a “Bond Payment Date”) and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement, unless earlier called for redemption.

Each of the Series 2023 Bonds will bear interest from the later of the date of delivery or the date to which interest has been paid immediately preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which event each such Series 2023 Bond will bear interest from the earlier of such authentication date or the date to which interest has been paid or, in the event no interest has been paid, from date of delivery.

The Series 2023 Bonds are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. Purchases of beneficial ownership interests in the Series 2023 Bonds will be made in book-entry form, and purchasers will not receive certificates representing interests in the Series 2023 Bonds so purchased. If the book-entry system is discontinued, Series 2023 Bonds will be delivered as described in the Trust Agreement, and Beneficial Owners will become the registered owners of the Series 2023 Bonds. See “THE SERIES 2023 BONDS - Book-Entry Only System” herein.

Redemption

The Series 2023 Bonds are not subject to optional redemption prior to maturity.

Book-Entry Only System

DTC will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2023 Bond will be issued for each maturity of the Series 2023 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com (which is not intended to be an active hyperlink).

Purchases of the Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2023 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2023 Bonds, except in the event that use of the book-entry system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, Series 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2023 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023 Bonds, such as redemptions, tenders, defaults, and proposed amendments to any of the resolutions under which any Series 2023 Bonds is issued. For example, the Beneficial Owners of Series 2023 Bonds may wish to ascertain that the nominee holding the Series 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2023 Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption payments and principal and interest payments on the Series 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the paying agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the paying agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption payments and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2023 Bonds at any time by giving reasonable notice to the Issuer or the registrar or paying agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Discontinuance of Book-Entry-Only System

In the event that the Series 2023 Bonds are no longer in book-entry only form, the following provisions shall apply with respect to such Series 2023 Bonds: The Issuer will appoint another securities depository for the Series 2023 Bonds or the Series 2023 Bonds held by DTC will be cancelled and the Issuer will execute and deliver the Series 2023 Bonds in fully certificated form to DTC. If no other securities depository is named, principal and interest on the Series 2023 Bonds shall be payable to the registered owner at maturity upon presentation and surrender thereof to a paying agent appointed by the Issuer at its principal corporate trust office. The Issuer would then maintain through the paying agent books of registry for the purpose of registering ownership and transfer of the Series 2023 Bonds. The Series 2023 Bonds would be transferable by the registered owner in person or by his duly authorized attorney upon surrender of the Series 2023 Bond to be transferred together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney. The paying agent will, upon receipt thereof, authenticate and deliver a new bond or bonds in like principal amount as the Series 2023 Bond so presented. The Issuer and the paying agent will deem and treat the person in whose name each Series 2023 Bond is registered as the absolute owner thereof for all purposes.

Legal Authority

The Series 2023 Bonds are being issued and secured by the Issuer pursuant to the authority granted by Title 33, Chapter 31 of the Code of Laws of South Carolina, 1976, as amended (the "South Carolina Code"), known as the "South Carolina Nonprofit Corporation Act of 1994." The Series 2023 Bonds are being issued under the provisions of a Bond Resolution adopted by the Board of Directors of the Issuer on November 14, 2023.

Title 4, Chapter 9 of the South Carolina Code authorizes the County to enter into the Base Lease and the Facilities Agreement and to perform its obligations thereunder.

The execution, delivery, and performance of the Issuer's obligation under the Facilities Agreement and the Base Lease with respect to the Series 2023 Bonds were authorized and approved pursuant to an ordinance adopted by County Council on November 16, 2023.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS

Facilities Agreement

Pursuant to the Facilities Agreement, the County agrees to pay to the Issuer installment payments of purchase price for the Project Facilities in such amounts and at such times as will be sufficient to enable the Issuer to make payments on the Series 2023 Bonds, as and when the same shall become due and payable. See "FORM OF TO PUBLIC FACILITIES PURCHASE AND OCCUPANCY AGREEMENT" in Appendix B-2 hereto.

The financial obligations of the County under the Facilities Agreement do not constitute general obligations of the County to which its faith and credit or taxing power are pledged, but are subject to and dependent upon lawful appropriations of funds being made by County Council to pay the installment payments of purchase price due in each fiscal year under the Facilities Agreement. The County's obligations under the Facilities Agreement are from year to year only and do not constitute a mandatory payment obligation of the County in any fiscal year in which funds are not appropriated by the County to pay the installment payments of purchase price due in such fiscal year. The County has no continuing obligation to appropriate funds to pay installment payments of purchase price due under the Facilities Agreement and may terminate its obligations under the Facilities Agreement on an annual basis without any penalty.

The County's exercise of its option to terminate its obligations under the Facilities Agreement is determined by the failure of County Council to budget specifically and appropriate moneys to pay all Acquisition Payments for the next fiscal year of the County, determined by July 1 of each year. As more fully set forth in definitions found in Appendix B hereto, the term "Acquisition Payments" includes the Base Payments and the Additional Payments, the term "Base Payments" means the amount payable by the County under the Facilities Agreement, sufficient in time and amount to enable the Issuer to pay the Series 2023 Bonds, and the term "Additional Payments" means the cost of maintenance and repair, cost of insurance, administrative expenses, all costs and expenses of the Issuer and the Trustee under the Facilities Agreement and other costs payable by the County with respect to the Project Facilities pursuant to the Facilities Agreement.

Under the terms of the Facilities Agreement, upon each payment or prepayment of Base Payments, an undivided interest in the Project Facilities, equal to that percentage of the "Acquisition Price" (defined to mean the sum of all Base Payments, which equals the total principal and interest payable on the Series 2023 Bonds) represented by such payment or prepayment, will transfer from the Issuer to the County. Under the terms of the Facilities Agreement, payment by the County of Base Payments also entitles the County to the use and occupancy of all of the Project Facilities during the applicable Fiscal Year in which such Base Payments are made.

The Facilities Agreement provides that upon its termination, either by reason of default or nonappropriation, the Project Facilities will be partitioned between the Issuer and the County based upon their respective percentages of undivided interests in the Project Facilities. The determination of which portion of the Project Facilities will remain subject to the leasehold interest of the Issuer and which portion will be transferred to the County will be made by a consultant appointed by the Trustee, who is directed by the Facilities Agreement to protect the interests of the owners of the Series 2023 Bonds in preparing the partition plan. The Facilities Agreement provides that, in making the determinations of which portion of the Project Facilities is to be allocated to the Issuer to protect the interests of the owners of the Series 2023 Bonds, the consultant preparing the partition plan may take into account the market value of such portion and the relative importance of such portion to the County, all to determine which portion will best protect the interests of the owners of the Series 2023 Bonds. The Facilities Agreement obligates the County to relinquish its right of possession to the portion of the Project Facilities partitioned to the Issuer and obligates the Issuer to release from the Base Lease the portion of the Project Facilities Real Property and Project Facilities partitioned to

the County. See “FORM OF PUBLIC FACILITIES PURCHASE AND OCCUPANCY AGREEMENT - Event of Nonappropriation” and “-Surrender of Possession Upon Termination” in Appendix B-2 hereto.

Use of Capital Project Sales Tax Proceeds to Pay Base Payments

The County intends to make Base Payments from excess proceeds of the County’s Capital Project Sales Tax (the “CPST III Excess”), a one percent sales and use tax that has been imposed in the County since May 1, 2021 and that terminates on April 30, 2028. This Capital Project Sale Tax (“CPST III”) is authorized by Article III of Chapter 10 of Title 4 of the South Carolina Code (the “CPST Act”) and the successful results of a referendum held in the County on November 3, 2020 (the “Referendum”). The proceeds of the CPST are required by law to be used to pay the cost of capital projects approved in the Referendum, but the CPST Act allows for excess collections of CPST III not required to pay the costs of the projects approved in the Referendum to be used to pay the cost of additional projects of the type allowed under the CPST Act, such projects to be designated by ordinance of County Council.

The projects approved in the Referendum were financed by the County through its \$120,000,000 General Obligation Bonds, Series 2021 (the “2021 General Obligation Bonds”). All such projects have been completed, and the final payment on the General Obligation Bonds is June 1, 2028. Based on actual collections to date of \$64,366,040, the County projects that CPST III will generate approximately \$80,000,000 in excess of the amount required to pay all amounts due on the 2021 General Obligation Bonds to maturity. Accordingly, and as authorized by the CPST Act, County Council has designated the Capital Projects and the Ancillary Projects as the object of the expenditures of the CPST III Excess, and has expressed its intent to utilize the CPST III Excess, subject to annual appropriations, to pay all Base Payments under the Facilities Agreement.

The following table shows projected CPST III Proceeds, debt service on the 2021 General Obligation Bonds, and CPST III Excess available to pay the Series 2023 Bonds.

<u>Fiscal Year</u>	<u>Projected CPST III Proceeds⁽¹⁾</u>	<u>2021 General Obligation Bonds</u>	<u>CPST III Excess</u>
2022	\$29,759,012	\$20,958,333	\$8,800,679
2023	34,607,828	20,958,750	13,649,078
2024	32,457,928	20,956,750	11,501,178
2025	32,457,928	20,955,750	11,502,178
2026	32,457,928	20,958,750	11,499,178
2027	32,457,928	20,958,500	11,499,428
2028	32,457,928	20,958,000	11,499,928

⁽¹⁾ Reflects actual collections through June 2023.

Source of Base Payments

The County may budget and appropriate any moneys for the purpose of making Base Payments, including ad valorem property taxes. The County is also authorized to levy an unlimited ad valorem tax to pay its general obligation bonds issued to make the Base Payments, and is authorized by the South Carolina Constitution to incur general obligation debt without voter approval in an amount not exceeding eight percent of the assessed value of all taxable property of the County. See “DEBT STRUCTURE - Legal Debt Limit of the County” herein.

The County expects to make the Base Payments from either (1) ad valorem taxes levied to fund Base Payments or (2) proceeds of general obligation bonds or general obligation bond anticipation notes the County would issue for the purpose of making the Base Payments due on the 15th day preceding the following Bond Payment Date. In the event such general obligation bonds are issued, the County would levy an annual ad valorem tax sufficient in amount to retire its general obligation debt to be issued to fund Base Payments.

The County has agreed in the Facilities Agreement that it reasonably believes that it will pay Base Payments due or coming due in order to use the Project Facilities and that it will have adequate capacity to issue general obligation debt that does not require voter approval in amounts sufficient and at times to pay such Base Payments. The County further represents that it presently intends to maintain its capacity to issue general obligation debt that does not require voter approval, in amounts and at times sufficient to make Base Payments when due; provided that

nothing in the Facilities Agreement shall be construed to limit the County from providing funds from other sources to pay Base Payments. These covenants of the County contained in the Facilities Agreement are subject to termination if the Facilities Agreement is terminated by the County upon nonappropriation.

For information concerning the eight percent debt capacity of the County, see “DEBT STRUCTURE - Legal Debt Limit of the County” herein.

Trust Agreement

As security for its obligations under the Series 2023 Bonds, the Issuer will, by way of the Trust Estate, (1) assign and pledge to the Trustee, and grant a first priority security interest in, all of its right, title, interest, and remedies in and to (a) the Facilities Agreement, including all moneys, revenues, and receipts to be received thereunder (except for certain rights reserved to the Issuer), and (b) the Base Lease, (2) assign and pledge to the Trustee, and grant a first priority security interest in, all revenues and receipts derived from the Issuer’s ownership interests in the Project Facilities, and (3) assign and pledge to the Trustee, and grant a first priority security interest in, all moneys held by the Trustee in certain funds and accounts created under the Trust Agreement, all pursuant to the Trust Agreement. See “FORM OF TRUST AGREEMENT” in Appendix B-3 hereto.

The Issuer has not granted any lien on or security interest in the Project Facilities to secure the Series 2023 Bonds. In the event the County terminates the Facilities Agreement, the Series 2023 Bonds will be payable from such moneys, if any, as may be held or made available by the Trustee from the leasing until the expiration of the Base Lease (June 1, 2033) of the portions of the Project Facilities that remain with the Issuer after the partitioning is accomplished that is described herein under “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS - Facilities Agreement.”

Limited Obligations

The Series 2023 Bonds are special limited obligations of the Issuer payable solely from the Trust Estate pledged under the Trust Agreement. The Series 2023 Bonds are not payable from and are not secured by a lien, security interest, or encumbrance upon any other funds or assets of the Issuer.

The Series 2023 Bonds shall not constitute a general obligation of the County nor a debt, indebtedness, or obligation of, or a pledge of the faith and credit or taxing power of, the County or the State of South Carolina or any political subdivision thereof, within the meaning of any constitutional or statutory provision whatsoever. Neither the faith and credit nor the taxing power of the State of South Carolina, the County, or any political subdivision thereof is pledged to the payment of the principal of or interest on the Series 2023 Bonds or other costs incident thereto. The Issuer has no taxing power.

Additional Bonds

Under certain circumstances, the Trust Agreement permits the Issuer, for specified purposes, to issue Additional Bonds which will be equally and ratably secured under the Trust Agreement on a parity basis with the Series 2023 Bonds that will remain outstanding. Prior to the delivery of any Additional Bonds, the Issuer and the Trustee will enter into a Supplemental Trust Agreement providing the terms of and security for the Additional Bonds. The Trust Agreement further requires a Supplemental Facilities Agreement to be filed with the Trustee, pursuant to which the Base Payments must be increased and the term of the Facilities Agreement must be extended, if necessary, so as to assure that the additional Base Payments are in an amount sufficient to allow the Issuer to provide for the retirement of the Additional Bonds by making available sufficient money for the payment when due of principal and interest. For additional requirements for issuing Additional Bonds, see “FORM OF TRUST AGREEMENT” attached as Appendix B-3 hereto.

In the event that the Issuer issues a series of Additional Bonds pursuant to the Trust Agreement, as supplemented by a Supplemental Trust Agreement, to provide funds to defease a portion of the Outstanding Series 2023 Bonds, then the Project Facilities Real Property and the Project Facilities may be partitioned and allocated to the Series 2023 Bonds which thereafter shall remain Outstanding and to the Series of Bonds refunding a portion of the Series 2023 Bonds as set forth in the Facilities Agreement. See “FORM OF PUBLIC FACILITIES PURCHASE AND OCCUPANCY AGREEMENT” attached as Appendix B-2 hereto.

Title Insurance

A title insurance policy that insures the Issuer's interest in the Project Facilities Real Property and names the Trustee as the insured party will be delivered to the Trustee at the time the Series 2023 Bonds are issued. Such title insurance policy will be in an amount at least equal to the par amount of the Series 2023 Bonds. Generally, a claim against a title insurance policy may only be made in an amount which is the lesser of the actual value of the real property and the amount of the title insurance policy.

Enforceability of Remedies

The realization of value from the pledge of the Trust Estate under the Trust Agreement upon any default or nonappropriation of sufficient funds to make Base Payments due under the Facilities Agreement will depend upon the exercise of various remedies specified by the Trust Agreement and the Facilities Agreement. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights and remedies with respect to the Series 2021 Bonds and the Series 2023 Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, reorganization, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing law (including particularly federal bankruptcy law), certain remedies specified by the Trust Agreement or the Facilities Agreement may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Trust Agreement or the Facilities Agreement.

The various legal opinions to be delivered concurrently with the delivery of the Series 2023 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, reorganization, fraudulent conveyance, or other similar laws affecting the enforcement of creditors' rights generally.

The undertakings of the County should be considered with reference to Chapter 9 of the Bankruptcy Code, 11 U.S.C. Section 901, et seq., as amended, and other laws affecting creditors' rights and municipalities generally. Chapter 9 permits a municipality, political subdivision, public agency, or other instrumentality of a state that is insolvent or unable to meet its debts as such debts mature to file a petition in the United States Bankruptcy Court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of its creditors; provides that the filing of the petition under that Chapter operates as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; directs the petitioner to file a plan for the adjustment of its debts; permits the petitioner in its plan to modify the rights to payment of its creditors; and provides that the plan must be accepted in writing by or on behalf of creditors of each impaired class of claims holding at least two-thirds in amount and more than one-half in number of the creditors that have accepted or rejected the plan. The plan may be confirmed notwithstanding the negative vote of one or more classes of claims if the court finds that the plan is in the best interest of creditors, is feasible, and is fair and equitable with respect to the dissenting classes of creditors. A petitioner has the right to reinstate indebtedness under its plan according to the original maturity schedule of such indebtedness or alter the payment terms, maturity schedule, and other provisions governing the indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the petitioner before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

PROJECT FACILITIES

The Project Facilities which are being sold by the Issuer to the County pursuant to the Facilities Agreement consist of the Florence County Complex (the "County Complex"). The County Complex consists of approximately 168,000 square feet on eleven (11) floors and houses the primary offices of Florence County government, including County Council.

PLAN OF FINANCING

Estimated Sources and Applications of Funds; Use of Proceeds

The sources and applications of funds in connection with the issuance of the Series 2023 Bonds are estimated below.

Estimated Sources of Funds:	
Par Amount of Series 2023 Bonds	\$50,000,000
Original Issue Premium	<u>4,322,500</u>
Total Sources of Funds	\$54,322,500
Estimated Applications of Funds:	
Deposit into Project Fund	\$53,853,178
Costs of Issuance ¹	<u>469,322</u>
Total Applications of Funds	\$54,322,500

¹ Includes underwriting compensation, legal and accounting fees, financial advisor's fees, initial Trustee's fees, printing costs, rating agency's fee, and other costs of issuance for the Series 2023 Bonds.

The Capital Projects

The Capital Projects being contemplated consist of primarily of replacement of the original HVAC system and retrofitting third floor to be used as office space.

The Ancillary Projects

The ancillary projects will consist of acquisition, construction, furnishing, and equipping of a variety of improvements to the County, municipal, and other local government facilities in the County, including road improvements; infrastructure serving economic development property; cultural, recreational, and historic facilities to include public land; fire protection facilities; municipal water and sewer improvements; and other improvements to County facilities.

DEBT SERVICE REQUIREMENTS

Set forth below are the principal and interest payment requirements with respect to the Series 2017A Bond, the Series 2021 Bonds and the Series 2023 Bonds. The County may elect not to appropriate such amounts with respect to the Series 2017A Bond, the Series 2021 Bonds and the Series 2023 Bonds, in which case it will forfeit the right to occupy a portion of the Project Facilities with respect to each of the Series 2017A Bond, the Series 2021 Bonds and the Series 2023 Bonds, but will not be deemed in default. The payment requirements are shown below.

Year Ending <u>June 30</u>	Series 2015 <u>Bond</u>	Series 2017A <u>Bond</u> ¹	Series 2021 <u>Bonds</u> ²	Series 2023 Bonds		Total Debt Service <u>Requirements</u>
				<u>Principal</u>	<u>Interest</u>	
2024	\$2,698,013	\$1,565,240	\$ 1,338,566			\$ 5,601,819
2025		1,538,054	3,311,670		\$ 3,659,722	8,509,446
2026		1,507,994	3,341,198		2,500,000	7,349,192
2027			3,357,252		2,500,000	5,857,252
2028			3,409,132	\$50,000,000	2,500,000	55,909,132
2029			3,406,507			3,406,507
2030			3,451,216			3,451,216
2031			3,454,216			3,454,216
2032			3,483,500			3,483,500
2033			3,504,393			3,504,393
2034			3,544,493			3,544,493
2035			3,563,468			3,563,468
2036			<u>3,591,971</u>			<u>3,591,971</u>
Totals	<u>\$2,698,013</u>	<u>\$4,611,288</u>	<u>\$42,757,582</u>	<u>\$50,000,000</u>	<u>\$11,159,722</u>	<u>\$111,226,603</u>

¹Restructured on March 31, 2021 in order to obtain a lower interest rate. Bonds issued to defray costs of the Parking Garage Project; secured by a lease of the parking garage and separate from facilities leased and securing the Series 2021 Bonds and the Series 2023 Bonds.

²Bonds issued to refund a portion of the original principal amount \$42,000,000 Installment Purchase Revenue Bonds (Judicial Center Project), Series 2015, which were used to defray costs of County Judicial Center; secured by a lease of judicial center and separate from facilities leased and securing the Series 2023 Bonds.

A description of the debt service requirements of the County is set forth herein under “DEBT STRUCTURE - Composite Debt Service.”

THE COUNTY

General Description

The County was established in 1888 and is located in the northeast section of South Carolina, which is also known as the Pee Dee region. The County has an area of 806 square miles and is bordered on the east by the Great Pee Dee River, on the south by Clarendon and Williamsburg Counties, on the southwest by Sumter County, on the west by Darlington and Lee Counties, and on the north by Darlington, Marlboro, and Dillon Counties. The County’s population in 2020 was 137,064. The City of Florence, the largest municipality in the County and the county seat, had a 2020 population of 39,950.

Form of Government

The County operates under the Council-Administrator form of government in accordance with Title 4, Chapter 9 of the South Carolina Code. A nine-member County Council is elected from single-member districts for staggered four year terms. The Chairman is appointed by County Council at its first meeting in January of each year. Vacancies of members of County Council are filled through special elections, or by appointment by the Governor, depending on the balance of the term of office. County Council is responsible for adopting an annual budget for all county departments and ordering the levy of ad valorem taxes necessary to carry out County functions and to pay County indebtedness.

The present members of the Florence County Council, their respective occupations and years of service, are as follows:

<u>Name</u>	<u>Occupation</u>	<u>Years of Service</u>
Willard Dorriety, Jr., Chairman	Self-Employed/Farmer	10
Alphonso Bradley	Educator	16
Kent C. Caudle	Commercial Real Estate Broker	10
Stoney C. "Toney" Moore	Construction	1
Waymon Mumford	Retired	28
Roger M. Poston	Retired	12
C. William Schofield	Retailer	1
Jason Springs	Safety & Loss Prevention Consultant/Civil Engineer	9
Jerry Wayne Yarborough, Jr.	Retailer	3

County Council employs a County Administrator who acts as the chief administrative officer of the County and is responsible for the administration of all departments of the County government which County Council controls. The County Administrator serves at the pleasure of County Council. The powers and duties of the Administrator include: (1) to execute policies, directives and legislative actions of County Council; (2) to direct and coordinate the operational agencies and administrative activities of the County; (3) to prepare annual operating and capital improvement budgets for submission to County Council; (4) to supervise the expenditure of appropriated funds; (5) to prepare reports for County Council regarding financial and administrative activities of the County; (6) to administer the County's personnel policies; and (7) to be responsible for employment and discharge of personnel in those departments of the County in which employment authority over personnel is vested in County government.

The County Administrator is Kevin Yokim. Mr. Yokim was appointed to his position on February 20, 2023. Mr. Yokim previously served as Assistant City Manager for the City of Florence beginning in 2019. Prior to his time with the City, Mr. Yokim served as Finance Director for the County, a position he held for over 23 years. Prior to his time as finance director, Mr. Yokim worked for ten years in public accounting, first with the firm of Arthur Young and Company and more recently with Webster Rogers LLP. Mr. Yokim received his Bachelor of Science degree in Accounting from Bob Jones University in 1986 and his Master of Public Affairs degree from Indiana University in 2014. He became a CPA in 1988 and a Certified Government Finance Officer in 2001. Mr. Yokim has been a member of numerous professional and community organizations and has held leadership roles in most of these organizations.

The County Finance Director is Ashley D. Davison, who has been employed in that position since November 1, 2023. Ms. Davison has been with the County since August 2022 serving as accounting manager before being appointed Interim Finance Director on July 22, 2023. Ms. Davison has 13 years of accounting experience in the private and public sector at Nucor Steel Darlington, Sonoco Products, Florence School District No. 1, and the County.

Services Provided By the County

The County operates on a fiscal year basis, with each fiscal year beginning on July 1 and ending on June 30 (each a "Fiscal Year"), and references herein to a Fiscal Year followed by a year (e.g. Fiscal Year 2023) shall mean the Fiscal Year ended on June 30 of the year stated. The County operates and maintains various programs which are funded from County revenues, as reflected in its annual budgets for Fiscal Years 2023 and 2024, summaries of which are shown below under "Summary of General Fund Budget." These programs include:

- (a) General Government
- (b) Public Safety
- (c) Public Works
- (d) Health
- (e) Welfare
- (f) Culture & Recreation
- (g) Education

During Fiscal Year 2023, the County employed approximately 832 employees, consisting of 746 full-time employees and 86 part-time employees.

Services Provided By Other Governmental Entities

The nine municipalities within the County also provide some of the services listed above and additional services, including water and sewer services, not provided by the County.

FINANCIAL AND TAX INFORMATION

Five-Year Summary of General Fund Operations

The following table sets forth a summary of the County's General Fund operations as of June 30 of each of the Fiscal Years shown:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023⁽²⁾</u>
<u>Revenues</u>					
Taxes ⁽¹⁾	\$38,897,052	\$40,634,518	\$43,102,960	\$44,905,889	\$50,448,518
Licenses and Permits	2,495,643	2,048,134	2,338,545	2,306,053	1,559,990
Fines and Fees	3,316,967	2,958,129	3,179,702	3,680,734	3,124,425
Intergovernmental Revenues	6,905,819	7,033,484	7,655,799	7,387,563	7,514,436
Sales and other functional revenues	9,090,770	7,595,052	8,742,191	9,117,877	10,489,885
Miscellaneous	<u>1,652,849</u>	<u>939,117</u>	<u>897,721</u>	<u>457,632</u>	<u>3,732,359</u>
Total Revenues	\$62,359,100	\$61,208,434	\$65,916,918	\$67,855,748	\$76,869,613
<u>Expenditures</u>					
General Government	\$23,157,815	\$22,975,682	\$17,103,114	\$23,370,248	\$29,800,638
Public Safety	21,812,195	22,072,816	20,591,811	23,159,094	26,223,865
Public Works	2,054,312	1,416,285	973,927	986,372	0
Health	9,515,691	9,344,216	8,971,180	10,479,802	10,643,066
Welfare	352,037	352,731	341,637	347,753	339,747
Culture and recreation	6,140,900	6,076,669	5,627,589	6,361,313	7,425,409
Education	4,515	4,515	4,515	4,515	4,515
Capital Outlay			2,139,109	574,714	0
Debt Service			<u>404,116</u>	<u>759,450</u>	<u>0</u>
Total Expenditures	\$63,037,465	\$62,242,914	\$56,156,998	\$66,043,261	\$74,437,237
Excess of Revenues Over (Under)					
Expenditures	(\$678,365)	(\$1,034,480)	\$ 9,759,920	\$ 1,812,487	\$2,432,376
<u>Other Financing Sources (Uses):</u>					
Issuance of leases				\$ 7,456	\$ 0
Proceeds from sale of capital assets		\$211,872	\$ 173,577	273,814	551,825
Operating transfer in	806,504	806,504	802,807	839,631	548,000
Operating transfer out	<u>(954,253)</u>	<u>(954,253)</u>	<u>(954,253)</u>	<u>(1,089,253)</u>	<u>(1,095,000)</u>
Total Other Financing Sources (Uses)	(\$147,749)	\$ 64,123	\$ 22,131	\$ 31,648	\$4,825
Net Change in Fund Balance	(\$826,114)	(\$970,357)	\$ 9,782,051	\$ 1,844,135	\$2,437,201
Fund Balance - July 1	\$18,983,286	\$18,157,172	\$17,186,815	\$26,968,866	\$28,813,001
Change in Reserve for Inventory					
Fund Balance - June 30	\$18,157,172	\$17,186,815	\$26,968,866 ⁽³⁾	\$28,813,001	\$31,250,202

⁽¹⁾ Includes Local Option Sales Tax.

⁽²⁾ Unaudited.

⁽³⁾ Increase in Fund Balance from June 30, 2020 to June 30, 2021 is a result of the receipt of approximately \$7,000,000 in Cares Act funds as well as a hiring freeze.

Financial Statements

The financial statements of the County for the year ended June 30, 2022, were audited by Mauldin & Jenkins. The financial statements of the County for the years ended June 30, 2018 through 2021 have been audited by Elliott Davis, LLC, Certified Public Accountants. A copy of the general purpose financial statements of the County for the Fiscal Year ended June 30, 2022 is attached to this Official Statement as Appendix A. Copies of complete audited financial statements for the Fiscal Year ended June 30, 2022 and prior years are available for inspection in the office of Ashley D. Davison, Finance Director, 180 N. Irby Street, Florence, South Carolina 29501, telephone (843) 665-3013 and on the County's website at <http://florenceco.org/offices/finance/> (which is not intended to be an active hyperlink).

Budget Procedure and Accounting Policies

The State Constitution requires each county to prepare and maintain annual budgets which provide for sufficient income to meet its estimated expenses for each year. If a county's expenses exceed income in any year, the governing body of the county is required in the following year to levy taxes in an amount which, when added to all other sources of income will be sufficient to pay such deficiency and the estimated expenses for such year.

Pursuant to Section 4-9-10 *et seq.*, of the South Carolina Code (the "Home Rule Act") provides that the fiscal year for county governments begins on July 1 of each year and ends on June 30 of the following year. The County Council is required to adopt annually, prior to the beginning of each fiscal year, operating and capital budgets for the operation of county government. The budgets must identify the sources of anticipated revenue, including taxes necessary to meet the financial requirements of the budgets adopted.

Each year, all agencies of the County submit requests for appropriations to the County Finance Director so that a proposed budget may be formulated. The budget is prepared by fund, function and activity and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. The proposed budget is presented to County Council for review and revision. A public hearing, after due notice has been provided, is held to allow public input as to the proposed budget. Pursuant to the provision of the Home Rule Act, County Council must then take formal action by an ordinance in adopting its annual budget. All ordinances are required to be read at three public meetings of County Council on three separate days with an interval of not less than seven days between the second and third reading. In order to modify the original ordinance adopting the budget, formal action must again be taken by ordinance with due notice provided.

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds for the purpose of conducting specific activities in accordance with laws, regulations or other restrictions.

The County's accounting methods and procedures conform to generally accepted accounting principles applicable to governmental entities. The financial statements include all funds, account groups, agencies, boards, commissions and authorities of the County and its component unit.

Pursuant to Section 6-1-320 of the South Carolina Code, the County's annual millage rate for operations may increase only at a rate equal to the sum of (a) the increase in the consumer price index, plus (b) the rate of population growth of the County. This limitation may be overridden by a vote of two-thirds of the governing body of the County, but only for the following purposes and only in a year in which such condition exists:

- (1) a deficiency of the preceding year;
- (2) any catastrophic event outside the control of the County Council such as a natural disaster, severe weather event, act of God, or act of terrorism, fire, war, or riot;
- (3) compliance with a court order or decree;
- (4) taxpayer closure due to circumstances outside the control of the County Council that decreases by ten percent or more the amount of revenue payable to the taxing jurisdiction in the preceding year; or

- (5) compliance with a regulation promulgated or statute enacted by the federal or state government after the ratification date of this section for which an appropriation or a method for obtaining an appropriation is not provided by the federal or state government.

Summary of General Fund Budget

The following is a summary of the General Fund Budgets of the County (as originally adopted) for the Fiscal Years 2023 and 2024:

	<u>2023</u>	<u>2024</u>
<u>General Fund Revenues</u>		
Taxes	\$48,501,455	\$52,615,646
Licenses and Permits	1,890,080	1,823,480
Fines and Fees	3,385,487	3,049,000
Intergovernmental	8,333,418	8,453,280
Revenue from service charges & fees	9,353,118	9,797,600
Miscellaneous transfers in/out (net)	<u>4,593,627</u>	<u>8,688,531</u>
Total Revenues	<u>\$76,057,185</u>	<u>\$84,427,537</u>
 <u>General Fund Expenditures</u>		
General Government	\$30,763,242	34,489,067
Public Safety	26,392,599	29,499,391
Public works ⁽¹⁾	0	0
Health	11,414,616	12,203,457
Welfare	348,457	348,457
Culture and Recreation	7,133,756	7,887,165
Education	<u>4,515</u>	<u>0</u>
Total Expenditures	<u>\$76,057,185</u>	<u>\$84,427,537</u>

⁽¹⁾ Public works accounted for in separate special revenue fund.

Note: See “COVID-19” on page 4.

Source: County Finance Director.

County Operating Revenues

Because the County receives a substantial amount of funding from State sources, including \$6,126,604 in Fiscal Year 2022, and an unaudited \$6,140,454 in Fiscal Year 2023, any reductions in State budgeted funds for local governments will have an impact on the County’s Fiscal Year 2024 budget.

The audited financial statements of the County for Fiscal Year 2022, indicate that 65.91% of general fund revenues came from taxpayers of the County; 10.84% came from intergovernmental revenues; 8.79% came from fees, fines, charges and services charged by the County; and 14.46% came from other revenue sources.

Revenues from Ad Valorem Taxes. The largest source of County operating revenues comes from ad valorem taxes (excluding amounts received from the Local Option Sales Tax) paid by taxpayers within the County. A discussion of general tax information, tax rates and millage levied upon taxpayers of the County for County purposes is presented below. All the revenues from ad valorem taxes and fees in lieu of taxes (see “CERTAIN LEGAL MATTERS - Payments in Lieu of Taxes”) are either general fund revenues and may therefore be used by the County on an unrestricted basis or are collected for the purposes of paying debt service on general obligation bonds of the County, or with respect to fees in lieu of taxes, special source revenue bonds of the County.

During the past five Fiscal Years for which information is available, the County received the following amounts as general fund revenues from ad valorem taxes and fees in lieu of taxes:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Local</u> <u>Revenues</u>	<u>Fee-in-Lieu</u> <u>of Taxes</u>
2023 ⁽¹⁾	\$28,777,845	\$3,305,103
2022	25,749,570	2,716,392
2021	24,504,584	3,470,714
2020	23,445,717	3,331,027
2019	23,404,988	3,301,671

⁽¹⁾ Unaudited.

Source: County Finance Director

Local Option Sales Tax

A one percent sales tax (the “Local Option Sales Tax”) was imposed in the County beginning May 1, 1994. The sales tax is authorized pursuant to Sections 4-10-10 *et seq.*, of the South Carolina Code, and a referendum by which the imposition of the tax in the County was approved. The Local Option Sales Tax may be terminated upon approval thereof by referendum; a referendum shall be called upon the filing of a petition signed by at least 15% of the qualified electors of the County.

Revenues collected from the Local Option Sales Tax are by law divided into a “Property Tax Credit Fund” and a “County/Municipal Revenue Fund.” Presently, 100% of all collections are allocated to the Property Tax Credit Fund. The Property Tax Credit Fund is distributed to the county government (67%) and all municipalities within the county (33% total). The municipalities’ 33% share is allocated based upon the population of each municipality as compared to the total municipal population within the county. All amounts allocated from the Property Tax Credit Fund must be applied to a reduction in ad valorem property tax millage; the reduction applicable to a given parcel or item of taxable property is based upon the assessed value of such property compared to the assessed value of all property within the taxing jurisdiction.

Revenues not distributed to the Property Tax Credit Fund, if any, must be deposited in the County/Municipal Revenue Fund. Fifty percent of such revenue is distributed based upon the location of the sale, and the remaining 50% is distributed based upon population. County/Municipal Revenue Fund moneys may be deposited to the general fund of a county or municipality, or applied to provide additional millage rollback. As to those counties in which annual Local Option Sales Tax collections exceed five million dollars or more, the State Treasurer is charged with withholding a portion of such collections, not to exceed five percent, for distribution to other counties which have adopted the Local Option Sales Tax but have not collected an amount at least equal to a defined annual minimum amount. The annual minimum amount is equal to two million dollars in the first year of collections within a county, and increases annually based upon a statutory formula.

The following table shows total Local Option Sales Tax Collections for the Fiscal Years shown:

<u>Fiscal</u> <u>Year</u>	<u>Total</u> <u>Receipts</u>	<u>Applied to</u> <u>Rollback</u>	<u>Reserved for Rollback</u> <u>In Future Years</u>
2023 ⁽¹⁾	\$20,874,841	\$21,243,690	(\$368,849)
2022	19,173,388	18,396,469	776,919
2021	17,896,016	16,780,611	1,115,405
2020	15,746,746	16,148,357	(401,611)
2019	15,499,567	16,002,626	(503,059)

⁽¹⁾ Unaudited.

Source: County Finance Director

Capital Project Sales Tax

Since May 1, 2007, there has been a 1% capital project sales tax (the “Sales Tax”) imposed in the County pursuant to Section 4-12-33 et seq. of the South Carolina Code and the favorable results of referenda held in the County on November 7, 2006, November 5, 2013, and November 3, 2020. The proceeds of the first Sales Tax were used to defray the cost of various road improvement projects in the County. The proceeds of the second Sales Tax and third Sales Tax were used to defray the cost of various improvement projects in the County, including fire department, water and sewer system projects, municipal projects, recreational improvements, and County road improvements. The Sales Tax is administered and collected by the South Carolina Department of Revenue (“DOR”) in the same manner as other sales and use taxes. The revenues of the tax are remitted to DOR and placed on deposit with the State Treasurer and credited to a fund separate and distinct from the General Fund of the State. After deducting the amount of any refunds made and costs to the DOR of administering the tax (not to exceed 1% of the revenues), the State Treasurer distributes the net revenues quarterly to the County Treasurer and the net revenues may only be used for the purposes stated in the referenda. Unless extended pursuant to another referendum, the Sales Tax will end no later than April 30, 2028.

Sales Tax Collections

The table below sets forth the amount of Sales Tax revenues remitted to the County Treasurer during the past five Fiscal Years.

<u>Fiscal Year</u>	<u>Prior Sales Tax Received</u>
2023	\$34,607,828 ⁽¹⁾
2022	29,759,012
2021	27,289,609
2020	24,002,860
2019	23,788,203

⁽¹⁾ Unaudited.

Source: County Finance Director

Local Hospitality and Accommodations Fees

The County also imposes a local hospitality fee (the “Hospitality Fee”) on all amounts paid for prepared food and beverages purchase in the County pursuant to Article 7 of Chapter 1 of Title 6 of the South Carolina Code (the “Hospitality Fee Act”). The Hospitality Fee is imposed by the County at a rate of 2% in unincorporated areas on the County and an effective rate of 1% within seven of the County’s nine municipalities, with 1% in those seven municipalities either collected by or remitted to the municipality in question. The County’s other two municipalities (Florence and Pamplico) have their own hospitality fee which predates and preempts that of the County.

Imposition of the Hospitality Fee began October 1, 2008. The table below sets forth the amount of net Hospitality Fee revenues remitted to the County Treasurer during the past five Fiscal Years.

<u>Fiscal Year</u>	<u>Hospitality Fees Received</u>
2023	\$2,683,219 ⁽¹⁾
2022	2,100,085
2021	1,824,947
2020	1,624,018
2019	1,661,779

⁽¹⁾ Unaudited.

Source: County Finance Director

In addition to the Hospitality Fee, the County imposes a local accommodations fee (the “Accommodations Fee”) pursuant to Article 5 of Chapter 1 of Title 6 of the South Carolina Code (the “Accommodations Fee Act”). The Accommodations Fee is imposed by the County at the rate of 3% throughout the County on amounts paid for accommodations furnished to transients in the County.

The table below sets forth the amount of net Accommodations Fee revenues remitted to the County Treasurer during the past five Fiscal Years.

<u>Fiscal Year</u>	<u>Accommodations Fees Received</u>
2023	\$2,751,001 ⁽¹⁾
2022	2,588,986
2021	1,990,659
2020	2,002,292
2019	2,307,211

⁽¹⁾ Unaudited.

Source: County Finance Director

The receipts of both the Hospitality Fee and the Accommodations Fee must be used for “tourism-related” expenditures, which include:

- (1) tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;
- (2) tourism-related cultural, recreational, or historic facilities;
- (3) beach access, renourishment, or other tourism-related lands and water access;
- (4) highways, roads, streets, and bridges providing access to tourist destinations;
- (5) advertisements and promotions related to tourism development; or
- (6) water and sewer infrastructure to serve tourism-related demand.

In addition, because the County has exceeded \$900,000 in annual collections of accommodations taxes imposed by the State of South Carolina, revenues from both the Hospitality Fee and the Accommodations Fee may be used for operation and maintenance of those items provided in (1) through (6) above, including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.

On December 8, 2015, the County issued its \$3,238,000 Hospitality Fee Refunding Revenue Bond, Series 2015 (the “Hospitality Fee Bond”). The Hospitality Fee Bond is secured by and payable from revenues of the Hospitality Fee, and its proceeds were used to pay a portion of the cost of a new, 27,000 square foot County Museum building. As of June 30, 2023, there was outstanding \$2,178,000 principal of the Hospitality Fee Bond and the final maturity of principal will be March 1, 2035.

On December 17, 2015, the County issued its \$16,015,000 Accommodations Fee Revenue Bonds, Series 2015 (the “Accommodations Fee Bond”). The Accommodations Fee Bond is secured by and payable from revenues of the Accommodations Fee, and its proceeds were used to pay a portion of the cost of expansion of the Florence Center, a regional civic center owned by the County and the City of Florence. As of June 30, 2023, there was outstanding \$15,125,000 principal of the Accommodations Fee Bond and the final maturity of principal will be May 1, 2040.

Permitted Investments

Pursuant to Section 6-5-10 of the South Carolina Code (“Section 6-5-10”), money under the control and jurisdiction of the County Treasurer is permitted to be invested in the investments specified thereunder or in the South Carolina Pooled Investment Fund. Section 6-5-10 provides the following investments: (1) obligations of the United States and its agencies; (2) general obligations of the State of South Carolina or any of its political units; (3) savings and loan associations to the extent that the same are insured by an agency of the federal government; (4) certificates of deposit and repurchase agreements which are collaterally secured by securities of the type described in subsections (1), (2) or (3) of this paragraph; and (5) certain no load open-end or closed-end management type investment companies or trusts which are, in essence, an indirect investment in investments of the kind described in (1) and (2) above or repurchase agreements collateralized by such investments. The South Carolina Pooled Investment Fund is managed by the South Carolina State Treasurer.

Pension Obligations and Retirement Benefits

South Carolina Retirement Systems. The South Carolina Retirement Systems (the “Retirement Systems”) maintain five independent defined benefit plans and issues its own publicly available Annual Comprehensive Financial Report (“Retirement System ACFR”). The Retirement System ACFR includes financial statements and required supplementary information; copies may be obtained from the South Carolina Retirement Systems, 202 Arbor Lake Drive, Columbia, South Carolina 29223. See Note 10 to Financial Statements included in Appendix A.

Article X, Section 16 of the South Carolina Constitution provides that the governing body of any retirement or pension system in the State funded in whole or in part by public funds shall not pay any increased benefits to members or beneficiaries of that system unless that governing body first determines that funding for such increase on a sound actuarial basis has been provided or is concurrently provided. The General Assembly must annually appropriate funds and prescribe member contributions for any State operated retirement system which will ensure the availability of funds to meet all normal and accrued liability of such system on a sound actuarial basis as determined by the governing body of such system. The South Carolina Constitution prohibits diversion or use of the assets and funds established, created and accruing for the purpose of paying obligations to members of the retirement systems of the State and political subdivisions for any other purpose. Accordingly, each plan is administered independently, and assets of each plan may be used only to benefit participants of that plan. Title 9 of the South Carolina Code prescribes requirements relating to membership, benefits, and employee and employer contributions for each plan.

The majority of employees of the County are covered by the South Carolina Retirement System (“SCRS”), one of the defined benefit plans maintained by the Retirement Systems. SCRS is a cost-sharing multiple-employer defined benefit pension plan, established effective July 1, 1945, for the purpose of providing retirement allowances and other benefits for employees of the State, including political subdivisions, agencies and departments thereof. Membership is required as a condition of employment, unless exempted by State law. Both employers and employees must contribute. At this time, SCRS has two classes of membership: Class Two and Class Three. Class Two members are generally employees who have earned service credit for a period of service prior to July 1, 2012. Class Three members are generally those employees who have not earned service credit prior to July 1, 2012. Benefits vest after five years of service for Class Two members and vest after eight years of service for Class Three members. Class Two vested members who retire at age 65, or who retire with 28 years of service at any age, receive an annual benefit payable monthly for life. The benefit is based on length of service and “Average Final Compensation,” an annualized average of the employee’s highest 12 consecutive quarters of compensation. Class Three members with at least eight years of earned service credit must meet the Rule of 90 to be eligible for full retirement benefits. The Rule of 90 means the employee’s age and years of service must add up to 90.

The County contributes to the SCRS. Employer contributions are set at a percentage of the total member’s annual compensation, plus a percentage for group life insurance, and a percentage for retiree health insurance. Plan members are required to contribute 9% of their annual compensation.

Total employer retirement contributions to the SCRS paid on behalf of the County are shown in the following table:

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Group Life Insurance</u>	<u>Total % Contribution</u>	<u>Total Contribution</u>
2023 ⁽¹⁾	17.41%	0.15%	17.56%	\$6,819,481
2022	16.41	0.15	16.56	5,691,127
2021	15.41	0.15	15.56	5,404,221
2020	15.41	0.15	15.56	6,079,185
2019	14.41	0.15	14.56	4,787,579

⁽¹⁾ Unaudited.

Act No. 13 of the 2017 Acts and Joint Resolutions of the General Assembly of the State addresses funding of the SCRS. Significant features of this law include:

- Increases the employer contribution rate by 2% to 13.56% beginning July 1, 2017. Employer rates will continue to increase annually by 1% through July 1, 2022, which would result in the employer rate totaling

18.56% for Fiscal Year 2023 and thereafter. In response to the COVID-19 pandemic, the SCRS did not increase the employer contribution rate by 1% on July 1, 2020 for Fiscal Year 2021.

- Increases and caps the employee contribution rate to 9% as of July 1, 2017.
- After June 30, 2027, authorizes the decrease in employer and employee contribution rates in equal amounts if the ratio between the actuarial value of SCRS assets and the actuarial value of SCRS liabilities is equal to or greater than 85%.
- Effective July 1, 2017, lowers the assumed annual rate of return from 7.5% to 7.25% and provides for a reset of the assumed rate of return every four years.
- Reduces the funding period (or amortization period) of unfunded liabilities, beginning in Fiscal Year 2018, from 30 years to 20 years for Fiscal Year 2028 and thereafter.

All uniformed County law enforcement and fire personnel, as well as magistrates, participate and are covered under the Police Officers Retirement System (“PORS”), a defined contribution plan. The PORS provides retirement and death benefits.

Total employer retirement contributions to the PORS paid on behalf of the County are shown in the following table:

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Group Life Insurance</u>	<u>Total % Contribution</u>	<u>Total Contribution</u>
2023 ⁽¹⁾	19.84%	0.20%	20.04%	\$3,454,024
2022	18.84	0.20	19.04	2,840,180
2021	17.84	0.20	18.04	2,807,970
2020	17.84	0.20	18.04	2,999,027
2019	16.84	0.20	17.04	2,675,832

⁽¹⁾ Unaudited.

Due to the COVID-19 pandemic, the South Carolina General Assembly suspended the scheduled 1% increase in the employer contribution to SCRA and PORS, which was scheduled to be effective July 1, 2020.

The County also participates in the statewide health and dental insurance program administered by the South Carolina Employee Insurance Program (the “Program”). Employer contributions are made on behalf of the employees at fixed rates. The contributions for health and dental insurance fringe benefits are as follows:

<u>Fiscal Year</u>	<u>County Amount</u>
2023 ⁽¹⁾	\$6,164,436
2022	5,541,390
2021	5,653,714
2020	6,463,573
2019	6,193,529

⁽¹⁾ Unaudited.

The County has paid all required contributions for fringe benefits and insurance as they come due and there are no liabilities for underfunding of such benefits.

Other Post-Employment Benefits

The County is required to pay as part of its pension contributions a surcharge for retiree health and dental insurance. Except for such payments, post-employment benefits such as health insurance for County employees are the responsibility of the State. The County has no liability for such benefits, and will make no disclosure pertaining to such benefits under Governmental Accounting Standards Board Statement No. 45. Governmental Accounting Standards Board Statement No. 75, nonetheless, requires the County to report its proportionate share of the State’s liability for Other Post-Employment Benefits (“OPEB”) in its Statement of Net Position. For Fiscal Year 2022, the

County reported its proportionate share of the State's net OPEB liability at \$50,115,099. For Fiscal Year 2022, the County reported its proportional share of PORS liability at \$43,732,282 and the SCRS at \$17,749,032. See Note 11 to Financial Statements included in Appendix A.

Liability Insurance

Subject to specific immunity set forth in the South Carolina Tort Claims Act, local governments including the County are liable for damages not to exceed \$300,000 per incident/person and \$600,000 per occurrence/aggregate. No punitive or exemplary damages are permitted under the Act. Insurance protection to units of local government is provided from either the South Carolina Insurance Reserve Fund established by the State Budget and Control Board, private carriers, self insurance or pooled self insurance funds. The County currently maintains liability insurance coverage with the South Carolina Counties Property and Liability Trust. In the opinion of the County Administrator, the amount of liability coverage maintained by the County is sufficient to provide protection against any loss arising under the Act.

CERTAIN FISCAL MATTERS

Property Taxation and Assessment

Article X, Section 1 of the Constitution requires equal and uniform assessments of property throughout the State of South Carolina for the following classes of property and at the following ratios of fair market value of such property:

- (1) Real and personal property owned by or leased to manufacturers, utilities and mining operations and used in the conduct of such business - 10.5% of fair market value;¹
- (2) Real and personal property owned by or leased to companies primarily engaged in transportation for hire of persons or property and used in the conduct of such business - 9.5% of fair market value;
- (3) Legal residence and not more than five contiguous acres - 4% of fair market value (if the property owner makes proper application and qualifies);
- (4) Agricultural real property used for such purposes owned by individuals and certain corporations - 4% of use value (if the property owner makes proper application and qualifies);
- (5) Agricultural property and timberlands belonging to corporations having more than 10 shareholders - 6% of use value (if property owner makes proper application and qualifies);
- (6) All other real property - 6% of fair market value;
- (7) Business inventories - 6% of fair market value (as of 1988, there is available an exemption from taxation of property in this category, hence this item is no longer significant, except that the assessed value of business inventory as of tax year 1987 is taken into account in determining total assessed value for purposes of the bonded debt limit)
- (8) Motor vehicles for personal use – 6.0%; and
- (9) All other personal property - 10.5% of fair market value.

¹ *Act No. 40.* Pursuant to Act No. 40 of 2017 (“Act No. 40”), for property tax years beginning after July 1, 2017, there will be six equal (2.38095%) and cumulative exemptions for the property of manufacturers which will total 14.2857%. The Act No. 40 exemption begins in 2018, effective for taxes levied in Fiscal Year 2019. Act No. 40 requires political subdivisions and school districts to be fully reimbursed by the State for the new exemption in the same manner as from the Trust Fund for Tax Relief. Under Act No. 40, to the extent that the aggregate value of the exemption exceeds \$85 million in any year, the amount of the exemption is required to be decreased so that the total value of the exemption for the year is reduced to \$85 million.

The County Assessor appraises and assesses each year all real property and mobile homes located within the County and certifies the results to the County Auditor (with the exception of Manufacturer's Real Property which is certified by the DOR). The County Auditor appraises and assesses all motor vehicles (except for large trucks, which are appraised and assessed by the DOR), marine equipment, business personal property and airplanes. The DOR furnishes guides for use by the County in the assessment of automobiles, automotive equipment and certain other classes of property and directly assesses the real and personal property of public utilities, manufacturers and business equipment.

In each year, upon completion of its work, the DOR certifies its assessments to the County Auditor. During August and September of each year the County Auditor prepares assessment summaries from the respective certifications, determines the appropriate millage levies, prepares the tax bills and then in September charges the County Treasurer with

the collection. With the exception of motor vehicles, the South Carolina tax control date is December 31st for the ensuing tax year. South Carolina has no state-wide property tax.

The DOR has been charged with the responsibility of ensuring equalization of assessments statewide in order that all property is assessed uniformly and equitably throughout the State, and may require reassessment of any part or all of the property within the County. Under law enacted by the South Carolina General Assembly in 1995, every fourth year the County and the State are required by law to effect an appraisal of all property within the County and to implement that appraisal as a new assessment in the following year. Regulations of DOR effectively require that a reappraisal program must be instituted by a county if the median appraisal for all property in such county (as a whole or for any class of property) is higher than 105% or lower than 80% of fair market value. In addition, in its 1995 session, the South Carolina General Assembly enacted provisions requiring each county to appraise and equalize the properties under its jurisdiction once every fourth year and requiring each county to assess all properties on the newly appraised values every fifth year. The latest reassessment in the County was completed in and implemented in Fiscal Year 2019. The next reassessment is scheduled to occur in Fiscal Year 2024. The governing body of the County may, under existing law, elect to delay implementation until Fiscal Year 2025.

Homestead Exemption–Property Tax Relief

South Carolina provides, among other exemptions, for homesteads, a general exemption from all ad valorem property taxes and applies to the first \$50,000 of value of the dwelling place of persons who are over 65 years of age, totally and permanently disabled or legally blind (the “Homestead Exemption”). In the case of the Homestead Exemption, the State pays each taxing entity the amount to which it is entitled by April 15 of each year from the State’s general fund. The following table shows amounts received by way of reimbursing appropriations from the State for Homestead Exemption for all purposes by all taxing entities with the County:

<u>Tax Year</u>	<u>Homestead Exemption</u>
2022	\$3,070,441
2021	3,226,458
2020	2,759,674
2019	2,841,754
2018	2,584,028

Source: County Finance Director

Payments in Lieu of Taxes

The State has adopted an array of property tax inducements and incentives to promote investment in the State. Qualifying investments of \$2.5 million (\$1 million in some counties and for certain “brownfield” sites) or more may be negotiated for payments in lieu of taxes for periods up to 30 years (up to 40 years for certain large investments) using assessment ratios of as little as 6% and using millage rates that are either fixed for the term of the incentive or adjusted every fifth year. In some cases, owners of projects may also design a payment schedule so long as the present value of the payments under the schedule are equal to the present value of the payments that would have been made without the schedule. The State also provides a more generous inducement for enhanced investments, that is, those projects creating at least 125 new jobs and providing new invested capital of not less than \$150 million, projects with a total investment of \$400 million by a single sponsor and certain defined economic development projects. For these enhanced investments the fee-in-lieu of tax payments may be negotiated based on assessment ratios as low as 4% and for a term up to 50 years.

The State provides alternative provisions respecting the distribution of payments in lieu of taxes to entities having taxing jurisdiction at the location of the investment: (i) revenues received in respect of property that is not included in a multicounty industrial park (“MCIP”) are allocated annually in proportion to the amounts that would have been received by the taxing entities if the payments were taxes, based on the relative millage rates of overlapping taxing entities in a given year; (ii) revenues received from property that is in an MCIP, however, is distributed in accordance with the agreement creating the park; the amount of the distribution to each taxing entity is, for all practical purposes, controlled by the County. Property may be included in an MCIP under terms of agreements between two or more counties with individual sites being determined primarily by the county in which they are located. Payments in lieu of taxes may be

diverted from taxing entities to fund projects which support economic development activities, including projects that are used solely by a single enterprise, either directly or through the issuance of special source revenue bonds secured by payments in lieu of taxes. A county government may also divert payments in lieu of taxes derived from an MCIP to its own corporate purposes or those of other taxing entities in that county.

Several of the largest taxpayers in the County pay a “fee-in-lieu” of taxes with respect to new manufacturing projects, and each year new fee-in-lieu arrangements are made with other new manufacturing investments.

Projects on which these payments in lieu of taxes are made are considered taxable property at the level of the negotiated payment for purposes of calculating bonded indebtedness limits and for purposes of computing the index of taxpaying ability pursuant to the South Carolina Education Financing Act. If the property is situated in an MCIP, the calculation of assessed value for debt limit purposes is based upon the relative share of payments received by all taxing entities which overlap the MCIP. Accordingly, a recipient of payments from an MCIP is able to include only a fraction of the assessed value of property therein in calculating its debt limit.

If a county, municipality or special purpose district pledges to the repayment of special source revenue bonds any portion of the revenues received by it from a payment in lieu of taxes, it may not include in the calculation of its general obligation debt limit the value of the property that is the basis of the pledged portion of revenues. If such political subdivision, prior to pledging revenues to secure a special source revenue bond, has included an amount representing the value of a parcel or item of property that is the subject of a payment in lieu of taxes in the assessed value of taxable property located in the political subdivision and has issued general obligation debt within a debt limit calculated on the basis of such assessed value, then it may not pledge revenues based on the item or parcel of property, to the extent that the amount representing its value is necessary to permit the outstanding general obligation debt to not exceed the debt limit of the political subdivision.

As an alternative to the issuance of special source revenue bonds, the owners of qualifying projects may receive a credit against payments in lieu of taxes due from the project to pay certain project costs. If a county, municipality or special purpose district agrees to allow a credit against the payments in lieu of taxes it would otherwise receive, it is subject to the limitations on calculation of its debt limit as described in the preceding paragraph.

Exempt Manufacturing Property

Article X, Section 3 of the Constitution provides that all new manufacturing establishments located in any county after July 1, 1977, and all additions (in excess of \$50,000) to existing manufacturing establishments are exempt from *ad valorem* taxation for five years for county taxes only. No exemption is granted from school or municipal taxes, although municipal governing bodies may grant a similar exemption to manufacturing establishments. The table below shows the level of tax-exempt manufacturing property located within the County for the tax years shown below.

<u>Tax Year</u>	<u>Exempt Assessed Value</u>
2022	\$5,849,800
2021	3,957,240
2020	3,789,774
2019	4,031,810
2018	5,379,910

Source: County Finance Director

Millage History

The millage assessed for County general fund operations and debt service in each of the last five Fiscal Years is set forth below:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Operations	77.3	78.2	79.6	80.6	84.4
Debt Service	<u>12.7</u>	<u>12.5</u>	<u>14.9</u>	<u>14.9</u>	<u>13.6</u>
Total	90.0	90.7	94.5	95.5	98.0

Source: County Auditor

Assessed Value

Set forth below is the assessed value of taxable real and personal property of the County for the last five Fiscal Years for which data is available.

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Assessed Value</u>
2023	2022	\$377,876,870	\$153,239,748	\$531,116,618
2022	2021	363,938,795	151,524,381	515,463,176
2021	2020	359,466,951	149,408,150	508,875,101
2020	2019	346,051,814	136,631,624	482,683,438
2019	2018	341,129,774	139,430,927	480,560,701

Excludes the assessed value of motor carrier reimbursements, reimbursements of manufacturer's depreciation, assessment of property otherwise subject to negotiated fees in lieu of taxes, property situated in a multi-county industrial park and Merchants' Inventory. Also excludes manufacturing property exempt from county taxes.

Source: County Auditor

Tax Year 2022 Market Value/Assessment Summary of the County

<u>Class of Property</u>	<u>Market Value</u>	<u>Assessment Ratio</u>	<u>Assessed Value</u>
1. Real Estate (Non-manufacturing) Farm	\$ 225,482,529	4.00/6.00%	\$ 9,209,231
2. Real Estate (Non-manufacturing) Non-Farm	7,455,966,833	4.00/6.00	357,661,968
3. Mobile Homes	234,184,860	4.00/6.00	11,005,671
4. Business Personal	28,186,790	10.50	2,959,614
5. Watercraft	60,195,249	6.00	3,611,711
6. Aircraft	6,244,500	4.00	249,780
7. Utilities	343,681,039	10.50	36,086,510
8. Manufacturer's Furniture & Fixtures	136,861,103	10.50	14,370,417
9. Manufacturers' Real Estate	69,364,143	10.50	6,925,486
10. Manufacturers' Personal	103,319,276	10.50	10,848,525
11. Railroads	34,523,175	9.50	3,279,702
12. Vehicles	<u>1,174,094,029</u>	6/10.5	<u>74,908,003</u>
TOTAL	\$9,872,103,526		\$531,116,618

Excludes the assessed value of Merchant's Inventory in the amount of \$4,218,081; motor carrier reimbursements pursuant to §12-37-2810 *et seq.* of the South Carolina Code in the amount of \$4,663,744; reimbursements of manufacturer's depreciation pursuant to §12-37-935(b) of the South Carolina Code in the amount of \$9,359,230; assessment of property otherwise subject to negotiated fees in lieu of taxes in the amount of \$1,449,314; and property situated in a multi-county industrial park in the amount of \$53,668,739. Also excludes manufacturing property exempt from County taxes.

Source: County Auditor

Tax Collection Procedure

Real and personal taxes in the County are due on or before January 15 of each year with the exception of taxes on motor vehicles. All personal property taxes on motor vehicles are due on or before the last day of the month in which the license tag for each such motor vehicle expires. If property taxes, other than taxes on motor vehicles, are not paid before January 16, a penalty of 3% is added; if not paid before February 2, an additional penalty of 7% is added; if not paid before March 17, an additional penalty of 5% is added and taxes go into execution. Taxes on motor vehicles are subject to similar penalties measured from due date thereof. Unpaid taxes, both real and personal, constitute a first lien against the property. The County Treasurer is responsible for the collection of delinquent taxes and is empowered to seize and sell so much of the defaulting taxpayer's estate - real and personal or both - as may be sufficient to satisfy the taxes.

Tax Collections in the County

The following table shows the amount of taxes levied in the County (adjusted to include additions, abatements, and nulla bonae), and taxes collected as of June 30 of the year following the year in which the levy was made, for Fiscal Years 2018 through 2022. Delinquent taxes include taxes levied in prior years but collected in the year shown. The County cannot predict the impact, if any, of COVID on property tax collections for Fiscal Year 2022 or thereafter.

<u>Fiscal Year</u>	<u>Taxes Subject to Collection</u>	<u>Current Collections</u>	<u>Current % Collected</u>	<u>Delinquent Tax Collections⁽¹⁾</u>	<u>Total Collections</u>	<u>Total % Collected</u>
2022	\$40,923,443	\$38,967,814	95.22%	\$ 788,844	\$39,756,658	97.15%
2021	40,425,206	37,908,787	93.78	1,003,452	37,908,787	96.26
2020	37,230,645	34,708,280	93.23	843,981	35,552,261	95.49
2019	36,307,201	35,515,588	97.82	499,435	36,015,023	99.20
2018	34,850,908	34,074,791	97.77	446,292	34,521,083	99.05

Includes homestead exemptions and manufacturers exemption.

⁽¹⁾Includes taxes levied in previous years.

Source: County Finance Director

Ten Largest Taxpayers

The ten largest taxpayers in the County, the 2022 assessed value (as of December 31, 2022) of the taxable property of each located within the County and the amount of Fiscal Year 2023 taxes paid to all taxpaying entities in the County are shown in the following table:

	<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes Paid⁽¹⁾</u>
1.	Duke Energy Progress, Inc.	\$18,691,960	\$6,497,568
2.	FCWC JIPC Nanya	2,816,046	1,969,596
3.	McLeod Regional Medical Center	3,856,830	1,235,035
4.	Dominion Energy South Carolina	3,497,780	1,221,976
5.	CSX Transportation, Inc.	2,960,102	1,015,684
6.	PR Magnolia LLC	3,142,290	996,680
7.	Spectrum Southeast LLC	1,735,270	601,924
8.	Santee Electric	1,553,620	539,703
9.	Clarios LLC	1,692,370	520,299
10.	Patheon API Inc	1,835,620	516,175

⁽¹⁾ As of February 2, 2023. Does not include fee-in-lieu of tax.

Source: County Auditor

DEBT STRUCTURE

Legal Debt Limit of the County

The County may incur general obligation debt in principal amount not exceeding 8% of the assessed valuation of property within its jurisdiction without approval by referendum. General obligation debt approved by referendum is subject to no limits as to principal amount. Payment on debt service of the County’s obligations is handled by the Florence County Treasurer. The County’s estimated debt limitation is computed below, based upon estimated valuations.

2022 Assessed Value	\$531,116,618
Plus Assessed Value -- Merchants’ Inventory	4,218,081
Plus Property Situated in a Multi-County Business Park	53,668,739
Property Subject to Negotiated Fee-In-Lieu of Taxes	1,449,314
Net Assessed Value for Computation of Legal debt margin	\$590,452,752
	<u> x 8%</u>
Constitutional Debt Limit	\$ 47,236,220
Outstanding Debt Subject to Limit (as of June 30, 2023)	\$ 25,304,000
Legal Debt Available without a Referendum	\$ 21,932,220

The foregoing calculation excludes debt limit capacity derived from the assessed value of property subject to a fee-in-lieu of taxes and principal of obligations maturing in calendar year 2023 for which taxes have been collected or funds otherwise appropriated as provided by law. The value of such property for debt limit purposes varies from year to year based upon the payments received by the taxing entity. The issuance of the Bonds will have no impact on the County’s debt limit.

Outstanding Debt

The outstanding general obligation bonded indebtedness of the County includes the following issues:

- (a) The outstanding \$990,000 of the original principal amount \$5,000,000 General Obligation Refunding and Improvement Bonds, Series 2011 (the “2011 Bonds”), of the County which mature on March 1 in the years 2024 through 2026, inclusive;
- (b) The outstanding \$19,415,000 of the original principal amount \$22,000,000 Taxable General Obligation Bonds, Series 2020B (the “2020B Bonds”), of the County which mature on April 1 in the years 2024 through 2040;
- (c) The outstanding \$90,735,000 of the original principal amount \$120,000,000 General Obligation Bonds, Series 2021 (the “2021 G.O. Bonds”), of the County which mature on June 1 in the years 2024 through 2028. The 2021 G.O. Bonds were issued pursuant to a referendum and are not chargeable against the County’s constitutional debt limit; and
- (d) The outstanding \$4,899,000 of the original principal amount \$4,899,000 General Obligation Bonds, Series 2023 (the “2023 G.O. Bonds”), of the County which matures on March 1, 2024.

Composite General Obligation Bond Debt Service of the County

The table below shows annual principal and interest requirements on the outstanding general obligation bonds of the County.

Calendar Year	2011 Bonds	2020B Bonds	2021 G.O. Bonds ¹	2023 G.O. Bonds
2024	\$ 342,013	\$ 1,400,833	\$ 20,546,250	\$5,035,356
2025	343,681	1,400,333	20,524,750	
2026	344,675	1,398,433	20,506,125	
2027		1,400,033	20,483,250	
2028		1,395,133	20,459,000	
2029		1,398,633		
2030		1,395,433		
2031		1,408,128		
2032		1,406,755		
2033		1,404,134		
2034		1,405,480		
2035		1,405,413		
2036		1,403,585		
2037		1,404,890		
2038		1,404,215		
2039		1,401,500		
2040		1,402,313		
Total	\$1,030,369	\$23,835,239	\$102,519,375	\$5,035,356

Note: May not add due to rounding.

¹The 2021 G.O. Bonds are payable from the proceeds of the Sales Tax. Such general obligation bonds were approved by referendum in connection with the extension of the Sales Tax on November 3, 2021 and are not chargeable against the County’s general obligation debt limit.

Capital Leases and Other Debt

The County was the obligor under certificates of participation issued by the Issuer in the original principal amount of \$42,545,000 on October 1, 1990 (the “1990 COPS”), to provide funds for the construction of a law enforcement/detention center, the Florence Center (hereinafter defined), and acquiring certain equipment. On December 1, 1992, the Issuer issued Certificates of Participation in the original principal amount of \$45,880,000 (the “1992 COPS”) refunding the 1990 COPS; on March 3, 2003 the Issuer issued Certificates of Participation in the original principal amount of \$29,515,000 (the “2003 COPS”) refunding the 1992 COPS; and on November 23, 2010, the Issuer entered into a Lease-Purchase Financing with Branch Banking and Trust Company in the original principal amount of \$21,158,666 (the “2010 Lease Financing”) refunding the 2003 COPS financing and paying the cost of capital improvements of the County. The County further refunded the 2010 Lease Financing, adding approximately \$6,000,000 in principal for various capital improvements, by and through its \$22,487,000 Facilities Refunding and Improvement Lease-Purchase Financing, Series 2013 (the “2013 Lease Financing”), and is the obligor with respect to the 2013 Lease Financing, but its obligation to make payment with respect thereto is subject to annual appropriation.

The amounts outstanding under the 2013 Lease Financing bear interest at a fixed rate of 1.824984%.

Because the portion of the principal amount of the 2013 Lease Financing that was used to refund the 2003 COPS is not chargeable against the County’s general obligation debt limit, and that portion used to finance capital improvements is so chargeable, payments under the 2013 Lease Financing were divided into Series A Payments (applicable to that portion of the outstanding principal of the 2010 Lease Financing that is not chargeable against the County’s general

obligation debt limit) and Series B Payments (applicable to that portion that is so chargeable). As of June 30, 2023, the total amount of Series B Payments principal of the 2013 Lease Financing was as follows:

<u>Due</u> <u>May 1</u>	<u>Principal</u>
2024	\$422,000
2025	430,000
2026	437,000
2027	445,000
2028	453,000

See “-Outstanding Debt” herein.

On December 23, 2014, the County entered into a capital lease in the amount of \$5,804,102 as part of an energy savings performance contract, including installation of various heating and air conditioning equipment, lighting, and water conservation measures. As of June 30, 2023, there was \$3,452,671 of principal amount of this capital lease outstanding with a final maturity on January 1, 2031.

Installment Purchase Revenue Bonds

The County is also an obligor under installment purchase revenue bonds of the Issuer.

(a) The original principal amount \$11,100,000 Installment Purchase Revenue Bonds, Series 2017A. The proceeds of the Series 2017A Bond were used to defray the costs of a new parking garage at the County’s Administration building; and

(b) The original principal amount of \$37,870,000 Installment Purchase Revenue Refunding Bonds, Taxable Series 2021. The proceeds of the Series 2021 Bonds were used to defray the costs of the proceeds of which were used to refinance the \$42,000,000 Installment Purchase Revenue Bonds (Judicial Center Project) Series 2015, the proceeds of which were used to finance the costs of acquiring, construction and installing the County’s judicial center.

Legal Debt Limit of Incorporated Municipalities and Special Purpose Districts

Under the provisions of Article X, Section 14 of the Constitution, each county, incorporated municipality and special purpose district may, in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law, incur general obligation debt authorized by a majority vote of the qualified electors thereof voting in a referendum, without limitation as to amount, and incur, without an election, general obligation debt (in addition to bonded indebtedness existing on November 30, 1977, and bonded indebtedness authorized by a majority vote of qualified electors) in an amount not exceeding 8% of the assessed value of all taxable property therein.

Special Tax Districts

The Constitution and the Home Rule Act empower counties to tax different areas at different rates of taxation related to the nature and level of governmental services provided. Special tax districts may be created for a variety of purposes and by several procedures which require a petition of electors or freeholders (signed by a requisite percentage of the electors or freeholders) in a proposed special tax district. A petition signed by 15% of the electors requires a subsequent election in order to create the special tax district. After one of the above procedures, a special tax district is created by ordinance of the county council. Special tax districts in the entire unincorporated area of a county may be established by ordinance of the county council.

Sections 14 and 12 of Article X of the South Carolina Constitution provide that bonded indebtedness may be incurred by counties for sewage disposal or treatment, fire protection, street lighting, garbage collection and disposal, water service, or any other service or facility benefiting only a particular geographical section of a county, such as a special tax district as described in the preceding paragraph, provided a special assessment, tax, or service charge, in an amount designed to provide debt service on bonded indebtedness incurred for such purposes, shall be imposed upon the area or persons receiving the benefit therefrom; and general obligation debt so incurred shall not be

considered in computing the bonded indebtedness of counties under the 8% debt limitation. The County presently has outstanding such general obligation bonds as follows:

(a) The outstanding \$579,000 of the original principal amount \$3,560,000 General Obligation Bonds (Florence County Fire Protection District), Series 2015B (the “2015B Bonds”), of the County which mature on October 1, 2024 through 2030.

(b) The outstanding \$7,246,000 of the original principal amount \$8,207,000 General Obligation Bonds (Florence County Fire Protection District), Series 2015C (the “2015C Bonds”), of the County which mature on October 1, 2024 through 2035.

(c) The outstanding \$540,000 of the original principal amount \$1,000,000 General Obligation Bonds (Florence County Fire Protection District), Series 2018C (the “2018C Bonds”), of the County which mature on March 1, 2024 through 2028.

Legal Debt Limit of School Districts

Article X, Section 15 of the Constitution empowers each school district of the State of South Carolina to incur general obligation debt in such manner and upon such terms and conditions as the General Assembly shall prescribe by law. After November 30, 1982, each school district may incur general obligation debt, upon such terms and conditions as the General Assembly may prescribe, in an amount not exceeding 8% of the assessed value of all taxable property of such school district. Bonded indebtedness existing on November 30, 1982, and bonded indebtedness authorized by a majority vote of the qualified electors of a school district voting in a referendum will not be considered in the computation of the 8% limitation.

ECONOMIC CHARACTERISTICS

Description of Florence County, South Carolina

The local economy of the County enjoys a well-balanced industrial, agricultural and manufacturing base. The County's growth has been underpinned by the expansion of the two hospital systems, McLeod Regional Medical Center and MUSC Health Florence Medical Center, f/k/a the Carolinas Hospital System, and the growth of the two major higher education institutions, Francis Marion University ("FMU"), and Florence-Darlington Technical College.

The County has seen significant growth in locating new industries, as well as the expansion of several existing businesses due to its prime location near interstates I-95 and I-20. In addition, culture abounds in the County with the construction of the FMU Performing Arts Center in the City of Florence, the Florence County Museum and the Florence Little Theatre over the past several years. The FMU Performing Arts Center was partially funded through a substantial gift from the Doctors Bruce & Lee Foundation as well as through a partnership between FMU and the City of Florence. The 61,000 square-foot facility includes an 849-seat mainstage with a fly tower, a 100-seat flexible Black Box space and an Academic Wing for the Department of Fine Arts. Additionally, the building houses offices for the Florence Symphony, the Masterworks Choir and the Drs. Bruce and Lee Foundation. The FMU Performing Arts Center stimulates economic development and tourism growth, and its downtown location contributes to the revitalization of the city center while promoting the area as a cultural arts destination.

The Florence Center, formerly known as the Florence Civic Center, recently completed construction of a \$16 million, 28,000 square-foot expansion, making big-named conventions, conferences, trade shows, expos and sporting events a reality for the County. The Florence Center is the largest convention, entertainment and exhibition facility in northeast South Carolina and has a major economic impact on the County. ConventionSouth magazine, a national multimedia resource for planning events held in the South, presented the Florence Center with a 2018 Top New or Renovated Meeting Site award. The sixth annual SC AgriBiz & Farm Expo, which promotes opportunities for agribusiness in South Carolina, was the first event hosted in the newly renovated Florence Center. In addition, the National Horseshoe Pitching World Tournament was held at the Florence Center in July, 2018. Forty-seven states as well as Canada, South Africa and Norway competed in this event.

Commerce and Industry

In March 2023, Carter Lumber announced plans to expand its operations in South Carolina by renovating an existing facility in the County. This will mark the company's third South Carolina location, but first facility in the County. The company will renovate a 120,000 square foot facility which will be used to manufacture roof and floor trusses along with hanging interior door units, and will serve as a millwork warehouse for stock moldings. The products from the new facility will be delivered to residential, commercial and multi-family job sites. The company's \$26 million investment is expected to create 80 new jobs.

In December 2022, Envision AESC, a world-leading Japanese electric vehicle battery technology company, announced plans to build a state-of-the-art battery cell gigafactory in the County. Located in Technology and Commerce Park with convenient access to the interstate and Inland Port Dillon, the new plant will encompass approximately 1.5 million square feet and will supply technology-leading battery cells to support the next generation electric models produced at the BMW Group's Plant in Greer. The \$810 million investment will create 1,170 new jobs.

In June 2022, Carolina Precision Foods, LLC, a joint venture of Carolina Fresh Foods and owners of Lake Foods, announced plans to establish operations in the County. As a poultry "further processing" company, the new facility will partner with regional poultry processors in "custom further processing" of poultry products. The company's \$10 million investment is expected to create 402 new jobs.

In May 2022, Buc-ees, a Texas chain gas station and convenience store, opened its doors, and represents an investment of approximately \$35 million in the County. Buc-ee's location near I-95 is the first in South Carolina and features 120 gas pumps and a 50,000 square foot store showcasing everything from fresh-cooked barbeque, unique snacks to home goods.

In February 2022, Cheney Brothers, a leading broadline food distributor, announced plans to construct a new distribution center at Pee Dee Commerce City East Industrial Park in the County. The project will consist of a modern

400,000 square foot refrigerator/freezer distribution facility, over 45 loading docks, a Cheney Express and an exquisite culinary kitchen. The company's \$66 million investment will create 280 new jobs.

In December 2021, Innovative Construction Group (ICG), a subsidiary of PulteGroup, Inc., announced a \$35.6 million investment to establish operations in the County as part of PulteGroup, Inc.'s ongoing expansion of its ICG platform. The company's new 200,000 square foot facility was dedicated in October 2022, and they have already hired 60 employees with plans to hire more. The Florence facility makes wall panels and trusses that are used to build houses in the Myrtle Beach region.

Major Employers

Set forth in the following table are ten of the top public and private sector employers located in the County, their type of business and approximate number of employees. There can be no assurance that any employer listed below will continue to be located in the County. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the employers listed below:

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
McLeod Regional Medical Center	Health Care	6,500
Florence County School District One	Education	2,267
MUSC Health Florence Medical Center	Health Care	1,986
QVC	Distribution and Returns Center	1,342
Ruiz Foods	Frozen Mexican Food Manufacturing/Distribution	1,200
PGBA/Tricare	Healthcare Administrative Services	1,200
Assurant	Insurance Services	1,100
Honda of South Carolina Mfg.	Manufacturer of ATVs & SBS	931
Florence County	Government	814
Performance Food Service	Food Service Industry	672

Source: Florence County Economic Development Office.

Unemployment

The County's unemployment rate was 2.4% in August, 2023. The following table shows County, State and national unemployment rates for the years shown.

<u>Year</u>	<u>Florence County</u>	<u>South Carolina</u>	<u>United States</u>
2022	3.2%	3.2%	3.6%
2021	4.0	3.9	5.3
2020	5.4	6.0	8.1
2019	2.9	2.8	3.7
2018	3.6	3.4	3.9
2017	4.5	4.2	4.4

Source: U.S. Department of Labor; Bureau of Labor Statistics.

Labor Force and Employment

The labor force participation rates of resident of the County (by place of residence) for the last five calendar years for which information is available is as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Civilian Labor Force	65,938	65,678	65,524	65,641	64,887
Employment	63,798	63,043	61,967	63,767	62,583
Unemployment	2,140	2,635	3,557	1,874	2,304

Source: U. S. Department of Labor, Bureau of Labor Statistics.

Population

The following table shows the population of Florence County over the last three decades and the most current calendar year available.

<u>Year</u>	<u>Population</u>
2022 ⁽¹⁾	136,721
2020	137,064
2010	136,885
2000	125,761

Source: Board of Economic Advisors and Office of Economic Research of the State Revenue and Fiscal Affairs Office; U.S. Department of Commerce, Bureau of Economic Analysis.

Facilities Serving the County

Transportation. The County’s location within the region is complimented by a highway transportation network consisting of interstate highways I-20 and I-95 and U.S. highways 52, 76, 301 and 378, as well as numerous State highways. Motor freight carriers serve the County, with 20 nearby terminals. Bus service is provided by Greyhound. The Pee Dee Regional Transportation Authority (PDRTA) provides public transportation within the City of Florence and to many rural locations within the County. Rail transportation in the County is provided by CSX Transportation and passenger service is provided by Amtrak.

The Florence Regional Airport is located two miles east of downtown Florence and has provided service for over 75 years. The airport offers daily flights by American Airlines and is heavily used for general aviation. The runways are paved and lighted, 150 feet wide and approximately 6,500 feet long. The airport offers a full-service Fixed-Base Operation, aircraft servicing and maintenance services. The hub service the Airport is the Charlotte-Douglas International Airport.

Higher Education. Florence-Darlington Technical College (“FDTC”) is one of 16 technical colleges that make up the South Carolina Technical Education System, which is under the coordination of the South Carolina Board for Technical and Comprehensive Education. FDTC is a two-year technical school which offers more than 75 degrees, diploma and certificate programs that lead to careers in business, engineering technology, health care, human services, manufacturing and many other fields of study. Students may choose degree programs offered through the College’s three divisions: (1) Division of Health and Human Services; (2) Division of Technical and General Education; and (3) the S.C. Virtual College of FDTC (Online College.) In addition to the main campus, FDTC has five off-campus sites: Hartsville, Lake City, Mullins, a Cosmetology Center located less than one mile from the main campus, and a Health Sciences Campus in downtown Florence. Special programs and services offered at FDTC include the Advanced Welding and Cutting Center, the Caterpillar Dealer Academy and a CISCO systems training laboratory. The Southeastern Institute of Manufacturing and Technology (“SiMT”) is located on a 146-acre tract with customized training, laboratory, research, manufacturing, convention, and administrative space. The facility contains an Additive Manufacturing Center (3D printing), a Social Media Listening Center which provides consulting and social media monitoring services to large and small businesses, and the Gould Business Incubator. SiMT offers businesses the cutting-edge, strategic training and manufacturing technology solutions to maximize workforce productivity in the Southeast. FDTC had a Fall 2021 enrollment of 2,861 students.

Francis Marion University (“FMU”) is a four-year, comprehensive university founded in 1970, and offers a broad range of undergraduate degrees enhanced by professional schools of the School of Business, School of Education and School of Health Sciences as well as the College of Liberal Arts. FMU also offers graduate programs in business, education, psychology and nursing. A four-year program of the Reserve Officer Training Corps (ROTC) is available. Housed on the FMU campus is the Pee Dee Education Center which is a regional educational consortium serving area school districts. FMU works closely with the Center to provide resources and services to school districts in the Pee Dee such as the Pee Dee Mathematics and Science Regional Center. In addition, the Center provides early childhood services to schools and space for the FMU School of Education’s Center of Excellence. The 36,000 square-foot Dr. Frank B. Lee, Jr. Nursing Building houses offices, classrooms, the Elizabeth W. Barnes Clinical Laboratory, a computer lab, conference rooms and the Dr. John M. Thomason Auditorium for the Department of Nursing Program. FMU also has a growing presence in downtown Florence. The Luther F. Carter Center for Health Sciences represents the future of health and medical education at FMU and in the Pee Dee region. The Center is equipped with a simulation center, 52,000 square feet of classroom and office space and dedicated laboratory space for anatomy, physical examinations and clinical skills training. The FMU Performing Arts Center (PAC), located in downtown Florence, houses the Music industry program of FMU and provides training for students seeking an alternative to traditional performance and/or education paths to music. The PAC includes lab space and practice rooms for classes taught onsite. FMU had a Fall 2021 enrollment of 3,923 students.

The Continuum is a \$25 million, 46,000-square foot regional education and workforce center located in the City of Lake City, and is part of an educational initiative partnership between the Darla Moore Foundation, Francis Marion University and Florence-Darlington Technical College. It provides training and workforce development skills for students, courses that lead to 2 and 4-year degrees, dual credit courses for high school students and programs for K-12 students in science and innovation.

Library. The Florence County Library provides service through a main library, five branch libraries in the surrounding municipalities, and a bookmobile. The Drs. Bruce and Lee Foundation Library is a state-of-the-art library consisting of 81,000 square feet on two floors and includes a 215-seat meeting room and a conference room; computer classes and workshops; wireless internet access for the public; the E.N. Zeigler South Carolina History Room with one of the largest genealogical collections in northeastern South Carolina; and a state-of-the-art children’s library.

Recreation. The City of Florence has 17 parks and athletic facilities for baseball, softball, basketball, tennis and soccer. Newly completed Carolina Bank Field is a championship-caliber baseball field and home to the Flamingos baseball team. The arena includes six additional baseball fields, a track and field facility, seating for over 1,000, 360 chairback seats, locker rooms, an umpire room and a medical room. The Florence Trail System offers biking, jogging or walking with more than 20 miles of trails and connectors. Lynches River County Park is a 676-acre park featuring a splash pad, archery range, hiking trails, canopy trails and an environmental discovery center. The Rotary Club of Florence maintains a 13-mile beauty trail year round that features azaleas, yellow jessamine, dogwoods and wisteria in the spring and fall, and holiday lights in November and December.

Health Care. Florence County serves as the regional medical center for the northeastern half of South Carolina. McLeod Regional Medical Center (McLeod) is the largest employer in the County. With 904 acute licensed beds, McLeod is the teaching hospital and referral center for an 18-county area. McLeod’s acute-care facilities provide flexibility to care for those outside the County through McLeod Health (McLeod Health) composed of seven hospitals including McLeod: McLeod Health Cheraw, McLeod Health Clarendon, McLeod Behavioral Health Darlington, McLeod Dillon, McLeod Loris, McLeod Seacoast and McLeod Carolina Forest in Horry County. McLeod Health offers a diverse array of services from an accredited Cancer Center and Stereotactic Radiosurgery program to three dedicated open heart surgery suites and two vascular hybrid OR’s within the Heart and Vascular Institute as well as a dedicated Neuro-Interventional Biplane X-ray suite for thrombectomy procedures. McLeod also provides the region’s only Children’s Hospital which includes a 48-bed Neonatal intensive care unit and a 6-bed Pediatric Intensive Care Unit. The new McLeod Emergency Department has 81 patient rooms and is designed to serve nearly 110,000 patients annually. McLeod Health and its McLeod Regional Medical Center offer three outstanding residency programs –two Family Medicine and one Pharmacy.

MUSC Health Florence Medical Center (“MUSC Florence”) is part of the Medical University of South Carolina located in Charleston, South Carolina. MUSC Florence is a leading regional acute care facility comprised of 396 patient beds, more than 1,400 employees and nearly 425 physicians representing all primary specialties. MUSC Florence offers heart and vascular care, diagnostic services, women’s health, cancer treatment, general, orthopedic

and robotic surgery, rehabilitation, emergency/trauma care, stroke care, kidney, lung and liver transplants, GYN oncology, endocrinology, rheumatology and multiple telehealth services such as palliative and inpatient psychiatric care.

MUSC Health Florence broke ground in January 2021 on a new hospital that opened in January 2023 known as MUSC Health Black River Medical Center which replaced two existing hospitals - Lake City Community Hospital and Williamsburg Regional Hospital. The 64,000 square foot rural hospital allows residents of the community to have access to a full range of modern diagnostic and interventional capabilities such as 3-D mammography, MRI, nuclear medicine, CT scanning, on-site pharmacy and a complete imaging department. The new facility features 25 inpatient beds, four observation beds, two operating rooms and 16 emergency treatment rooms.

LEGAL MATTERS

Pending Litigation

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The County, after reviewing the current status of all pending and threatened litigation with its counsel, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits and proceedings that have been filed and of any actions or claims pending or threatened against the County or its officials in such capacity are adequately covered by insurance or self-insurance reserves maintained by the County or will not have a material adverse effect upon the financial position or results of operations of the County.

There is no litigation now pending or, to the knowledge of the Issuer or the County, threatened that restrains or enjoins the issuance or delivery of the Series 2023 Bonds, the provision of the security for the payment of the Series 2023 Bonds, or the use of the proceeds of the Series 2023 Bonds or that questions or contests the validity of the Series 2023 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization, or existence of the Issuer or the County, nor the title of the present members or other officials of the Issuer or the County to their respective offices, is being contested or questioned. There is no litigation pending or, to the knowledge of the Issuer, threatened that in any manner questions the right of the Issuer to enter into the Trust Agreement, the Base Lease, or the Facilities Agreement or to secure the Series 2023 Bonds in the manner provided in the Trust Agreement. No litigation and no proceedings are pending against the County or its officials, or to their knowledge are threatened, that would affect the sale of the Series 2023 Bonds, the security therefor, or the ability of the County to enter into and perform its obligations under the Facilities Agreement or the Base Lease.

TAX MATTERS

Federal Income Tax Generally

On the date of issuance of the Series 2023 Bonds, Haynsworth Sinkler Boyd, P.A., Florence, South Carolina (“Bond Counsel”), will render an opinion that, assuming continuing compliance by the Issuer with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations promulgated thereunder (the “Regulations”) and further subject to certain considerations described in “Collateral Federal Tax Considerations” below, under existing statutes, regulations and judicial decisions, interest on the Series 2023 Bonds is excludable from the gross income of the registered owners thereof for federal income tax purposes. Interest on the Series 2023 Bonds will not be treated as an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The Code contains other provisions that could result in tax consequences, upon which no opinion will be rendered by Bond Counsel, as a result of (i) ownership of the Series 2023 Bonds or (ii) the inclusion in certain computations of interest that is excluded from gross income.

The opinion of Bond Counsel will be limited to matters relating to the authorization and validity of the Series 2023 Bonds and the tax-exempt status of interest on the Series 2023 Bonds as described herein. Bond Counsel makes no statement regarding the accuracy and completeness of this Official Statement.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2023 Bonds for federal income tax purposes. Bond Counsel's opinions are based upon existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service (the "IRS") or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The opinion of Bond Counsel described above is subject to the condition that the Issuer comply with all requirements of the Code and the Regulations, including, without limitation, certain restrictions on the use, expenditure and investment of the gross proceeds of the Series 2023 Bonds and the obligation to rebate certain earnings on investments of such gross proceeds to the United States Government, that must be satisfied subsequent to the issuance of the Series 2023 Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2023 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2023 Bonds. The opinion of Bond Counsel delivered on the date of issuance of the Series 2023 Bonds is conditioned on compliance by the Issuer with such requirements and Bond Counsel has not been retained to monitor compliance with the requirements subsequent to the issuance of such Series 2023 Bonds.

Collateral Federal Tax Considerations

Prospective purchasers of the Series 2023 Bonds should be aware that ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. The Series 2023 Bonds have not been designated "bank qualified tax-exempt obligations" under Section 265(b)(3) of the Code. Bond Counsel expresses no opinion concerning such collateral income tax consequences and prospective purchasers of Series 2023 Bonds should consult their tax advisors as to the applicability thereof.

Future legislation, if enacted into law, or clarification of the Code may cause interest on the Series 2023 Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the Code may also affect the market price for, or marketability of, the Series 2023 Bonds. Prospective purchasers of the Series 2023 Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation, as to which Bond Counsel expresses no opinion.

The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Series 2023 Bonds. Bond Counsel's engagement with respect to the Series 2023 Bonds ends with the issuance of the Series 2023 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the Owners regarding the tax-exempt status of the Series 2023 Bonds in the event of an audit examination by the IRS. The IRS has taken the position that, under the standards of practice before the IRS, Bond Counsel must obtain a waiver of a conflict of interest to represent an issuer in an examination of tax exempt bonds for which Bond Counsel had issued an approving opinion. Under current procedures, parties other than the Issuer and their appointed counsel, including the Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2023 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2023 Bonds, and may cause the Issuer or the Owners to incur significant expense, regardless of the ultimate outcome. Under certain circumstances, the Issuer may be obligated to

disclose the commencement of an audit under the Continuing Disclosure Agreement. See “CONTINUING DISCLOSURE” herein.

Original Issue Premium

The Series 2023 Bonds have been sold at an initial public offering price which is greater than the amount payable at maturity. An amount equal to the excess of the purchase price of the Series 2023 Bond over their stated redemption prices at maturity constitutes premium on such Series 2023 Bonds. A purchaser of a Series 2023 Bond must amortize any premium over [FOR YIELD TO CALL BONDS ONLY – the earlier of (i)] such Series 2023 Bond’s term using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the purchaser’s basis in such Series 2023 Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Series 2023 Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed. Purchasers of any Series 2023 Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Series 2023 Bonds.

State Tax Exemption

Bond Counsel is of the further opinion that the Series 2023 Bonds and the interest thereon are exempt from all taxation by the State of South Carolina, its counties, municipalities and school districts except estate, transfer or certain franchise taxes. Interest paid on the Series 2023 Bonds is currently subject to the tax imposed on banks by Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, which is enforced by the DOR as a franchise tax. The opinion of Bond Counsel is limited to the laws of the State of South Carolina and federal tax laws. No opinion is rendered by Bond Counsel concerning the taxation of the Series 2023 Bonds or the interest thereon under the laws of any other jurisdiction.

MISCELLANEOUS

Closing Certificates

At closing of the sale of the Series 2023 Bonds by the Underwriter, the Issuer and the County will each deliver to the Underwriter a certificate (1) that no litigation is pending or threatened against it that would have a material effect on the issuance or validity of the Series 2023 Bonds or the security for the Series 2023 Bonds or on its financial condition, and (2) that the information contained in this Official Statement relating to it does not contain any misstatement of a material fact and does not omit to state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

Rating

The Series 2023 Bonds received a rating of “Aa3” from Moody’s Investors Service, Inc. (“Moody’s”). Such rating reflects only the views of Moody’s and an explanation of the significance of such rating may be obtained from Moody’s. The Issuer has furnished Moody’s with certain information and materials respecting the Issuer, County and the Series 2023 Bonds. Generally, Moody’s bases its ratings on such information and materials and on investigations, studies and assumptions furnished to and obtained and made by them. There is no assurance that such rating will remain unchanged for any period of time or that it may not be lowered or withdrawn entirely by Moody’s, if in its judgment circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2023 Bonds.

Underwriting

The Series 2023 Bonds will be purchased for reoffering by the Underwriter from the Issuer at an aggregate purchase price of \$54,183,177.85, representing the par amount of the Series 2023 Bonds plus original issue premium of \$4,322,500.00 and less Underwriter’s discount of \$139,322.15. The Underwriter has entered into a Bond Purchase Agreement, which provides that the Underwriter will purchase all of the Series 2023 Bonds, if any are purchased. The

obligation of the Underwriter to accept delivery of the Series 2023 Bonds will be subject to various conditions contained in the Bond Purchase Agreement.

The Underwriter intends to offer the Series 2023 Bonds to the public initially at the offering prices set forth on the inside cover page of this Official Statement, which offering prices may subsequently be changed from time to time by the Underwriter without any requirement of prior notice. The Underwriter has reserved the right to permit other securities dealers who are members of the National Association of Securities Dealers, Inc. to assist in selling the Series 2023 Bonds. The Underwriter may offer and sell the Series 2023 Bonds to certain dealers (including dealers depositing Series 2023 Bonds into investment trusts) at prices lower than the public offering prices set forth on the inside cover page of this Official Statement or otherwise allow concessions to such dealers who may re-allow concessions to other dealers. Any discounts or commissions that may be received by such dealers in connection with the sale of the Series 2023 Bonds will be deducted from the Underwriter's underwriting profits.

Financial Advisor

First Tryon Advisors has acted as Financial Advisor to the Issuer and the County in connection with the issuance of the Series 2023 Bonds. The Financial Advisor does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal income tax status of the Series 2023 Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Issuer and the County and, as applicable, to the investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Independent Auditors

The basic financial statements of the County as of June 30, 2022, and for the year then ended, attached hereto as Appendix A, have been audited by Mauldin & Jenkins, to the extent and for the period indicated in its report thereon, which appears in Appendix A. Such financial statements have been included herein in reliance upon the report of Mauldin & Jenkins.

Enforceability of Remedies

The realization of value from the pledge of the Trust Estate under the Trust Agreement upon any default or nonappropriation of sufficient funds to make Base Payments due under the Facilities Agreement will depend upon the exercise of various remedies specified by the Trust Agreement and the Facilities Agreement. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights and remedies with respect to the Series 2023 Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, reorganization, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing law (including particularly federal bankruptcy law), certain remedies specified by the Trust Agreement or the Facilities Agreement may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Trust Agreement or the Facilities Agreement.

Additional Information

Use of the words "shall," "must," or "will" in this Official Statement in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the owners of the Series 2023 Bonds.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

RESPONSIBILITY FOR OFFICIAL STATEMENT

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the Issuer and the County. Certain of the information set forth in the Official Statement and in the appendices hereto has been obtained from sources other than the County that are believed to be reliable but is not guaranteed as to accuracy or completeness by the Underwriter or the County.

FLORENCE COUNTY PUBLIC FACILITIES CORPORATION

By: /s/ Rodney Jernigan
Its: Chairman, Board of Directors

FLORENCE COUNTY, SOUTH CAROLINA

By: /s/ Kevin V. Yokim
Its: County Administrator

APPENDIX A

FISCAL YEAR 2022 AUDITED FINANCIAL STATEMENTS OF THE COUNTY

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FLORENCE COUNTY, SOUTH CAROLINA

**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**



FISCAL YEAR

July 1, 2021 through June 30, 2022

Prepared by the Finance Department

FLORENCE COUNTY, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i - ix
Principal Officials	x
Organizational Chart	xi
FINANCIAL SECTION	
Independent Auditor's Report	1 - 4
Management's Discussion and Analysis	5 - 16
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities.....	18
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	19
Reconciliation of Total Governmental Funds Balances to Net Position of Governmental Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	22
General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP) and Actual	23
Statement of Net Position – Proprietary Funds	24
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds	26 and 27
Statement of Fiduciary Net Position – Fiduciary Funds	28
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	29
Notes to Financial Statements	30 - 94
Required Supplementary Information:	
Schedule of Changes in the Total OPEB Liability and Related Ratios	95
Schedule of the County's Proportionate Share of the Net Pension Liability.....	96
Schedule of the County's Pension Contributions.....	97 and 98
Other Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	99 - 109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	110 - 120

FLORENCE COUNTY, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

Other Supplementary Information (Continued):

Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Budgetary Basis) and Actual – Law Library	121
Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Budgetary Basis) and Actual – Victim/Witness Assistance	122
Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Budgetary Basis) and Actual – Economic Development Partnership	123
Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Budgetary Basis) and Actual – Local Hospitality Tax	124
Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Budgetary Basis) and Actual – Local Accommodations Fee.....	125
Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Budgetary Basis) and Actual – Sheriff’s Camps	126
Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Budgetary Basis) and Actual – Sheriff’s Sex Offender.....	127
Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Budgetary Basis) and Actual – Road System Maintenance Fee	128
Special Revenue Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Budgetary Basis) and Actual – Unified Fire District	129
Combining Statement of Fiduciary Net Position – Custodial Funds	130 - 132
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	133 - 135
Combining Statement of Fiduciary Net Position – School District General Fund.....	136
Combining Statement of Fiduciary Net Position – School District Debt Service Fund	137
Combining Statement of Fiduciary Net Position – School District Capital Project Fund	138
Combining Statement of Changes in Fiduciary Net Position – School District General Fund	139
Combining Statement of Changes in Fiduciary Net Position – School District Debt Service Fund.....	140
Combining Statement of Changes in Fiduciary Net Position – School District Capital Project Fund	141
Combining Statement of Fiduciary Net Position – Municipalities Fund	142 and 143
Combining Statement of Changes in Fiduciary Net Position – Municipalities Fund	144 and 145
Combining Statement of Fiduciary Net Position – Fire Board Fund.....	146 and 147
Combining Statement of Changes in Fiduciary Net Position – Fire Board Fund	148 and 149
Combining Statement of Fiduciary Net Position – Sheriff’s Fund	150
Combining Statement of Changes in Fiduciary Net Position – Sheriff’s Fund.....	151

FLORENCE COUNTY, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

Other Supplementary Information:

General Fund – Detail Schedule of Revenues – Budget (Budgetary Basis) and Actual	152 and 153
General Fund – Detail Schedule of Expenditures – Budget (Budgetary Basis) and Actual	154 - 161
General Fund – Combining Schedule of Assets, Liabilities, Deferred Inflows of Resources and Fund Balance	162
General Fund – Combining Detail Schedule of Revenues, Expenditures, and Changes in Fund Balance	163
Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT96)	164 and 165

STATISTICAL SECTION

Financial Trends Information

Net Position by Activity	166
Change in Net Position	167 - 168
Fund Balances of Governmental Funds	169
Changes in Fund Balances of Governmental Funds	170 and 171

Revenue Capacity Information

Assessed Value and Estimated Actual Value of Taxable Property	172
Direct and Overlapping Property Tax Rates	173
Principal Property Taxpayers	174
Property Tax Levies and Collections	175

Debt Capacity Information

Ratios of Outstanding Debt by Type	176
Ratios of General Bonded Debt Outstanding	177
Direct and Overlapping Governmental Activities Debt	178
Legal Debt Margin Information.....	179

Demographic and Economic Information

Demographic and Economic Statistics	180
Principal Employers	181
County Full-time Employees by Function	182

Operating Information

Operating Indicators by Function/Program	183
Capital Asset Statistics by Function/Program	184

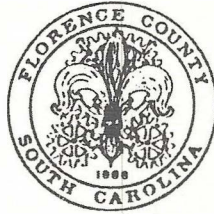
FLORENCE COUNTY, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	185 and 186
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	187 - 189
Schedule of Expenditures of Federal Awards	190 and 191
Notes to Schedule of Expenditures of Federal Awards	192
Schedule of Findings and Questioned Costs	193 - 195
Schedule of Prior Year Findings	195

INTRODUCTORY SECTION



FLORENCE COUNTY Finance Department

February 21, 2023

To the Chairman, Members of County Council, and Citizens of Florence County

The Annual Comprehensive Financial Report of Florence County, South Carolina, (the “County”) for the fiscal year ended June 30, 2022, is submitted herewith. State statutes require the County to annually issue a report on its financial position and activities, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of this presented data and the completeness and fairness of this presentation, including all disclosures, rests with the County’s management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly both the financial position, results of operations and cash flows of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County’s financial activities have been included.

This annual report is in a format that complies with the financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments* (GASB Statement No. 34). This model improves financial reporting by including government-wide statements that are based on full accrual accounting and include capital assets and long-term debt. The requirements of GASB Statement No. 34 are explained in some detail within Management’s Discussion and Analysis, which immediately precedes the basic financial statements in the financial section of this report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget’s Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Information related to this single audit, including a *Schedule of Expenditures of Federal Awards* and the *Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance*, is included in the single audit section of this report.

PROFILE OF THE GOVERNMENT

The County is located in the northeast section of the State, and is bounded on the north and east by the Pee Dee River, on the south by Williamsburg County, and the west by Darlington County. The County was established in 1888 as a railroad community and since that time has grown into the commercial, retail, and medical center for this region of the State. Being at the intersection of U.S. I-95 and I-20 has facilitated this growth, as well as being the mid-way point on I-95 between New York City and Miami, Florida.

The County operates under the Council-Administrator form of government. The County's Council is comprised of nine single member districts. The County Council annually elects one member to serve as Chairman, one member to serve as Vice-Chairman, and one member to serve as Secretary-Chaplain. The County Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing the Administrator.

The Annual Comprehensive Financial Report includes all funds of the County that are controlled by this governing body, and are considered to be the "reporting entity". The County provides a full range of services including public safety, public works, health and social service, culture and recreation, economic development, family court, magistrates, probate court, general sessions court, solicitor, public defender, and general administration. Other entities and political subdivisions including the County's five school districts and nine cities and towns have been excluded from the County's funds and accordingly, each entity has sufficient discretion in the management of its own affairs. However, the County Treasurer is responsible for the collection of property taxes, intergovernmental revenues, and other revenues for the political subdivisions. The year-end balances and results of that fiduciary responsibility are included as agency funds in the basic financial statements.

LOCAL ECONOMY

The County is continuing to experience a strong increase in economic growth. This growth comes primarily from four areas: manufacturing companies, distribution, the medical community, and tourism.

Manufacturing

The County is an international center for manufacturing. Nan Ya Plastics Corporation of America, a polyester fiber producing company based in Taiwan, is one of the County's largest taxpayers as it continues to grow towards its goal of investing \$1 billion in the Florence County/Williamsburg County Joint Industrial Park.

In December 2022, Envision AESC, a world-leading Japanese electric vehicle battery technology company announced it will build a state-of-the-art battery cell gigafactory in Florence County. The \$810 million investment will create 1,170 new jobs and will support the company's multi-year partnership with the BMW Group.

Honda Motors Corporation of America (Honda) expanded its current facility to include an engine plant for its all-terrain vehicles. Honda now employs more than 1,000 people in its assembly and engine plants. This is the first time that engines for any Honda vehicle have been produced in the United States. Two suppliers to the Honda plant are also located in the County, South East Express and North American Assemblies.

During early 2013, Otis Elevator opened a facility in order to construct its next generation of elevators. Otis produces the Gen2, Gen3 and Hydrofit elevators at their Florence facility and employs over 600.

Ruiz Foods announced its second major expansion in 2017 estimated at \$79,000,000 and 705 new jobs. The company manufactures frozen Mexican food entrées under the El Monterey and Tornado brands. Ruiz again announced a \$40 million dollar expansion in 2020. Employee headcount at the facility is now over 1,000.

West Rock invested \$470 million dollars in new equipment in 2019. When coupled with the recently completed modern woodyard, the Westrock Florence mill will become one of the lowest cost kraft linerboard mills in North America.

McCall Farms runs a canning operation in Florence County and produces canned products under nationally recognized brands like Glory Foods, Bruces Yams, Peanut Patch, Allen's, Margaret Holmes and others. During October 2019, McCall Farms announced additional new investment of \$50,000,000 and 140 new jobs at the Effingham facility.

In 2020, Niagara Bottling, the largest privately held water bottling company in the United States, constructed a 720,000 square foot bottled water manufacturing facility. Niagara has since invested over \$150 million dollars in Florence County and employs over 200 people.

In 2021, Innovative Construction Group announced plans to locate a manufacturing and distribution facility in Florence County. The company anticipates investing over \$35 million dollars in Florence County and creating approximately 180 jobs. The began operations in their 200,000 SF building in 2022.

In 2022, Carolina Precision Foods, LLC – a joint venture of Carolina Fresh Foods and owners of Lake Foods announced plans to establish operations in Florence County. Carolina Precision Foods, LLC is a poultry further processing company that specializes in deboning, portioning, marination, custom further processing and mechanically separating food. The company's \$10 million investment will create 402 new jobs.

Solar power generation is becoming a growing industry in the county. In the past few years, Soltage, LLC has invested over \$19,000,000, NARENCO is investing \$20,000,000, and Coronal Energy is investing over \$15,000,000 in clean, renewable solar power generation.

Distribution

Given its location at the intersection of Interstates I-95 and I-20, the County is a center for distribution facilities. Fedex, Performance Foodservice, Pepsi of Florence, W. Lee Flowers and Company, QVC, Clarios and Yahnis Company all have distribution facilities in Florence County.

FedEx operates out of a 75,000 square foot distribution facility. QVC, Inc. constructed a 1,000,000 square foot distribution facility that opened during the spring of 2007. This resulted in an investment of almost \$75,000,000 and the addition of several hundred jobs to the local economy. In 2021, QVC announced an expansion of \$27,500,000 and 360 new jobs. The QVC Florence facility is now the east coast returns center for all of QVC.

Clarios, LLC, formerly Johnson Controls, Inc. moved into a 300,000 square foot spec. building in the Pee Dee Touchstone Energy Commerce Center in order to distribute automotive batteries. This facility opened during the spring of 2007 and resulted in an investment of approximately \$35,000,000.

Performance Foodservice, a restaurant food supplier, announced plans in 2021 to expand their operations and will invest over \$11,000,000 in constructing an 80,000 SF addition to their facility. This expansion will create 150 jobs.

Cheney Brothers, a leading broadline food distributor, announced plans to construct a new distribution center in Florence County in February 2022. The company's \$66 million investment will create 280 new jobs.

Medical Community

The County continues to serve as the medical center for the eastern half of South Carolina. McLeod Regional Medical Center (McLeod) is the largest employer in the County, with over 5,800 employees. McLeod has, in the past few years, constructed a women's hospital pavilion as well as a four-story medical office building. McLeod also has completed construction on an additional five-story medical office building. During 2007, McLeod completed the expansion of the women's hospital pavilion from its current five floors to a total of twelve floors at a cost in excess of \$100 million. During 2010, McLeod was awarded the American Hospital Association-McKesson Quest for Quality Prize. This national award is presented to one hospital annually and, since its inception during 2002, has been awarded to major national hospitals such as the Duke University Hospital and The Johns Hopkins Hospital. McLeod is the first hospital in South Carolina to receive this award.

MUSC Health Florence Medical Center is also located in the County. MUSC is a subsidiary of the Medical University of South Carolina location in Charleston, SC. MUSC Health Florence Medical Center's Stroke Center, recognized by The Joint Commission, shows the hospital's commitment to the highest standards in the country. MUSC Health was recognized by US News and World Report as high performing hospitals for 2021-2022 in four categories – COPD, heart attack, heart failure, and kidney failure.

HopeHealth, a nonprofit community health center in Florence, accepts all insurance types to ensure that quality healthcare is affordable and accessible to citizens. The community health provider employs several hundred people in the County. HopeHealth provides integrated health services for more than 50,000 patients in areas surrounding Aiken, Clarendon, Florence, Orangeburg, and Williamsburg counties. With over 100 providers covering primary care, dental care, chiropractic care, rheumatology, endocrinology, behavioral health and psychiatry, pain management, substance use treatment, and women's health services, HopeHealth is meeting a critical need in our community.

Also headquartered in the County is Palmetto Government Benefits Administrators, a division of Blue Cross & Blue Shield of South Carolina. This division processes health insurance claims from military personnel and their dependents from all across the nation and around the world. They

currently employ several hundred people in the County. In addition, Assurant located an insurance processing facility in the County that currently employs over 900 people.

Tourism

With such attractions as the Darlington Raceway, the Florence Center, Freedom Florence, a nine-field softball complex, Carolina Bank Field, and the Dr. Eddie Floyd Tennis Center, the County continues to see an increase in tourism every year. This has resulted in the construction of several new hotels and motels including the Hyatt Place in downtown Florence, as well as a new Tru by Hilton. The Florence area offers visitors well over 5,000 quality hotel rooms.

The County's moderate climate attracts tourists year-round to come to shop, eat, and play golf at one of over 10 golf courses located within 30 miles of the City of Florence. In addition, the Florence Center continues to significantly increase economic impact to the community providing 75,000 square feet of conference, convention, social events and trade shows attracting more and larger events to the facility. Major sporting events such as basketball, gymnastics, cheerleading and Esports have had a major impact on the number of out of town visitors to our area hotels, shopping and restaurants. Events are currently booked as far as four years out. Along with this continued growth several additional hotels, restaurants and retail stores have come on line in the past year. The Freedom Florence recreation complex consists of a nine-field softball facility, a gymnastics center, and a four-field football and soccer complex. These facilities are designed for competitive use and are regularly used for tournaments and events that bring in visitors from all over the Southeast. The City of Florence constructed a 30-court tennis center that opened during June 2011. This center regularly hosts regional, State and National tournaments including the USTA Pro Circuit tournament and Peachbelt Conference Championship. The Darlington Raceway, which is next door to the County, also hosts two NASCAR Cup Series, Xfinity Series and Camping World truck series races each year on Mothers Day weekend and on Labor Day weekend. The Labor Day Weekend is the largest weekend sporting event in the State with Xfinity Series and NASCAR Cup Series races both on Labor Day weekend, beginning in 2015. These races bring international exposure to Florence through ESPN and major network telecasts. The raceway has also added lights to the track to provide the opportunity for night-time racing as well.

Downtown Florence also serves as a destination for travelers. Over the past decade, Downtown Florence has seen tremendous growth with more than \$300 million in public and private investment. Downtown Florence is now home to two hotels, multiple restaurants, retail establishments, businesses, cultural and entertainment venues. In 2021, Downtown Florence received Main Street America Recognition. Each year, Main Street America recognizes Affiliate programs in recognition of their dedication to creating positive change in their downtowns and commercial districts using the Main Street Approach, a framework for preservation-based economic development and community revitalization.

Buc-ees, a Texas chain gas station and convenience store, invested over \$35 million dollars in a 53,000 square foot facility and now employs over 150. Buc-ees' location off I-95 is expected to further spur development along the interchange as it is on the path to Myrtle Beach.

MAJOR INITIATIVES

The County has embarked on several initiatives that center primarily on increasing service to its residents.

EMS Improvements

During 2000, the County made major improvements to its EMS System. Four new state of the art ambulances were purchased, as well as four new quick response vehicles. During February 1999, the County broke ground on a new 7,500 square foot EMS headquarters. The building was completed during December 1999.

During 2004, the County completed the construction of two new EMS substations in rural areas of the county, and constructed a third rural substation during early 2012. With funding from the second capital project sales tax, the County constructed another substation during 2017 and during 2019.

Recreation Improvements

During 1999, a recreation master plan for the entire county was prepared by an outside consulting company. During 2020, Coastal Carolina University conducted a needs assessment survey and compiled the results. With this data, the Recreation Commission completed and established a new five year plan for Parks and Recreation.

On October 31, 2002, the State of South Carolina deeded the Lynches River County Park to the County. The park consists of 675 acres near the geographic center of the County. This park attracts 20,000 to 30,000 visitors per month. Many improvements have been completed and continue to be made at the park. Some features include a major renovation of the community building at the park was completed and a canoe launch and a 1,200 foot boardwalk was constructed. In addition, two cabins and a bathhouse were purchased and installed and are available to be rented. A splashpad was added to the park. An environmental discovery center opened during 2008, and includes a rope bridge walk through the treetops adjacent to the center. Future plans include the addition of an equestrian center and horse trail network along with camp sites.

In North Florence, a local park has been enhanced by the addition of a community building and a walking trail. In West Florence, additional land was acquired adjacent to an existing ball field and five tennis courts, a picnic shelter and a playground were constructed. The tennis courts were recently resurfaced completely

In the Lake City area, land was acquired for a local park and a walking trail was constructed. This land also includes a pond; therefore, a fishing deck and a walking bridge over the pond have been constructed. With a recent acquisition of Lions Park and new playground, the County continues to develop the Lake City area. During 2004, the County acquired three parcels of land to expand two existing baseball leagues and to construct a neighborhood park. During 2018, the County finished construction on an 8 acre lake in the Lake City area and constructed a Miracle League field. Major portions of these projects were funded by private donations. An additional 500 acres in the Lake City area was acquired in 2022 and will be used in the future to address outdoor recreation needs.

During 2019, the County completed construction and began league play on a new 5-field baseball/softball complex in Johnsonville. Five tennis courts and a practice wall have been resurfaced recently.

The recreation department opened the Timmonsville Community Center in 2022. This center is home to a new senior citizen program and new after school children's programs for the residents.

Libraries

During 2004, the County completed construction of an 80,000 square foot main library. This new facility more than doubled the existing space of the previous facility and provides more than three times the number of public access computers. During 2010, the County completed the last of four branch libraries in its rural areas. Each of these libraries is more than twice as large as the previous facilities and patronage at each of these new facilities has increased dramatically.

Economic Development

During 1999, the County entered into an agreement with a local private business group to form the Florence County Economic Development Partnership. This is a joint partnership that was formed to increase economic development throughout the County and is funded equally by public and private funds.

Florence County actively works to continue industrial growth through the development of industrial parks throughout all Florence County. Florence County Council approved the issuance of a 22-million-dollar general obligation bond in February 2020 to further support economic development initiatives in the County.

Florence County is actively developing the Florence County Industrial Park South, Florence County Industrial Park East, Florence County Industrial Park West, and the Envision Technology and Commerce Park. Additionally, Florence County received grant funding from Commerce to purchase the remainder of acreage available at the Lake City Commerce Center. Florence County purchased over 2,000 acres of industrial property in the last three years, and is focused on developing industrial sites to ensure they are shovel ready – meaning water, sewer and road infrastructure are present and improved at all county-owned industrial sites.

Capital Project Sales Tax

During November 2021, the voters of the County approved a referendum for a one cent capital project sales tax, as well as the issuance of a general obligation bond in an amount not to exceed \$120,000,000, the debt service payments of which will be funded from the sales tax. This sales tax began being collected on May 1, 2021 by the merchants in the County and will be collected for a period of seven years.

Included in this referendum was a funding plan for over 400 separate projects. Among other things, this plan includes the following items:

- \$16,000,000 for fire stations and equipment

- \$2,665,128 for a new emergency medical station
- \$15,166,000 for municipal water and sewer improvements
- \$43,900,000 for municipal infrastructure improvements, including roads
- \$41,533,000 for general road improvements in each of the council districts

Judicial Center

During June 2015, the County issued \$42,000,000 in installment purchase revenue bonds to construct a new 120,000 square foot judicial center. This building opened in March 2018.

FINANCIAL INFORMATION

Management of the County is responsible for establishing and maintaining an internal control structure to ensure that its assets are protected from loss, theft, or misuse, and to ensure that data compiled will allow for the preparation of financial statements that are in conformity with generally accepted accounting principles.

Because the cost of an internal control should not exceed the benefits to be derived from the control, the objective of the internal control structure is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatement.

Financial Audit. As a recipient of federal and state financial assistance, we are also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the County and our external auditors.

The results of the County's financial statement and compliance audit for the fiscal year ended June 30, 2022 provided one material weakness in internal control over financial reporting.

Budgetary Controls. A formal budget is adopted for the General Fund and various special revenue funds of the County at the account level. In the General Fund, a budget is prepared for each department of the County. Encumbrance accounting is used to record estimated amounts for purchase orders, contracts and other commitments prior to release to vendors. Commitments that would result in over expended funds are not made until available funds are transferred via a budget adjustment approved by the County Administrator and the Finance Director.

Proprietary Operations. The County has three proprietary funds. The Florence County Utility System Fund accounts for the operation and maintenance of the water and sewer system. The Florence County Landfill Fund accounts for the operation of the County's 15 manned convenience centers and the transportation of the waste from these centers to a private landfill outside the County and the tipping fee at this private landfill. The Florence County E911 System Fund accounts for the mapping and establishing of the E911 system throughout the County.

Debt Administration. In accordance with South Carolina State Law, the County must maintain its general obligation bonded debt within a limit of eight percent of its total assessed value of its real and personal property. For the fiscal year ended June 30, 2022, this requirement has been met.

Capital Assets. The capital assets of the County are those used in the performance of general government functions. These assets are valued at historical cost or estimated historical cost if

actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the acquisition date. The County, in accordance with GASB Statement No. 34, began recognizing depreciation on all its capital assets. In addition, in further compliance with this Statement, the County capitalized all infrastructure assets, including roads and bridges.

Independent Audit. The South Carolina Code of Laws requires an annual audit of financial records and transactions of the County by an independent certified public accountant selected by the County Council. The fiscal year ended June 30, 2022 was audited by the accounting firm of Mauldin & Jenkins, LLC, and its report on the basic financial statements is included in the Financial Section of this Annual Comprehensive Financial Report.

Financial Policies. The primary financial policy of the County is embodied in a resolution adopted by the County Council requiring the maintenance of a General Fund fund balance in an amount of at least 25% of General Fund expenditures. As a result of various revenue reductions over the fiscal years ended June 30, 2010, 2011, and 2012, primarily from the State of South Carolina, the County had used a portion of General Fund fund balance to balance the General Fund budget each fiscal year. In addition, the County included a 3% across-the-board reduction in the General Fund budget for the fiscal year ended June 30, 2012. During fiscal years 2013 and 2014, the County continued to hold the line on expenditure growth in order to restore fund balance back to the 25% threshold.

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2018. This was the twenty-first year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. Due to recent year employee turnover in key positions the June 30, 2019, 2020, and 2021 audit and Annual Comprehensive Financial Reports were not submitted or awarded Certificates of Achievement for Excellence in Financial Reporting.

Acknowledgments. The preparation of this Annual Comprehensive Financial Report could not have been accomplished without the dedicated service of the Finance Department and the technical expertise and efforts of our independent auditors, Mauldin & Jenkins, LLC. We would like to also commend the County Council for realizing the need for, and the benefits derived from timely financial reporting.

Sincerely,

A handwritten signature in blue ink, appearing to read "James M. Goff", with a stylized flourish at the end.

James M. Goff, CPA
Finance Director

**PRINCIPAL OFFICIALS
AS OF JUNE 30, 2022**

MEMBERS OF COUNTY COUNCIL

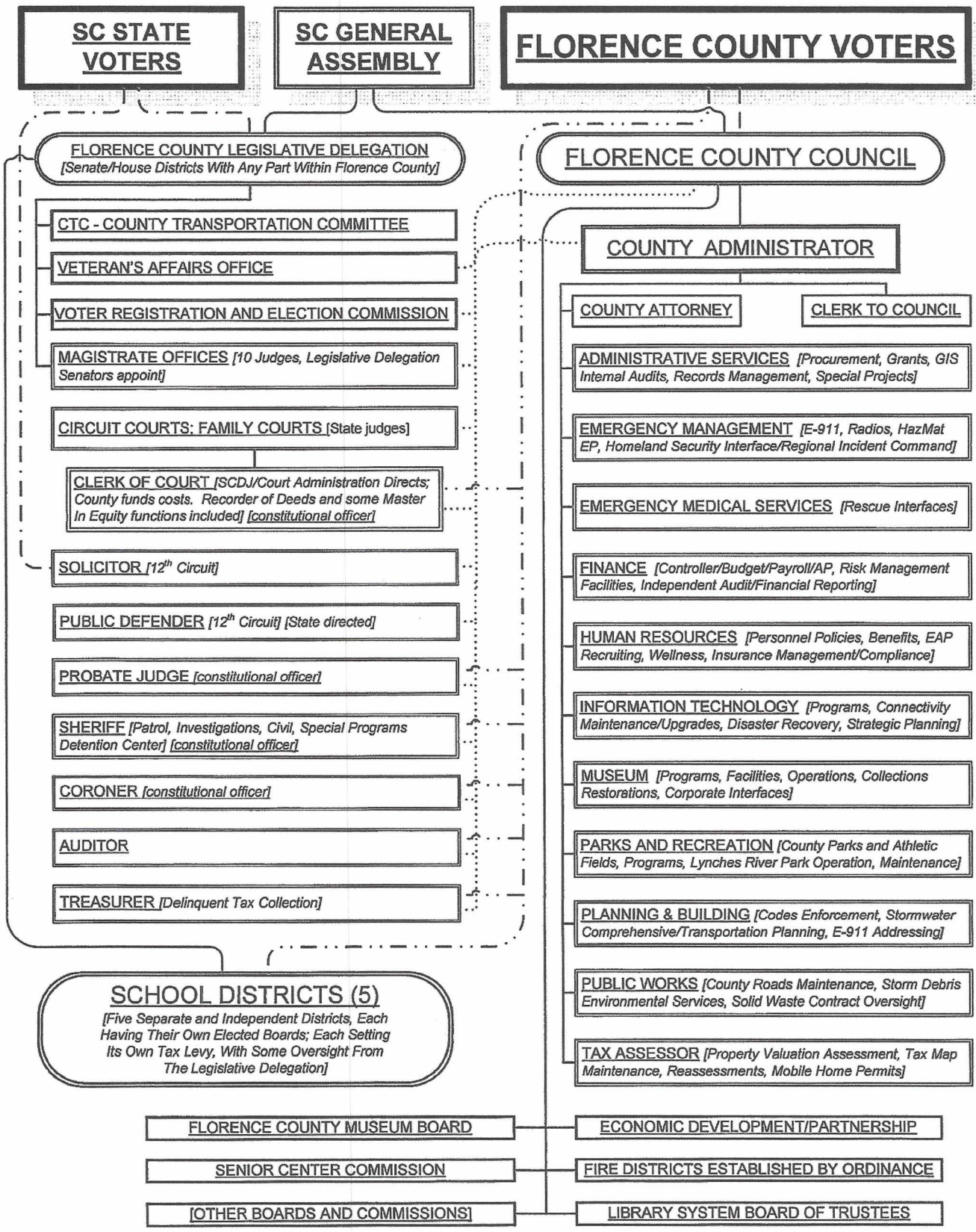
Willard Dorriety, Jr., Chairman
Kent C. Caudle, Vice Chairman
Waymon Mumford, Chaplain
Alphonso Bradley, Member
Roger M. Poston, Member
Jason M. Springs, Member
Frank J. "Buddy" Brand, II, Member
Jerry W. Yarborough, Jr., Member
Toney C. Moore, Member

ELECTED OFFICIALS

Doris P. O'Hara, Clerk of Court
Debra Dennis, County Auditor
Keith Lutchen, County Coroner
T.J. Joye, County Sheriff
E. L. Clements, III, County Solicitor
Laurie Walsh Carpenter, County Treasurer
Jesse Cartrette, Judge of Probate

ADMINISTRATIVE OFFICIALS

K. G. Rusty Smith, Jr., County Administrator
James M. Goff, CPA, Finance Director



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the County Council
of Florence County
Florence, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Florence County, South Carolina** (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 a Matter

As described in Notes 1 and 8 to the financial statements, the County adopted new accounting guidance, GASB Statement No. 87, *Leases*, as of July 1, 2021. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 16), the Schedule of Changes in the Total OPEB Liability and Related Ratios (on page 95), the Schedules of County's Proportionate Share of the Net Pension Liability (on page 96), and the Schedules of County's Pension Contributions (on pages 97 and 98) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying General Fund Detail Schedule of Revenues – Budget (Budgetary Basis) and Actual, General Fund Detail Schedule of Expenditures by Department – Budget (Budgetary Basis) and Actual, the combining General Fund schedules, combining and individual nonmajor fund financial statements and schedules, the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), as required by the State of South Carolina are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the General Fund Detail Schedule of Revenues – Budget (Budgetary Basis) and Actual, General Fund Schedule of Expenditures by Department – Budget (Budgetary Basis) and Actual, the combining General Fund schedules, combining and individual nonmajor fund financial statements and schedules, the Schedule of Expenditures of Federal Awards, and the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
February 21, 2023

**FLORENCE COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

As management of Florence County, South Carolina (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on pages i - ix of this report.

Financial Highlights

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the current fiscal year by \$41,943,553 (net position). Of this amount, (\$187,937,272) represents unrestricted net deficit. The General Fund unassigned fund balance was \$26,070,707, which may be used to meet the County's cash flow management needs and its ongoing obligations to citizens and creditors. The remainder represents amounts accounted for in special revenue, debt service, and capital project funds which are restricted, committed, or assigned for the specific purposes of each fund.
- The County's total net position increased by \$28,283,733 primarily due to the increases in property tax revenue and sales tax revenue.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$205,252,726, a decrease of \$8,611,145 from the prior fiscal year. Total fund balance decreased primarily as a result of the County retiring \$13,625,000 of the \$120,000,000 in Series 2021 General Obligation Bonds offset by growth in property tax revenues and sales tax revenues.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$26,070,707, or approximately 39 percent of total General Fund expenditures and net transfers out.
- The County's long-term debt decreased by \$42,288,740 or approximately 11 percent during the current fiscal year primarily as a result of the County retiring \$27,617,547 in General Obligation Bonds and General Obligation Bond Premiums offset by \$5,851,000 in short-term General Obligation Bond issues.

Overview of the Financial Statements

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

The *Statement of Net Position* presents information on all the County's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods (e.g., uncollected taxes and earned, and unused vacation leave).

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, economic and physical development, public works, health, welfare, culture and recreation, and education. The business-type activities of the County include a utility system, a county landfill and an E911 system.

The government-wide financial statements can be found on pages 17 and 18 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the *Governmental Funds Balance Sheet* and the *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains fifty individual governmental funds. Information is presented separately in the *Governmental Funds Balance Sheet* and in the *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances* for the General Fund, the Grant Special Revenue Fund, the CPST3 Debt Service Fund, and the CPST3 Capital Project Fund, all of which are considered to be major funds. Data from the other thirty-nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 19 - 23 of this report.

Proprietary funds. The County maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its utility system, its landfill, and its E911 system.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility system, the landfill, and for the E911 system, all of which are considered to be major funds of the County.

The basic proprietary fund financial statements can be found on pages 24 - 27 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 28 and 29 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 - 94 of this report.

Required supplementary information. The required supplementary information consists of the schedules of the County's proportionate share of the net pension liability and its contributions to the State of South Carolina's pension plan and schedule of changes in the total other post-employment benefit liability and related ratios for the County's Retiree Health Care Plan. These schedules can be found on pages 95 - 98 of this report.

Other supplementary information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 99 - 165 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$41,943,553 at the close of the current fiscal year. A significant portion of the County's net position represents resources that are subject to external re-strictions on how they may be used.

Net Position

Florence County's Net Position						
Figure 1						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 255,455,127	\$ 247,238,647	\$ 940,173	\$ 1,087,667	\$ 256,395,300	\$ 248,326,314
Capital assets	181,853,264	170,204,487	3,009,713	3,299,740	184,862,977	173,504,227
Total assets	437,308,391	417,443,134	3,949,886	4,387,407	441,258,277	421,830,541
Total deferred outflows of resources	22,998,237	22,563,996	78,922	97,507	23,077,159	22,661,503
Current liabilities	78,086,931	59,991,419	954,295	874,179	79,041,226	60,865,598
Noncurrent liabilities	313,269,806	350,891,738	2,348,565	2,440,787	315,618,371	353,332,525
Total liabilities	391,356,737	410,883,157	3,302,860	3,314,966	394,659,597	414,198,123
Total deferred inflows of resources	27,639,830	11,237,645	92,456	21,456	27,732,286	11,259,101
Net position:						
Net investment in capital assets	89,826,988	82,147,317	2,986,732	3,299,740	92,813,720	85,447,057
Restricted	137,067,105	185,329,309	-	-	137,067,105	185,329,309
Unrestricted	(185,584,032)	(249,590,298)	(2,353,240)	(2,151,248)	(187,937,272)	(251,741,546)
Total net position	\$ 41,310,061	\$ 17,886,328	\$ 633,492	\$ 1,148,492	\$ 41,943,553	\$ 19,034,820

An additional portion of the County's net position reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of total unrestricted net deficit (\$187,937,272) is comprised of the unrestricted net deficit balance of the governmental activities of (\$185,584,032) and the unrestricted net deficit balance of the business-type activities (\$2,353,240). A majority of this total unrestricted net deficit balance is the result of the total OPEB liability of \$50,115,099 and the net pension liability of \$61,481,314.

The County's unrestricted net deficit for its governmental activities increased from the prior fiscal year by \$28,283,733. This increase was primarily the result of the increase in the County's restricted net position for its governmental activities. The County's total net position for its governmental activities increased from the prior fiscal year by \$28,798,733 primarily as a result of increased property tax and sales tax revenues.

The County's total cash and cash equivalents, and investments balance increased from the prior fiscal year by \$2,718,452 primarily as a result of the increases in property tax revenue and sales tax revenue.

Governmental activities. Governmental activities increased the County's net position by \$28,798,733 to \$41,310,061 as a result of the activities described in the previous paragraphs.

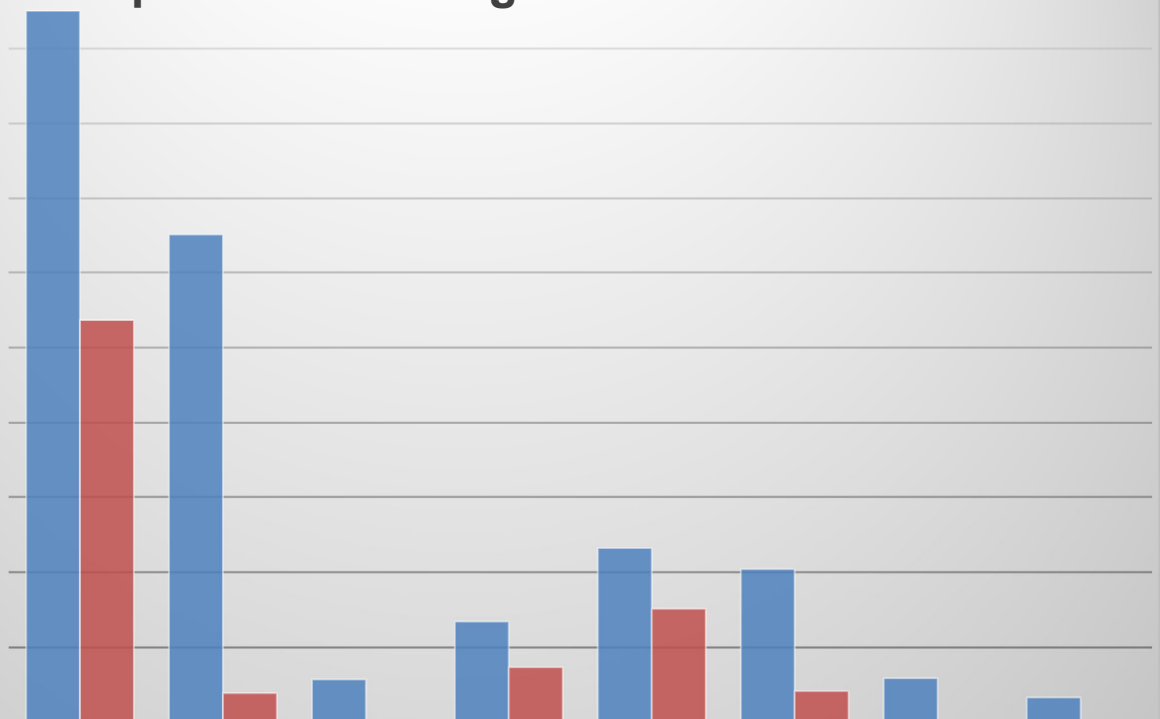
Business-type activities. Business-type activities decreased the County's net position by \$515,000 to \$633,492 primarily as a result of the increase in system maintenance expenses reported in the Florence County Landfill Fund and system operating expenditures exceeding State revenues in the Florence County E911 System Fund.

Florence County's Changes in Net Position

Figure 2

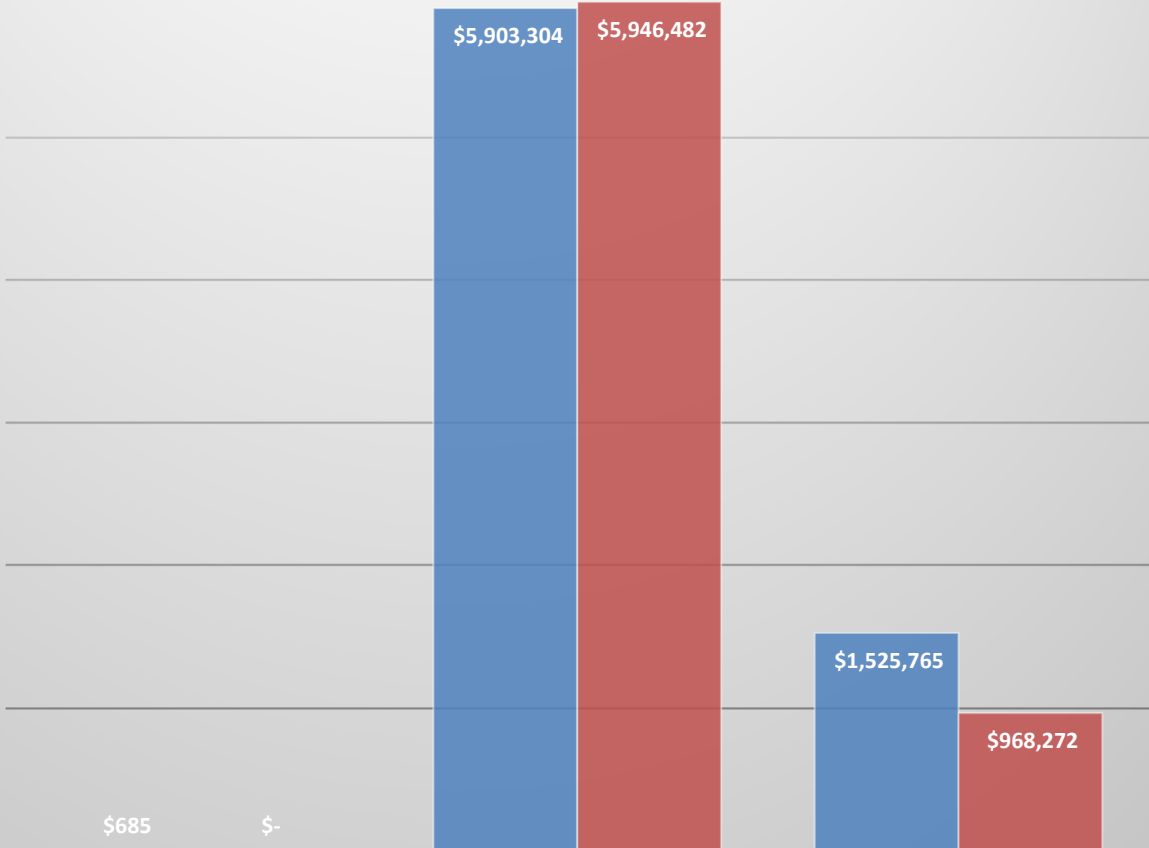
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 20,477,012	\$ 19,039,384	\$ 6,912,850	\$ 6,017,304	\$ 27,389,862	\$ 25,056,688
Operating grants and contributions	7,602,547	17,651,319	-	-	7,602,547	17,651,319
Capital grants and contributions	14,143,441	7,719,210	-	-	14,143,441	7,719,210
General revenues:						
Property taxes	42,417,547	40,731,101	-	-	42,417,547	40,731,101
Sales taxes	46,198,939	42,420,083	-	-	46,198,939	42,420,083
Other taxes	12,276,228	11,332,988	-	-	12,276,228	11,332,988
Miscellaneous	1,481,976	1,265,981	1,904	96,398	1,483,880	1,362,379
Total revenues	144,597,690	140,160,066	6,914,754	6,113,702	151,512,444	146,273,768
Program expenses						
General government	47,531,175	25,104,225	-	-	47,531,175	25,104,225
Public safety	32,518,455	48,316,738	-	-	32,518,455	48,316,738
Economic and physical development	2,862,230	800,757	-	-	2,862,230	800,757
Public works	6,713,673	5,204,173	-	-	6,713,673	5,204,173
Health	11,252,052	12,639,201	-	-	11,252,052	12,639,201
Welfare	347,753	477,523	-	-	347,753	477,523
Culture and recreation	10,204,764	12,070,758	-	-	10,204,764	12,070,758
Education	2,955,600	4,012,461	-	-	2,955,600	4,012,461
Interest on long-term debt	1,671,759	7,472,465	-	-	1,671,759	7,472,465
Utility system	-	-	685	73,335	685	73,335
Landfill	-	-	5,903,304	5,776,725	5,903,304	5,776,725
E911 system	-	-	1,267,261	1,327,055	1,267,261	1,327,055
Total expenses	116,057,461	116,098,301	7,171,250	7,177,115	123,228,711	123,275,416
Excess (deficiency) before transfers	28,540,229	24,061,765	(256,496)	(1,063,413)	28,283,733	22,998,352
Transfers	258,504	258,504	(258,504)	(258,504)	-	-
Increase (decrease) in net position	28,798,733	24,320,269	(515,000)	(1,321,917)	28,283,733	22,998,352
Net position, beginning of year (restated)	12,511,328	(6,433,941)	1,148,492	2,470,409	13,659,820	(3,963,532)
Net position, ending of year	\$ 41,310,061	\$ 17,886,328	\$ 633,492	\$ 1,148,492	\$ 41,943,553	\$ 19,034,820

Governmental Activities Expenses and Program Revenues



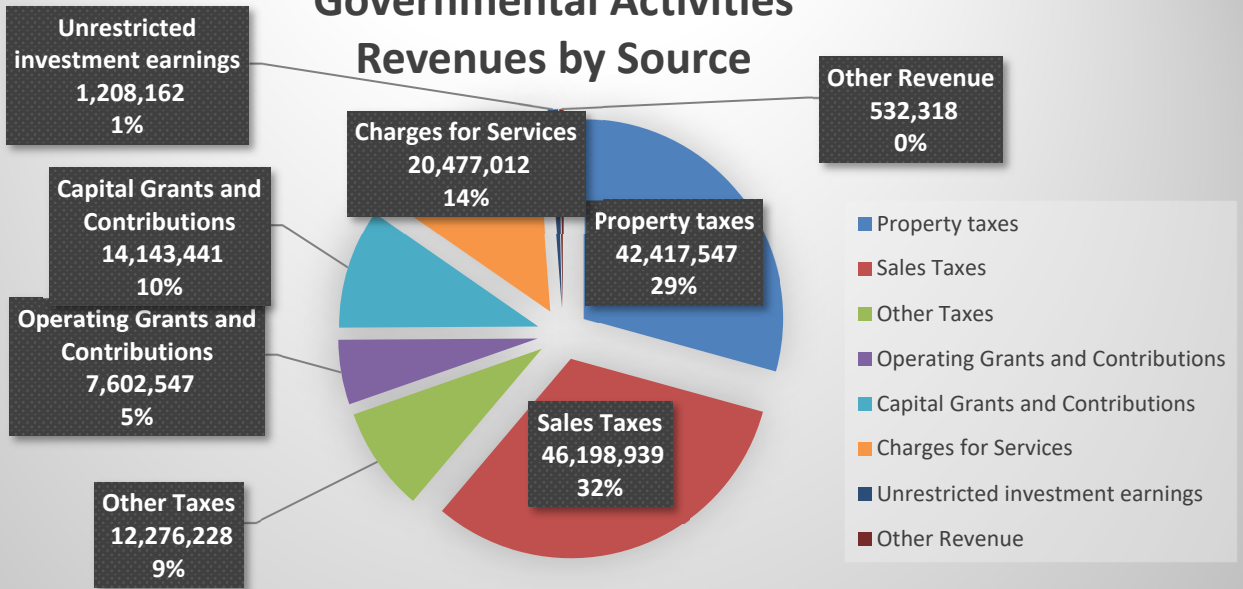
	General Government	Public Safety	Economic & Physical Development	Public Works	Health & Welfare	Culture & Recreation	Education	Interest on Long-Term Debt
■ Expenses	\$47,531,175	\$32,518,455	\$2,862,230	\$6,713,673	\$11,599,805	\$10,204,764	\$2,955,600	\$1,671,759
■ Program Revenues	\$26,830,711	\$1,959,128	\$59,429	\$3,682,216	\$7,565,132	\$2,098,937	\$27,447	\$-

Business-type Activities Expenses and Program Revenues

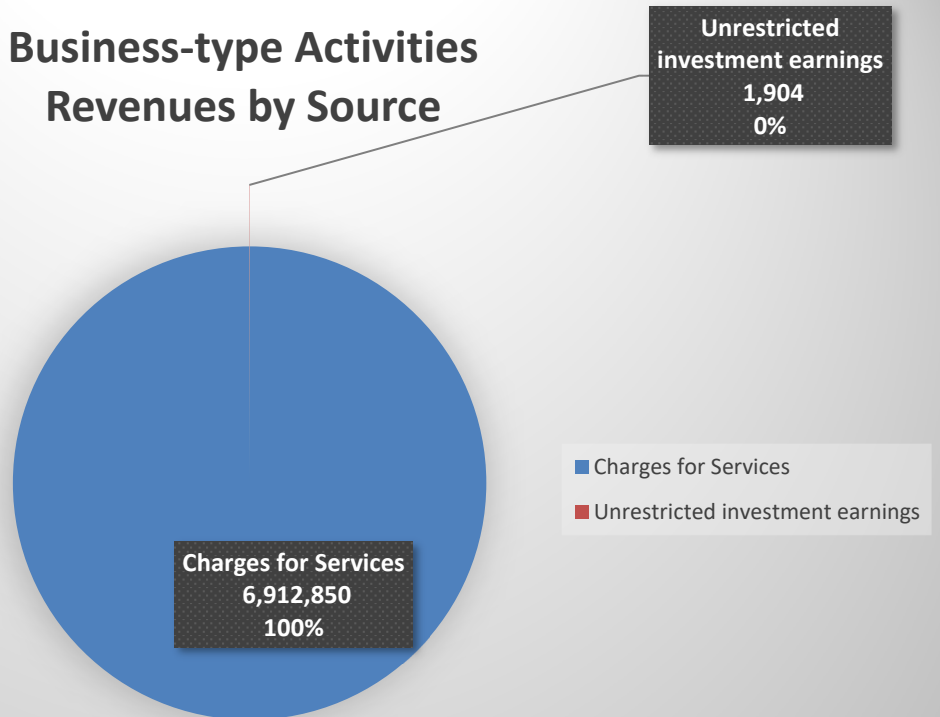


	Utility System	Landfill	E911 System
Expenses	\$685	\$5,903,304	\$1,525,765
Program Revenues	\$-	\$5,946,482	\$968,272

Governmental Activities Revenues by Source



Business-type Activities Revenues by Source



Financial Analysis of the Government'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 *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for cash flow purposes, to maintain financial stability in the economic downturn affecting revenues received from the state government and to fund reimbursement-based grants, as had often been the case in recent years.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$205,252,726, a decrease of \$8,611,145 compared to the prior fiscal year. This decrease was primarily as a result of the County retiring \$13,625,000 of the \$120,000,000 in Series 2021 General Obligation Bonds offset by growth in property tax revenues and sales tax revenues. Approximately 13 percent of this total amount \$25,945,670 constitutes unassigned fund balance. The remainder of fund balance is non-spendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period of \$349,684, (2) to pay debt service of \$51,393,191, and (3) to pay for various capital improvements or other expenditures in future years of \$125,897,710.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$26,070,707, while total fund balance reached \$28,813,001. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and net transfers out. Unassigned fund balance represents approximately 39 percent of total General Fund expenditures and net transfers out, while total fund balance represents approximately 44 percent of that same amount.

The fund balance of the County's General Fund increased by \$1,844,135 during the current fiscal year primarily as a result of increased property tax revenues.

The Grant Special Revenue Fund has a total fund balance of \$357,641, all of which is restricted for subsequent years' expenditures. This fund balance increased by \$314,816 during the current fiscal year primarily as a result of increases in federal grant revenue received from the U.S. Department of Treasury's American Rescue Plan.

The CPST3 Debt Service Fund is a new major fund for the current fiscal year. It has a total fund balance of \$31,386,414, all of which is restricted for subsequent years' expenditures. This fund balance increased by \$8,806,112 during the current fiscal year primarily because the County's debt service requirements of 20,958,333 on the \$120,000,000 in Series 2021 General Obligations Bonds were exceeded by Capital Project Sales Tax revenues.

The CPST3 Capital Project Fund has a total fund balance of \$96,418,856 and the majority of this amount is restricted for subsequent years' expenditures. The fund balance decreased by \$15,790,886 during the current fiscal year primarily as a result of increased capital expenditures incurred in connection with the County's construction of projects approved by a voter referendum on November 3, 2020.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the current fiscal year, total net position of the Florence County Utility System, the Florence County Landfill, and the Florence County E911 System was \$193,049, \$649,034, and (\$208,591), respectively. The total decrease in net position for the Florence County Utility System, the Florence County Landfill, and the Florence County E911 System was \$685, (\$43,178), and \$557,493, respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

There were significant changes between the original budget and the final amended budget for the General Fund, primarily as a result of the following items:

- Budgeted revenues from additional revenue of \$7,060 received to purchase a fountain system for the new VA Nursing Home expenditures were increased by a corresponding amount.
- Budgeted general government expenditures were increased by \$258,504 to add back fund transfers.
- Budgeted general government expenditures were increased by \$1,152,026 to carry over funds previously appropriated for real property and other purchases.

After these changes to the General Fund budget were made, it was expected that fund balance would decrease by \$1,349,790. Actual fund balance increased by \$1,844,135.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$184,862,977 (net of accumulated depreciation).

This investment in capital assets includes land, buildings and additions, improvements other than buildings, autos and trucks, furniture and fixtures, machinery and equipment, and roads and bridges.

Major capital asset events that occurred during the current fiscal year included the following:

- Construction and improvements for recreation projects
- Improvements and renovations made to the County Public Services Building
- Construction of Economic Development multi-county industrial parks
- Construction of rock, paved roads, and sidewalks

Florence County's Capital Assets
Net of Accumulated Depreciation and Depletion
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 19,481,532	\$ 19,302,589	\$ 2,439,677	\$ 2,340,638	\$ 21,921,209	\$ 21,643,227
Construction in progress	6,757,291	1,690,706	-	-	6,757,291	1,690,706
Buildings and additions	116,723,924	113,390,529	-	-	116,723,924	113,390,529
Improvements other than buildings	3,010,221	2,629,271	231,826	391,783	3,242,047	3,021,054
Vehicles	3,981,941	4,155,908	-	585	3,981,941	4,156,493
Furniture and fixtures	500,194	552,764	-	-	500,194	552,764
Machinery and equipment	6,301,479	5,724,185	338,210	566,734	6,639,689	6,290,919
Infrastructure	25,096,682	22,758,535	-	-	25,096,682	22,758,535
Total capital assets, net of accumulated depreciation and depletion	<u>\$ 181,853,264</u>	<u>\$ 170,204,487</u>	<u>\$ 3,009,713</u>	<u>\$ 3,299,740</u>	<u>\$ 184,862,977</u>	<u>\$ 173,504,227</u>

Additional information on the County's capital assets can be found in Note 1 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded general obligation debt outstanding (including premiums) of \$154,890,303. This entire amount is backed by the full faith and credit of the government. The remainder of the County's debt represents revenue bonds, capital leases, and accrued compensated absences, which are secured by annual appropriations by the County Council.

Florence County's Long-term Obligations

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds, net	\$ 154,890,303	\$ 176,655,850	\$ -	\$ -	\$ 154,890,303	\$ 176,655,850
Revenue bonds, net	64,391,587	68,498,032	-	-	64,391,587	68,498,032
Financed purchase obligations	6,580,867	8,049,786	-	-	6,580,867	8,049,786
Lease liabilities	2,653,306	3,449,939	22,981	24,787	2,676,287	3,474,726
Accrued compensated absences	2,520,914	1,880,649	890	890	2,521,804	1,881,539
Net pension liability	61,006,865	76,340,395	474,449	588,277	61,481,314	76,928,672
Total other postemployment benefit liability	50,115,099	49,457,396	-	-	50,115,099	49,457,396
Closure/post-closure liability	-	-	1,852,510	1,852,510	1,852,510	1,852,510
Total long-term obligations	\$ 342,158,941	\$ 384,332,047	\$ 2,350,830	\$ 2,466,464	\$ 344,509,771	\$ 386,798,511

The County's total long-term obligations decreased by \$42,288,740 or approximately 11 percent during the current fiscal year primarily as a result of the County retiring \$13,625,000 of the \$120,000,000 in Series 2021 General Obligation Bonds and \$6,358,547 in General Obligation Bond Premiums.

The County maintains an "AA" rating from Standard & Poor's, and an Aa2 rating from Moody's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8% of its total assessed valuation. The current debt limitation for the County is \$41,237,054 which is significantly in excess of the County's general obligation debt subject to the debt limit as of June 30, 2022, which is \$31,148,000.

Additional information on the County's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

As of June 30, 2022, the unemployment rate for the County was 3.4%, which represents a decrease from a rate of 4.5% a year ago. This factor was considered in preparing the County's budget for the 2023 fiscal year.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$26,070,707. This fund balance has increased to a threshold of approximately 39 percent of expenditures and net transfers out. In addition, given the possibility of increases in premium expenditures for the State's pension plan, premium expenditures for the State's health care plan, and the County's Retiree health care plan, it is possible that future reductions in budgeted expenditures may be required to maintain a balanced budget.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, 180 North Irby St. MSC-H, Florence, South Carolina, 29501.

BASIC FINANCIAL STATEMENTS

FLORENCE COUNTY, SOUTH CAROLINA

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

	Primary Government		
	Governmental Activities	Business- type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 228,411,924	\$ 788,598	\$ 229,200,522
Investments	1,603,767	-	1,603,767
Receivables:			
Property taxes, net	1,400,435	-	1,400,435
Other governmental units	19,801,882	18,153	19,820,035
Other receivables, net	1,518,064	133,422	1,651,486
Lease receivable	1,052,584	-	1,052,584
Inventory	270,494	-	270,494
Prepays	1,395,977	-	1,395,977
Capital assets:			
Nondepreciable	26,238,823	2,439,677	28,678,500
Depreciable, net of accumulated depreciation and amortization	155,614,441	570,036	156,184,477
Total assets	<u>437,308,391</u>	<u>3,949,886</u>	<u>441,258,277</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	11,811,245	-	11,811,245
Deferred outflows related to pensions	11,186,992	78,922	11,265,914
Total deferred outflows of resources	<u>22,998,237</u>	<u>78,922</u>	<u>23,077,159</u>
LIABILITIES			
Accounts payable and other current liabilities	16,038,121	952,030	16,990,151
Unearned revenue	32,127,743	-	32,127,743
Accrued interest	1,031,932	-	1,031,932
Current portion of long-term debt	28,889,135	2,685	28,891,820
Due in more than one year:			
Post-closure care costs	-	1,852,510	1,852,510
Noncurrent portion of long-term debt	202,147,842	21,186	202,169,028
Total OPEB liability	50,115,099	-	50,115,099
Net pension liability	61,006,865	474,449	61,481,314
Total liabilities	<u>391,356,737</u>	<u>3,302,860</u>	<u>394,659,597</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	9,623,146	-	9,623,146
Deferred inflows related to pensions	13,164,516	92,456	13,256,972
Deferred lease receipts	1,043,589	-	1,043,589
Deferred amount on refunding	3,808,579	-	3,808,579
Total deferred inflows of resources	<u>27,639,830</u>	<u>92,456</u>	<u>27,732,286</u>
NET POSITION			
Net investment in capital assets	89,826,988	2,986,732	92,813,720
Restricted:			
Federal and state grants	357,641	-	357,641
Tourism	3,044,576	-	3,044,576
Library	23,459	-	23,459
Public safety	4,766,044	-	4,766,044
Economic development	84,269	-	84,269
Road maintenance	5,170,313	-	5,170,313
Debt service	51,393,191	-	51,393,191
Capital projects	72,227,612	-	72,227,612
Unrestricted	(185,584,032)	(2,353,240)	(187,937,272)
Total net position	<u>\$ 41,310,061</u>	<u>\$ 633,492</u>	<u>\$ 41,943,553</u>

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

FLORENCE COUNTY, SOUTH CAROLINA

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 47,531,175	\$ 5,283,357	\$ 7,403,913	\$ 14,143,441	\$ (20,700,464)	\$ -	\$ (20,700,464)
Public safety	32,518,455	1,847,370	111,758	-	(30,559,327)	-	(30,559,327)
Economic and physical development	2,862,230	-	59,429	-	(2,802,801)	-	(2,802,801)
Public works	6,713,673	3,682,216	-	-	(3,031,457)	-	(3,031,457)
Health	11,252,052	7,565,132	-	-	(3,686,920)	-	(3,686,920)
Welfare	347,753	-	-	-	(347,753)	-	(347,753)
Culture and recreation	10,204,764	2,098,937	-	-	(8,105,827)	-	(8,105,827)
Education	2,955,600	-	27,447	-	(2,928,153)	-	(2,928,153)
Interest on long-term debt	1,671,759	-	-	-	(1,671,759)	-	(1,671,759)
Total governmental activities	<u>116,057,461</u>	<u>20,477,012</u>	<u>7,602,547</u>	<u>14,143,441</u>	<u>(73,834,461)</u>	<u>-</u>	<u>(73,834,461)</u>
Business-type activities:							
Utility system	685	-	-	-	-	(685)	(685)
Landfill	5,903,304	5,944,630	-	-	-	41,326	41,326
E911 system	1,267,261	968,220	-	-	-	(299,041)	(299,041)
Total business-type activities	<u>7,171,250</u>	<u>6,912,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(258,400)</u>	<u>(258,400)</u>
Total primary government	<u>\$ 123,228,711</u>	<u>\$ 27,389,862</u>	<u>\$ 7,602,547</u>	<u>\$ 14,143,441</u>	<u>(73,834,461)</u>	<u>(258,400)</u>	<u>(74,092,861)</u>
General revenues:							
Property taxes levied for:							
General purposes					25,750,700	-	25,750,700
Education					2,579,986	-	2,579,986
Fire protection					5,342,214	-	5,342,214
Debt service					8,744,628	-	8,744,628
Other					19	-	19
Sales taxes					46,198,939	-	46,198,939
Fees-in-lieu-of-taxes					5,542,671	-	5,542,671
Franchise fees					2,306,053	-	2,306,053
Accommodations tax					4,427,504	-	4,427,504
Unrestricted investment earnings					1,208,162	1,904	1,210,066
Gain on sale of capital assets					273,814	-	273,814
Transfers					258,504	(258,504)	-
Total general revenues and transfers					<u>102,633,194</u>	<u>(256,600)</u>	<u>102,376,594</u>
Change in net position					28,798,733	(515,000)	28,283,733
Net position, beginning of year (restated)					12,511,328	1,148,492	13,659,820
Net position, end of year					<u>\$ 41,310,061</u>	<u>\$ 633,492</u>	<u>\$ 41,943,553</u>

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

FLORENCE COUNTY, SOUTH CAROLINA

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

	General Fund	Grant Special Revenue Fund	CPST3 Debt Service Fund	CPST3 Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 35,134,706	\$ 24,223,694	\$ 22,199,653	\$ 98,547,790	\$ 48,306,081	\$ 228,411,924
Investments	-	-	1,603,766	-	1	1,603,767
Receivables, net						
Property taxes	922,339	-	-	-	478,096	1,400,435
Other governmental units and agencies	3,230,128	6,873,504	7,582,995	-	2,115,255	19,801,882
Others	1,273,972	1,209	-	-	242,883	1,518,064
Leases receivable	1,052,584	-	-	-	-	1,052,584
Inventories	69,492	-	-	-	201,002	270,494
Prepays	1,395,977	-	-	-	-	1,395,977
Total assets	<u>\$ 43,079,198</u>	<u>\$ 31,098,407</u>	<u>\$ 31,386,414</u>	<u>\$ 98,547,790</u>	<u>\$ 51,343,318</u>	<u>\$ 255,455,127</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 2,421,440	\$ 1,178,157	\$ -	\$ 2,128,934	\$ 1,043,878	\$ 6,772,409
Payroll withholdings and accruals	1,958,683	129,551	-	-	311,029	2,399,263
Other liabilities	6,359,978	-	-	-	346,674	6,706,652
Retainage payable	-	-	-	-	159,797	159,797
Unearned revenue	1,965,639	29,262,999	-	-	899,105	32,127,743
Total liabilities	<u>12,705,740</u>	<u>30,570,707</u>	<u>-</u>	<u>2,128,934</u>	<u>2,760,483</u>	<u>48,165,864</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues						
Property taxes	516,868	-	-	-	306,021	822,889
Grants	-	170,059	-	-	-	170,059
Lease receipts	1,043,589	-	-	-	-	1,043,589
Total deferred inflows of resources	<u>1,560,457</u>	<u>170,059</u>	<u>-</u>	<u>-</u>	<u>306,021</u>	<u>2,036,537</u>
FUND BALANCES (DEFICITS)						
Nonspendable	1,465,469	-	-	-	201,002	1,666,471
Restricted:						
Federal and state grants	-	357,641	-	-	-	357,641
Tourism	-	-	-	-	3,044,576	3,044,576
Library	-	-	-	-	23,459	23,459
Public safety	-	-	-	-	4,766,044	4,766,044
Economic development	-	-	-	-	84,269	84,269
Road maintenance	-	-	-	-	5,170,313	5,170,313
Debt service	-	-	31,386,414	-	20,006,777	51,393,191
Capital projects	-	-	-	96,418,856	13,675,197	110,094,053
Committed:						
Road paving	927,141	-	-	-	-	927,141
Capital projects	-	-	-	-	1,430,214	1,430,214
Assigned:						
General government	349,684	-	-	-	-	349,684
Unassigned:						
General fund	26,070,707	-	-	-	-	26,070,707
Special revenue fund (deficit)	-	-	-	-	(125,037)	(125,037)
Total fund balances	<u>28,813,001</u>	<u>357,641</u>	<u>31,386,414</u>	<u>96,418,856</u>	<u>48,276,814</u>	<u>205,252,726</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 43,079,198</u>	<u>\$ 31,098,407</u>	<u>\$ 31,386,414</u>	<u>\$ 98,547,790</u>	<u>\$ 51,343,318</u>	<u>\$ 255,455,127</u>

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

FLORENCE COUNTY, SOUTH CAROLINA

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES

JUNE 30, 2022

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

Total fund balances - governmental funds	\$	205,252,726	
Capital assets and right-to-use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			181,853,264
Some revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures. Those revenues consist of:			
Property taxes	\$	822,889	
Other revenues		170,059	992,948
Deferred inflows and deferred outflows related to the pension liability and OPEB liability are not reported in governmental funds.			
Pension related deferred outflows of resources	\$	11,186,992	
Pension related deferred inflows of resources		(13,164,516)	
OPEB related deferred outflows of resources		11,811,245	
OPEB related deferred inflows of resources		(9,623,146)	210,575
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:			
General obligation bonds payable	\$	(137,523,000)	
Premium on general obligation bonds		(17,367,303)	
Hospitality tax bonds		(2,327,000)	
Installment purchase revenue bonds		(46,915,000)	
Accommodations fee revenue bonds		(15,340,000)	
Discount on revenue bonds		190,413	
Financed purchases		(6,580,867)	
Accrued compensated absences		(2,520,914)	
Lease liability		(2,653,306)	
Accrued interest		(1,031,932)	
Total OPEB liability		(50,115,099)	
Net pension liability		(61,006,865)	
Deferred charge on refunding		(3,808,579)	(346,999,452)
Net position of governmental activities	\$		41,310,061

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

FLORENCE COUNTY, SOUTH CAROLINA

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

	General Fund	Grant Special Revenue Fund	CPST3 Debt Service Fund	CPST3 Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 44,905,889	\$ -	\$ 29,759,012	\$ -	\$ 19,493,126	\$ 94,158,027
Licenses and permits	2,306,053	-	-	-	-	2,306,053
Fines and fees	3,680,734	30,008	-	-	10,237,378	13,948,120
Intergovernmental	7,387,563	14,143,441	-	-	2,053,503	23,584,507
Sales and other functional revenues	9,117,877	-	-	-	-	9,117,877
Miscellaneous	457,632	1,971	5,433	365,285	377,841	1,208,162
Total revenues	<u>67,855,748</u>	<u>14,175,420</u>	<u>29,764,445</u>	<u>365,285</u>	<u>32,161,848</u>	<u>144,322,746</u>
Expenditures						
General government	23,370,248	1,919,773	-	422,110	301,557	26,013,688
Public safety	23,159,094	1,345,774	-	-	6,452,314	30,957,182
Economic and physical development	-	2,134,274	-	-	675,970	2,810,244
Public works	986,372	133,592	-	572,069	2,389,017	4,081,050
Health	10,479,802	4,608	-	-	-	10,484,410
Welfare	347,753	-	-	-	-	347,753
Culture and recreation	6,361,313	323,620	-	-	2,611,017	9,295,950
Education	4,515	-	-	-	2,951,085	2,955,600
Capital outlay	574,714	7,998,963	-	16,131,993	9,772,160	34,477,830
Debt service:						
Principal	757,498	-	13,625,000	-	13,281,966	27,664,464
Interest	1,952	-	7,333,333	-	2,824,000	10,159,285
Bond issuance costs	-	-	-	-	40,212	40,212
Paying agent fees	-	-	-	-	44,453	44,453
Total expenditures	<u>66,043,261</u>	<u>13,860,604</u>	<u>20,958,333</u>	<u>17,126,172</u>	<u>41,343,751</u>	<u>159,332,121</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,812,487</u>	<u>314,816</u>	<u>8,806,112</u>	<u>(16,760,887)</u>	<u>(9,181,903)</u>	<u>(15,009,375)</u>
Other financing sources (uses):						
Issuance of debt	-	-	-	-	5,851,000	5,851,000
Issuance of leases	7,456	-	-	-	7,456	14,912
Sale of capital assets	273,814	-	-	-	-	273,814
Transfers in	839,631	-	-	970,001	4,826,187	6,635,819
Transfers out	(1,089,253)	-	-	-	(5,288,062)	(6,377,315)
Total other financing sources, net	<u>31,648</u>	<u>-</u>	<u>-</u>	<u>970,001</u>	<u>5,396,581</u>	<u>6,398,230</u>
Net change in fund balances	<u>1,844,135</u>	<u>314,816</u>	<u>8,806,112</u>	<u>(15,790,886)</u>	<u>(3,785,322)</u>	<u>(8,611,145)</u>
Fund balance, beginning of year,	<u>26,968,866</u>	<u>42,825</u>	<u>22,580,302</u>	<u>112,209,742</u>	<u>52,062,136</u>	<u>213,863,871</u>
Fund balance, end of year	<u>\$ 28,813,001</u>	<u>\$ 357,641</u>	<u>\$ 31,386,414</u>	<u>\$ 96,418,856</u>	<u>\$ 48,276,814</u>	<u>\$ 205,252,726</u>

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

FLORENCE COUNTY, SOUTH CAROLINA

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

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

Net change in fund balances - total governmental funds.	\$	(8,611,145)
<p>Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation and amortization expense. In the current period, these amounts are:</p>		
Capital outlay	\$ 18,481,215	
Depreciation and amortization expense	<u>(10,261,435)</u>	8,219,780
<p>The proceeds from the disposal of capital assets are reported as other financing sources in the governmental funds. The cost of the capital assets are removed from the capital asset account on the Statement of Net Position and is offset against the proceeds from the sale of capital assets resulting in a gain or loss on disposal of capital assets on the Statement of Activities.</p>		
		(20,941)
<p>Because some revenues will not be collected for several months after the County's fiscal year-end, they are not considered "available" revenues and are deferred in the governmental funds. Unavailable revenues changed by this amount this year.</p>		
		1,130
<p>Bond and other long term debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long term liabilities in the Statement of Net Position. In the current period, proceeds were received from:</p>		
Issuance of bonds	\$ (5,851,000)	
Issuance of leases	<u>(14,912)</u>	(5,865,912)
<p>Repayment of long-term debt is reported as an expenditure on governmental funds but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consisted of:</p>		
General obligation bond principal retirement	\$ 21,258,000	
Hospitality tax bond principal retirement	145,000	
Installment purchase revenue bond principal retirement	3,786,000	
Accommodations fee revenue bond principal retirement	195,000	
Financed purchase payments	1,468,919	
Lease payments	<u>811,545</u>	27,664,464
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Total OPEB liability, net of related deferred outflows and deferred inflows	\$ (1,972,481)	
Net pension liability, net of related deferred outflows and deferred inflows	1,451,912	
Compensated absences	(640,265)	
Amortization of bond premium/discount	6,338,992	
Amortization of deferred amount on refunding	<u>272,041</u>	5,450,199
<p>In the Statement of Activities, interest is accrued on outstanding bonds whereas, in governmental funds, interest is expensed when due.</p>		
		<u>1,961,158</u>
Change in net position of governmental activities	\$	<u><u>28,798,733</u></u>

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

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 44,804,007	\$ 44,804,007	\$ 44,905,889	\$ 101,882
Licenses and permits	2,211,910	2,211,910	2,306,053	94,143
Fines and fees	3,475,206	3,475,206	3,680,734	205,528
Intergovernmental	7,554,230	7,554,230	7,387,563	(166,667)
Sales and other functional revenues	8,674,025	8,674,025	9,117,877	443,852
Miscellaneous	926,800	926,800	457,632	(469,168)
Total taxes	<u>67,646,178</u>	<u>67,646,178</u>	<u>67,855,748</u>	<u>209,570</u>
Expenditures				
General government	25,091,925	25,266,473	23,370,248	(1,896,225)
Public safety	21,786,766	22,097,067	23,159,094	1,062,027
Public works	1,745,103	1,746,636	986,372	(760,264)
Health	10,439,847	10,451,044	10,479,802	28,758
Welfare	352,052	352,052	347,753	(4,299)
Culture and recreation	6,359,301	6,364,375	6,361,313	(3,062)
Education	4,515	4,515	4,515	-
Capital outlay	5,059,717	5,059,717	574,714	(4,485,003)
Debt service:				
Principal	360,851	360,851	757,498	396,647
Interest	92,527	92,527	1,952	(90,575)
Total expenditures	<u>71,292,604</u>	<u>71,795,257</u>	<u>66,043,261</u>	<u>(5,751,996)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,646,426)</u>	<u>(4,149,079)</u>	<u>1,812,487</u>	<u>5,961,566</u>
Other financing sources (uses):				
Issuance of leases	-	-	7,456	7,456
Sale of capital assets	-	-	273,814	273,814
Transfers in	820,000	820,000	839,631	19,631
Transfers out	(1,095,150)	(1,095,150)	(1,089,253)	5,897
Total other financing sources (uses), net	<u>(275,150)</u>	<u>(275,150)</u>	<u>31,648</u>	<u>306,798</u>
Net change in fund balances	<u>(3,921,576)</u>	<u>(4,424,229)</u>	<u>1,844,135</u>	<u>6,268,364</u>
Fund balance, beginning of year,	<u>26,968,866</u>	<u>26,968,866</u>	<u>26,968,866</u>	<u>-</u>
Fund balance, end of year	<u>\$ 23,047,290</u>	<u>\$ 22,544,637</u>	<u>\$ 28,813,001</u>	<u>\$ 6,268,364</u>

FLORENCE COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2022

	Business-type Activities - Enterprise Funds			
	Florence County Utility System	Florence County Landfill	Florence County E911 System	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 193,054	\$ 595,544	\$ -	\$ 788,598
Receivables				
Intergovernmental receivable	-	18,153	-	18,153
Other receivables	-	42,000	91,422	133,422
Total current assets	<u>193,054</u>	<u>655,697</u>	<u>91,422</u>	<u>940,173</u>
NONCURRENT ASSETS				
Capital Assets:				
Nondepreciable	-	2,439,677	-	2,439,677
Depreciable, net of accumulated depreciation and amortization	-	254,680	315,356	570,036
Total noncurrent assets	-	<u>2,694,357</u>	<u>315,356</u>	<u>3,009,713</u>
Total assets	<u>193,054</u>	<u>3,350,054</u>	<u>406,778</u>	<u>3,949,886</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	-	-	78,922	78,922
Total deferred outflows of resources	-	-	<u>78,922</u>	<u>78,922</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	5	825,529	107,993	933,527
Accrued payroll	-	-	18,503	18,503
Current portion of lease liabilities	-	1,795	-	1,795
Compensated absences payable	-	-	890	890
Total current liabilities	<u>5</u>	<u>827,324</u>	<u>127,386</u>	<u>954,715</u>
NONCURRENT LIABILITIES				
Post-closure care costs	-	1,852,510	-	1,852,510
Noncurrent lease liabilities	-	21,186	-	21,186
Net pension liability	-	-	474,449	474,449
Total non-current liabilities	-	<u>1,873,696</u>	<u>474,449</u>	<u>2,348,145</u>
Total liabilities	<u>5</u>	<u>2,701,020</u>	<u>601,835</u>	<u>3,302,860</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	-	-	92,456	92,456
Total deferred inflows of resources	-	-	<u>92,456</u>	<u>92,456</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	-	2,671,376	315,356	2,986,732
Unrestricted	193,049	(2,022,342)	(523,947)	(2,353,240)
Total net position (deficit)	<u>\$ 193,049</u>	<u>\$ 649,034</u>	<u>\$ (208,591)</u>	<u>\$ 633,492</u>

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

FLORENCE COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-type Activities - Enterprise Funds			
	Florence County Utility System	Florence County Landfill	Florence County E911 System	Total
OPERATING REVENUES				
Charges for services	\$ -	\$ 5,944,630	\$ 968,220	\$ 6,912,850
Total operating revenues	-	5,944,630	968,220	6,912,850
OPERATING EXPENSES				
Personnel costs	-	-	365,020	365,020
System maintenance	685	5,881,424	650,863	6,532,972
Depreciation and amortization	-	21,436	251,378	272,814
Total operating expenses	685	5,902,860	1,267,261	7,170,806
Operating income (loss)	(685)	41,770	(299,041)	(257,956)
NONOPERATING REVENUES (EXPENSES)				
Interest earned on investments	-	1,852	52	1,904
Interest expense	-	(444)	-	(444)
Total nonoperating revenues, net	-	1,408	52	1,460
Net income (loss) before transfers	(685)	43,178	(298,989)	(256,496)
TRANSFERS				
Transfers out	-	-	(258,504)	(258,504)
Total transfers	-	-	(258,504)	(258,504)
Change in net position	(685)	43,178	(557,493)	(515,000)
NET POSITION, beginning of year	193,734	605,856	348,902	1,148,492
NET POSITION (DEFICIT), end of year	\$ 193,049	\$ 649,034	\$ (208,591)	\$ 633,492

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

FLORENCE COUNTY, SOUTH CAROLINA

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

	Business-type Activities - Enterprise Funds			
	Florence County Utility System	Florence County Landfill	Florence County E911 System	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ -	\$ 5,925,963	\$ 1,090,891	\$ 7,016,854
Payments to suppliers	(4,643)	(5,864,984)	(587,650)	(6,457,277)
Payments to employees	-	-	(386,217)	(386,217)
Net cash provided by (used in) operating activities	(4,643)	60,979	117,024	173,360
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers to other funds	-	-	(258,504)	(258,504)
Net cash used in noncapital and related financing activities	-	-	(258,504)	(258,504)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments on leases	-	(1,806)	-	(1,806)
Sale of capital assets	-	42,000	-	42,000
Interest paid	-	(444)	-	(444)
Net cash provided by capital and related financing activities	-	39,750	-	39,750
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	-	1,852	52	1,904
Net cash provided by investing activities	-	1,852	52	1,904
Net change in cash and cash equivalents	(4,643)	102,581	(141,428)	(43,490)
Cash and cash equivalents:				
Beginning of year	197,697	492,963	141,428	832,088
End of year	\$ 193,054	\$ 595,544	\$ -	\$ 788,598

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Business-type Activities - Enterprise Funds			
	Florence County Utility System	Florence County Landfill	Florence County E911 System	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (685)	\$ 41,770	\$ (299,041)	\$ (257,956)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	21,436	251,378	272,814
Changes in operating assets and liabilities:				
Accounts receivable	-	(18,667)	(79,796)	(98,463)
Due from other funds	-	-	203,457	203,457
Deferred outflows related to pensions	-	-	18,585	18,585
Accounts payable	(3,958)	16,440	63,213	75,695
Due to other funds	-	-	(990)	(990)
Accrued payroll	-	-	3,046	3,046
Net pension liability	-	-	(113,828)	(113,828)
Deferred inflows related to pensions	-	-	71,000	71,000
Net cash provided by (used in) operating activities	<u>\$ (4,643)</u>	<u>\$ 60,979</u>	<u>\$ 117,024</u>	<u>\$ 173,360</u>

FLORENCE COUNTY, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2022

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 28,742,027
Property taxes receivable	3,431,219
Other receivables	107,519
	<hr/>
Total assets	32,280,765
	<hr/>
LIABILITIES	
Accounts payable	25,140
Uncollected taxes	3,431,219
Due to local governments	44,839
Due to other taxing entities	134,483
	<hr/>
Total liabilities	3,635,681
	<hr/>
	NET POSITION
Restricted for organizations and other governments	28,645,084
	<hr/>
Total net position	\$ 28,645,084
	<hr/> <hr/>

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

FLORENCE COUNTY, SOUTH CAROLINA

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

	ADDITIONS	<u>Custodial Funds</u>
Current property taxes		\$ 85,195,985
Inventory exemption		458,326
Vehicle taxes		20,856,794
Delinquent property taxes		4,813,696
Penalties		167,145
Fee transfer		(39,660)
State and federal aid		197,350,946
Interest on investments		51,548
Proceeds from bond issue		18,654,266
State homestead exemption		34,987,420
Fees in lieu of taxes		8,642,442
Watercraft taxes		722,950
Cash received from others		5,417,312
Miscellaneous		58
Less: local option sales tax credits		<u>(6,997,391)</u>
Total additions		<u>370,281,837</u>
	DEDUCTIONS	
Claims paid		339,881,247
Cash paid to others		2,896,633
Refunds		276,129
Bond principal payments		24,003,527
Interest payments		1,720,164
Paying agent fees		<u>1,158</u>
Total deductions		<u>368,778,858</u>
Change in net position		1,502,979
NET POSITION, BEGINNING OF YEAR		<u>27,142,105</u>
NET POSITION, END OF YEAR		<u><u>\$ 28,645,084</u></u>

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

FLORENCE COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Florence County, a municipal corporation, was originally established, founded, and organized in 1888. Florence County (the "County") is geographically located in the Pee Dee region of South Carolina and includes the city of Florence. The County operates under a Council-Administrator form of government and is governed by a nine-member council.

The financial statements of the County have been prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting principles are described below.

Related Organizations – The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County Council appoints the board members of the Commission on Alcohol and Drug Abuse.

Joint Venture – The County is a participant with the City of Florence in a joint venture to operate the Florence City-County Civic Center (the "Civic Center"). The Florence City-County Civic Center Commission (the "Civic Center Commission") was created for that purpose. The Civic Center Commission is governed by a nine-member Board composed of four appointees from the County and four from the City of Florence with the remaining member appointed by the members of the Board. The County and the City of Florence are obligated by agreement to contribute \$520,000 each annually as its share of the cost of the Civic Center. Included in the agreement is a provision that any additional funding shortfall is to be paid equally by the County and the City of Florence. Neither of the participating governments have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2022. Complete financial statements of the Civic Center Commission can be obtained from its administrative office at 3300 West Radio Drive, Florence, S.C. 29501.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

The statements of the County are presented as follows:

Government-wide Financial Statements – The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the government as a whole. Separate columns are used to distinguish between the County's governmental activities and business-type activities. Governmental activities are generally those financed by taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are those activities which are financed in whole or in part by user fees charged to external parties for goods and services.

The Statement of Net Position reports all financial and capital resources of the County and reports the difference between assets and deferred outflows and liabilities and deferred inflows as net position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or section are offset by program revenues and reflects the net (expenses) revenue of the County's individual functions before applying general revenues.

Program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry as a whole and, thus, reduce the net cost of the function to be financed from the government's general revenues. They include (1) charges to customers or applications who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments that are restricted to meet the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment as identified in the County budget, for governmental activities, and include general government, public safety, economic and physical development, public works, health, welfare, culture and recreation, and education.

Fund Financial Statements – Separate financial statements are provided by governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, in the fund financial statements, with non-major funds being aggregated and displayed in a single column displayed as other.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued) – The County reports its General Fund, Grant Special Revenue Fund, Capital Projects Sales Tax (CPST) 3 Debt Service Fund, and CPST3 Capital Project Fund as major governmental funds. The County reports the following major proprietary funds: Florence County Utility System, Florence County Landfill, and Florence County E911 System.

A combining schedule of other non-major governmental funds is presented separately as part of other financial information (“supplementary information”). Due to basis of accounting and reporting differences, summary reconciliations to the government-wide financial statements are presented immediately following each applicable fund statement.

Governmental Funds – Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, liabilities, and deferred inflows of resources is separated as fund balance.

The government reports the following major governmental funds:

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

The **Grant Special Revenue Fund** accounts for the activities relative to various federal and state grants received throughout the fiscal year.

The **CPST3 Debt Service Fund** accounts for the receipt of the bond premium on the capital project sales tax bonds and the quarterly receipt of the capital project sales taxes from the State, as well as the payments of the debt service on the capital project sales tax bonds.

The **CPST3 Capital Project Fund** accounts for the numerous capital projects funded by the capital project sales tax bonds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Additionally, the government reports the following nonmajor governmental fund types:

Special Revenue Funds – to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted or committed to expenditures for specified purposes.

Debt Service Funds – to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, other than debt service payments financed by proprietary fund types.

Capital Project Funds – to account for financial resources restricted, committed, or assigned to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments).

Proprietary Funds – to account for activities where the determination of net income is necessary or useful to provide sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

The County's proprietary funds include three Enterprise funds, which are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of provided goods or services to the general public on a continuing basis be financed or covered primarily through user charges or (b) where the governing body has decided that periodic determination or revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The government reports the following major proprietary funds:

The **Florence County Utility System Fund** accounts for the balances remaining after the water and sewer system were consolidated into the City of Florence utility system.

The **Florence County Landfill Fund** accounts for the activities of the County landfill and the operation of 15 manned convenience centers throughout the County.

The **Florence County E911 System Fund** accounts for the operating of the County's emergency 911 system.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

The County also reports the following fund types:

Fiduciary Funds – to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The County's fiduciary funds consist of custodial funds. Fiduciary funds are not included in the government-side financial statements.

Custodial Funds – to account for assets held by the County in a fiduciary capacity or as an agent for individuals, private organizations, and other governments. Custodial funds consist primarily of property taxes and other revenues collected, temporarily retained, and distributed by the County Treasurer to other governments in accordance with the State of South Carolina statutes.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The government-side financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. As a general rule, revenues are recognized 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 grantor, have been met. Additionally, the effect of inter-fund activity has been eliminated from the government-wide financial statements, except for the amount due between the County's governmental activities and business-type activities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Measurable means the amount of the transaction can be identified and available means collectible within the current period or soon enough thereafter (generally not to exceed 60 days) to be used to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the County the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Those revenues susceptible to accrual are property taxes, charges for services, and hospitality fees. Revenues from state and federal grants are recorded when expenditures are incurred. Entitlements and shared revenues are recognized at the time of receipt or earlier if the susceptible to accrual criteria is met. Interest revenue is considered available when earned. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include fees and fines (except hospitality fees), licenses, and permits.

In the government-wide financial statements, and in the governmental-fund types and the proprietary-fund types in the fund financial statements, certain assets are recognized in connection with a transaction before the earnings process is complete. These assets are generally offset by a corresponding liability, commonly referred to as unearned revenue. Unearned revenue, in the government-wide statements and governmental fund financial statements, is represented by various deposits on contracts and by prepayments on contracts by third parties. The governmental fund financial statements report certain assets that are not yet available to finance expenditures for the current fiscal period and are classified as deferred inflows commonly known as unavailable revenue.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

All proprietary funds are accounted for on a flow of economic resources measurement focus. Under this method the accrual basis of accounting is utilized, and revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities associated with the operation of these funds are included on the Statement of Net Position. Proprietary fund type operating statements present increases (i.e., revenue) and decreases (i.e., expenses) in net position by distinguishing operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

All revenues and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash and Cash Equivalents - Cash includes currency on-hand, demand deposits with financial institutions, and other accounts that have the general characteristics of demand deposits in that additional funds may be deposited at any time and withdrawn without prior notice or penalty.

The County pools the cash of substantially all funds into an internal cash and investment pool that is available for use by all funds with the exception of where legal restrictions prohibit the commingling of funds. Allocation of interest earned is made to each fund based on pro rata equity. Each individual fund's portion of the pool is displayed on the combined balance sheet in cash and cash equivalents. Certain departments within the County maintain separate cash accounts in addition to pooled cash held by the Treasurer.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Cash and Cash Equivalents (Continued) - For purposes of the Statement of Cash Flows for the proprietary (enterprise) funds, cash equivalents are deposit accounts (including restricted assets other than deposits with other agencies) with an original maturity of three months or less from date of purchase, and other short-term, highly liquid investments that are readily convertible to known amounts of cash. Net changes in cash and cash equivalents represent changes in the equity in pooled cash balances held by the respective enterprise funds plus funds held by others.

Investments - Investments are stated at fair value, with accrued interest shown under a separate caption on the financial statements. Reinvested interest on certain debt service and capital projects investments is included in the investment accounts.

Receivables and Allowance for Doubtful Accounts - Accounts receivable are stated net of their allowance for uncollectible amounts. Receivables in governmental funds include revenue accruals that are recognized when they become measurable and available, as previously defined. Property taxes receivable represents delinquent and unpaid real and personal property tax billing (five years for vehicle property taxes and ten years for all other property taxes), less an allowance for amounts estimated to be uncollectible.

An allowance for doubtful accounts is maintained for property taxes, Emergency Medical Services (EMS), Vehicle Registration Fees, Florence County Utility System, and Florence County Landfill receivables which historically experience uncollectible accounts. All other receivables are generally collectible and any doubtful accounts are considered immaterial.

Due from Other Governments - Receivables from state, federal, or other local government agencies are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

Deferred Outflows of Resources - Changes in the net pension liability and the total other postemployment benefits (OPEB) liability due to liability experience, assumption changes, investment earnings differences, and changes in proportionate share not included in pension or OPEB expense, as applicable, and employer contributions subsequent to the measurement date of the net pension liability and the total OPEB liability are reported as deferred outflows of resources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Deferred Inflows of Resources - As of June 30, 2022, the County reported \$822,889 of property tax and \$170,059 of grant revenue as deferred inflows of resources in governmental funds. These items are recognized as unavailable revenues in the governmental funds balance sheet as they have not been collected within the available period. The County reports deferred inflows from lease receipts which are amortized into lease revenues over the remaining life of the individual leases. Additionally, changes in net pension liability and the total OPEB liability due to liability experience, assumption changes, investment earnings differences, and changes in proportionate share not included in pension or OPEB expense, as applicable, are reported as deferred inflows of resources.

When debt is refunded, the reacquisition price less the net carrying amount of the old debt is calculated. The amount is either a gain or loss on refunding that is recognized as a component of interest expense, over the shorter of the new debt's life or the remaining life of the old debt.

Inventories - Inventories are maintained for major items used by the governmental funds and enterprise funds. Inventories of the governmental funds are valued at cost. The purchases method is used to account for most inventories of the governmental funds. The purchases method is not used for the drug and supply inventory of the EMS system since this inventory is held for use for EMS patients and is not expended until used. The purchases method is not used for the fuel truck inventory as well and is not expended until used. The amount of these inventories at June 30, 2022 is \$270,494. Under the purchases method, disbursements for inventory-type items in the governmental funds are considered to be expenditures at the time of purchase. Supplies transferred to and consumed by the individual departments are considered a reduction of the inventory expenditure account and an expenditure of the department.

Reported inventories accounted for using the consumption method in the governmental funds are equally offset by a fund balance reserve, which indicates the assets are unavailable for appropriation even though they are a component of reported assets.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The County uses the consumption method when accounting for these prepaid items.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Interfund Receivables and Payables - Short-term loans or advances between funds are accounted for in the appropriate interfund receivable and payable accounts as due to/from funds. Transactions that constitute flows of cash or goods, from one fund to another without the requirement for repayment, are reported as interfund transfers. Additionally, reimbursements of a fund for expenditures or expenses initially made from that fund, which are properly applicable to another fund, are recorded as expenditure or expense in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

Restricted Assets - Restricted assets include monies or other resources, the use of which is subject to constraints that are either: (a) externally imposed by creditors (such as debt covenants), grants, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Capital Assets - Capital assets, which include property, equipment, infrastructure assets (e.g., roads and bridges), and right-to-use leased assets are reported in the applicable governmental or business-type 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 acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Capital Assets (Continued) - Property, equipment, and infrastructure assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Right-to-use leased building	4
Building improvements	20
Infrastructure:	
Roads	20
Bridges	40
Machinery & equipment	10
Right-to-use leased equipment	5
Vehicles	5
Furniture & fixtures	10
Computer equipment	5
Right-to-use museum collection	8

Bond Charges - All bond issue costs are expensed in the period incurred. Bond premiums and discounts are deferred and amortized over the life of the related bond issue using the effective interest method. In the fund financial statements, governmental-fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as another financing source.

Lease Accounting (Lessee) - The County is a lessee for noncancellable leases including land, buildings, equipment, and a museum collection. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the asset's useful life or the term of the lease.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

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

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise. The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position. The General Fund, Hospitality Fund, and Florence County Landfill Fund are typically used to liquidate lease liabilities.

Lease Accounting (Lessor) - The County is the lessor for certain noncancellable leases of real property and spaces within existing County buildings. The County recognizes a lease receivable and a deferred inflow of resources for deferred lease receipts in accordance with these transactions. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date, less certain other amounts to be paid by the County (if any). Subsequently, the deferred inflow of resources is amortized into lease revenue on a straight-line basis over the lease term.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Lease Accounting (Lessor) (Continued) - The lease agreements entered into by the County as lessor do not include stated interest rates. Therefore, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments that the County will receive over the term of the lease agreement.

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

Compensation for Future Absences - The County's vacation policy provides for the accumulation of up to twenty-five days earned vacation as of the end of the calendar year with such leave being fully vested when earned. Depending on years of service, ten days (for service years 1-10), fifteen days (for service years 11-20) or twenty days (for service over twenty years) may accrue for the current year. Accumulated earned vacation at June 30, 2022, amounted to \$2,521,804 in total. The liability of the governmental funds is recorded as a long-term obligation on the *Statement of Net Position*.

The County's sick leave policy provides for accumulation of ninety days earned sick leave. Depending on years of service, additional days are allowed to accrue for the current year but must be used within that year or they will be lost. Sick leave does not vest; any unused sick leave at retirement is lost and is not used in the determination of length of service for retirement purposes. Since the County has no obligation for accumulated sick leave until actually taken, no accrual has been made.

Long-term Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS) and additions to/deductions from SCRS' and PORS' fiduciary net position have been determined on the same basis as they are reported by SCRS or PORS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position and Fund Balances - In the government-wide financial statements, the difference between the County's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources represents net position. Net position for the government-wide statements and proprietary-fund types is comprised of three components – net investment in capital assets, restricted (distinguished between major categories of restrictions), and unrestricted. Net investment in capital assets represents its net investment in capital assets, net of any related debt. Restricted net position represents the amount that is restricted for payment of capital-related borrowings, future debt service payments, and other items. Unrestricted net position represents the net position available for future operations.

In the governmental fund financial statements, the County reports fund balance within one of the following fund balance categories:

Nonspendable - Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not spendable for" criterion includes items that are not to be converted to cash, for example, inventories and prepaid items. It also includes the long-term amounts of loans and notes receivable, as well as property acquired for resale.

Restricted - Amounts that are either restricted externally by creditors, grantors, contributors, or laws or regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority, the County Council. This formal action is in the form of three readings of an ordinance, which bears the rule of law at the county level. Those committed amounts cannot be used for any other purpose unless the County Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The County recognizes committed fund balances that have been approved for specific purposes by the County Council before fiscal year end.

Assigned - Amounts that are constrained by the County's intent to be used for specific purposes but are not restricted or committed. The authority for making an assignment is not required to be the County's highest level of decision-making authority and as such, the nature of actions necessary to remove or modify an assignment does not require the County's highest level of authority. Assigned fund balance amounts in the County's financial statements represent amounts approved by the County Council to be transferred and spent after fiscal year end.

Unassigned Fund Balance - The unassigned fund balance classification includes amounts that have not been assigned to other funds and have not been restricted, committed, or assigned for specific purposes. The General Fund is the only fund that reports a positive unassigned fund balance. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Based on the County's policies regarding fund balance classifications as noted above, the County considers amounts that are restricted, committed, or assigned to be spent when the corresponding expenditures that have been designated by the County Council or donors have been incurred. After these fund balances have been depleted, unassigned fund balance will be considered to have been spent.

Government-wide and fund financial statements must be presented using an all-inclusive format. That is, the results of the current period's activities are to be reported as an addition to (or a deduction from) equity at the beginning of the period to arrive at the closing equity balance. Thus, changes in net position on the government-wide *Statement of Activities* is added to (or deducted from) net position - beginning of the fiscal year to arrive at net position - end of the fiscal year.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Non-exchange Transaction, Contributed Capital, and Transfers - Pursuant to GASB Codification Section N50, deeded properties and federal, state, and local government assistance in the form of nonoperating grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment have been recorded as nonoperating revenue.

Future Landfill Closure and Post-closure Care Costs - In accordance with GASB Codification Section L10, the County recognizes expenses for landfill closure and post-closure care costs over the life of the landfill's operation in proportion to the usage of the landfill's total capacity. Federal and state regulations related to landfill closure procedures are comprehensive and require post-closure care and monitoring for a period extending either twenty (20) years, for construction and demolition waste landfills, or thirty (30) years, for municipal solid waste landfills, after closure.

Property Taxes - The County assesses and levies property taxes in accordance with applicable laws of the State of South Carolina. Real property and personal property owned and used in the County, except that which is exempt from taxation under the constitution and laws of the state, is subject to taxation. An annual ordinance establishing the millage rate associated with the levy is adopted each year as part of the budget process.

Ad valorem taxes receivable are accrued as revenue for collections 60 days subsequent to year end; the remaining balance is not accrued because it is not considered to be both "measurable and available". The amount of the receivable is reduced by an allowance for doubtful accounts and is based on historical collection experience (see Note 4).

An amount equal to the net receivable less the 60 days subsequent collections is shown as deferred inflows of resources on the Governmental Funds Balance Sheet. The following dates are applicable to property taxes:

Lien date	December 31
Levy date	July 1
Due date	January 15
Collection date	March 15

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Property Taxes (Continued) - According to South Carolina State law, ad valorem taxes levied on July 1, the beginning of the fiscal year, are due January 15. Penalties accrue at that time. On March 15 delinquent costs also begin to accrue. On June 30, they are materially past due and, consequently, cannot be considered as a resource which can be used to finance the government's operations for the current fiscal year although the amount due is measurable.

For collection purposes, ad valorem taxes receivable are written off at the end of ten years in accordance with South Carolina State law. For reporting purposes, this receivable also includes costs and fees relating to property taxes.

Sales Taxes - During November 1993, the County's voters approved a referendum to impose a one percent local option sales tax. This tax was imposed beginning May 1, 1994. All of the revenue collected from this tax is being used as a credit against ad valorem taxes and vehicle taxes. This credit first appeared on ad valorem tax notices mailed November 1994 and on vehicle tax notices beginning with those notices for January 1995. May and June taxes which were received by the County after fiscal year-end are shown as sales tax receivable in the asset section of the balance sheet.

Program and General Revenue - The County charges the public fees for building permits, inspections, marriage licenses, document filing fees, ambulance (EMS) services, and other program related services. These fees, as well as traffic violations and grant revenues, are recorded as program revenue in the statement of activities. General revenue reported by the County include property taxes, fees-in-lieu of taxes, hospitality taxes, state-shared revenue, business licenses, and other government-imposed, non-exchange fees not specific to a particular program (e.g., business licenses and franchise fees, which are general revenue taxes in lieu of program specific fees).

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

1. Prior to May 1, the County Administrator and Finance Director submit to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the County to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The County Administrator is authorized to transfer budgeted amounts within departments or between departments. Revisions that alter total expenditures of a fund must be approved by the County Council.
5. Formal budgetary integration is employed as a management control device during the fiscal year for all funds of the County; however, legal budgets are adopted only for the General Fund and the following nine Special Revenue Funds: Law Library Special Revenue Fund, Victim/Witness Assistance Special Revenue Fund, Economic Development Partnership Special Revenue Fund, Local Hospitality Tax Special Revenue Fund, Local Accommodations Fee Special Revenue Fund, Sheriff's Camps Special Revenue Fund, Road System Maintenance Fee Special Revenue Fund, the Sheriff Sex Offender Special Revenue Fund, and the Unified Fire District Special Revenue Fund.
6. The County provides that the whole or any part of any appropriation provided for grants, and South Carolina accommodations tax budgeted amounts for outlays of any activity remaining unexpended or unencumbered at the close of the fiscal year shall remain in full force and effect and shall be held available for the following fiscal year, except any such appropriations as the County Council by ordinance may abandon. All other appropriations, which are not encumbered, lapse at the end of each fiscal year.
7. The budget for the General Fund is adopted on a basis that differs from generally accepted accounting principles in that expenditures are budgeted on a basis that includes encumbrances. Budgetary control over expenditures is exercised by the County Council on a departmental basis to establish more administrative control than State law requires. Legal level of budgetary control is at the fund level.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

The actual results of operations are presented in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - in accordance with the budgetary basis to provide a meaningful comparison between actual results and budget.

Adjustments necessary to convert the results of operations and fund balances at fiscal year-end on the GAAP basis to the budgetary basis for the General Fund are as follows:

	Net Change in Fund Balance	Fund Balance at Fiscal Year End
GAAP basis	\$ 1,844,135	\$ 28,813,001
Increases (decreases) due to expenditures:		
Encumbrances	(290,572)	(349,684)
Inventories	(33,949)	(276,059)
Cash - Juror fee accounts	(14,271)	8,907
Budgetary basis	\$ 1,505,343	\$ 28,196,165

B. Encumbrances

The County maintains encumbrance accounts which are considered to be "budgetary accounts". Encumbrances outstanding at fiscal year-end represent the estimated amounts of the expenditures ultimately to be incurred if unperformed contracts in process at fiscal year-end are completed. Encumbrances outstanding at fiscal year-end do not constitute expenditures or liabilities.

At June 30, 2022, \$349,684 of open purchase orders and contracts were outstanding, related to general operations. These amounts are included in "Assigned Fund Balance" in the fund balance section of the *Governmental Funds Balance Sheet*. Encumbrances do not lapse at fiscal year-end.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

C. Fund Deficits

The Victim/Witness Assistance Special Revenue Fund and Florence County E911 System proprietary fund had deficit fund balances of \$125,037 and \$208,591, respectively, as of June 30, 2022.

The deficit for the Victim/Witness Assistance Special Revenue Fund was caused by a significant decline in Court-related fines and fee revenue for the fiscal years ended June 30, 2020 and 2021 due to court closures as a result of the COVID-19 pandemic. ARPA replacement revenue in the amount of \$120,400 will be provided for 2020 and 2021 lost revenues. Additional lost revenue will be provided for 2022. Going forward in the fiscal year 2024 budget, the General Fund will begin supplementing the revenues to continue providing this service required by the State Attorney General's Office.

The deficit for the E911 System Proprietary Fund has been caused by revenues being exceeded by expenditures for multiple years. Depreciation expense over this time period has depleted the fund balance. A majority of the capital assets are now fully depreciated and this expense has been declining rapidly on an annual basis. Additionally, two full time employees were moved from the E911 System fund to the Central Dispatch and the Emergency Management departments in the General Fund. Lastly, interfund charges from the E911 System fund totaling \$258,504 per annum have been eliminated.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

D. Excess of Expenditures over Appropriations in Individual Funds

The following table shows the excess of expenditures over appropriations in individual funds for the fiscal year ended June 30, 2022.

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Victim Witness/Assistance Fund	\$ 220,812	\$ 225,043	\$ (4,231)
Economic Development Partnership Fund	562,085	591,276	(29,191)
Local Accommodations Fee Fund	3,128,791	3,150,699	(21,908)
Total excess of expenditures over appropriations	\$ 3,911,688	\$ 3,967,018	\$ (55,330)

The excess of expenditures over budget for the Victim Witness/Assistance Special Revenue Fund was the result of approved and required travel costs exceeding the adopted budget of \$3,650 for the Victim Witness Advocate Coordinator by \$6,118.

The excess of expenditures over budget for the Economic Development Partnership Special Revenue Fund was the result of salaries and benefits exceeding the adopted budget.

The excess of expenditures over budget for the Local Accommodations Fee Special Revenue Fund was the result of I-95 interchange lighting cost increase of over \$14,000 or 13% from fiscal year 2021 and the approved \$9,647 share of the replacement of a 60-foot aluminum gate.

NOTE 3. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned. The County does not have a deposit policy for custodial credit risk aside from following state statutes. As of June 30, 2022, the carrying amount of the County’s deposits was \$257,942,549 and the bank balance was \$263,682,368. As of June 30, 2022, all of the County’s deposits are covered by FDIC insurance or by collateral held by the pledging financial institution’s trust department in the County’s name. As of June 30, 2022, all of the County’s bank balance was insured or collateralized.

Custodial Credit Risk – Investments – Custodial credit risk of investments is the risk that, in the event of a bank failure or the failure of a counterparty, the County will not be able to recover the value of its investments. The County does not have an investment policy for custodial credit risk. At June 30, 2022, the County’s investments were not exposed to custodial credit risk.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value – Investments – The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation 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. Level 3 inputs are significant unobservable inputs. The County's investment in the Local Government Investment Pool (LGIP) is valued at net asset value and is classified as cash and cash equivalents on the *Statement of Net Position*.

The County's fair value measurements as of June 30, 2022 consist of its investments in fixed income securities and are valued using readily determinable market values, meaning there is a quoted price for identical assets in an active market (Level 1 inputs). The County's investment in the LGIP is valued at net asset value.

As of June 30, 2022, the County had investments in U.S. government agency obligations and investments with the South Carolina State Treasurer's Office in the LGIP with fair values and maturities as follows:

Investment Type	Fair Value	Investment Maturities		
		Three Months or Less	Three to Twelve Months	More Than One Year
U.S. Government Agency Obligations	\$ 1,603,767	\$ -	\$ -	\$ 1,603,767
South Carolina Local Government Investment Pool	219,117,983	219,117,983	-	-
Total investments by fair value level	<u>\$ 220,721,750</u>	<u>\$ 219,117,983</u>	<u>\$ -</u>	<u>\$ 1,603,767</u>

The investments in the LGIP are invested with the South Carolina State Treasurer's Office, which established the LGIP pursuant to Section 6-6-10 of the South Carolina Code of Laws. The LGIP is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any county treasurer or any governing body of a political subdivision of the State, may be deposited. The LGIP's investments are carried at fair value determined annually based upon quoted market prices for identical or similar assets. The total fair value of the LGIP is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1. Funds may be deposited by LGIP participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the LGIP may be obtained by writing the South Carolina Office of the State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211-1950.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk – The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the County is accepting interest rate risk since the long- term investment maturities are matched with capital projects.

Concentration of Credit Risk - Statutes authorized the County to invest in obligations of the State of South Carolina and any of its political units, United States Government obligations fully insured or guaranteed by the United States Government, repurchase agreements and certificates of deposit which are secured by direct obligations of the State of South Carolina or the United States Government, and savings and loan associations to the extent that the same are insured by an agency of the United States Government. The County has no investment policy that would further limit its investment choices.

As of June 30, 2022, the County had the following balances in cash and cash equivalents:

Statement of Net Position		
Cash and cash equivalents	\$	229,200,522
Investments		1,603,767
Statement of Fiduciary Net Position		
Cash and cash equivalents		28,742,027
Total cash and cash equivalents	\$	259,546,316

NOTE 4. RECEIVABLES

Property taxes receivable were as follows at June 30, 2022:

	Property Taxes Receivable	Allowance for Doubtful Accounts	Property Taxes Receivable, Net
General Fund	\$ 3,472,558	\$ (2,550,219)	\$ 922,339
Nonmajor Governmental Funds	1,332,662	(854,566)	478,096
Total Governmental Funds	\$ 4,805,220	\$ (3,404,785)	\$ 1,400,435

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES (CONTINUED)

Other receivables were as follows at June 30, 2022:

	<u>Other Receivables</u>	<u>Allowance for Doubtful Accounts</u>	<u>Other Receivables, Net</u>
Governmental Funds:			
General Fund	\$ 6,500,668	\$ (5,226,696)	\$ 1,273,972
Grant Special Revenue Fund	1,209	-	1,209
Nonmajor Governmental Funds	242,883	-	242,883
Total Governmental Funds	<u>6,744,760</u>	<u>(5,226,696)</u>	<u>1,518,064</u>
Enterprise Funds:			
Florence County Landfill Fund	42,000	-	42,000
Florence County E911 System Fund	91,422	-	91,422
Total Enterprise Funds	<u>133,422</u>	<u>-</u>	<u>133,422</u>
Total	<u>\$ 6,878,182</u>	<u>\$ (5,226,696)</u>	<u>\$ 1,651,486</u>

NOTE 5. INTERFUND TRANSFERS

Transfers are used to (1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, (2) move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations and (3) move revenues from various funds into the General Fund also in accordance with budgetary authorizations.

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total Primary Government</u>
	<u>General Fund</u>	<u>CPST3 Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ -	\$ -	\$ 1,089,253	\$ 1,089,253
Nonmajor Governmental Funds	839,631	970,001	3,478,430	5,288,062
Total Governmental Funds	<u>839,631</u>	<u>970,001</u>	<u>4,567,683</u>	<u>6,377,315</u>
Florence County E911 System Fund	-	-	258,504	258,504
Total Enterprise Funds	<u>-</u>	<u>-</u>	<u>258,504</u>	<u>258,504</u>
Total Transfers	<u>\$ 839,631</u>	<u>\$ 970,001</u>	<u>\$ 4,826,187</u>	<u>\$ 6,635,819</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A summary of the changes in the capital assets during the year ended June 30, 2022, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Deletions and Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 19,302,589	\$ 182,527	\$ (3,584)	\$ 19,481,532
Construction in progress	1,690,706	5,066,585	-	6,757,291
Total capital assets, not being depreciated	<u>20,993,295</u>	<u>5,249,112</u>	<u>(3,584)</u>	<u>26,238,823</u>
Capital assets, being depreciated:				
Buildings and additions	151,981,744	6,136,752	-	158,118,496
Improvements other than buildings	9,938,910	910,605	-	10,849,515
Vehicles	17,367,717	1,527,508	(620,345)	18,274,880
Furniture and fixtures	1,402,074	-	-	1,402,074
Machinery and equipment	52,375,357	457,977	(45,151)	52,788,183
Infrastructure	76,622,197	4,184,349	-	80,806,546
Total capital assets, being depreciated	<u>309,687,999</u>	<u>13,217,191</u>	<u>(665,496)</u>	<u>322,239,694</u>
Less accumulated depreciation for:				
Buildings and additions	(38,591,215)	(3,189,930)	-	(41,781,145)
Improvements other than buildings	(7,309,639)	(529,655)	-	(7,839,294)
Vehicles	(13,211,809)	(1,684,118)	602,988	(14,292,939)
Furniture and fixtures	(849,310)	(52,570)	-	(901,880)
Machinery and equipment	(46,651,172)	(2,151,241)	45,151	(48,757,262)
Infrastructure	(53,863,662)	(1,846,202)	-	(55,709,864)
Total accumulated depreciation	<u>(160,476,807)</u>	<u>(9,453,716)</u>	<u>648,139</u>	<u>(169,282,384)</u>
Total capital assets, being depreciated, net	<u>149,211,192</u>	<u>3,763,475</u>	<u>(17,357)</u>	<u>152,957,310</u>
Governmental activities capital assets, net excluding leased assets	<u>\$ 170,204,487</u>	<u>\$ 9,012,587</u>	<u>\$ (20,941)</u>	<u>179,196,133</u>
Leased assets, net (Note 8)				<u>2,657,131</u>
Total capital assets, net as reported in the Statement of Net Position				<u>\$ 181,853,264</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital assets of the proprietary funds at June 30, 2022, are as follows:

	Beginning Balance	Increases	Deletions and Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,481,677	\$ -	\$ (42,000)	\$ 2,439,677
Total capital assets, not being depreciated	2,481,677	-	(42,000)	2,439,677
Capital assets, being depreciated:				
Buildings and additions	112,842	-	-	112,842
Improvements other than buildings	1,055,140	-	-	1,055,140
Vehicles	1,741,985	-	-	1,741,985
Furniture and fixtures	20,454	-	-	20,454
Machinery and equipment	4,461,760	-	-	4,461,760
Total capital assets, being depreciated	7,392,181	-	-	7,392,181
Less accumulated depreciation for:				
Buildings and additions	(112,842)	-	-	(112,842)
Improvements other than buildings	(804,396)	(19,503)	585	(823,314)
Vehicles	(1,741,400)	-	(585)	(1,741,985)
Furniture and fixtures	(20,454)	-	-	(20,454)
Machinery and equipment	(3,895,026)	(251,378)	-	(4,146,404)
Total accumulated depreciation	(6,574,118)	(270,881)	-	(6,844,999)
Total capital assets, being depreciated, net	818,063	(270,881)	-	547,182
Business-type activities capital assets, net excluding leased assets	\$ 3,299,740	\$ (270,881)	\$ (42,000)	2,986,859
Leased assets, net (Note 8)				22,854
Total capital assets, net as reported in the Statement of Net Position				\$ 3,009,713

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:

General government	\$ 3,531,378
Public safety	1,561,273
Economic development	51,986
Public works, including infrastructure	2,632,623
Health	767,642
Culture and recreation	908,814
Total depreciation expense - governmental activities	\$ 9,453,716

Business-type activities:

Florence County Landfill Fund	\$ 19,503
Florence County E911 System Fund	251,378
Total depreciation expense - business-type activities	\$ 270,881

The Civic Center is operated as a joint venture between the City of Florence and the County. Accordingly, the capital assets of the Civic Center are not included in the capital assets of the County. Refer to Note 1 for additional information.

NOTE 7. LONG-TERM OBLIGATIONS

As of June 30, 2022, the County was permitted by the South Carolina Constitution to incur general obligation bonded indebtedness in an amount not exceeding 8% of the assessed value of all taxable property of the County. As of June 30, 2022, the County was within the limits of this requirement. The general obligation bonds shown as long-term liabilities in the government-wide financial statements are collateralized by the full faith, credit, resources and taxing power of the County. They bear interest payable semiannually, at rates varying approximately from 1.23% to 4.00%. Principal and interest payments are to be made from the applicable Debt Service Funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

On November 22, 2011, the County issued \$5,000,000 of Florence County General Obligation Refunding Bonds, Series 2011. These bonds bear interest rates ranging from 2.00% to 2.75%. The first interest payment of \$29,733 was due March 1, 2012, and semiannually thereafter. The first principal payment was due March 1, 2012, and annually thereafter, with the final payment for both principal and interest due March 1, 2026. The proceeds of these bonds were used to refund the remaining outstanding portion of the Series 2002 Florence County General Obligation Bonds and for various capital improvement projects.

On July 21, 2015, the County issued \$3,560,000 of Florence County General Obligation Bonds, Series 2015B (Florence County Fire Protection District). These bonds bear interest at a rate of 2.03%. The first interest payment of \$50,186 was due April 1, 2016, and semiannually thereafter. The first principal payment was due October 1, 2016, and annually thereafter, with the final payment for both principal and interest due October 1, 2030. The proceeds of these bonds were used to refund a bond anticipation note originally issued on December 17, 2014, that was due August 1, 2015. The proceeds of the note were used to refund various general obligation bonds and other fire district debt, as well as fund various firefighting equipment.

On September 15, 2015, the County issued \$8,207,000 of Florence County General Obligation Bonds, Series 2015C (Florence County Fire Protection District). These bonds bear interest at a rate of 3.19%. The first interest payment of \$142,537 was due April 1, 2016, and semiannually thereafter. The first principal payment was due October 1, 2016, and annually thereafter, with the final payment for both principal and interest due October 1, 2035. The proceeds of these bonds are being used to fund various firefighting equipment.

On September 19, 2018, the County issued \$1,000,000 of Florence County General Obligation Bonds, Series 2018C. These bonds bear interest at a rate of 2.92%. The first interest payment of \$13,140 was due March 1, 2019, and annually thereafter. The first principal payment was due March 1, 2019, and annually thereafter, with the final payment for both principal and interest due March 1, 2028. The proceeds of these bonds are being used to partially fund the construction of a new fire station.

On June 17, 2020, the County issued \$22,000,000 of Florence County General Obligation Bonds, Series 2020B. These bonds were issued at a premium of \$1,163,167 and bear interest rates ranging from 1.80% to 4.00%. The first interest payment of \$188,249 was due on October 1, 2020, and semiannually thereafter. The first principal payment was due on April 1, 2021, and annually thereafter. The final payment for both principal and interest is due on April 1, 2040. The proceeds of these bonds are being used to purchase industrial properties located throughout Florence County.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

On March 11, 2021, the County issued \$120,000,000 of Florence County General Obligation Bonds, Series 2021A. These bonds were issued at a premium of \$22,620,841 and bear an interest rate of 5.00%. The first interest payment of \$4,333,333 was due on December 1, 2021, and semiannually thereafter. The first principal payment was due on June 1, 2022, and annually thereafter. The final payment for both principal and interest is due on June 1, 2028. The proceeds of these bonds are being used to construct projects located throughout Florence County that were approved by voter referendum on November 3, 2020.

General obligation bonds payable at June 30, 2022, are comprised of the following:

	Rates Interest Rates	Final Maturity Fiscal Year	Amount Outstanding	Current Maturity of Principal Installments
Florence County General				
Obligation Refunding Bonds				
\$5,000,000, Series 2011	2.38%	2023	\$ 385,000	\$ 385,000
	2.50%	2024	320,000	-
	2.63%	2025	330,000	-
	2.75%	2026	340,000	-
			<u>\$ 1,375,000</u>	<u>\$ 385,000</u>
Florence County General				
Obligation Bonds				
\$3,650,000, Series 2015B	2.03%	2023	\$ 427,000	\$ 427,000
	2.03%	2024	172,000	-
	2.03%	2025	176,000	-
	2.03%	2026	76,000	-
	2.03%	2027	77,000	-
	2.03%	2028	79,000	-
	2.03%	2029	81,000	-
	2.03%	2030	45,000	-
	2.03%	2031	45,000	-
			<u>\$ 1,178,000</u>	<u>\$ 427,000</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

	<u>Rates Interest Rates</u>	<u>Final Maturity Fiscal Year</u>	<u>Amount Outstanding</u>	<u>Current Maturity of Principal Installments</u>
Florence County General				
Obligation Bonds				
\$8,207,000, Series 2015C	3.19%	2023	\$ 96,000	\$ 96,000
	3.19%	2024	363,000	-
	3.19%	2025	374,000	-
	3.19%	2026	490,000	-
	3.19%	2027	506,000	-
	3.19%	2028	521,000	-
	3.19%	2029	538,000	-
	3.19%	2030	593,000	-
	3.19%	2031	612,000	-
	3.19%	2032	678,000	-
	3.19%	2033	699,000	-
	3.19%	2034	722,000	-
	3.19%	2035	745,000	-
	3.19%	2036	768,000	-
			<u>\$ 7,705,000</u>	<u>\$ 96,000</u>
Florence County General				
Obligation Bonds				
\$1,000,000, Series 2018C	2.92%	2023	\$ 100,000	\$ 100,000
	2.92%	2024	100,000	-
	2.92%	2025	105,000	-
	2.92%	2026	110,000	-
	2.92%	2027	110,000	-
	2.92%	2028	115,000	-
			<u>\$ 640,000</u>	<u>\$ 100,000</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

	<u>Rates Interest Rates</u>	<u>Final Maturity Fiscal Year</u>	<u>Amount Outstanding</u>	<u>Current Maturity of Principal Installments</u>
Florence County General				
Obligation Bonds				
\$22,000,000, Series 2020B	4.00%	2023	\$ 835,000	\$ 835,000
	4.00%	2024	870,000	-
	4.00%	2025	905,000	-
	4.00%	2026	940,000	-
	4.00%	2027	980,000	-
	4.00%	2028	1,015,000	-
	4.00%	2029	1,060,000	-
	4.00%	2030	1,100,000	-
	1.80%	2031	1,145,000	-
	1.90%	2032	1,165,000	-
	1.95%	2033	1,185,000	-
	2.00%	2034	1,210,000	-
	2.10%	2035	1,235,000	-
	2.20%	2036	1,260,000	-
	2.30%	2037	1,290,000	-
	2.40%	2038	1,320,000	-
	2.50%	2039	1,350,000	-
	2.50%	2040	1,385,000	-
			<u>\$ 20,250,000</u>	<u>\$ 835,000</u>
Florence County General				
Obligation Bonds				
\$120,000,000, Series 2021	5.00%	2023	\$ 15,640,000	\$ 15,640,000
	5.00%	2024	16,420,000	-
	5.00%	2025	17,240,000	-
	5.00%	2026	18,105,000	-
	5.00%	2027	19,010,000	-
	5.00%	2028	19,960,000	-
			<u>\$ 106,375,000</u>	<u>\$ 15,640,000</u>
Total general obligation bonds			<u>\$ 137,523,000</u>	<u>\$ 17,483,000</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

Annual principal and interest requirements on these General Obligation Bonds are as follows as of June 30, 2022:

Fiscal Year Ending June 30,	General Obligation Bonds		General Obligation Refunding Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 17,098,000	\$ 6,182,908	\$ 385,000	\$ 35,156	\$ 17,483,000	\$ 6,218,064
2024	17,925,000	5,351,188	320,000	26,013	18,245,000	5,377,201
2025	18,800,000	4,477,180	330,000	18,013	19,130,000	4,495,193
2026	19,721,000	3,559,576	340,000	9,350	20,061,000	3,568,926
2027	20,683,000	2,596,075	-	-	20,683,000	2,596,075
2028-2032	28,752,000	3,329,036	-	-	28,752,000	3,329,036
2033-2037	9,114,000	1,099,677	-	-	9,114,000	1,099,677
2038-2040	4,055,000	203,049	-	-	4,055,000	203,049
	<u>\$ 136,148,000</u>	<u>\$ 26,798,689</u>	<u>\$ 1,375,000</u>	<u>\$ 88,532</u>	<u>\$ 137,523,000</u>	<u>\$ 26,887,221</u>

On December 8, 2015, the County issued \$3,238,000 of Hospitality Fee Refunding Revenue Bonds, Series 2015. These bonds bear interest at a rate of 2.9445%. The first interest payment of \$21,982 was due March 1, 2016, and semiannually thereafter. The first principal payment was due March 1, 2016, and annually thereafter, with the final payment for both principal and interest due March 1, 2035. The proceeds of these bonds were used to refund the Series 2011 Hospitality Fee Revenue Bonds, which were issued to fund a portion of the cost of the construction of a new museum.

These bonds contain a provision that in an event of default, the bondholders of at least fifty-one percent (51%) of the outstanding bonds, may declare the entire unpaid principal amount of the bonds, together with all accrued and unpaid interest, to be due and payable immediately.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

Annual principal and interest requirements on these Hospitality Fee Refunding Revenue Bonds are as follows as of June 30, 2022:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 149,000	\$ 68,519	\$ 217,519
2024	154,000	64,131	218,131
2025	158,000	59,597	217,597
2026	163,000	54,944	217,944
2027	168,000	50,145	218,145
2028-2032	917,000	173,548	1,090,548
2033-2035	618,000	36,747	654,747
	<u>\$ 2,327,000</u>	<u>\$ 507,631</u>	<u>\$ 2,834,631</u>

On December 17, 2015, the County issued \$16,015,000 of Accommodations Fee Revenue Bonds with interest at rates ranging from 2.00% to 5.00%. The bonds mature on May 1, 2040, and the proceeds of the bonds are being used to construct an expansion of the Civic Center.

These bonds contain a provision that in an event of default, the bondholders of at least fifty-one percent (51%) of the outstanding bonds, may declare the entire unpaid principal amount of the bonds, together with all accrued and unpaid interest, to be due and payable immediately.

Annual principal and interest requirements on these Accommodations Fee Revenue Bonds are as follows as of June 30, 2022:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 215,000	\$ 647,338	\$ 862,338
2024	240,000	638,738	878,738
2025	260,000	629,138	889,138
2026	285,000	618,738	903,738
2027	310,000	607,338	917,338
2028-2032	3,905,000	2,722,552	6,627,552
2033-2037	5,810,000	1,634,000	7,444,000
2038-2040	4,315,000	328,689	4,643,689
	<u>\$ 15,340,000</u>	<u>\$ 7,826,531</u>	<u>\$ 23,166,531</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

On March 31, 2021, the County issued \$7,456,000 of Series 2021 Installment Purchase Revenue Refunding Bonds (the “Series 2021 Refunding Bonds”) with an interest rate of 1.20%. The County issued these bonds to refund the remaining \$7,415,000 of the outstanding Series 2017A Installment Purchase Revenue Bonds (the “Series 2017A Bonds”) that were originally issued to finance the construction of a multi-level parking garage and purchase an industrial spec building. The Series 2017A Bonds had an interest rate that ranged from 2.61% to 4.41%.

This refunding reduced total debt service payments over the next five (5) years by \$225,882 and resulted in an economic gain (the difference between the present values of the new and old debt service requirements discounted at the effective interest rate, less bond issuance costs) of \$176,973.

Annual principal and interest requirements on the Series 2021 Refunding Bonds are as follows as of June 30, 2022:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,455,000	\$ 63,090	\$ 1,518,090
2024	1,520,000	45,240	1,565,240
2025	1,511,000	27,054	1,538,054
2026	1,499,000	8,994	1,507,994
	\$ 5,985,000	\$ 144,378	\$ 6,129,378

On April 22, 2021, the County issued \$37,870,000 of Taxable Series 2021 Installment Purchase Revenue Refunding Bonds (the “Taxable Series 2021 Refunding Bonds”). These bonds were issued at a discount for \$209,968 and with an interest rate of 2.65%. The County issued these bonds to advance refund \$33,575,000 of the Series 2015 Installment Purchase Revenue Bonds (the “Series 2015 Bonds”). The Series 2015 Bonds were issued at a premium for \$3,154,824 with interest rates ranging from 3.25% to 5.00%.

The County deposited the net proceeds of \$37,122,830 in an escrow account to provide for all future debt service on the refunded portion of the Series 2015 Bonds. As a result, that portion of the 2015 Series Bonds is considered defeased and the County has removed the liability from its financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

The refunding reduced total debt service payments over the next fifteen (15) years by \$2,269,908 and resulted in an economic gain (the difference between the present values of the new and old debt service requirements discounted at the effective interest rate, less bond issuance costs) of 1,364,682. The County recognized a deferred gain on this refunding for \$4,080,620 and this amount is reported as deferred inflow of resources on the Statement of Net Position and will be amortized over the term of the Taxable Series 2021 Refunding Bonds through interest expense.

Annual principal and interest requirements on the Taxable Series 2021 Refunding Bonds are as follows as of June 30, 2022:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 595,000	\$ 746,422	\$ 1,341,422
2024	595,000	743,566	1,338,566
2025	2,580,000	731,670	3,311,670
2026	2,635,000	706,198	3,341,198
2027	2,685,000	672,252	3,357,252
2028-2032	14,655,000	2,549,571	17,204,571
2033-2036	13,490,000	714,323	14,204,323
	<u>\$ 37,235,000</u>	<u>\$ 6,864,002</u>	<u>\$ 44,099,002</u>

On June 30, 2015, the County issued \$42,000,000 of Installment Purchase Revenue Bonds (the "Series 2015 Bonds") with interest rates ranging from 3.25% to 5.00% in order to construct the Florence County Judicial Center. These bonds were partially refunded by the Taxable Series 2021 Refunding Bonds in the amount of \$33,575,000 as noted above. The remaining \$5,375,000 remains a separate obligation of the County.

Annual principal and interest requirements on the Series 2015 Bonds are as follows as of June 30, 2022:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,790,000	\$ 140,000	\$ 1,930,000
2026	1,905,000	47,625	1,952,625
	<u>\$ 3,695,000</u>	<u>\$ 187,625</u>	<u>\$ 3,882,625</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

On March 27, 2013, the County issued a \$22,487,000 financed purchase agreement with a fixed interest rate of 1.825% to refinance an outstanding financed purchase agreement in the amount of \$15,988,947 including interest. The remaining proceeds of the financed purchase agreement were used to fund capital improvements at the Civic Center and the costs of issuance of the financed purchased agreement.

This financed purchase agreement contains a provision that in an event of default, the financial institution shall have the right to declare all payments due to be paid during the original term or the then current renewal term, to be due and payable immediately and to terminate the term of the financed purchase agreement and give notice to the County to vacate the property immediately.

The following is a schedule of future minimum payments under this financed purchase agreement as of June 30, 2022:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 414,000	\$ 47,468	\$ 461,468
2024	422,000	39,912	461,912
2025	430,000	32,211	462,211
2026	437,000	24,364	461,364
2027	445,000	16,388	461,388
2028	453,000	8,267	461,267
	\$ 2,601,000	\$ 168,610	\$ 2,769,610

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

On December 23, 2014, the County issued a \$5,804,102 financed purchase agreement with a fixed interest rate of 2.28% as a part of an energy savings performance contract. The contract included the installation of various heating and air conditioning equipment, lighting, and water conservation measures.

The following is a schedule of future minimum payments under this financed purchase agreement as of June 30, 2022:

Fiscal Year			
Ending June 30,	Principal	Interest	Total
2023	\$ 378,254	\$ 84,152	\$ 462,406
2024	396,239	75,376	471,615
2025	414,821	66,184	481,005
2026	434,020	56,563	490,583
2027	453,851	46,499	500,350
2028-2031	1,753,740	76,746	1,830,486
	<u>\$ 3,830,925</u>	<u>\$ 405,520</u>	<u>\$ 4,236,445</u>

On August 25, 2016, the County issued a \$500,000 financed purchase agreement with a fixed interest rate of 1.752%. The proceeds of the financed purchase agreement were used to fund a portion of the cost of lights for a new ball field.

This financed purchase agreement contains a provision that in an event of default, the financial institution shall have the right to declare the unpaid principal components of the base payments immediately due and payable.

The following is a schedule of future minimum payments under this financed purchase agreement as of June 30, 2022:

Fiscal Year			
Ending June 30,	Principal	Interest	Total
2023	\$ 73,824	\$ 2,609	\$ 76,433
2024	75,118	1,316	76,434
	<u>\$ 148,942</u>	<u>\$ 3,925</u>	<u>\$ 152,867</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

As a result of a Supreme Court ruling, the area served by the West Florence Rural Volunteer Fire Department (the "Fire Department") was to be included in the Fire and First Responder Fund of Florence County. As of July 1, 2019, the Fire Department had a \$1,100,000 financed purchase obligation with a fixed interest rate of 3.643%. The proceeds of the financed purchase obligation were used to purchase a ladder truck. As a result of the Supreme Court ruling, the County assumed this financed purchase obligation effective July 1, 2019. This financed purchase obligation was paid in full as of June 30, 2022.

Changes in long-term liabilities by type during the fiscal year ended June 30, 2022, are summarized as follows:

Governmental activities:	(Restated) June 30, 2021	Additions	Retirements	June 30, 2022	Amount Due in One Year
By type of obligation:					
General obligation bonds	\$ 152,930,000	\$ 5,851,000	\$ (21,258,000)	\$ 137,523,000	\$ 17,483,000
Premium on general obligation bonds	23,725,850	-	(6,358,547)	17,367,303	4,610,994
Hospitality tax bonds	2,472,000	-	(145,000)	2,327,000	149,000
Installment purchase revenue bonds	50,701,000	-	(3,786,000)	46,915,000	3,840,000
Accommodations fee revenue bonds	15,535,000	-	(195,000)	15,340,000	215,000
Discount on revenue bonds	(209,968)	-	19,555	(190,413)	(20,706)
Financed purchases	8,049,786	-	(1,468,919)	6,580,867	491,375
Compensated absences	1,880,649	1,967,020	(1,326,755)	2,520,914	1,326,755
Lease liability	3,449,939	14,912	(811,545)	2,653,306	793,717
Net pension liability	76,340,395	-	(15,333,530)	61,006,865	-
Total other postemployment benefit liability	49,457,396	657,703	-	50,115,099	-
	<u>\$ 384,332,047</u>	<u>\$ 8,490,635</u>	<u>\$ (50,663,741)</u>	<u>\$ 342,158,941</u>	<u>\$ 28,889,135</u>
Business-type activities:	June 30, 2021	Additions	Retirements	June 30, 2022	Amount Due in One Year
By type of obligation:					
Closure/post-closure liability	\$ 1,852,510	\$ 148,201	\$ (148,201)	\$ 1,852,510	\$ -
Compensated absences	890	-	-	890	890
Lease liability	24,787	-	(1,806)	22,981	1,795
Net pension liability	588,277	-	(113,828)	474,449	-
	<u>\$ 2,466,464</u>	<u>\$ 148,201</u>	<u>\$ (263,835)</u>	<u>\$ 2,350,830</u>	<u>\$ 2,685</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LEASES

The County has entered into multiple noncancelable leases as the lessee for various right-to-use assets. The incremental borrowing rate varies from 0.316% to 2.419%. As of June 30, 2022, the County has \$2,676,287 outstanding in leases payable. The annual requirements to amortize all leases payable as of June 30, 2022, including interest payments, are as follows:

Governmental Activities:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 793,717	\$ 28,961	\$ 822,678
2024	793,936	21,719	815,655
2025	266,089	14,777	280,866
2026	205,874	11,447	217,321
2027	145,452	9,058	154,510
2028-2032	448,238	13,758	461,996
	<u>\$ 2,653,306</u>	<u>\$ 99,720</u>	<u>\$ 2,753,026</u>

Business-type Activities:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,795	\$ 455	\$ 2,250
2024	1,375	425	1,800
2025	1,404	396	1,800
2026	1,433	367	1,800
2027	1,463	337	1,800
2028-2032	7,784	1,216	9,000
2033-2037	7,727	371	8,098
	<u>\$ 22,981</u>	<u>\$ 3,567</u>	<u>\$ 26,548</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LEASES (CONTINUED)

Leased asset activity for the County's governmental activities for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Deductions</u>	<u>Ending Balance</u>
Governmental activities:					
Leased assets:					
Buildings	\$ 495,809	\$ -	\$ -	\$ -	\$ 495,809
Equipment	1,648,652	14,912	-	-	1,663,564
Museum collection	1,305,477	-	-	-	1,305,477
Total leased assets	<u>3,449,938</u>	<u>14,912</u>	<u>-</u>	<u>-</u>	<u>3,464,850</u>
Less accumulated amortization for:					
Buildings	-	(109,236)	-	-	(109,236)
Equipment	-	(553,430)	-	-	(553,430)
Museum collection	-	(145,053)	-	-	(145,053)
Total accumulated amortization	<u>-</u>	<u>(807,719)</u>	<u>-</u>	<u>-</u>	<u>(807,719)</u>
Governmental activities total leased assets, net	<u>\$ 3,449,938</u>	<u>\$ (792,807)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,657,131</u>

Leased asset activity for the County's business-type activities for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Remeasurements</u>	<u>Deductions</u>	<u>Ending Balance</u>
Business-type Activities:					
Leased assets:					
Land	\$ 24,787	\$ -	\$ -	\$ -	\$ 24,787
Total leased assets	<u>24,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,787</u>
Less accumulated amortization for:					
Land	-	(1,933)	-	-	(1,933)
Total accumulated amortization	<u>-</u>	<u>(1,933)</u>	<u>-</u>	<u>-</u>	<u>(1,933)</u>
Business-type activities total leased assets, net	<u>\$ 24,787</u>	<u>\$ (1,933)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,854</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

Pursuant to the Solid Waste Management Act (the "Act") of 1991, the County must operate a Subtitle D landfill in compliance with the provisions of the Act, to continue to accept solid waste into its landfill after October 1995. Among the requirements of a Subtitle D operation are installation of synthetic liners in all filled areas, installation of a cap over the filled areas at the time of closure, and funding of a post-closure care account to defray costs of monitoring and compliance after closure. On October 5, 1995, the County received a six-month extension on compliance with the Act and did not have to operate a Subtitle D landfill until April 9, 1996. On April 9, 1996, the County closed the vertical expansion portion of the landfill and contracted with a private company to transport the County's solid waste to another landfill.

Since the County elected to close the vertical expansion portion of the landfill, the County will now incur costs for closure of this portion of the landfill as well as post-closure care costs such as the purchase of liability insurance to protect the County in the event of an incident of contamination and the monitoring of this portion of the landfill for a thirty-year period. These costs are estimated at \$1,852,510 at June 30, 2022, and have been funded by user fees which were being collected through September 1995. Since the vertical expansion portion of the landfill was closed on April 9, 1996, the estimated amount for closure and post-closure care costs have been fully accrued at June 30, 2022. Costs for closure and post-closure care are based on engineering estimates and are subject to change based on various factors, some of which include inflation, deflation, changes in technology, and changes in laws or regulations.

The Act, which was amended on June 23, 1995, requires the County to adopt one, or a combination of a few, financial assurance mechanisms that would bind and legally enforce the County to make the payments necessary for closure and post-closure care costs. The County has chosen the local government financial test as its financial assurance mechanism. This test requires that the Finance Director provide certification annually that the County meets certain financial ratios and certain other criteria in order to comply with financial assurance under the Act. The South Carolina Department of Health and Environmental Control (SCDHEC) is the State agency charged with enforcing the Act in the State of South Carolina. SCDHEC has determined that the County has met the provisions of the local government financial test for the fiscal year ended June 30, 2022, and, therefore, it is not necessary for the County to restrict cash to fund closure and post-closure care costs.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS

Overview

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

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

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

Plan Description

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Plan Description (Continued)

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

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

Membership

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

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

PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; 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. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Benefits

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Contributions

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

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the Board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent. For the year ended June 30, 2022, the County contributed \$3,820,649 to the SCRS plan and \$1,948,657 to the PORS plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Contributions (Continued)

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

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

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

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

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Net Pension Liability

The June 30, 2021, (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2020, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2021, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS. The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2022, (measurement date of June 30, 2021), the net pension liability amounts for the County's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employer's Net Pension Liability</u>	<u>Plan Fiduciary Net Positon as a Percentage of the Total Pension Liability</u>	<u>County's Proportionate Share of the Collective Net Pension Liability</u>
SCRS	\$ 55,131,579,363	\$ 33,490,305,970	\$ 43,732,282	60.7%	0.202078%
PORS	\$ 8,684,586,488	\$ 6,111,672,064	\$ 17,749,032	70.4%	0.689842%

Actuarial Assumptions and Methods

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2020 valuations for SCRS and PORS.

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

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

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public equity	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private equity	9.0%	9.68%	0.87%
Private debt	7.0%	5.47%	0.39%
Real assets	12.0%		
Real estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
	100%		
		Total expected real return	5.18%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	7.43%

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate				
		1% Decrease	Current	1% Increase
		(6.00%)	Discount Rate	(8.00%)
			(7.00%)	
SCRS	\$	57,283,845	\$	43,732,282
PORS	\$	25,751,575	\$	17,749,032
				\$ 11,193,724

Pension Expense

For the year ended June 30, 2022, the County recognized its proportionate share of collective pension expense of \$3,193,389 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of (\$365,408) for a total of \$2,827,981 for the SCRS plan. Additionally, for the year ended June 30, 2022, the County recognized its proportionate share of collective pension expense of \$1,941,748 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of (\$174,998) for a total of \$1,766,750 for the PORS plan. Total pension expense for both plans was \$4,594,731.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

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

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

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 744,929	\$ 59,023
Changes of assumptions	2,393,762	-
Net difference between projected and actual earnings on pension plan investments	-	6,352,690
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	315,257	2,110,397
Employer contributions subsequent to the measurement date	<u>3,820,649</u>	<u>-</u>
Total	<u>\$ 7,274,597</u>	<u>\$ 8,522,110</u>
PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 603,807	\$ 55,277
Changes of assumptions	1,265,945	-
Net difference between projected and actual earnings on pension plan investments	-	3,979,254
Changes in proportion and differences between employer contributions and proportionate share of contributions	172,908	700,331
Employer contributions subsequent to the measurement date	<u>1,948,657</u>	<u>-</u>
Total	<u>\$ 3,991,317</u>	<u>\$ 4,734,862</u>
Total deferred outflows/inflows related to pensions	<u>\$ 11,265,914</u>	<u>\$ 13,256,972</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. PENSION PLANS (CONTINUED)

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

The \$3,820,649 and \$1,948,657 reported as deferred outflows of resources related to pensions resulting from County contributions paid subsequent to the measurement date for the SCRS and PORS plans, but before June 30, 2022, respectively, will be recognized as reduction of the net pension liabilities in the fiscal year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the SCRS and PORS plans, respectively:

Year ended June 30:	SCRS	PORS
2023	\$ (835,553)	\$ (349,691)
2024	(1,005,279)	(354,271)
2025	(850,236)	(552,529)
2026	(2,377,094)	(1,435,711)
	\$ (5,068,162)	\$ (2,692,202)

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2021, which includes the accounting and financial reporting actuarial valuation as of June 30, 2021, (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The County provides a post-retirement health insurance benefit plan, referred to as the Florence County Retiree Hospitalization Plan, for qualifying retirees as required by County Ordinance No. 15-87/88. The plan is administered by the County as a single employer defined benefit plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Summary of Benefits

Plan Participants – Retiring employees who were enrolled in coverage at the time of retirement and scheduled to work 30 hours or more during the normal workweek are eligible to participate in retiree health and dental coverage.

Retirement Benefit Eligibility – SCRS and PORS retirement eligibility requirements are described in the following tables. In addition to the requirements shown below, Class Two employees must have 5 years of earned service and Class Three employees must have 8 years of earned service.

Normal (Unreduced) Retirement Requirements

	Class Two	Class Three
SCRS	Any age with 28 years of service; or at age 65 with at least 5 years of service	Rule of 90; or at age 65 with at least 8 years of service
PORS	Any age with 25 years of service; or at age 55 with at least 5 years of service	Any age with 27 years of service; or at age 55 with at least 8 years of service

Early (Reduced) Retirement Requirements

	Class Two	Class Three
SCRS	Age 60 with at least 5 years of service; or at age 55 with at least 25 years of service	Age 60 with at least 8 years of service

Disability Retirement Requirements

	Class Two	Class Three
SCRS	Under age 65 with at least 5 years of service	Under age 65 with at least 8 years of service
PORS	Under age 55 with at least 5 years of service	Under age 55 with at least 8 years of service

Class Two employees are those employees hired prior to July 1, 2012. Class Three employees are those employees hired on or after July 1, 2012.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Summary of Benefits (Continued)

Disability Retirement Benefit Eligibility (Non-duty and Duty) – In addition to the age and service requirements for disability retirement shown in the tables above, SCRS employees must have been approved for disability benefits from the federal Social Security Administration and PORS employees must qualify for Police Officers Retirement System disability retirement. If the employee can substantiate that the disability is the result of an on-the-job injury with SCRS or PORS, the service requirement is waived.

Vested Termination Benefits – Employees terminating before retirement conditions are not eligible for retiree health and dental coverage.

Death-in-Service Retirement Benefits (Non-duty and Duty) – The County waives the premiums for health and dental coverage for one year for survivors of retirees or active employees. Survivors of active employees also receive payment of compensation for one month after the death of the employee.

Vision Coverage – The County does not provide subsidized retiree vision care coverage.

Life Insurance Coverage – The County does not provide subsidized life insurance for retirees.

Opt-Out – The County does not provide payments to retirees in lieu of retiree health care benefits.

Benefits Paid by the Plan – Retiree health and dental coverage levels for retirees are the same as coverage provided to active County employees in accordance with the terms and conditions of the current County Health and Dental Plans.

The County contributes up to 100% of the monthly premium for the retiree only according to the premium sharing table presented below. County premium-sharing contributions are based upon the years of employment service with the County.

Benefits for Spouses of Retired Employees – Retirees may purchase retiree health care coverage for eligible spouses and dependents at their own expense. Surviving spouses of deceased retired members may continue retiree health care coverage until death or remarriage. Surviving dependents can continue coverage until 19 or 25 if in an accredited college or unless incapacitated.

Non-Medicare and Medicare - Eligible Provisions – Retirees are required to enroll in Medicare Parts A and B once eligible. The Retirees pay the Medicare Part B premiums through their Social Security checks. The Retiree may enroll in the Medicare Supplement Plan through the County.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Summary of Benefits (Continued)

Premium Sharing – The vesting schedule for regular, early and disabled retirees is as follows:

Percentage of Premiums Paid by Employer
Hired Before July 1, 2011

Years of Employment Service	Rate of County Contributions
35	100% paid by County
30	90% paid by County
25	80% paid by County
20	70% paid by County
15	60% paid by County
Less than 15	0% paid by County

Percentage of Premiums Paid by Employer
Hired After July 1, 2011

Years of Employment Service	Rate of County Contributions
25	75% paid by County
20	50% paid by County
Less than 20	0% paid by County

For any employee hired after June 30, 2010, all such assistance will cease when the employee first becomes Medicare eligible.

The premiums shown below are the gross 2019 South Carolina PEBA premiums for the Standard pre-65 plans:

Coverage	Medical	Dental
Retiree Only	\$532.40	\$13.48
Retiree + Spouse	\$1,118.30	\$21.12

This is a brief summary of the Florence County Employees Retiree Health and Dental Plan Fund provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail. All post-retirement health insurance assistance available to eligible retirees, including any established by the County's Personnel Policy Manual, is subject to annual appropriation by County Council each fiscal year.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Summary of Membership Information

The following table provides a summary of the number of participants in the plan as of June 30, 2021:

Retirees	146
Active members	746
Total Plan Members	892

Total OPEB Expense

For the fiscal year ended June 30, 2022, the County recognized OPEB expense of \$2,868,189. The following table presents the components of this amount in accordance with GASB Statement No. 75:

Service cost	\$1,645,784
Interest on the total OPEB liability	1,219,503
Recognition of current year outflow (inflow) due to liabilities	(136,644)
Amortization of prior year outflow (inflow) due to liabilities	139,546
Total OPEB expense	\$2,868,189

Deferred Outflows of Resources and Deferred Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 7,822 years. Additionally, the total plan membership (active employees and inactive employees) was 892. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 8.7696 years.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The table presented below provides the sources of deferred outflows of resources and deferred inflows of resources that were recognized in OPEB expense during the fiscal year ended June 30, 2022, and the amounts that will be recognized in OPEB expense during subsequent reporting periods.

	Recognition Period (Amortization Years)	Total Outflows (Inflows)	Amount Recognized in Current OPEB Expense	Deferred Outflows (Inflows) Recognized in Future OPEB Expense
Differences in expected and actual experience	8.7696	\$ (6,257,595)	\$ (713,555)	\$ (5,544,040)
Assumption changes	8.7696	5,059,282	576,911	4,482,371
Total		<u>\$ (1,198,313)</u>	<u>\$ (136,644)</u>	<u>\$ (1,061,669)</u>

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 121,641	\$ 7,629,419
Changes in assumptions	10,793,896	1,993,727
Contributions made subsequent to the measurement date	895,708	-
Total	<u>\$ 11,811,245</u>	<u>\$ 9,623,146</u>

Employer contributions/benefit payments made subsequent to the measurement date of the total OPEB liability (June 30, 2021) and prior to the end of the employer's reporting period (June 30, 2022) are reported as deferred outflows of resources and will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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

Fiscal Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2023	\$ 2,902
2024	2,902
2025	2,902
2026	205,825
2027	513,107
Thereafter	564,753
	\$ 1,292,391

Total OPEB Liability

The County's total OPEB liability of \$50,115,099 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2021. A schedule of changes in the total OPEB liability and related ratios during the fiscal year ended June 30, 2022, is as follows:

Service cost	\$ 1,645,784
Interest on the total OPEB liability	1,219,503
Difference between expected and actual experience	(6,257,595)
Changes of assumptions	5,059,282
Benefit payments	(1,009,271)
Net change in the total OPEB liability	657,703
Total OPEB liability, beginning of year	49,457,396
Total OPEB liability, end of year	\$ 50,115,099
Covered employee payroll	\$ 33,217,994
Total OPEB liability as a percentage of covered employee payroll	150.87%

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability (Continued)

The table above contains information for the RSI section of the financial statements. The ending balance of the total OPEB liability is as of June 30, 2021. Changes of assumptions reflect a change in the discount rate from 2.45% as of June 30, 2020, to 1.92% as of June 30, 2021, and updates to the health care trend assumption including the repeal of the excise tax on high-cost employer health. The benefit payments made during the measurement period were determined as follows:

Explicit benefit payments (provided by the County)	\$ 907,618
Implicit benefit payments (explicit benefit payments * 0.112)	<u>101,653</u>
Total benefit payments	<u><u>\$ 1,009,271</u></u>

The 0.112 factor equals the ratio of the expected implicit subsidy to the expected explicit costs.

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NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Methods

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and methods, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date June 30, 2021

Methods and Assumptions:

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	1.92% at June 30, 2021
Inflation	2.25%
Salary Increases	3.50% to 10.50% for PORS and 3.00% to 9.50% for SCRS, including inflation
Demographic Assumptions	Based on the experience study covering the five-year period ending June 30, 2019, as conducted for the South Carolina Retirement System (SCRS).
Mortality	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with the following multipliers applied to the base totals: 97% for male SCRS members, 107% for female SCRS members, 127% for male PORS members, and 107% for female PORS members. The rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 6.00% declining to an ultimate rate of 4.00% after 14 years
Participation Rates	For members hired before July 1, 2011, that have at least 15 years of service, participation rates vary from 60% to 100% based on years of service. For members hired after July 1, 2011, that have at least 20 years of service, participation rates vary from 50% to 80% based on years of service. The participation rate is 10% for retirees who are less than 65 years of age and do not receive an explicit subsidy from the County.

Other Information:

Notes The discount rate changed from 2.45% as of June 30, 2020, to 1.92% as of June 30, 2021. Additionally, the health care trend rates were updated to reflect the 2020 SCRS experience study and the health care trend rates were updated to better reflect the plan's anticipated experience.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 1.92% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 2.45% as of the previous measurement date.

Sensitivity Analysis

Sensitivity of Total OPEB Liability to the Discount Rate Assumption – Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 2.45%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

1% Decrease 0.92%	Current Discount Rate Assumption 1.92%	1% Increase 2.92%
\$ 59,890,799	\$ 50,115,099	\$ 42,393,478

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption – Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

1% Decrease	Current Healthcare Cost Rate Assumption	1% Increase
\$ 41,272,639	\$ 50,115,099	\$ 61,639,339

NOTES TO FINANCIAL STATEMENTS

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation – The County is a defendant in several miscellaneous litigations. Any losses which may be incurred and are not fully covered by County insurance are not expected to be material. Legal fees related to these litigations are also not expected to be material.

Federal and State Assisted Programs – The County has received proceeds from several Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds would be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

The Scranton Industrial Park represents the County's only active construction project as of June 30, 2022. The County's commitments with contractors for this project is as follows as of June 30, 2022:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Scranton Industrial Park	\$ 4,885,040	\$ 322,960
Florence County Industrial Park – East	\$ 3,254,707	\$ 2,155,123

NOTE 13. 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. The County participates in certain State-wide funds for the purchase of workers compensation insurance and liability insurance. The County's primary risk with regard to these funds is only for the annual premiums. However, the County does bear a secondary risk if the funds were to default due to either a widespread increase in claim experience or mismanagement of the funds' assets.

If this event were to occur, the County, along with all other participants in the funds, would be charged additional assessments. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. TAX ABATEMENTS

As of June 30, 2022, the County provides tax abatements through two programs to encourage economic development, attract new businesses and retain existing businesses: Fee in Lieu of Tax and Special Source Revenue Credits.

The County has entered into fee in lieu of tax agreements pursuant to the authority granted by Title 12, Chapter 44, Title 4, Chapter 29, and/or Title 4, Chapter 12 of the Code of Laws of South Carolina, 1976, as amended (the "Code"), as well as special source revenue credit agreements pursuant to the authority granted by Sections 4-29-68 and 4-1-170 through 4-1-175 of the Code. Property subject to a fee in lieu of tax agreement is exempt from ad valorem property tax and is instead subject to a fee in lieu of tax equal to the product of the value of the property, an assessment ratio that is generally no lower than 6% (but may be as low as 4% for extraordinary projects that satisfy the statutory definition of an "enhanced investment"), and a millage rate that is either fixed for the life of the agreement or is adjusted every five years based on the trailing five-year average. The County uses fixed millage rate agreements. The County has entered into a written agreement for each fee in lieu of tax incentive, with each agreement having been approved by the County Council. Taxpayers must invest \$2,500,000 in capitalized investment within an investment period as defined in the applicable agreement (generally six years) in order to qualify for a fee in lieu of tax incentive, and some agreements include heightened requirements tied to investment and/or job creation thresholds. These requirements are negotiated on a case-by-case basis and may provide for a recapture of some or all of the abated taxes in the event that the taxpayer does not meet and/or maintain the required investment or job creation thresholds.

While negotiated property tax agreements are often viewed as incentives and trigger reporting requirements under GASB Statement No. 77, the State of South Carolina has a property tax structure that compares unfavorably to many other states with which it competes to attract industry. As the site selection process for industries has become increasingly more competitive, many companies have come to view negotiated property tax agreements as absolutely critical to their decision to locate in South Carolina. The reported figures illustrate the abated taxes but do not take into consideration the increase in property taxes that the County believes has occurred as a result of offering incentives resulting in new industries and significant expansions that otherwise would not have occurred. Total payments to the County under the agreements subject to GASB Statement No. 77 reporting were over \$13,800,000 for the current fiscal year and the County believes that its negotiated tax agreements were critical to securing the investments that generated those payments. The GASB Statement No. 77 analysis requires a comparison of the negotiated payments to hypothetical ad valorem taxes that would have been generated had every industry under a negotiated agreement in the County made the same investment without any incentive agreement. The County believes that this is a fundamentally flawed assumption and that the reporting requirement is therefore misleading to the public.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. TAX ABATEMENTS (CONTINUED)

For the fiscal year ended June 30, 2022, the County abated property taxes and fees in lieu of taxes by a total of \$487,260 as compared to the total taxes that would have been received if every taxpayer subject to a tax abatement had made the exact same capital investment with no incentives.

NOTE 15. CONDUIT DEBT

At June 30, 2022, \$103,780,000 of hospital revenue bonds bearing the County's name were outstanding. This debt is repayable only by the entity for whom the debt is issued and the County assumes no responsibility for repayment.

NOTE 16. NET POSITION

Net position represents the result of assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net position amounts were as follows as of June 30, 2022:

	Governmental Activities	Business-type Activities	Totals
Net investment in capital assets:			
Net capital assets	\$ 181,853,264	\$ 3,009,713	\$ 184,862,977
Less: related bonds payable	(102,274,076)	-	(102,274,076)
Less: related premiums/discounts	(17,176,890)	-	(17,176,890)
Less: related financed purchases payable	(3,979,866)	-	(3,979,866)
Less: deferred amount on refunding	(3,808,579)	-	(3,808,579)
Less: leases payable	(2,653,306)	(22,981)	(2,676,287)
Plus: unspent bond proceeds	37,866,441	-	37,866,441
Net investment in capital assets:	89,826,988	2,986,732	92,813,720
Amounts restricted for capital projects and other purposes	174,933,546	-	174,933,546
Less: unspent bond proceeds	(37,866,441)	-	(37,866,441)
Restricted net position	137,067,105	-	137,067,105
Unrestricted net position	(185,584,032)	(2,353,240)	(187,937,272)
Total net position	\$ 41,310,061	\$ 633,492	\$ 41,943,553

NOTES TO FINANCIAL STATEMENTS

NOTE 17. RESTATEMENT

Errors in Prior Year Reporting

The County determined that a restatement to the June 30, 2021, ending net position was required to correct certain errors in prior year reporting. The restatement is as follows:

	Governmental Activities
Net position, as previously reported	\$ 17,886,328
Restatement for the correction of an error in prior year reporting	<u>(5,375,000)</u>
Net position, as restated, for the correction of an error	<u>\$ 12,511,328</u>

The County did not properly record the activities associated with the issuance of the 2015 Series Installment Purchase Bond. As such, the County determined a restatement to decrease beginning net position of the County's governmental activities in order to record the outstanding debt as of July 1, 2021. The correction of an error in prior year reporting amounted to a restatement of \$5,375,000.

NOTE 18. SUBSEQUENT EVENTS

In preparing these financial statements, the County evaluated events and transactions for potential recognition or disclosure through February 21, 2023, the date these financial statements were available to be issued.

On November 19, 2022, Florence County entered into a Purchase and Sale Agreement with White Hawk, LLC for the acquisition of 956+/- acres for the development of an economic development industrial park. The acquisition cost of \$20,443,092 was shared between Florence County and the City of Florence with investments of \$8,761,325 and \$11,681,767, respectively. Final closing on the property occurred on January 9, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

FLORENCE COUNTY, SOUTH CAROLINA

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

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 1,645,784	\$ 1,543,048	\$ 1,336,998	\$ 1,379,084	\$ 1,607,826
Interest on total OPEB liability	1,219,503	1,343,876	1,447,283	1,365,106	1,187,735
Difference between expected and actual experience	(6,257,595)	73,711	(3,208,402)	121,858	-
Assumption changes	5,059,282	4,742,766	4,116,292	(385,006)	(4,276,548)
Benefit payments	(1,009,271)	(819,646)	(860,463)	(790,491)	(679,138)
Net change in total OPEB liability	657,703	6,883,755	2,831,708	1,690,551	(2,160,125)
Total OPEB liability - beginning	49,457,396	42,573,641	39,741,933	38,051,382	40,211,507
Total OPEB liability - ending	\$ 50,115,099	\$ 49,457,396	\$ 42,573,641	\$ 39,741,933	\$ 38,051,382
Covered-employee payroll	\$ 33,217,994	\$ 34,040,416	\$ 33,307,700	\$ 31,898,454	\$ 30,287,075
Total OPEB liability as a percentage of covered-employee payroll	150.87%	145.29%	127.82%	124.59%	125.64%

Notes to the schedule:

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

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

Assumption changes reflect the effects of change in the discount rate each period. The following are the discount rates used in each period:

For the Fiscal Year Ended June 30,	
2022	1.92%
2021	2.45%
2020	3.13%
2019	3.62%
2018	3.56%

The County is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

FLORENCE COUNTY, SOUTH CAROLINA

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

South Carolina Retirement System					
Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.202078%	\$ 43,732,282	\$ 22,842,075	191.45%	60.75%
2021	0.207560%	53,034,529	23,487,887	225.80%	50.71%
2020	0.217900%	49,754,778	23,005,180	216.28%	54.40%
2019	0.212450%	47,602,620	22,024,864	216.13%	54.10%
2018	0.207230%	46,650,130	20,893,127	223.28%	53.60%
2017	0.208490%	44,533,583	20,198,054	220.48%	52.90%
2016	0.210560%	39,933,719	19,744,583	202.25%	56.99%
2015	0.209480%	36,064,995	19,024,639	189.57%	59.92%
2014	0.510290%	37,572,701	18,168,370	206.80%	56.39%

South Carolina Police Officers Retirement System					
Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.689842%	\$ 17,749,032	\$ 10,374,919	171.08%	70.37%
2021	0.720530%	23,894,143	10,552,529	226.43%	58.79%
2020	0.710410%	20,360,026	10,302,520	197.62%	62.70%
2019	0.714020%	20,231,940	9,873,590	204.91%	61.73%
2018	0.697000%	19,094,821	9,393,948	203.27%	60.90%
2017	0.732200%	18,571,941	9,328,483	199.09%	60.40%
2016	0.747110%	16,283,262	9,253,586	175.97%	64.57%
2015	0.705650%	13,509,159	8,480,293	159.30%	67.55%
2014	0.705650%	14,627,931	8,258,898	177.12%	62.98%

Notes to the schedule:

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

FLORENCE COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE COUNTY'S PENSION CONTRIBUTIONS FOR THE FISCAL YEAR ENDED JUNE 30,

South Carolina Retirement System						
Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll	
2022	\$ 3,820,649	\$ 3,820,649	\$ -	\$ 23,071,553	16.56%	
2021	3,348,439	3,348,439	-	22,842,075	14.66%	
2020	3,397,181	3,397,181	-	23,487,887	14.46%	
2019	3,143,611	3,143,611	-	23,005,180	13.66%	
2018	2,780,628	2,780,628	-	22,024,864	12.62%	
2017	2,413,576	2,413,576	-	20,893,127	11.55%	
2016	2,233,904	2,233,904	-	20,198,054	11.06%	
2015	2,152,159	2,152,159	-	19,744,583	10.90%	
2014	2,016,612	2,016,612	-	19,024,639	10.60%	

South Carolina Police Officers Retirement System						
Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll	
2022	\$ 1,948,657	\$ 1,948,657	\$ -	\$ 10,128,153	19.24%	
2021	1,796,414	1,796,414	-	10,374,919	17.31%	
2020	1,889,378	1,889,378	-	10,552,529	17.90%	
2019	1,680,183	1,680,183	-	10,302,520	16.31%	
2018	1,507,516	1,507,516	-	9,873,590	15.27%	
2017	1,337,698	1,337,698	-	9,393,948	14.24%	
2016	1,281,734	1,281,734	-	9,328,483	13.74%	
2015	1,240,906	1,240,906	-	9,253,586	13.41%	
2014	1,088,900	1,088,900	-	8,480,293	12.84%	

FLORENCE COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PENSION CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED JUNE 30,

Notes to the schedule:

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

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

System	SCRS	PORS
Calculation date	July 1, 2019	July 1, 2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	28-year maximum, closed period	28-year maximum, closed period
Investment return	7.25%	7.25%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service.	3.50% plus step-rate increases for members with less than 15 years of service.
Mortality	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates are multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators.	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Males rates are multiplied by 125% and female rates are multiplied by 111%.

OTHER SUPPLEMENTARY INFORMATION

FLORENCE COUNTY, SOUTH CAROLINA

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

	Special Revenue Funds				
	Florence Darlington Tech Special Revenue Fund	S.C. Accommodations Tax Special Revenue Fund	Law Library Special Revenue Fund	Victim/Witness Assistance Special Revenue Fund	Howe Springs Fire District Special Revenue Fund
ASSETS					
Cash and cash equivalents	\$ 219,035	\$ 117,851	\$ 23,459	\$ -	\$ -
Investments	-	-	-	-	-
Receivables, net:					
Property taxes	88,476	-	-	-	-
Other governmental units and agencies	-	131,407	-	12,016	-
Other	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>307,511</u>	<u>249,258</u>	<u>23,459</u>	<u>12,016</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	640	60,263	-	129,099	-
Payroll withholdings and accruals	-	-	-	7,954	-
Other liabilities	-	-	-	-	-
Retainage payable	-	-	-	-	-
Unearned revenue	178,450	-	-	-	-
Total liabilities	<u>179,090</u>	<u>60,263</u>	<u>-</u>	<u>137,053</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues					
Property taxes	44,152	-	-	-	-
Total deferred inflows of resources	<u>44,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted:					
Tourism	-	188,995	-	-	-
Library	-	-	23,459	-	-
Public safety	-	-	-	-	-
Education	84,269	-	-	-	-
Economic development	-	-	-	-	-
Road maintenance	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Committed:					
Capital projects	-	-	-	-	-
Unassigned:					
Special revenue fund (deficit)	-	-	-	(125,037)	-
Total fund balances	<u>84,269</u>	<u>188,995</u>	<u>23,459</u>	<u>(125,037)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 307,511</u>	<u>\$ 249,258</u>	<u>\$ 23,459</u>	<u>\$ 12,016</u>	<u>\$ -</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Special Revenue Funds				
	Sardis-Timmonsville Fire District Special Revenue Fund	Johnsonville Fire District Special Revenue Fund	Economic Development Partnership Special Revenue Fund	Economic Business Development Special Revenue Fund	Local Hospitality Tax Special Revenue Fund
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 351,795	\$ 4,853,548	\$ 877,761
Investments	-	-	-	-	-
Receivables, net:					
Property taxes	-	-	-	-	-
Other governmental units and agencies	-	-	-	-	255,272
Other	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>-</u>	<u>-</u>	<u>351,795</u>	<u>4,853,548</u>	<u>1,133,033</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	-	-	4,106	6,229	269,413
Payroll withholdings and accruals	-	-	20,298	4,397	23,506
Other liabilities	-	-	-	-	-
Retainage payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>24,404</u>	<u>10,626</u>	<u>292,919</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues					
Property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted:					
Tourism	-	-	-	-	840,114
Library	-	-	-	-	-
Public safety	-	-	-	-	-
Education	-	-	-	-	-
Economic development	-	-	327,391	4,842,922	-
Road maintenance	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Committed:					
Capital projects	-	-	-	-	-
Unassigned:					
Special revenue fund (deficit)	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>327,391</u>	<u>4,842,922</u>	<u>840,114</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,795</u>	<u>\$ 4,853,548</u>	<u>\$ 1,133,033</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Special Revenue Funds				
	Sheriff's Camps Special Revenue Fund	Sheriff's Sex Offender Special Revenue Fund	Seized Auction Special Revenue Fund	Road System Maintenance Fee Special Revenue Fund	Local Accommodations Fee Special Revenue Fund
ASSETS					
Cash and cash equivalents	\$ 5,297	\$ 42,842	\$ 16,471	\$ 3,701,101	\$ 300,197
Investments	-	-	-	-	-
Receivables, net:					
Property taxes	-	-	-	-	-
Other governmental units and agencies	-	-	-	-	1,492,345
Other	-	-	-	133	230,750
Inventories	-	-	-	201,002	-
Total assets	<u>5,297</u>	<u>42,842</u>	<u>16,471</u>	<u>3,902,236</u>	<u>2,023,292</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	-	992	-	40,899	7,825
Payroll withholdings and accruals	-	-	-	73,991	-
Other liabilities	-	-	-	-	-
Retainage payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>992</u>	<u>-</u>	<u>114,890</u>	<u>7,825</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues					
Property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	201,002	-
Restricted:					
Tourism	-	-	-	-	2,015,467
Library	-	-	-	-	-
Public safety	5,297	41,850	16,471	-	-
Education	-	-	-	-	-
Economic development	-	-	-	-	-
Road maintenance	-	-	-	3,586,344	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Committed:					
Capital projects	-	-	-	-	-
Unassigned:					
Special revenue fund (deficit)	-	-	-	-	-
Total fund balances	<u>5,297</u>	<u>41,850</u>	<u>16,471</u>	<u>3,787,346</u>	<u>2,015,467</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,297</u>	<u>\$ 42,842</u>	<u>\$ 16,471</u>	<u>\$ 3,902,236</u>	<u>\$ 2,023,292</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Special Revenue Funds				
	Unified Fire District Special Revenue Fund	Emergency Management Special Revenue Fund	Jail Debt Service O&M Special Revenue Fund	Senior Citizens Center Special Revenue Fund	County Library Special Revenue Fund
ASSETS					
Cash and cash equivalents	\$ 5,418,461	\$ 8	\$ 55	\$ -	\$ 9
Investments	-	-	-	-	-
Receivables, net:					
Property taxes	210,202	34	207	2	15
Other governmental units and agencies	-	-	-	-	-
Other	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>5,628,663</u>	<u>42</u>	<u>262</u>	<u>2</u>	<u>24</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	206,814	-	-	-	-
Payroll withholdings and accruals	180,883	-	-	-	-
Other liabilities	16,867	-	-	-	-
Retainage payable	-	-	-	-	-
Unearned revenue	384,831	-	-	-	-
Total liabilities	<u>789,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues					
Property taxes	137,172	-	-	-	-
Total deferred inflows of resources	<u>137,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted:					
Tourism	-	-	-	-	-
Library	-	-	-	-	-
Public safety	4,702,096	42	262	2	24
Education	-	-	-	-	-
Economic development	-	-	-	-	-
Road maintenance	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Committed:					
Capital projects	-	-	-	-	-
Unassigned:					
Special revenue fund (deficit)	-	-	-	-	-
Total fund balances	<u>4,702,096</u>	<u>42</u>	<u>262</u>	<u>2</u>	<u>24</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,628,663</u>	<u>\$ 42</u>	<u>\$ 262</u>	<u>\$ 2</u>	<u>\$ 24</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Special Revenue Funds
	Total Nonmajor Special Revenue Fund
ASSETS	
Cash and cash equivalents	\$ 15,927,890
Investments	-
Receivables, net:	
Property taxes	298,936
Other governmental units and agencies	1,891,040
Other	230,883
Inventories	201,002
Total assets	18,549,751
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
LIABILITIES	
Accounts payable	726,280
Payroll withholdings and accruals	311,029
Other liabilities	16,867
Retainage payable	-
Unearned revenue	563,281
Total liabilities	1,617,457
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	
Property taxes	181,324
Total deferred inflows of resources	181,324
 FUND BALANCES	
Nonspendable	201,002
Restricted:	
Tourism	3,044,576
Library	23,459
Public safety	4,766,044
Education	84,269
Economic development	5,170,313
Road maintenance	3,586,344
Debt service	-
Capital projects	-
Committed:	
Capital projects	-
Unassigned:	
Special revenue fund (deficit)	(125,037)
Total fund balances	16,750,970
 Total liabilities, deferred inflows of resources and fund balances	 \$ 18,549,751

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Debt Service Funds				
	County	Hannah/Salem	Johnsonville	Howe Springs	Windy Hill/
	Debt Service	Friendfield	Fire District	Fire District	Olanta
Fund	Debt Service	Fire District	Debt Service	Debt Service	Debt Service
Fund	Fund	Fund	Fund	Fund	Fund
ASSETS					
Cash and cash equivalents	\$ 3,591,422	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Receivables, net:					
Property taxes	135,262	-	-	-	-
Other governmental units and agencies	224,215	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	<u>3,950,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	1,945	-	-	-	-
Payroll withholdings and accruals	-	-	-	-	-
Other liabilities	329,807	-	-	-	-
Retainage payable	-	-	-	-	-
Unearned revenue	235,587	-	-	-	-
Total liabilities	<u>567,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues					
Property taxes	94,474	-	-	-	-
Total deferred inflows of resources	<u>94,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted:					
Tourism	-	-	-	-	-
Library	-	-	-	-	-
Public safety	-	-	-	-	-
Economic development	-	-	-	-	-
Road maintenance	-	-	-	-	-
Debt service	3,289,086	-	-	-	-
Capital projects	-	-	-	-	-
Committed:					
Capital projects	-	-	-	-	-
Unassigned:					
Special revenue fund (deficit)	-	-	-	-	-
Total fund balances	<u>3,289,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,950,899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Debt Service Funds			
	South Lynches	Unified		Total
	Fire District	Fire District	CPST2	Nonmajor
	Debt Service	Debt Service	Debt Service	Debt Service
	Fund	Fund	Fund	Funds
ASSETS				
Cash and cash equivalents	\$ 242,717	\$ 614,011	\$ 12,361,716	\$ 16,809,866
Investments	-	-	-	-
Receivables, net:				
Property taxes	3,283	40,615	-	179,160
Other governmental units and agencies	-	-	-	224,215
Other	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>246,000</u>	<u>654,626</u>	<u>12,361,716</u>	<u>17,213,241</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	-	535	-	2,480
Payroll withholdings and accruals	-	-	-	-
Other liabilities	-	-	-	329,807
Retainage payable	-	-	-	-
Unearned revenue	8,916	91,321	-	335,824
Total liabilities	<u>8,916</u>	<u>91,856</u>	<u>-</u>	<u>668,111</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Property taxes	4,539	25,684	-	124,697
Total deferred inflows of resources	<u>4,539</u>	<u>25,684</u>	<u>-</u>	<u>124,697</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted:				
Tourism	-	-	-	-
Library	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
Road maintenance	-	-	-	-
Debt service	232,545	537,086	12,361,716	16,420,433
Capital projects	-	-	-	-
Committed:				
Capital projects	-	-	-	-
Unassigned:				
Special revenue fund (deficit)	-	-	-	-
Total fund balances	<u>232,545</u>	<u>537,086</u>	<u>12,361,716</u>	<u>16,420,433</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 246,000</u>	<u>\$ 654,626</u>	<u>\$ 12,361,716</u>	<u>\$ 17,213,241</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Capital Projects Funds				
	County General Capital Project Fund	Windy Hill/ Olanta Fire District Capital Project Fund	2008 County General Capital Project Fund	Radio System Upgrade Capital Project Fund	Unified Fire District Capital Project Fund
ASSETS					
Cash and cash equivalents	\$ 70	\$ -	\$ 238,084	\$ 213,125	\$ 125,879
Investments	-	-	-	-	-
Receivables, net:					
Property taxes	-	-	-	-	-
Other governmental units and agencies	-	-	-	-	-
Other	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>70</u>	<u>-</u>	<u>238,084</u>	<u>213,125</u>	<u>125,879</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	-	-	-	-	-
Payroll withholdings and accruals	-	-	-	-	-
Other liabilities	-	-	-	-	-
Retainage payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues					
Property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted:					
Tourism	-	-	-	-	-
Library	-	-	-	-	-
Public safety	-	-	-	-	-
Economic development	-	-	-	-	-
Road maintenance	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	238,084	-	125,879
Committed:					
Capital projects	70	-	-	213,125	-
Unassigned:					
Special revenue fund (deficit)	-	-	-	-	-
Total fund balances	<u>70</u>	<u>-</u>	<u>238,084</u>	<u>213,125</u>	<u>125,879</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 70</u>	<u>\$ -</u>	<u>\$ 238,084</u>	<u>\$ 213,125</u>	<u>\$ 125,879</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Capital Projects Funds				
	Museum Capital Project Fund	Infrastructure Capital Project Fund	2006 County General Capital Project Fund	2011 County General Capital Project Fund	County Complex Capital Project Fund
ASSETS					
Cash and cash equivalents	\$ 135	\$ 1,232,647	\$ 1	\$ 20	\$ 2,923
Investments	-	-	-	-	-
Receivables, net:					
Property taxes	-	-	-	-	-
Other governmental units and agencies	-	-	-	-	-
Other	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>135</u>	<u>1,232,647</u>	<u>1</u>	<u>20</u>	<u>2,923</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	-	18,552	-	-	-
Payroll withholdings and accruals	-	-	-	-	-
Other liabilities	-	-	-	-	-
Retainage payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>18,552</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues					
Property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted:					
Tourism	-	-	-	-	-
Library	-	-	-	-	-
Public safety	-	-	-	-	-
Economic development	-	-	-	-	-
Road maintenance	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	135	-	-	20	-
Committed:					
Capital projects	-	1,214,095	1	-	2,923
Unassigned:					
Special revenue fund (deficit)	-	-	-	-	-
Total fund balances	<u>135</u>	<u>1,214,095</u>	<u>1</u>	<u>20</u>	<u>2,923</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 135</u>	<u>\$ 1,232,647</u>	<u>\$ 1</u>	<u>\$ 20</u>	<u>\$ 2,923</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Capital Projects Funds				
	Judicial Center Capital Project Fund	2017 Civic Center Capital Project Fund	Parking Deck Capital Project Fund	CPST2 Capital Project Fund	Economic Development Capital Project Fund
ASSETS					
Cash and cash equivalents	\$ 775,615	\$ 267,342	\$ 736,985	\$ 1,624,222	\$ 10,351,277
Investments	-	-	-	1	-
Receivables, net:	-	-	-	-	-
Property taxes	-	-	-	-	-
Other governmental units and agencies	-	-	-	-	-
Other	-	12,000	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>775,615</u>	<u>279,342</u>	<u>736,985</u>	<u>1,624,223</u>	<u>10,351,277</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	11,840	-	8,945	265,564	10,217
Payroll withholdings and accruals	-	-	-	-	-
Other liabilities	-	-	-	-	-
Retainage payable	-	-	-	159,797	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>11,840</u>	<u>-</u>	<u>8,945</u>	<u>425,361</u>	<u>10,217</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	-	-	-
Property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted:					
Tourism	-	-	-	-	-
Library	-	-	-	-	-
Public safety	-	-	-	-	-
Economic development	-	-	-	-	-
Road maintenance	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	763,775	279,342	728,040	1,198,862	10,341,060
Committed:					
Capital projects	-	-	-	-	-
Unassigned:					
Special revenue fund (deficit)	-	-	-	-	-
Total fund balances	<u>763,775</u>	<u>279,342</u>	<u>728,040</u>	<u>1,198,862</u>	<u>10,341,060</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 775,615</u>	<u>\$ 279,342</u>	<u>\$ 736,985</u>	<u>\$ 1,624,223</u>	<u>\$ 10,351,277</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	<u>Total Nonmajor Governmental Funds</u>	
	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 15,568,325	\$ 48,306,081
Investments	1	1
Receivables, net:		
Property taxes	-	478,096
Other governmental units and agencies	-	2,115,255
Other	12,000	242,883
Inventories	-	<u>201,002</u>
Total assets	<u>15,580,326</u>	<u>51,343,318</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable	315,118	1,043,878
Payroll withholdings and accruals	-	311,029
Other liabilities	-	346,674
Retainage payable	159,797	159,797
Unearned revenue	-	899,105
Total liabilities	<u>474,915</u>	<u>2,760,483</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues		
Property taxes	-	306,021
Total deferred inflows of resources	<u>-</u>	<u>306,021</u>
FUND BALANCES		
Nonspendable	-	201,002
Restricted:		
Tourism	-	3,044,576
Library	-	23,459
Public safety	-	4,766,044
Economic development	-	84,269
Road maintenance	-	5,170,313
Debt service	-	20,006,777
Capital projects	13,675,197	13,675,197
Committed:		
Capital projects	1,430,214	1,430,214
Unassigned:		
Special revenue fund (deficit)	-	(125,037)
Total fund balances	<u>15,105,411</u>	<u>48,276,814</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 15,580,326</u>	 <u>\$ 51,343,318</u>

FLORENCE COUNTY, SOUTH CAROLINA

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

	Special Revenue Funds				
	Florence	S.C.		Victim/Witness	Howe Springs
	Darlington	Accommodations		Law Library	Assistance
	Tech	Tax	Special Revenue	Special Revenue	Special Revenue
	Special Revenue	Special Revenue	Fund	Fund	Fund
	Fund	Fund			
Revenues:					
Taxes	\$ 2,786,399	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines and fees	-	-	19,870	101,626	-
Intergovernmental	27,447	346,174	-	15,291	36,394
Sales and other functional revenues	-	-	-	-	-
Miscellaneous	458	254	-	(84)	-
Total revenues	<u>2,814,304</u>	<u>346,428</u>	<u>19,870</u>	<u>116,833</u>	<u>36,394</u>
Expenditures:					
Current:					
General government	-	-	4,957	79,433	-
Public safety	-	-	-	145,610	36,394
Economic and physical development	-	-	-	-	-
Public works	-	-	-	-	-
Health	-	-	-	-	-
Welfare	-	-	-	-	-
Culture and recreation	-	260,000	-	-	-
Education	2,951,085	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirements	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Paying agent fees	-	-	-	-	-
Total expenditures	<u>2,951,085</u>	<u>260,000</u>	<u>4,957</u>	<u>225,043</u>	<u>36,394</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(136,781)</u>	<u>86,428</u>	<u>14,913</u>	<u>(108,210)</u>	<u>-</u>
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Issuance of leases	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Discount on bond issuance	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(104,002)
Total other financing sources (uses), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(104,002)</u>
Net change in fund balance	(136,781)	86,428	14,913	(108,210)	(104,002)
Fund balance (deficit), beginning of year	<u>221,050</u>	<u>102,567</u>	<u>8,546</u>	<u>(16,827)</u>	<u>104,002</u>
Fund balance (deficit), end of year	<u>\$ 84,269</u>	<u>\$ 188,995</u>	<u>\$ 23,459</u>	<u>\$ (125,037)</u>	<u>\$ -</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Special Revenue Funds				
	Sardis- Timmons- ville Fire District	Johnsonville Fire District	Economic Development Partnership	Economic Business Development	Local Hospitality Tax
	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ 1,198,346	\$ -
Licenses and permits	-	-	-	-	-
Fines and fees	-	-	-	-	2,098,937
Intergovernmental	-	4,969	59,429	-	-
Sales and other functional revenues	-	-	-	-	-
Miscellaneous	-	-	778	31,523	1,148
Total revenues	-	4,969	60,207	1,229,869	2,100,085
Expenditures:					
Current:					
General government	-	-	-	38,768	58,890
Public safety	-	4,969	-	-	-
Economic and physical development	-	-	588,532	87,438	-
Public works	-	-	-	-	-
Health	-	-	-	-	-
Welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	1,043,006
Education	-	-	-	-	-
Capital outlay	-	-	2,744	405,000	7,456
Debt service:					
Principal retirements	-	-	-	-	405,002
Interest	-	-	-	-	77,455
Bond issuance costs	-	-	-	-	-
Paying agent fees	-	-	-	-	-
Total expenditures	-	4,969	591,276	531,206	1,591,809
Excess (deficiency) of revenues over (under) expenditures	-	-	(531,069)	698,663	508,276
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Issuance of leases	-	-	-	-	7,456
Premium on bond issuance	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Discount on bond issuance	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	439,579	-	-
Transfers out	(24,969)	(26,706)	-	(500,326)	(258,103)
Total other financing sources (uses), net	(24,969)	(26,706)	439,579	(500,326)	(250,647)
Net change in fund balance	(24,969)	(26,706)	(91,490)	198,337	257,629
Fund balance (deficit), beginning of year	24,969	26,706	418,881	4,644,585	582,485
Fund balance (deficit), end of year	\$ -	\$ -	\$ 327,391	\$ 4,842,922	\$ 840,114

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Special Revenue Funds				
	Sheriff's Camps Special Revenue Fund	Sheriff's Sex Offender Special Revenue Fund	Seized Auction Special Revenue Fund	Road System Maintenance Fee Special Revenue Fund	Local Accommodations Fee Special Revenue Fund
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines and fees	-	10,830	39,169	3,682,216	2,588,985
Intergovernmental	-	-	-	-	1,492,345
Sales and other functional revenues	-	-	-	-	-
Miscellaneous	10	-	-	7,158	35,904
Total revenues	10	10,830	39,169	3,689,374	4,117,234
Expenditures:					
Current:					
General government	-	-	-	-	119,509
Public safety	-	2,059	-	-	-
Economic and physical development	-	-	-	-	-
Public works	-	-	-	2,389,017	-
Health	-	-	-	-	-
Welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	1,308,011
Education	-	-	-	-	-
Capital outlay	-	575	22,698	178,669	409,647
Debt service:					
Principal retirements	-	-	-	-	602,000
Interest	-	-	-	-	710,032
Bond issuance costs	-	-	-	-	-
Paying agent fees	-	-	-	-	1,500
Total expenditures	-	2,634	22,698	2,567,686	3,150,699
Excess (deficiency) of revenues over (under) expenditures	10	8,196	16,471	1,121,688	966,535
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Issuance of leases	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Discount on bond issuance	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	25,000	-
Transfers out	-	-	-	-	(284,000)
Total other financing sources (uses), net	-	-	-	25,000	(284,000)
Net change in fund balance	10	8,196	16,471	1,146,688	682,535
Fund balance (deficit), beginning of year	5,287	33,654	-	2,640,658	1,332,932
Fund balance (deficit), end of year	\$ 5,297	\$ 41,850	\$ 16,471	\$ 3,787,346	\$ 2,015,467

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Special Revenue Funds				
	Unified Fire District Special Revenue Fund	Emergency Management Special Revenue Fund	Jail Debt Service O&M Special Revenue Fund	Senior Citizens Center Special Revenue Fund	County Library Special Revenue Fund
Revenues:					
Taxes	\$ 6,045,755	\$ 2	\$ 15	\$ -	\$ 1
Licenses and permits	-	-	-	-	-
Fines and fees	1,695,745	-	-	-	-
Intergovernmental	-	-	-	-	-
Sales and other functional revenues	-	-	-	-	-
Miscellaneous	262,325	-	-	-	-
Total revenues	<u>8,003,825</u>	<u>2</u>	<u>15</u>	<u>-</u>	<u>1</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	6,263,282	-	-	-	-
Economic and physical development	-	-	-	-	-
Public works	-	-	-	-	-
Health	-	-	-	-	-
Welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	583,305	-	-	-	-
Debt service:					
Principal retirements	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Paying agent fees	-	-	-	-	-
Total expenditures	<u>6,846,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,157,238</u>	<u>2</u>	<u>15</u>	<u>-</u>	<u>1</u>
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Issuance of leases	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Discount on bond issuance	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	155,676	-	-	-	-
Transfers out	(39,024)	-	-	-	-
Total other financing sources (uses), net	<u>116,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,273,890	2	15	-	1
Fund balance (deficit), beginning of year	<u>3,428,206</u>	<u>40</u>	<u>247</u>	<u>2</u>	<u>23</u>
Fund balance (deficit), end of year	<u>\$ 4,702,096</u>	<u>\$ 42</u>	<u>\$ 262</u>	<u>\$ 2</u>	<u>\$ 24</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Special Revenue Funds
	Total
	Nonmajor
Revenues:	Special Revenue Fund
Taxes	\$ 10,030,518
Licenses and permits	-
Fines and fees	10,237,378
Intergovernmental	1,982,049
Sales and other functional revenues	-
Miscellaneous	339,474
Total revenues	22,589,419
Expenditures:	
Current:	
General government	301,557
Public safety	6,452,314
Economic and physical development	675,970
Public works	2,389,017
Health	-
Welfare	-
Culture and recreation	2,611,017
Education	2,951,085
Capital outlay	1,610,094
Debt service:	
Principal retirements	1,007,002
Interest	787,487
Bond issuance costs	-
Paying agent fees	1,500
Total expenditures	18,787,043
Excess (deficiency) of revenues over (under) expenditures	3,802,376
Other financing sources (uses):	
Issuance of debt	-
Issuance of leases	7,456
Premium on bond issuance	-
Payment to refunded bond escrow agent	-
Discount on bond issuance	-
Proceeds from sale of capital assets	-
Transfers in	620,255
Transfers out	(1,237,130)
Total other financing sources (uses), net	(609,419)
Net change in fund balance	3,192,957
Fund balance, beginning of year	13,558,013
Fund balance, end of year	\$ 16,750,970

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Debt Service Funds				
	County	Hannah/Salem Friendfield Fire District	Johnsonville Fire District	Howe Springs Fire District	Windy Hill/ Olanta Fire District
	Debt Service Fund	Debt Service Fund	Debt Service Fund	Debt Service Fund	Debt Service Fund
Revenues:					
Taxes	\$ 8,054,143	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines and fees	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Sales and other functional revenues	-	-	-	-	-
Miscellaneous	6,539	-	-	-	-
Total revenues	<u>8,060,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Public works	-	-	-	-	-
Health	-	-	-	-	-
Welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirements	9,869,553	-	-	-	-
Interest	1,686,381	-	-	-	-
Bond issuance costs	4,770	-	-	-	-
Paying agent fees	42,953	-	-	-	-
Total expenditures	<u>11,603,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,542,975)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Issuance of debt	4,836,000	-	-	-	-
Issuance of leases	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Discount on bond issuance	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	450,000	-	-	-	-
Transfers out	-	(6,687)	(17,290)	(82,195)	(149,306)
Total other financing sources (uses), net	<u>5,286,000</u>	<u>(6,687)</u>	<u>(17,290)</u>	<u>(82,195)</u>	<u>(149,306)</u>
Net change in fund balance	1,743,025	(6,687)	(17,290)	(82,195)	(149,306)
Fund balance, beginning of year	<u>1,546,061</u>	<u>6,687</u>	<u>17,290</u>	<u>82,195</u>	<u>149,306</u>
Fund balance, end of year	<u>\$ 3,289,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Debt Service Funds			
	South Lynches	Unified	CPST2	Total
	Fire District	Fire District	Debt Service	Nonmajor
	Debt Service	Debt Service	Debt Service	Debt Service
	Fund	Fund	Fund	Funds
Revenues:				
Taxes	\$ 113,265	\$ 1,295,200	\$ -	\$ 9,462,608
Licenses and permits	-	-	-	-
Fines and fees	-	-	-	-
Intergovernmental	55,104	-	-	55,104
Sales and other functional revenues	-	-	-	-
Miscellaneous	469	1,618	-	8,626
Total revenues	<u>168,838</u>	<u>1,296,818</u>	<u>-</u>	<u>9,526,338</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Public works	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirements	154,894	2,250,517	-	12,274,964
Interest	23,164	326,968	-	2,036,513
Bond issuance costs	-	35,442	-	40,212
Paying agent fees	-	-	-	42,953
Total expenditures	<u>178,058</u>	<u>2,612,927</u>	<u>-</u>	<u>14,394,642</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,220)</u>	<u>(1,316,109)</u>	<u>-</u>	<u>(4,868,304)</u>
Other financing sources (uses):				
Issuance of debt	-	35,000	-	4,871,000
Issuance of leases	-	-	-	-
Premium on bond issuance	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Discount on bond issuance	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	255,479	-	705,479
Transfers out	-	-	(4,470,001)	(4,725,479)
Total other financing sources (uses), net	<u>-</u>	<u>290,479</u>	<u>(4,470,001)</u>	<u>851,000</u>
Net change in fund balance	(9,220)	(1,025,630)	(4,470,001)	(4,017,304)
Fund balance, beginning of year	<u>241,765</u>	<u>1,562,716</u>	<u>16,831,717</u>	<u>20,437,737</u>
Fund balance, end of year	<u>\$ 232,545</u>	<u>\$ 537,086</u>	<u>\$ 12,361,716</u>	<u>\$ 16,420,433</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Capital Projects Funds				
	County General Capital Project Fund	Windy Hill/ Olanta Fire District Capital Project Fund	2008 County General Capital Project Fund	Radio System Upgrade Capital Project Fund	Unified Fire District Capital Project Fund
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines and fees	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Sales and other functional revenues	-	-	-	-	-
Miscellaneous	-	-	532	476	691
Total revenues	-	-	532	476	691
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Public works	-	-	-	-	-
Health	-	-	-	-	-
Welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	876,925
Debt service:					
Principal retirements	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Paying agent fees	-	-	-	-	-
Total expenditures	-	-	-	-	876,925
Excess (deficiency) of revenues over (under) expenditures	-	-	532	476	(876,234)
Other financing sources (uses):					
Issuance of debt	-	-	-	-	980,000
Issuance of leases	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Discount on bond issuance	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	453
Transfers out	-	(453)	-	-	-
Total other financing sources (uses), net	-	(453)	-	-	980,453
Net change in fund balance	-	(453)	532	476	104,219
Fund balance, beginning of year	70	453	237,552	212,649	21,660
Fund balance, end of year	\$ 70	\$ -	\$ 238,084	\$ 213,125	\$ 125,879

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Capital Projects Funds				
	Museum Capital Project Fund	Infrastructure Capital Project Fund	2006 County General Capital Project Fund	2011 County General Capital Project Fund	County Complex Capital Project Fund
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines and fees	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Sales and other functional revenues	-	-	-	-	-
Miscellaneous	-	-	-	-	7
Total revenues	-	-	-	-	7
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Public works	-	-	-	-	-
Health	-	-	-	-	-
Welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	273,385	-	-	-
Debt service:					
Principal retirements	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Paying agent fees	-	-	-	-	-
Total expenditures	-	273,385	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	(273,385)	-	-	7
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Issuance of leases	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Discount on bond issuance	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	675,000	-	-	-
Total other financing sources (uses), net	-	675,000	-	-	-
Net change in fund balance	-	401,615	-	-	7
Fund balance (deficit), beginning of year	135	812,480	1	20	2,916
Fund balance, end of year	\$ 135	\$ 1,214,095	\$ 1	\$ 20	\$ 2,923

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Capital Projects Funds				
	Judicial Center	2017	Parking Deck	CPST2	Economic
	Capital Project Fund	Civic Center Capital Project Fund	Capital Project Fund	Capital Project Fund	Development Capital Project Funds
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines and fees	-	-	-	-	-
Intergovernmental	-	16,350	-	-	-
Sales and other functional revenues	-	-	-	-	-
Miscellaneous	2,028	-	-	(2,348)	28,355
Total revenues	<u>2,028</u>	<u>16,350</u>	<u>-</u>	<u>(2,348)</u>	<u>28,355</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Public works	-	-	-	-	-
Health	-	-	-	-	-
Welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	191,116	-	508,096	1,794,603	4,517,941
Debt service:					
Principal retirements	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Paying agent fees	-	-	-	-	-
Total expenditures	<u>191,116</u>	<u>-</u>	<u>508,096</u>	<u>1,794,603</u>	<u>4,517,941</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(189,088)</u>	<u>16,350</u>	<u>(508,096)</u>	<u>(1,796,951)</u>	<u>(4,489,586)</u>
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Issuance of leases	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Discount on bond issuance	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	3,500,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,500,000</u>	<u>-</u>
Net change in fund balance	(189,088)	16,350	(508,096)	1,703,049	(4,489,586)
Fund balance (deficit), beginning of year	<u>952,863</u>	<u>262,992</u>	<u>1,236,136</u>	<u>(504,187)</u>	<u>14,830,646</u>
Fund balance, end of year	<u>\$ 763,775</u>	<u>\$ 279,342</u>	<u>\$ 728,040</u>	<u>\$ 1,198,862</u>	<u>\$ 10,341,060</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:		
Taxes	\$ -	\$ 19,493,126
Licenses and permits	-	-
Fines and fees	-	10,237,378
Intergovernmental	16,350	2,053,503
Sales and other functional revenues	-	-
Miscellaneous	29,741	377,841
Total revenues	<u>46,091</u>	<u>32,161,848</u>
Expenditures:		
Current:		
General government	-	301,557
Public safety	-	6,452,314
Economic and physical development	-	675,970
Public works	-	2,389,017
Health	-	-
Welfare	-	-
Culture and recreation	-	2,611,017
Education	-	2,951,085
Capital outlay	8,162,066	9,772,160
Debt service:		
Principal retirements	-	13,281,966
Interest	-	2,824,000
Bond issuance costs	-	40,212
Paying agent fees	-	44,453
Total expenditures	<u>8,162,066</u>	<u>41,343,751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,115,975)</u>	<u>(9,181,903)</u>
Other financing sources (uses):		
Issuance of debt	980,000	5,851,000
Issuance of leases	-	7,456
Premium on bond issuance	-	-
Payment to refunded bond escrow agent	-	-
Discount on bond issuance	-	-
Proceeds from sale of capital assets	-	-
Transfers in	3,500,453	4,826,187
Transfers out	674,547	(5,288,062)
Total other financing sources (uses), net	<u>5,155,000</u>	<u>5,396,581</u>
Net change in fund balance	(2,960,975)	(3,785,322)
Fund balance (deficit), beginning of year	<u>18,066,386</u>	<u>52,062,136</u>
Fund balance, end of year	<u>\$ 15,105,411</u>	<u>\$ 48,276,814</u>

FLORENCE COUNTY, SOUTH CAROLINA

LAW LIBRARY

SPECIAL REVENUE FUND

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

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Fines and fees	\$ 27,000	\$ 19,870	\$ (7,130)
Total revenues	<u>27,000</u>	<u>19,870</u>	<u>(7,130)</u>
Expenditures:			
Current:			
Public safety	31,328	4,957	26,371
Total expenditures	<u>31,328</u>	<u>4,957</u>	<u>26,371</u>
Net change in fund balance	<u>\$ (4,328)</u>	14,913	<u>\$ 19,241</u>
Fund balance, beginning of year		<u>8,546</u>	
Fund balance, end of year		<u>\$ 23,459</u>	

FLORENCE COUNTY, SOUTH CAROLINA

**VICTIM/WITNESS ASSISTANCE
SPECIAL REVENUE FUND**

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

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Fines and fees	\$ 181,000	\$ 101,626	\$ (79,374)
Intergovernmental	-	15,291	15,291
Miscellaneous	-	(84)	(84)
Total revenues	<u>181,000</u>	<u>116,833</u>	<u>(64,167)</u>
Expenditures:			
Current:			
General government	75,487	79,433	(3,946)
Public safety	145,325	145,610	(285)
Total expenditures	<u>220,812</u>	<u>225,043</u>	<u>(4,231)</u>
Net change in fund balance	<u>\$ (39,812)</u>	(108,210)	<u>\$ (68,398)</u>
Fund balance (deficit), beginning of year		<u>(16,827)</u>	
Fund balance (deficit), end of year		<u>\$ (125,037)</u>	

FLORENCE COUNTY, SOUTH CAROLINA

**ECONOMIC DEVELOPMENT PARTNERSHIP
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 58,600	\$ 59,429	\$ 829
Miscellaneous	-	778	778
Total revenues	<u>58,600</u>	<u>60,207</u>	<u>1,607</u>
Expenditures:			
Current:			
Economic and physical development	559,585	588,532	(28,947)
Capital outlay	<u>2,500</u>	<u>2,744</u>	<u>(244)</u>
Total expenditures	<u>562,085</u>	<u>591,276</u>	<u>(29,191)</u>
Deficiency of revenues under expenditures	<u>(503,485)</u>	<u>(531,069)</u>	<u>(27,584)</u>
Other financing sources (uses):			
Transfers in	<u>389,253</u>	<u>439,579</u>	<u>50,326</u>
Total other financing sources	<u>389,253</u>	<u>439,579</u>	<u>50,326</u>
Net change in fund balance	<u>\$ (114,232)</u>	<u>(91,490)</u>	<u>\$ 22,742</u>
Fund balance, beginning of year		<u>418,881</u>	
Fund balance, end of year		<u>\$ 327,391</u>	

FLORENCE COUNTY, SOUTH CAROLINA

**LOCAL HOSPITALITY TAX
SPECIAL REVENUE FUND**

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Fines and fees	\$ 1,675,000	\$ 2,098,937	\$ 423,937
Intergovernmental	52,000	-	(52,000)
Miscellaneous	-	1,148	1,148
Total revenues	<u>1,727,000</u>	<u>2,100,085</u>	<u>373,085</u>
Expenditures:			
Current:			
General government	56,247	58,890	(2,643)
Culture and recreation	1,346,715	1,043,006	303,709
Capital outlay	-	7,456	(7,456)
Debt service:			
Principal retirements	145,000	405,002	(260,002)
Interest	72,788	77,455	(4,667)
Total expenditures	<u>1,620,750</u>	<u>1,591,809</u>	<u>28,941</u>
Excess of revenues over expenditures	<u>106,250</u>	<u>508,276</u>	<u>402,026</u>
Other financing sources (uses):			
Issuance of leases	-	7,456	7,456
Transfers in	6,893	-	(6,893)
Transfers out	(264,000)	(258,103)	5,897
Total other financing uses, net	<u>(257,107)</u>	<u>(250,647)</u>	<u>6,460</u>
Net change in fund balance	<u>\$ (150,857)</u>	257,629	<u>\$ 408,486</u>
Fund balance, beginning of year		<u>582,485</u>	
Fund balance, end of year		<u>\$ 840,114</u>	

FLORENCE COUNTY, SOUTH CAROLINA

**LOCAL ACCOMMODATIONS FEE
SPECIAL REVENUE FUND**

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Fines and fees	\$ 1,955,000	\$ 2,588,985	\$ 633,985
Intergovernmental	1,484,396	1,492,345	7,949
Miscellaneous	1,000	35,904	34,904
Total revenues	<u>3,440,396</u>	<u>4,117,234</u>	<u>676,838</u>
Expenditures:			
Current:			
General government	160,000	119,509	40,491
Culture and recreation	1,256,759	1,308,011	(51,252)
Capital outlay	400,000	409,647	(9,647)
Debt service:			
Principal retirements	602,000	602,000	-
Interest	710,032	710,032	-
Paying agent fees	-	1,500	(1,500)
Total expenditures	<u>3,128,791</u>	<u>3,150,699</u>	<u>(21,908)</u>
Excess of revenues over expenditures	<u>311,605</u>	<u>966,535</u>	<u>654,930</u>
Other financing sources (uses):			
Transfers out	<u>(284,000)</u>	<u>(284,000)</u>	<u>-</u>
Total other financing uses, net	<u>(284,000)</u>	<u>(284,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 27,605</u>	682,535	<u>\$ 654,930</u>
Fund balance, beginning of year		<u>1,332,932</u>	
Fund balance, end of year		<u>\$ 2,015,467</u>	

FLORENCE COUNTY, SOUTH CAROLINA

SHERIFF'S CAMPS

SPECIAL REVENUE FUND

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Miscellaneous	\$ 36,103	\$ 10	\$ (36,093)
Total revenues	<u>36,103</u>	<u>10</u>	<u>(36,093)</u>
Expenditures:			
Current:			
Public safety	36,103	-	36,103
Total expenditures	<u>36,103</u>	<u>-</u>	<u>36,103</u>
Net change in fund balance	<u>\$ -</u>	10	<u>\$ 10</u>
Fund balance, beginning of year		<u>5,287</u>	
Fund balance, end of year		<u>\$ 5,297</u>	

FLORENCE COUNTY, SOUTH CAROLINA

**SHERIFF'S SEX OFFENDER
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Fines and fees	\$ 13,500	\$ 10,830	\$ (2,670)
Total revenues	<u>13,500</u>	<u>10,830</u>	<u>(2,670)</u>
Expenditures:			
Current:			
Public safety	36,365	2,059	34,306
Capital outlay	-	575	(575)
Total expenditures	<u>36,365</u>	<u>2,634</u>	<u>33,731</u>
Net change in fund balance	<u>\$ (22,865)</u>	8,196	<u>\$ 31,061</u>
Fund balance, beginning of year		<u>33,654</u>	
Fund balance, end of year		<u>\$ 41,850</u>	

FLORENCE COUNTY, SOUTH CAROLINA

**ROAD SYSTEM MAINTENANCE FEE
SPECIAL REVENUE FUND**

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Fines and fees	\$ 3,652,545	\$ 3,682,216	\$ 29,671
Miscellaneous	-	7,158	7,158
Total revenues	<u>3,652,545</u>	<u>3,689,374</u>	<u>36,829</u>
Expenditures:			
Current:			
Public works	3,044,694	2,389,017	655,677
Capital outlay	1,028,000	178,669	849,331
Total expenditures	<u>4,072,694</u>	<u>2,567,686</u>	<u>1,505,008</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(420,149)</u>	<u>1,121,688</u>	<u>1,541,837</u>
Other financing sources (uses):			
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total other financing sources	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (395,149)</u>	1,146,688	<u>\$ 1,541,837</u>
Fund balance, beginning of year		<u>2,640,658</u>	
Fund balance, end of year		<u>\$ 3,787,346</u>	

FLORENCE COUNTY, SOUTH CAROLINA

**UNIFIED FIRE DISTRICT
SPECIAL REVENUE FUND**

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Taxes	\$ 5,628,841	\$ 6,045,755	\$ 416,914
Fines and fees	1,562,390	1,695,745	133,355
Miscellaneous	-	262,325	262,325
Total revenues	<u>7,191,231</u>	<u>8,003,825</u>	<u>812,594</u>
Expenditures:			
Current:			
Public safety	7,047,616	6,263,282	784,334
Capital outlay	55,615	583,305	(527,690)
Total expenditures	<u>7,103,231</u>	<u>6,846,587</u>	<u>256,644</u>
Excess of revenues over expenditures	<u>88,000</u>	<u>1,157,238</u>	<u>1,069,238</u>
Other financing sources (uses):			
Transfers in	-	155,676	155,676
Transfers out	(39,024)	(39,024)	-
Total other financing sources (uses)	<u>(39,024)</u>	<u>116,652</u>	<u>155,676</u>
Net change in fund balance	<u>\$ 48,976</u>	1,273,890	<u>\$ 1,224,914</u>
Fund balance, beginning of year		<u>3,428,206</u>	
Fund balance, end of year		<u>\$ 4,702,096</u>	

FLORENCE COUNTY, SOUTH CAROLINA

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

	School District General Fund	School District Debt Service Court	School District Capital Project Fund	Municipalities Fund
ASSETS				
Cash and cash equivalents	\$ 7,143,753	\$ 7,334,530	\$ 9,824,250	\$ 252,482
Property taxes	2,632,377	457,122	-	341,720
Other	-	-	-	-
Due from others	-	-	-	-
Total assets	9,776,130	7,791,652	9,824,250	594,202
LIABILITIES				
Accounts payable	-	-	-	-
Uncollected taxes	2,632,377	457,122	-	341,720
Due to local governments	-	7,726	-	37,113
Due to other taxing entities	26,964	-	-	-
Total liabilities	2,659,341	464,848	-	378,833
NET POSITION				
Restricted for individuals, organizations and other governments	7,116,789	7,326,804	9,824,250	215,369
Total net position	\$ 7,116,789	\$ 7,326,804	\$ 9,824,250	\$ 215,369

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Fire Board Fund	Lynches Lake/Camp Branch Fund	Salem Watershed Fund	Williamsburg County Fund
ASSETS				
Cash and cash equivalents	\$ 16,182	\$ 10,165	\$ 86,900	\$ 1,968
Property taxes	-	-	-	-
Other	-	-	-	-
Due from others	-	-	-	-
Total assets	16,182	10,165	86,900	1,968
LIABILITIES				
Accounts payable	-	-	-	-
Uncollected taxes	-	-	-	-
Due to local governments	-	-	-	-
Due to other taxing entities	-	-	-	-
Total liabilities	-	-	-	-
NET POSITION				
Restricted for individuals, organizations and other governments	16,182	10,165	86,900	1,968
Total net position	\$ 16,182	\$ 10,165	\$ 86,900	\$ 1,968

FLORENCE COUNTY, SOUTH CAROLINA

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

	Magistrate Fund	Clerk of Court Fund	Sheriff's Fund	Total
ASSETS				
Cash and cash equivalents	\$ 184,399	\$ 1,670,067	\$ 2,217,331	\$ 28,742,027
Property taxes	-	-	-	3,431,219
Other	-	-	19,077	19,077
Due from others	-	-	88,442	88,442
Total assets	184,399	1,670,067	2,324,850	32,280,765
LIABILITIES				
Accounts payable	-	-	25,140	25,140
Uncollected taxes	-	-	-	3,431,219
Due to local governments	-	-	-	44,839
Due to other taxing entities	-	-	107,519	134,483
Total liabilities	-	-	132,659	3,635,681
NET POSITION				
Restricted for individuals, organizations and other governments	184,399	1,670,067	2,192,191	28,645,084
Total net position	\$ 184,399	\$ 1,670,067	\$ 2,192,191	\$ 28,645,084

FLORENCE COUNTY, SOUTH CAROLINA

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

	School District General Fund	School District Debt Service Court	School District Capital Project Fund	Municipalities Fund
ADDITIONS				
Current property taxes	\$ 48,297,634	\$ 20,284,263	\$ -	\$ 13,043,894
Inventory exemption	242,830	204,288	-	-
Vehicle taxes	15,934,345	2,942,218	-	1,882,030
Delinquent property taxes	3,011,259	752,335	-	1,015,609
Penalties	101,491	47,584	-	16,908
Fee transfer	(37,638)	(2,022)	-	-
State and federal aid	197,047,195	-	-	-
Interest on investments	14,650	19,963	15,885	-
Proceeds from bond issue	-	-	18,654,266	-
State homestead exemption	34,017,688	935,180	-	-
Fees in lieu of taxes	6,143,039	1,325,508	-	36,819
Watercraft taxes	569,365	99,871	-	48,780
Cash received from others	-	-	-	-
Miscellaneous	51	7	-	-
Less: local option sales tax credits	-	-	-	(6,997,391)
Total additions	305,341,909	26,609,195	18,670,151	9,046,649
DEDUCTIONS				
Claims paid	306,849,143	-	16,818,447	8,992,206
Cash paid to others	-	-	-	-
Refunds	220,556	34,734	-	19,694
Bond principal payments	-	24,003,527	-	-
Interest payments	-	1,720,164	-	-
Paying agent fees	-	1,158	-	-
Total deductions	307,069,699	25,759,583	16,818,447	9,011,900
Change in fiduciary net position	(1,727,790)	849,612	1,851,704	34,749
Net position, beginning of year	8,844,579	6,477,192	7,972,546	180,620
Net position, end of year	\$ 7,116,789	\$ 7,326,804	\$ 9,824,250	\$ 215,369

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Fire Board Fund	Lynches Lake/Camp Branch Fund	Salem Watershed Fund	Williamsburg County Fund
ADDITIONS				
Current property taxes	\$ 454,030	\$ 7,665	\$ 71,755	\$ 3,036,744
Inventory exemption	11,208	-	-	-
Vehicle taxes	88,002	87	830	9,282
Delinquent property taxes	27,893	658	5,942	-
Penalties	885	24	253	-
Fee transfer	-	-	-	-
State and federal aid	303,751	-	-	-
Interest on investments	83	18	106	-
Proceeds from bond issue	-	-	-	-
State homestead exemption	24,762	817	8,973	-
Fees in lieu of taxes	91,547	-	-	1,045,529
Watercraft taxes	4,934	-	-	-
Cash received from others	-	-	-	-
Miscellaneous	-	-	-	-
Less: local option sales tax credits	-	-	-	-
Total additions	1,007,095	9,269	87,859	4,091,555
DEDUCTIONS				
Claims paid	1,362,858	8,500	81,500	4,090,572
Cash paid to others	-	-	-	-
Refunds	1,145	-	-	-
Bond principal payments	-	-	-	-
Interest payments	-	-	-	-
Paying agent fees	-	-	-	-
Total deductions	1,364,003	8,500	81,500	4,090,572
Change in fiduciary net position	(356,908)	769	6,359	983
Net position, beginning of year	373,090	9,396	80,541	985
Net position, end of year	\$ 16,182	\$ 10,165	\$ 86,900	\$ 1,968

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

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

	Magistrate Fund	Clerk of Court Fund	Sheriff's Fund	Total
ADDITIONS				
Current property taxes	\$ -	\$ -	\$ -	\$ 85,195,985
Inventory exemption	-	-	-	458,326
Vehicle taxes	-	-	-	20,856,794
Delinquent property taxes	-	-	-	4,813,696
Penalties	-	-	-	167,145
Fee transfer	-	-	-	(39,660)
State and federal aid	-	-	-	197,350,946
Interest on investments	-	-	843	51,548
Proceeds from bond issue	-	-	-	18,654,266
State homestead exemption	-	-	-	34,987,420
Fees in lieu of taxes	-	-	-	8,642,442
Watercraft taxes	-	-	-	722,950
Cash received from others	1,672,906	-	3,744,406	5,417,312
Miscellaneous	-	-	-	58
Less: local option sales tax credits	-	-	-	(6,997,391)
Total additions	1,672,906	-	3,745,249	370,281,837
DEDUCTIONS				
Claims paid	1,678,021	-	-	339,881,247
Cash paid to others	-	146,135	2,750,498	2,896,633
Refunds	-	-	-	276,129
Bond principal payments	-	-	-	24,003,527
Interest payments	-	-	-	1,720,164
Paying agent fees	-	-	-	1,158
Total deductions	1,678,021	146,135	2,750,498	368,778,858
Change in fiduciary net position	(5,115)	(146,135)	994,751	1,502,979
Net position, beginning of year	189,514	1,816,202	1,197,440	27,142,105
Net position, end of year	\$ 184,399	\$ 1,670,067	\$ 2,192,191	\$ 28,645,084

FLORENCE COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
SCHOOL DISTRICT GENERAL FUND
JUNE 30, 2022**

	District One	District Two	District Three	District Four	District Five	Total
ASSETS						
Cash and cash equivalents	\$ 5,532,090	\$ 320,758	\$ 789,474	\$ 185,282	\$ 316,149	\$ 7,143,753
Property taxes receivable	1,824,570	202,459	327,539	90,124	187,685	2,632,377
Total assets	<u>7,356,660</u>	<u>523,217</u>	<u>1,117,013</u>	<u>275,406</u>	<u>503,834</u>	<u>9,776,130</u>
LIABILITIES						
Uncollected taxes	1,824,570	202,459	327,539	90,124	187,685	2,632,377
Due to other taxing entities	26,964	-	-	-	-	26,964
Total liabilities	<u>1,851,534</u>	<u>202,459</u>	<u>327,539</u>	<u>90,124</u>	<u>187,685</u>	<u>2,659,341</u>
NET POSITION						
Restricted for organizations and other governments	<u>5,505,126</u>	<u>320,758</u>	<u>789,474</u>	<u>185,282</u>	<u>316,149</u>	<u>7,116,789</u>
Total net position	<u>\$ 5,505,126</u>	<u>\$ 320,758</u>	<u>\$ 789,474</u>	<u>\$ 185,282</u>	<u>\$ 316,149</u>	<u>7,116,789</u>

FLORENCE COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
SCHOOL DISTRICT DEBT SERVICE FUND
JUNE 30, 2022**

	District One	District Two	District Three	District Four	District Five	Total
ASSETS						
Cash and cash equivalents	\$ 5,886,181	\$ 154,604	\$ 203,229	\$ 1,014,613	\$ 75,903	\$ 7,334,530
Property taxes	333,973	48,627	25,866	25,011	23,645	457,122
Total assets	<u>6,220,154</u>	<u>203,231</u>	<u>229,095</u>	<u>1,039,624</u>	<u>99,548</u>	<u>7,791,652</u>
LIABILITIES						
Uncollected taxes	333,973	48,627	25,866	25,011	23,645	457,122
Due to local governments	7,726	-	-	-	-	7,726
Total liabilities	<u>341,699</u>	<u>48,627</u>	<u>25,866</u>	<u>25,011</u>	<u>23,645</u>	<u>464,848</u>
NET POSITION						
Restricted for organizations and other governments	<u>5,878,455</u>	<u>154,604</u>	<u>203,229</u>	<u>1,014,613</u>	<u>75,903</u>	<u>7,326,804</u>
Total net position	<u>\$ 5,878,455</u>	<u>\$ 154,604</u>	<u>\$ 203,229</u>	<u>\$ 1,014,613</u>	<u>\$ 75,903</u>	<u>\$ 7,326,804</u>

FLORENCE COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
SCHOOL DISTRICT CAPITAL PROJECT FUND
JUNE 30, 2022**

	District One	District Two	District Three	District Four	District Five	Total
ASSETS						
Cash and cash equivalents	\$ 9,106,581	\$ 251,905	\$ 187,593	\$ 1,181	\$ 276,990	\$ 9,824,250
Property taxes	-	-	-	-	-	-
Total assets	<u>9,106,581</u>	<u>251,905</u>	<u>187,593</u>	<u>1,181</u>	<u>276,990</u>	<u>9,824,250</u>
NET POSITION						
Restricted for organizations and other governments	<u>9,106,581</u>	<u>251,905</u>	<u>187,593</u>	<u>1,181</u>	<u>276,990</u>	<u>9,824,250</u>
Total net position	<u>\$ 9,106,581</u>	<u>\$ 251,905</u>	<u>\$ 187,593</u>	<u>\$ 1,181</u>	<u>\$ 276,990</u>	<u>\$ 9,824,250</u>

FLORENCE COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SCHOOL DISTRICT GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	District One	District Two	District Three	District Four	District Five	Total
ADDITIONS						
Current property taxes	\$ 38,277,480	\$ 1,372,289	\$ 6,300,640	\$ 1,057,619	\$ 1,289,606	\$ 48,297,634
Inventory exemption	440,969	9,789	(233,300)	17,467	7,905	242,830
Vehicle taxes	12,385,488	631,867	1,728,743	467,079	721,168	15,934,345
Delinquent property taxes	2,138,323	126,057	449,266	148,151	149,462	3,011,259
Penalties	79,772	4,325	11,070	3,273	3,051	101,491
Fee transfer	-	-	(37,638)	-	-	(37,638)
State and federal aid	138,437,283	10,739,976	29,333,780	6,836,903	11,699,253	197,047,195
Interest on investments	11,411	501	1,709	514	515	14,650
State homestead exemption	26,050,130	1,436,990	3,979,219	999,496	1,551,853	34,017,688
Fees in lieu of taxes	4,526,621	13,721	566,784	1,007,003	28,910	6,143,039
Watercraft taxes	384,911	34,545	85,039	22,432	42,438	569,365
Miscellaneous	51	-	-	-	-	51
Total additions	222,732,439	14,370,060	42,185,312	10,559,937	15,494,161	305,341,909
DEDUCTIONS						
Claims paid	223,156,676	14,425,063	43,090,745	10,612,534	15,564,125	306,849,143
Refunds	168,970	8,392	25,642	7,239	10,313	220,556
Total deductions	223,325,646	14,433,455	43,116,387	10,619,773	15,574,438	307,069,699
Change in fiduciary net position	(593,207)	(63,395)	(931,075)	(59,836)	(80,277)	(1,727,790)
Net position, beginning of year	6,098,333	384,153	1,720,549	245,118	396,426	8,844,579
Net position, end of year	\$ 5,505,126	\$ 320,758	\$ 789,474	\$ 185,282	\$ 316,149	\$ 7,116,789

FLORENCE COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SCHOOL DISTRICT DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	District One	District Two	District Three	District Four	District Five	Total
ADDITIONS						
Current property taxes	\$ 19,275,621	\$ 390,157	\$ 428,091	\$ (24,660)	\$ 215,054	\$ 20,284,263
Inventory exemption	175,434	1,240	22,165	2,015	3,434	204,288
Vehicle taxes	2,651,050	114,048	101,713	280	75,127	2,942,218
Delinquent property taxes	655,040	37,275	36,626	1,894	21,500	752,335
Penalties	43,122	1,974	1,628	-	860	47,584
Fee transfer	-	-	(2,022)	-	-	(2,022)
Interest on investments	16,188	474	694	2,263	344	19,963
State homestead exemption	841,923	43,283	30,451	-	19,523	935,180
Fees in lieu of taxes	1,297,076	2,378	23,238	-	2,816	1,325,508
Watercraft taxes	84,206	6,264	5,000	-	4,401	99,871
Miscellaneous	7	-	-	-	-	7
Total additions	25,039,667	597,093	647,584	(18,208)	343,059	26,609,195
DEDUCTIONS						
Refunds	30,514	1,546	1,572	-	1,102	34,734
Bond principal payments	22,405,000	635,206	605,000	-	358,321	24,003,527
Interest payments	1,598,639	9,841	100,796	-	10,888	1,720,164
Paying agent fees	1,158	-	-	-	-	1,158
Total deductions	24,035,311	646,593	707,368	-	370,311	25,759,583
Change in fiduciary net position	1,004,356	(49,500)	(59,784)	(18,208)	(27,252)	849,612
Net position, beginning of year	4,874,099	204,104	263,013	1,032,821	103,155	6,477,192
Net position, end of year	\$ 5,878,455	\$ 154,604	\$ 203,229	\$ 1,014,613	\$ 75,903	\$ 7,326,804

FLORENCE COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SCHOOL DISTRICT CAPITAL PROJECT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	District One	District Two	District Three	District Four	District Five	Total
ADDITIONS						
Interest on investments	\$ 13,666	\$ 163	\$ 1,399	\$ 5	\$ 652	\$ 15,885
Proceeds from bond issue	18,403,632	250,634	-	-	-	18,654,266
Total additions	18,417,298	250,797	1,399	5	652	18,670,151
DEDUCTIONS						
Claims paid	15,743,199	-	1,014,270	-	60,978	16,818,447
Total deductions	15,743,199	-	1,014,270	-	60,978	16,818,447
Change in fiduciary net position	2,674,099	250,797	(1,012,871)	5	(60,326)	1,851,704
Net position, beginning of year	6,432,482	1,108	1,200,464	1,176	337,316	7,972,546
Net position, end of year	<u>\$ 9,106,581</u>	<u>\$ 251,905</u>	<u>\$ 187,593</u>	<u>\$ 1,181</u>	<u>\$ 276,990</u>	<u>\$ 9,824,250</u>

FLORENCE COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
MUNICIPALITIES FUND
JUNE 30, 2022

	Florence	Quinby	Pamplico	Lake City	Olanta
ASSETS					
Cash and cash equivalents	\$ 190,996	\$ -	\$ 2,433	\$ 48,801	\$ 637
Property taxes receivable	120,098	14	20,840	93,109	3,341
Total assets	311,094	14	23,273	141,910	3,978
LIABILITIES					
Uncollected taxes	120,098	14	20,840	93,109	3,341
Due to local governments	36,819	294	-	-	-
Total liabilities	156,917	308	20,840	93,109	3,341
NET POSITION					
Restricted for organizations and other governments	154,177	(294)	2,433	48,801	637
Total net position	\$ 154,177	\$ (294)	\$ 2,433	\$ 48,801	\$ 637

FLORENCE COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
MUNICIPALITIES FUND
JUNE 30, 2022

	<u>Coward</u>	<u>Scranton</u>	<u>Timmonsville</u>	<u>Johnsonville</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 131	\$ 190	\$ 8,131	\$ 1,163	\$ 252,482
Property taxes receivable	-	-	45,091	59,227	341,720
Total assets	<u>131</u>	<u>190</u>	<u>53,222</u>	<u>60,390</u>	<u>594,202</u>
LIABILITIES					
Uncollected taxes	-	-	45,091	59,227	341,720
Due to local governments	-	-	-	-	37,113
Total liabilities	<u>-</u>	<u>-</u>	<u>45,091</u>	<u>59,227</u>	<u>378,833</u>
NET POSITION					
Restricted for organizations and other governments	<u>131</u>	<u>190</u>	<u>8,131</u>	<u>1,163</u>	<u>215,369</u>
Total net position	<u>\$ 131</u>	<u>\$ 190</u>	<u>\$ 8,131</u>	<u>\$ 1,163</u>	<u>\$ 215,369</u>

FLORENCE COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
MUNICIPALITIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Florence	Quinby	Pamplico	Lake City	Olanta
ADDITIONS					
Current property taxes	\$ 10,275,700	\$ -	\$ 175,534	\$ 2,123,437	\$ 52,906
Vehicle taxes	1,355,914	-	36,704	370,327	11,998
Delinquent property taxes	508,217	-	35,125	282,611	7,795
Penalties	11,898	-	18	4,643	-
Fees in lieu of taxes	36,819	-	-	-	-
Watercraft taxes	37,788	-	1,544	6,973	956
Less: local option sales tax credits	(5,227,738)	-	(212,900)	(931,811)	(72,493)
Total additions	6,998,598	-	36,025	1,856,180	1,162
DEDUCTIONS					
Claims paid	6,968,256	-	35,759	1,835,864	743
Refunds	14,610	-	56	4,413	-
Total deductions	6,982,866	-	35,815	1,840,277	743
Change in fiduciary net position	15,732	-	210	15,903	419
Net position, beginning of year	138,445	(294)	2,223	32,898	218
Net position, end of year	\$ 154,177	\$ (294)	\$ 2,433	\$ 48,801	\$ 637

FLORENCE COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
MUNICIPALITIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Coward</u>	<u>Scranton</u>	<u>Timmonsville</u>	<u>Johnsonville</u>	<u>Total</u>
ADDITIONS					
Current property taxes	\$ -	\$ -	\$ 297,048	\$ 119,269	\$ 13,043,894
Vehicle taxes	-	-	71,622	35,465	1,882,030
Delinquent property taxes	-	-	102,361	79,500	1,015,609
Penalties	-	-	349	-	16,908
Fees in lieu of taxes	-	-	-	-	36,819
Watercraft taxes	-	-	60	1,459	48,780
Less: local option sales tax credits	-	-	(320,048)	(232,401)	(6,997,391)
Total additions	<u>-</u>	<u>-</u>	<u>151,392</u>	<u>3,292</u>	<u>9,046,649</u>
DEDUCTIONS					
Claims paid	-	-	148,196	3,388	8,992,206
Refunds	-	-	615	-	19,694
Total deductions	<u>-</u>	<u>-</u>	<u>148,811</u>	<u>3,388</u>	<u>9,011,900</u>
Change in fiduciary net position	<u>-</u>	<u>-</u>	<u>2,581</u>	<u>(96)</u>	<u>34,749</u>
Net position, beginning of year	<u>131</u>	<u>190</u>	<u>5,550</u>	<u>1,259</u>	<u>180,620</u>
Net position, end of year	<u>\$ 131</u>	<u>\$ 190</u>	<u>\$ 8,131</u>	<u>\$ 1,163</u>	<u>\$ 215,369</u>

FLORENCE COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIRE BOARD FUND
JUNE 30, 2022

	South Lynches Fire District	West Florence Rural Fire District	Windy Hill/ Olanta Rural Fire District	Pamplico Fire District	Hannah-Salem Friendfield Fire District
ASSETS					
Cash and cash equivalents	\$ 15,213	\$ -	\$ -	\$ 12	\$ -
Total assets	15,213	-	-	12	-
NET POSITION					
Restricted for organizations and other governments	15,213	-	-	12	-
Total net position	\$ 15,213	\$ -	\$ -	\$ 12	\$ -

FLORENCE COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIRE BOARD FUND
JUNE 30, 2022

	Florence	Lake City	Scranton	Timmonsville	Johnsonville	Total
ASSETS						
Cash and cash equivalents	\$ 841	\$ 63	\$ 15	\$ 17	\$ 21	\$ 16,182
Total assets	<u>841</u>	<u>63</u>	<u>15</u>	<u>17</u>	<u>21</u>	<u>16,182</u>
NET POSITION						
Restricted for organizations and other governments	<u>841</u>	<u>63</u>	<u>15</u>	<u>17</u>	<u>21</u>	<u>16,182</u>
Total net position	<u>\$ 841</u>	<u>\$ 63</u>	<u>\$ 15</u>	<u>\$ 17</u>	<u>\$ 21</u>	<u>\$ 16,182</u>

FLORENCE COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIRE BOARD FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	South Lynches Fire District	West Florence Rural Fire District	Windy Hill/ Olanta Rural Fire District	Pamplico Fire District	Hannah-Salem Friendfield Fire District
ADDITIONS					
Current property taxes	\$ 454,030	\$ -	\$ -	\$ -	\$ -
Inventory exemption	11,208	-	-	-	-
Vehicle taxes	88,002	-	-	-	-
Delinquent property taxes	27,893	-	-	-	-
Penalties	885	-	-	-	-
State and federal aid	17,648	76,671	59,047	1,462	5,469
Interest on investments	81	-	-	-	-
State homestead exemption	24,762	-	-	-	-
Fees in lieu of taxes	91,547	-	-	-	-
Watercraft taxes	4,934	-	-	-	-
Total additions	<u>720,990</u>	<u>76,671</u>	<u>59,047</u>	<u>1,462</u>	<u>5,469</u>
DEDUCTIONS					
Claims paid	825,510	201,120	165,525	1,463	25,786
Refunds	<u>1,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>826,655</u>	<u>201,120</u>	<u>165,525</u>	<u>1,463</u>	<u>25,786</u>
Change in fiduciary net position	(105,665)	(124,449)	(106,478)	(1)	(20,317)
Net position, beginning of year	<u>120,878</u>	<u>124,449</u>	<u>106,478</u>	<u>13</u>	<u>20,317</u>
Net position, end of year	<u>\$ 15,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ -</u>

FLORENCE COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIRE BOARD FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Florence	Lake City	Scranton	Timmonsville	Johnsonville	Total
ADDITIONS						
Current property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 454,030
Inventory exemption	-	-	-	-	-	11,208
Vehicle taxes	-	-	-	-	-	88,002
Delinquent property taxes	-	-	-	-	-	27,893
Penalties	-	-	-	-	-	885
State and federal aid	129,217	10,575	950	-	2,712	303,751
Interest on investments	2	-	-	-	-	83
State homestead exemption	-	-	-	-	-	24,762
Fees in lieu of taxes	-	-	-	-	-	91,547
Watercraft taxes	-	-	-	-	-	4,934
Total additions	129,219	10,575	950	-	2,712	1,007,095
DEDUCTIONS						
Claims paid	129,217	10,575	950	-	2,712	1,362,858
Refunds	-	-	-	-	-	1,145
Total deductions	129,217	10,575	950	-	2,712	1,364,003
Change in fiduciary net position	2	-	-	-	-	(356,908)
Net position, beginning of year	839	63	15	17	21	373,090
Net position, end of year	\$ 841	\$ 63	\$ 15	\$ 17	\$ 21	\$ 16,182

FLORENCE COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SHERIFF'S FUND
JUNE 30, 2022

	Sheriff's Fund	Seized IB South	Fed Narcotics DOJ	Seized IB	Court Narcotics	FCSO Commissary	Total
ASSETS							
Cash and cash equivalents	\$ 223,398	\$ 147,290	\$ 108,511	\$ 1,612,244	\$ 2,722	\$ 123,166	\$ 2,217,331
Other	-	19,077	-	-	-	-	19,077
Due from others	-	-	-	-	88,442	-	88,442
Total assets	<u>223,398</u>	<u>166,367</u>	<u>108,511</u>	<u>1,612,244</u>	<u>91,164</u>	<u>123,166</u>	<u>2,324,850</u>
LIABILITIES							
Accounts payable	-	-	-	-	25,140	-	25,140
Due to other funds	-	-	-	88,442	19,077	-	107,519
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,442</u>	<u>44,217</u>	<u>-</u>	<u>132,659</u>
NET POSITION							
Restricted for organizations and other governments	<u>223,398</u>	<u>166,367</u>	<u>108,511</u>	<u>1,523,802</u>	<u>46,947</u>	<u>123,166</u>	<u>2,192,191</u>
Total net position	<u>\$ 223,398</u>	<u>\$ 166,367</u>	<u>\$ 108,511</u>	<u>\$ 1,523,802</u>	<u>\$ 46,947</u>	<u>\$ 123,166</u>	<u>\$ 2,192,191</u>

FLORENCE COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SHERIFF'S FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Sheriff's Fund	Seized IB South	Fed Narcotics DOJ	Seized IB	Court Narcotics	FCSO Commissary	Total
ADDITIONS							
Cash received from others	\$ 1,406,117	\$ 166,367	\$ 135,927	\$ 1,612,723	\$ 163,537	\$ 259,735	\$ 3,744,406
Total additions	1,406,117	166,367	135,971	1,613,432	163,540	259,822	3,745,249
DEDUCTIONS							
Cash paid to others	2,380,159	-	27,460	89,630	116,593	136,656	2,750,498
Total deductions	2,380,159	-	27,460	89,630	116,593	136,656	2,750,498
Change in fiduciary net position	(974,042)	166,367	108,511	1,523,802	46,947	123,166	994,751
Net position, beginning of year	1,197,440	-	-	-	-	-	1,197,440
Net position, end of year	<u>\$ 223,398</u>	<u>\$ 166,367</u>	<u>\$ 108,511</u>	<u>\$ 1,523,802</u>	<u>\$ 46,947</u>	<u>\$ 123,166</u>	<u>\$ 2,192,191</u>

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND

DETAIL SCHEDULE OF REVENUES - BUDGET (BUDGETARY BASIS)

AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Taxes				
Property tax	\$ 26,358,540	\$ 26,358,540	\$ 25,749,570	\$ (608,970)
Sales tax	15,437,467	15,437,467	16,439,927	1,002,460
Fees in lieu of tax	3,008,000	3,008,000	2,716,392	(291,608)
Total taxes	44,804,007	44,804,007	44,905,889	101,882
Licenses and permits				
Tax assessor fees	6,520	6,520	6,558	38
Cable TV fees	825,000	825,000	933,423	108,423
Building permit fees	763,300	763,300	842,687	79,387
Landfill permits	-	-	8	8
Road system maintenance fees	612,990	612,990	481,527	(131,463)
Planning commission fees	4,100	4,100	41,850	37,750
Total licenses and permits	2,211,910	2,211,910	2,306,053	94,143
Fines and fees				
Library fines	82,206	82,206	35,916	(46,290)
Tax collector's costs and fees	522,000	522,000	545,684	23,684
Magistrates' fines	1,160,000	1,160,000	747,849	(412,151)
Clerk of Court fines	30,000	30,000	66,287	36,287
Clerk of Court fees	912,000	912,000	1,475,155	563,155
Master in Equity fees	105,000	105,000	74,916	(30,084)
Judge of Probate fees	254,000	254,000	316,052	62,052
Family court fees	410,000	410,000	418,875	8,875
Total fines and fees	3,475,206	3,475,206	3,680,734	205,528
Intergovernmental				
Library state and federal	273,770	273,770	278,013	4,243
State revenue - local government fund	6,126,604	6,126,604	6,050,382	(76,222)
Election commission	64,000	64,000	139,816	75,816
Veterans' affairs	6,700	6,700	7,014	314
Public defender	230,000	230,000	336,824	106,824
Solicitor	282,000	282,000	306,245	24,245
Municipalities	74,350	74,350	80,555	6,205
Merchant inventory exemption	356,006	356,006	-	(356,006)
Accommodations tax	43,000	43,000	43,220	220
Other	97,800	97,800	145,494	47,694
Total intergovernmental	7,554,230	7,554,230	7,387,563	(166,667)

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND

DETAIL SCHEDULE OF REVENUES - BUDGET (BUDGETARY BASIS)

AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Sales and other functional revenues				
Rent	\$ 246,483	\$ 246,483	\$ 304,005	\$ 57,522
Emergency medical services	7,003,090	7,003,090	7,565,132	562,042
Recreation	620,500	620,500	563,437	(57,063)
Inmate per diem	612,000	612,000	634,080	22,080
Sheriff serving fees	31,520	31,520	47,048	15,528
Commissary sales	73,378	73,378	-	(73,378)
Inmate telephone system	83,254	83,254	-	(83,254)
Other	3,800	3,800	4,175	375
Total sales and other functional revenues	<u>8,674,025</u>	<u>8,674,025</u>	<u>9,117,877</u>	<u>443,852</u>
Miscellaneous				
Interest on investments	50,000	50,000	177,685	127,685
Tax sale escrow accounts held five years	10,000	10,000	7,119	(2,881)
Sales of abandoned property	465,000	465,000	273,814	(191,186)
Other	401,800	401,800	272,828	(128,972)
Total miscellaneous	<u>926,800</u>	<u>926,800</u>	<u>731,446</u>	<u>(195,354)</u>
Total revenues	<u>\$ 67,646,178</u>	<u>\$ 67,646,178</u>	<u>\$ 68,129,562</u>	<u>\$ 483,384</u>

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General government				
County council:				
Personnel services	\$ 256,703	\$ 256,703	\$ 253,853	\$ (2,850)
Supplies	10,278	10,278	5,648	(4,630)
Other services and charges	112,639	112,639	88,337	(24,302)
Capital outlay	6,484	6,484	6,304	(180)
Direct assistance	6,601	6,601	8,350	1,749
Total county council	<u>392,705</u>	<u>392,705</u>	<u>362,492</u>	<u>(30,213)</u>
Attorney:				
Other services and charges	103,642	103,642	128,621	24,979
Total attorney	<u>103,642</u>	<u>103,642</u>	<u>128,621</u>	<u>24,979</u>
Administrator:				
Personnel services	853,912	853,912	687,803	(166,109)
Supplies	8,700	8,700	2,897	(5,803)
Other services and charges	18,676	18,676	25,477	6,801
Capital outlay	5,692	5,692	-	(5,692)
Total administrator	<u>886,980</u>	<u>886,980</u>	<u>716,177</u>	<u>(170,803)</u>
Finance:				
Personnel services	488,884	488,884	558,909	70,025
Supplies	26,372	26,372	25,362	(1,010)
Other services and charges	357,848	357,848	412,087	54,239
Capital outlay	6,600	6,600	486	(6,114)
Total finance	<u>879,704</u>	<u>879,704</u>	<u>996,844</u>	<u>117,140</u>
Treasurer:				
Personnel services	974,904	974,904	932,068	(42,836)
Supplies	86,623	86,623	81,151	(5,472)
Other services and charges	331,498	331,498	326,574	(4,924)
Capital outlay	16,320	16,320	8,060	(8,260)
Total treasurer	<u>1,409,345</u>	<u>1,409,345</u>	<u>1,347,853</u>	<u>(61,492)</u>
Information technology:				
Personnel services	1,132,285	1,132,285	1,083,814	(48,471)
Supplies	32,752	32,752	32,752	-
Other services and charges	1,714,590	1,714,590	1,626,410	(88,180)
Capital outlay	220,160	220,160	184,020	(36,140)
Total information technology	<u>3,099,787</u>	<u>3,099,787</u>	<u>2,926,996</u>	<u>(172,791)</u>
Auditor:				
Personnel services	550,085	550,085	543,274	(6,811)
Supplies	15,661	15,661	15,085	(576)
Other services and charges	17,769	17,769	13,695	(4,074)
Total auditor	<u>583,515</u>	<u>583,515</u>	<u>572,054</u>	<u>(11,461)</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Tax assessor:				
Personnel services	\$ 1,359,803	\$ 1,359,803	\$ 1,311,228	\$ (48,575)
Supplies	14,305	14,305	14,037	(268)
Other services and charges	73,169	73,169	58,248	(14,921)
Total tax assessor	1,447,277	1,447,277	1,383,513	(63,764)
Procurement:				
Personnel services	228,201	228,201	216,389	(11,812)
Supplies	3,332	3,332	3,274	(58)
Other services and charges	10,354	10,354	5,409	(4,945)
Total procurement	241,887	241,887	225,072	(16,815)
Clerk of court:				
Personnel services	999,777	999,777	929,946	(69,831)
Supplies	26,413	26,413	19,354	(7,059)
Other services and charges	68,072	68,072	54,414	(13,658)
Total clerk of court	1,094,262	1,094,262	1,003,714	(90,548)
Court of common pleas				
Personnel services	124,892	124,892	105,447	(19,445)
Other services and charges	65,465	65,465	52,781	(12,684)
Total court of common pleas	190,357	190,357	158,228	(32,129)
Solicitor:				
Personnel services	1,155,761	1,155,761	1,118,598	(37,163)
Supplies	17,297	17,297	16,393	(904)
Other services and charges	122,039	122,039	122,256	217
Capital outlay	34,874	34,874	34,873	(1)
Total solicitor	1,329,971	1,329,971	1,292,120	(37,851)
Human resources:				
Personnel services	506,715	506,715	293,645	(213,070)
Supplies	7,857	7,857	7,857	-
Other services and charges	29,824	29,824	21,120	(8,704)
Capital outlay	31,200	31,200	31,086	(114)
Total human resources	575,596	575,596	353,708	(221,888)
Family court:				
Personnel services	575,097	575,097	490,986	(84,111)
Other services and charges	1,445	1,445	1,441	(4)
Total family court	576,542	576,542	492,427	(84,115)

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Judge of probate:				
Personnel services	\$ 615,545	\$ 615,545	\$ 553,569	\$ (61,976)
Supplies	25,003	25,003	13,024	(11,979)
Other services and charges	38,325	38,325	32,524	(5,801)
Total judge of probate	<u>678,873</u>	<u>678,873</u>	<u>599,117</u>	<u>(79,756)</u>
Public defender:				
Personnel services	993,078	993,078	913,990	(79,088)
Supplies	7,437	7,437	7,284	(153)
Other services and charges	49,016	49,016	43,618	(5,398)
Capital outlay	2,148	2,148	2,148	-
Total public defender	<u>1,051,679</u>	<u>1,051,679</u>	<u>967,040</u>	<u>(84,639)</u>
Master in equity:				
Personnel services	244,901	244,901	247,743	2,842
Supplies	954	954	241	(713)
Other services and charges	3,871	3,871	2,146	(1,725)
Capital outlay	1,000	1,000	888	(112)
Total master in equity	<u>250,726</u>	<u>250,726</u>	<u>251,018</u>	<u>292</u>
Magistrates' offices:				
Personnel services	2,277,815	2,277,815	2,010,964	(266,851)
Supplies	41,211	41,211	39,064	(2,147)
Other services and charges	248,467	248,467	183,303	(65,164)
Capital outlay	27,545	27,545	4,924	(22,621)
Total magistrates' offices	<u>2,595,038</u>	<u>2,595,038</u>	<u>2,238,255</u>	<u>(356,783)</u>
Building inspections:				
Personnel services	1,497,704	1,497,704	1,116,528	(381,176)
Supplies	20,426	20,426	12,818	(7,608)
Other services and charges	568,970	568,970	427,235	(141,735)
Capital outlay	47,300	47,300	42,681	(4,619)
Total building inspections	<u>2,134,400</u>	<u>2,134,400</u>	<u>1,599,262</u>	<u>(535,138)</u>
GIS:				
Personnel services	326,424	326,424	319,009	(7,415)
Supplies	7,254	7,254	5,159	(2,095)
Other services and charges	135,193	135,193	119,108	(16,085)
Capital outlay	4,000	4,000	3,257	(743)
Total GIS	<u>472,871</u>	<u>472,871</u>	<u>446,533</u>	<u>(26,338)</u>
Voter registration and election commission:				
Personnel services	340,073	340,073	364,193	24,120
Supplies	53,064	53,064	16,129	(36,935)
Other services and charges	390,140	390,140	647,717	257,577
Total voter registration and election commission	<u>783,277</u>	<u>783,277</u>	<u>1,028,039</u>	<u>244,762</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Veterans' affairs:				
Personnel services	\$ 205,118	\$ 205,118	\$ 183,277	\$ (21,841)
Supplies	837	837	527	(310)
Other services and charges	50,663	50,663	42,805	(7,858)
Total veterans' affairs	256,618	256,618	226,609	(30,009)
Facilities management:				
Personnel services	723,208	723,208	591,850	(131,358)
Supplies	12,667	12,667	1,955	(10,712)
Other services and charges	1,936,281	1,936,281	1,934,289	(1,992)
Capital outlay	70,816	70,816	-	(70,816)
Total facilities management	2,742,972	2,742,972	2,528,094	(214,878)
Lake City Senior Center:				
Personnel services	4,885	4,885	-	(4,885)
Supplies	-	-	4,885	4,885
Other services and charges	145,615	145,615	145,609	(6)
Total Lake City Senior Center	150,500	150,500	150,494	(6)
Direct assistance:				
Council of Governments	102,664	102,664	102,664	-
Senior Citizens Association	45,120	45,120	24,144	(20,976)
Pee Dee CAA	9,120	9,120	9,120	-
City-County Stadium Commission	5,200	5,200	5,200	-
Others	139,293	139,293	141,293	2,000
Total direct assistance	301,397	301,397	282,421	(18,976)
Other:				
Personnel services	958,492	958,492	517,658	(440,834)
Other services and charges	831,029	831,029	774,388	(56,641)
Total other	1,789,521	1,789,521	1,292,046	(497,475)
Total general government	26,019,442	26,019,442	23,568,747	(2,450,695)
Public safety				
Sheriff's office:				
Personnel services	8,503,321	8,503,321	8,624,847	121,526
Supplies	159,593	159,593	29,088	(130,505)
Other services and charges	2,143,071	2,143,071	2,245,950	102,879
Capital outlay	1,593,332	1,593,332	1,049,346	(543,986)
Total sheriff's office	12,399,317	12,399,317	11,949,231	(450,086)

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
County jail:				
Personnel services	\$ 4,423,430	\$ 4,423,430	\$ 4,544,735	\$ 121,305
Supplies	224,482	224,482	24,981	(199,501)
Other services and charges	2,560,570	2,560,570	2,636,204	75,634
Capital outlay	867,041	867,041	722,081	(144,960)
Total county jail	<u>8,075,523</u>	<u>8,075,523</u>	<u>7,928,001</u>	<u>(147,522)</u>
Radio system:				
Personnel services	6,049	6,049	-	(6,049)
Other services and charges	624,278	624,278	589,022	(35,256)
Capital outlay	72,764	72,764	111,618	38,854
Total radio system	<u>703,091</u>	<u>703,091</u>	<u>700,640</u>	<u>(2,451)</u>
Central dispatch:				
Personnel services	2,344,600	2,344,600	1,797,627	(546,973)
Supplies	20,326	20,326	3,556	(16,770)
Other services and charges	254,211	254,211	257,038	2,827
Capital outlay	33,393	33,393	33,392	(1)
Total central dispatch	<u>2,652,530</u>	<u>2,652,530</u>	<u>2,091,613</u>	<u>(560,917)</u>
Emergency preparedness:				
Personnel services	314,957	314,957	289,526	(25,431)
Supplies	8,470	8,470	3,508	(4,962)
Other services and charges	199,408	199,408	196,575	(2,833)
Total emergency preparedness	<u>522,835</u>	<u>522,835</u>	<u>489,609</u>	<u>(33,226)</u>
Total public safety	<u>24,353,296</u>	<u>24,353,296</u>	<u>23,159,094</u>	<u>(1,194,202)</u>
Public works				
Public works operating:				
Other services and charges	2,039,185	2,039,185	-	(2,039,185)
Capital outlay	-	-	574,714	574,714
Total public works operating	<u>2,039,185</u>	<u>2,039,185</u>	<u>574,714</u>	<u>(1,464,471)</u>
Central maintenance:				
Other services and charges	1,018,102	1,018,102	986,372	(31,730)
Total central maintenance	<u>1,018,102</u>	<u>1,018,102</u>	<u>986,372</u>	<u>(31,730)</u>
Total public works	<u>3,057,287</u>	<u>3,057,287</u>	<u>1,561,086</u>	<u>(1,496,201)</u>

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Health				
Health department:				
Other services and charges	\$ 76,850	\$ 76,850	\$ 76,677	\$ (173)
Total health department	76,850	76,850	76,677	(173)
Environmental services:				
Personnel services	660,429	660,429	504,469	(155,960)
Supplies	5,121	5,121	319	(4,802)
Other services and charges	255,202	255,202	252,513	(2,689)
Capital outlay	42,266	42,266	13,852	(28,414)
Total environmental services	963,018	963,018	771,153	(191,865)
Emergency medical services:				
Personnel services	6,742,381	6,742,381	6,795,960	53,579
Supplies	211,342	211,342	3,664	(207,678)
Other services and charges	763,525	763,525	950,873	187,348
Capital outlay	784,972	784,972	410,728	(374,244)
Total emergency medical services	8,502,220	8,502,220	8,161,225	(340,995)
Rescue - ambulance squads:				
Personnel services	54,671	54,671	-	(54,671)
Other services and charges	20,034	20,034	74,703	54,669
Direct assistance	598,640	598,640	598,640	-
Total rescue - ambulance squads	673,345	673,345	673,343	(2)
Coroner:				
Personnel services	279,093	279,093	279,731	638
Supplies	3,045	3,045	1,899	(1,146)
Other services and charges	164,292	164,292	235,121	70,829
Capital outlay	47,525	47,525	45,962	(1,563)
Total coroner	493,955	493,955	562,713	68,758
On-site clinic:				
Personnel services	13,281	13,281	-	(13,281)
Other services and charges	196,719	196,719	220,189	23,470
Total on-site clinic	210,000	210,000	220,189	10,189
Direct assistance:				
Direct assistance	14,502	14,502	14,502	-
Total direct assistance	14,502	14,502	14,502	-
Total health	10,933,890	10,933,890	10,479,802	(454,088)

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Welfare				
Indigent care:				
Other services and charges	\$ 316,432	\$ 316,432	\$ 316,432	\$ -
Total indigent care	316,432	316,432	316,432	-
Social services:				
Other services and charges	21,500	21,500	17,201	(4,299)
Total social services	21,500	21,500	17,201	(4,299)
Pee Dee Coalition:				
Direct assistance	14,120	14,120	14,120	-
Total Pee Dee Coalition	14,120	14,120	14,120	-
Total welfare	352,052	352,052	347,753	(4,299)
Culture and recreation				
Library:				
Personnel services	2,879,536	2,879,536	2,780,428	(99,108)
Supplies	52,875	52,875	46,740	(6,135)
Other services and charges	1,096,520	1,096,520	1,031,217	(65,303)
Capital outlay	57,956	57,956	57,681	(275)
Total library	4,086,887	4,086,887	3,916,066	(170,821)
Recreation:				
Personnel services	502,215	502,215	468,458	(33,757)
Supplies	69,205	69,205	3,501	(65,704)
Other services and charges	859,752	859,752	1,024,920	165,168
Capital outlay	73,241	73,241	107,786	34,545
Direct assistance	123,484	123,484	-	(123,484)
Total recreation	1,627,897	1,627,897	1,604,665	(23,232)
Lynches River County Park:				
Personnel services	275,776	275,776	255,523	(20,253)
Supplies	49,063	49,063	1,326	(47,737)
Other services and charges	124,193	124,193	169,896	45,703
Capital outlay	40,047	40,047	39,999	(48)
Total Lynches River County Park	489,079	489,079	466,744	(22,335)
Summer camps:				
Personnel services	4,435	4,435	4,877	442
Supplies	500	500	-	(500)
Other services and charges	872	872	1,320	448
Total summer camps	5,807	5,807	6,197	390

(Continued)

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND
 DETAIL SCHEDULE OF EXPENDITURES - BUDGET (BUDGETARY BASIS)
 AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Leatherman Senior Center:				
Personnel services	\$ 119,507	\$ 119,507	\$ 135,108	\$ 15,601
Supplies	11,140	11,140	-	(11,140)
Other services and charges	190,228	190,228	194,910	4,682
Capital outlay	41,577	41,577	37,623	(3,954)
Total Leatherman Senior Center	<u>362,452</u>	<u>362,452</u>	<u>367,641</u>	<u>5,189</u>
Total culture and recreation	<u>6,572,122</u>	<u>6,572,122</u>	<u>6,361,313</u>	<u>(210,809)</u>
Education				
Literary council:				
Direct assistance	4,515	4,515	4,515	-
Total literary council	<u>4,515</u>	<u>4,515</u>	<u>4,515</u>	<u>-</u>
Total education	<u>4,515</u>	<u>4,515</u>	<u>4,515</u>	<u>-</u>
Total expenditures	<u>\$ 71,292,604</u>	<u>\$ 71,292,604</u>	<u>\$ 65,482,310</u>	<u>\$ (5,810,294)</u>

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND

**COMBINING SCHEDULE OF ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE
JUNE 30, 2022**

	General Operations	Treasurer and Tax Sale	Road Paving	Total
ASSETS				
Cash and cash equivalents	\$ 30,241,636	\$ 3,644,624	\$ 1,248,446	\$ 35,134,706
Receivables, net:				
Property taxes	922,339	-	-	922,339
Other governmental units and agencies	3,229,659	469	-	3,230,128
Others	1,151,631	122,341	-	1,273,972
Inventory	69,492	-	-	69,492
Prepays	1,395,977	-	-	1,395,977
Leases receivable	1,052,584	-	-	1,052,584
Total assets	<u>\$ 38,063,318</u>	<u>\$ 3,767,434</u>	<u>\$ 1,248,446</u>	<u>\$ 43,079,198</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,100,135	\$ -	\$ 321,305	\$ 2,421,440
Payroll withholdings and accruals	1,958,683	-	-	1,958,683
Other liabilities	2,602,717	3,757,261	-	6,359,978
Unearned revenue	1,965,639	-	-	1,965,639
Total liabilities	<u>8,627,174</u>	<u>3,757,261</u>	<u>321,305</u>	<u>12,705,740</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Property taxes	516,868	-	-	516,868
Lease receipts	1,043,589	-	-	1,043,589
Total deferred inflows of resources	<u>1,560,457</u>	<u>-</u>	<u>-</u>	<u>1,560,457</u>
FUND BALANCES				
Nonspendable	1,465,469	-	-	1,465,469
Committed:				
Road paving	-	-	927,141	927,141
Assigned:				
General government	349,684	-	-	349,684
Unassigned	26,060,534	10,173	-	26,070,707
Total fund balances	<u>27,875,687</u>	<u>10,173</u>	<u>927,141</u>	<u>28,813,001</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 38,063,318</u>	<u>\$ 3,767,434</u>	<u>\$ 1,248,446</u>	<u>\$ 43,079,198</u>

FLORENCE COUNTY, SOUTH CAROLINA

GENERAL FUND

**COMBINING DETAIL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	General Operations	Treasurer and Tax Sale	Road Paving	Total
Revenues:				
Taxes	\$ 44,905,889	\$ -	\$ -	\$ 44,905,889
Licenses and permits	1,824,526	-	481,527	2,306,053
Fines and fees	3,680,734	-	-	3,680,734
Intergovernmental	7,387,563	-	-	7,387,563
Sales and other functional revenues	9,117,877	-	-	9,117,877
Miscellaneous	448,268	9,364	-	457,632
Total revenues	<u>67,364,857</u>	<u>9,364</u>	<u>481,527</u>	<u>67,855,748</u>
Expenditures:				
Current:				
General government	23,370,248	-	-	23,370,248
Public safety	23,159,094	-	-	23,159,094
Public works	986,372	-	-	986,372
Health	10,479,802	-	-	10,479,802
Welfare	347,753	-	-	347,753
Culture and recreation	6,361,313	-	-	6,361,313
Education	4,515	-	-	4,515
Capital outlay	-	-	574,714	574,714
Debt service:				
Principal retirements	757,498	-	-	757,498
Interest	1,952	-	-	1,952
Total expenditures	<u>65,468,547</u>	<u>-</u>	<u>574,714</u>	<u>66,043,261</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,896,310</u>	<u>9,364</u>	<u>(93,187)</u>	<u>1,812,487</u>
Other financing sources (uses):				
Issuance of leases	7,456	-	-	7,456
Sale of capital assets	273,814	-	-	273,814
Transfers in	839,631	-	-	839,631
Transfers out	(1,089,253)	-	-	(1,089,253)
Total other financing sources	<u>31,648</u>	<u>-</u>	<u>-</u>	<u>31,648</u>
Net change in fund balance	1,927,958	9,364	(93,187)	1,844,135
Fund balance, beginning of year	<u>25,947,729</u>	<u>809</u>	<u>1,020,328</u>	<u>26,968,866</u>
Fund balance, end of year	<u>\$ 27,875,687</u>	<u>\$ 10,173</u>	<u>\$ 927,141</u>	<u>\$ 28,813,001</u>

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

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	\$ 77,321	\$ 1,645,612	\$ -	\$ 1,722,933
Court fines and assessments remitted to State Treasurer	51,391	838,743	-	890,134
Total Court Fines and Assessments retained	\$ 25,930	\$ 806,869	\$ -	\$ 832,799
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	\$ 30,818	\$ 9,122	\$ -	\$ 39,940
Assessments retained	6,583	55,103	-	61,686
Total Surcharges and Assessments retained for victim services	\$ 37,401	\$ 64,225	\$ -	\$ 101,626

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	\$ -	\$ (16,827)	\$ (16,827)
<u>Victim Service Revenue:</u>			
Victim Service Assessments Retained by City/County Treasurer	-	61,686	61,686
Victim Service Surcharges Retained by City/County Treasurer	-	39,940	39,940
Interest Earned	-	(83)	(83)
Grant Funds Received			
Grant from: State Treasurer	-	10,156	10,156
General Funds Transferred to Victim Service Fund	-	-	-
Contribution Received from Victim Service Contracts:			
(1) Town of Pamplico	-	5,134	5,134
(2) Town of	-	-	-
(3) City of	-	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ -	\$ 100,006	\$ 100,006

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

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ -	\$ 187,986	\$ 187,986
Operating Expenditures	-	37,057	37,057
Victim Service Contract(s):			
(1) Entity's Name:	-	-	-
(2) Entity's Name	-	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	-	-	-
(2) Rape Crisis Center:	-	-	-
(3) Other local direct crime victims service agency:	-	-	-
Transferred to General Fund	-	-	-
Total Expenditures from Victim Service Fund/Program (B)	-	225,043	225,043
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-	(125,037)	(125,037)
Less: Prior Year Fund Deficit Repayment	-	-	-
Carryforward Funds – End of Year	\$ -	\$ (125,037)	\$ (125,037)

STATISTICAL SECTION

This part of the County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	166 - 171
Revenue Capacity	
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	172 - 175
Debt Capacity	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	176 - 179
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	180 - 182
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	183 - 184

Sources: Unless otherwise noted, the information presented in these schedules is derived from the Annual Comprehensive Financial Report for the respective fiscal year.

FLORENCE COUNTY, SOUTH CAROLINA

**NET POSITION BY ACTIVITY
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net investment in capital assets	\$ 77,125,393	\$ 75,427,832	\$ 65,392,234	\$ 39,424,586	\$ 58,072,978	\$ 62,858,231	\$ 69,865,542	\$ 81,704,203	\$ 82,147,317	\$ 89,826,988
Restricted	15,281,885	28,585,336	165,858,022	150,489,601	89,836,530	67,946,540	53,424,775	62,124,566	185,329,309	137,067,105
Unrestricted	(7,788,058)	(70,316,860)	(205,361,284)	(174,925,359)	(144,940,830)	(156,111,213)	(139,351,844)	(150,262,710)	(249,590,298)	(185,584,032)
Total Governmental Activities Net Position	<u>84,619,220</u>	<u>33,696,308</u>	<u>25,888,972</u>	<u>14,988,828</u>	<u>2,968,678</u>	<u>(25,306,442)</u>	<u>(16,061,527)</u>	<u>(6,433,941)</u>	<u>17,886,328</u>	<u>41,310,061</u>
Business-type Activities										
Net investment in capital assets	2,357,350	2,344,611	2,341,129	3,489,513	3,345,807	4,983,921	4,287,798	3,736,738	3,299,740	2,986,732
Unrestricted	4,917,203	4,649,734	4,582,639	3,541,697	2,684,049	198,759	(596,055)	(1,266,329)	(2,151,248)	(2,353,240)
Total Business-type Activities Net Position	<u>7,274,553</u>	<u>6,994,345</u>	<u>6,923,768</u>	<u>7,031,210</u>	<u>6,029,856</u>	<u>5,182,680</u>	<u>3,691,743</u>	<u>2,470,409</u>	<u>1,148,492</u>	<u>633,492</u>
Primary Government										
Net investment in capital assets	79,482,743	77,772,443	67,733,363	42,914,099	61,418,785	67,842,152	74,153,340	85,440,941	85,447,057	92,813,720
Restricted	15,281,885	28,585,336	165,858,022	150,489,601	89,836,530	67,946,540	53,424,775	62,124,566	185,329,309	137,067,105
Unrestricted	(2,870,855)	(65,667,126)	(200,778,645)	(171,383,662)	(142,256,781)	(155,912,454)	(139,947,899)	(151,529,039)	(251,741,546)	(187,937,272)
Total Primary Government Net Position	<u>\$ 91,893,773</u>	<u>\$ 40,690,653</u>	<u>\$ 32,812,740</u>	<u>\$ 22,020,038</u>	<u>\$ 8,998,534</u>	<u>\$ (20,123,762)</u>	<u>\$ (12,369,784)</u>	<u>\$ (3,963,532)</u>	<u>\$ 19,034,820</u>	<u>\$ 41,943,553</u>

FLORENCE COUNTY, SOUTH CAROLINA

**CHANGE IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
<u>Governmental Activities:</u>										
General government	\$ 24,449,488	\$ 28,984,266	\$ 32,968,012	\$ 31,412,371	\$ 41,456,628	\$ 46,893,088	\$ 38,095,955	\$ 37,981,944	\$ 25,104,225	\$ 47,531,175
Public safety	21,906,996	22,821,341	48,113,208	50,270,768	35,271,172	32,970,498	30,693,994	37,699,251	48,316,738	32,518,455
Economic and physical development	1,323,197	797,993	949,632	834,666	576,196	577,564	882,434	902,034	800,757	2,862,230
Public works	5,829,320	6,324,090	6,078,128	6,629,439	6,164,571	14,066,968	15,243,716	5,878,151	5,204,173	6,713,673
Health	6,841,756	7,687,094	7,889,577	7,616,736	7,838,830	11,210,790	10,571,725	11,876,808	12,639,201	11,252,052
Welfare	424,560	432,731	535,181	481,948	387,731	355,900	352,037	437,893	477,523	347,753
Culture and recreation	8,294,734	11,671,952	9,597,047	9,740,455	13,156,309	10,472,493	9,478,226	10,537,021	12,070,758	10,204,764
Education	2,261,113	2,799,515	2,394,515	2,599,515	2,279,515	2,816,515	2,576,587	2,528,282	4,012,461	2,955,600
Interest on long-term debt	1,151,563	2,384,784	3,975,680	4,984,213	3,928,219	5,627,421	4,877,841	7,375,363	7,472,465	1,671,759
Total Governmental Activities Expenses	<u>72,482,727</u>	<u>83,903,766</u>	<u>112,500,980</u>	<u>114,570,111</u>	<u>111,059,171</u>	<u>124,991,237</u>	<u>112,772,515</u>	<u>115,216,747</u>	<u>116,098,302</u>	<u>116,057,461</u>
<u>Business-type Activities:</u>										
Utility system	247,524	304,654	653,946	265,669	137,167	26,242	2,972	75,575	73,335	685
Landfill	4,151,174	4,295,367	4,344,662	4,142,704	4,460,208	5,168,371	4,274,437	5,196,204	5,776,725	5,903,304
E911 system	377,608	318,981	384,900	391,379	795,633	1,812,157	1,842,837	1,445,936	1,327,055	1,267,261
Total Business-type Activities Expense	<u>4,776,306</u>	<u>4,919,002</u>	<u>5,383,508</u>	<u>4,799,752</u>	<u>5,393,008</u>	<u>7,006,770</u>	<u>6,120,246</u>	<u>6,717,715</u>	<u>7,177,115</u>	<u>7,171,250</u>
Total Primary Government Expenses	<u>77,259,033</u>	<u>88,822,768</u>	<u>117,884,488</u>	<u>119,369,863</u>	<u>116,452,179</u>	<u>131,998,007</u>	<u>118,892,761</u>	<u>121,934,462</u>	<u>123,275,417</u>	<u>123,228,711</u>
Program Revenues										
<u>Governmental Activities:</u>										
Charges for services										
General government	4,021,390	4,298,123	4,576,216	4,785,399	4,555,913	4,270,722	4,572,425	3,736,911	4,205,250	5,283,357
Public safety	1,353,673	1,223,184	1,075,856	808,345	885,042	1,167,209	2,633,404	2,264,810	2,468,641	1,847,370
Economic and physical development	-	-	-	-	3,038,807	-	-	-	-	-
Public works	3,278,277	3,338,800	3,376,552	3,404,263	430,896	3,883,634	3,945,335	3,902,174	4,163,124	3,682,216
Health	3,445,496	3,481,032	3,813,007	3,890,581	4,712,408	5,930,633	6,844,906	6,364,228	7,559,287	7,565,132
Culture and recreation	615,393	675,374	779,186	869,215	1,020,137	951,630	942,973	676,774	643,082	2,098,937
Operating grants and contributions	10,685,448	10,382,159	10,871,844	12,483,035	14,172,861	14,015,863	13,482,182	14,426,154	17,651,319	7,602,547
Capital grants and contributions	16,806,648	7,277,732	6,418,530	1,176,312	1,306,023	2,910,906	2,931,183	3,921,646	7,719,210	14,143,441
Total Governmental Activities Program Revenues	<u>40,206,325</u>	<u>30,676,404</u>	<u>30,911,191</u>	<u>27,417,150</u>	<u>30,122,087</u>	<u>33,130,597</u>	<u>35,352,408</u>	<u>35,292,697</u>	<u>44,409,913</u>	<u>42,223,000</u>
<u>Business-type Activities:</u>										
Landfill	3,072,460	3,201,739	3,790,943	3,819,042	3,586,222	4,039,773	4,055,437	5,086,956	5,132,151	-
E911 system	681,570	747,254	733,147	933,253	681,983	2,355,180	809,230	651,706	885,153	5,944,630
Capital grants and contributions	-	-	-	-	-	-	-	-	-	968,220
Total Business-type Activities Program Revenues	<u>3,754,030</u>	<u>3,948,993</u>	<u>4,524,090</u>	<u>4,752,295</u>	<u>4,268,205</u>	<u>6,394,953</u>	<u>4,864,667</u>	<u>5,738,662</u>	<u>6,017,304</u>	<u>6,912,850</u>
Total Primary Government Program Revenues	<u>\$ 43,960,355</u>	<u>\$ 34,625,397</u>	<u>\$ 35,435,281</u>	<u>\$ 32,169,445</u>	<u>\$ 34,390,292</u>	<u>\$ 39,525,550</u>	<u>\$ 40,217,075</u>	<u>\$ 41,031,359</u>	<u>\$ 50,427,217</u>	<u>\$ 49,135,850</u>

FLORENCE COUNTY, SOUTH CAROLINA

**CHANGE IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense) Revenue										
Governmental Activities	\$ (32,276,402)	\$ (53,227,362)	\$ (81,589,789)	\$ (87,152,961)	\$ (80,937,084)	\$ (91,860,640)	\$ (77,420,107)	\$ (79,924,050)	\$ (71,688,389)	\$ (73,834,461)
Business-type Activities	(1,022,276)	(970,009)	(859,418)	(47,457)	(1,124,803)	(611,817)	(1,255,579)	(979,053)	(1,159,811)	(258,400)
Total Primary Government	(33,298,678)	(54,197,371)	(82,449,207)	(87,200,418)	(82,061,887)	(92,472,457)	(78,675,686)	(80,903,103)	(72,848,200)	(74,092,861)
General Revenues and Other Changes in Net Position										
<u>Governmental Activities:</u>										
Taxes										
Property taxes	30,188,109	32,836,060	32,529,215	33,598,799	36,022,577	37,221,723	39,624,128	36,273,730	40,731,101	42,417,547
Sales taxes	11,671,007	12,030,513	33,314,201	33,317,980	30,111,984	35,700,662	35,978,696	40,025,567	42,420,083	46,198,939
Fees in lieu of taxes	2,164,050	2,840,843	3,501,488	3,410,391	3,454,943	3,665,131	3,657,677	5,737,214	6,348,308	5,542,671
Franchise fees	915,652	694,453	714,302	718,886	771,211	818,785	864,794	889,486	925,374	2,306,053
Accommodations tax	3,382,728	3,531,063	3,764,832	4,118,264	4,105,549	4,112,882	4,351,884	3,949,566	4,059,306	4,427,504
Unrestricted investment earnings	125,027	122,636	738,013	1,226,359	232,305	100,676	1,929,329	1,887,008	1,094,865	1,208,162
Gain on sale of capital assets	-	-	-	-	-	-	-	530,562	171,116	273,814
Transfers	(921,868)	(838,868)	(779,598)	(137,862)	(102,111)	258,504	258,504	258,504	258,504	258,504
Total Governmental Activities	47,524,705	51,216,700	73,782,453	76,252,817	74,596,458	81,878,363	86,665,012	89,551,637	96,008,657	102,633,194
<u>Business-type Activities:</u>										
Unrestricted investment earnings	9,666	7,572	9,243	17,037	21,338	23,146	23,146	16,223	1,398	1,904
Gain on sale of capital assets	-	-	-	-	-	-	-	-	95,000	-
Transfers	921,868	838,868	779,598	137,862	102,111	(258,504)	(258,504)	(258,504)	(258,504)	(258,504)
Total Business-type Activities	931,534	846,440	788,841	154,899	123,449	(235,358)	(235,358)	(242,281)	(162,106)	(256,600)
Total Primary Government	48,456,239	52,063,140	74,571,294	76,407,716	74,719,907	81,643,005	86,429,654	89,309,356	95,846,551	102,376,594
Change in Net Position										
Governmental Activities	15,248,303	(2,010,662)	(7,807,336)	(10,900,144)	(6,340,626)	(9,982,277)	9,244,905	9,627,587	24,320,268	28,798,733
Business-type Activities	(90,742)	(123,569)	(70,577)	107,442	(1,001,354)	(847,175)	(1,490,937)	(1,221,334)	(1,321,917)	(515,000)
Total Primary Government	\$ 15,157,561	\$ (2,134,231)	\$ (7,877,913)	\$ (10,792,702)	\$ (7,341,980)	\$ (10,829,452)	\$ 7,753,968	\$ 8,406,253	\$ 22,998,351	\$ 28,283,733

FLORENCE COUNTY, SOUTH CAROLINA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 1,226,041	\$ 486,517	\$ 766,042	\$ 1,741,280	\$ 1,786,933	\$ 731,672	\$ 1,059,067	\$ 818,188	\$ 1,826,492	\$ 1,465,469
Committed	1,415,408	1,310,185	1,463,113	1,083,868	1,432,273	1,640,188	918,126	866,272	1,020,328	927,141
Assigned	59,417	30,679	148,847	533,840	333,439	263,738	319,248	210,508	59,112	349,684
Unassigned	9,881,199	10,828,609	13,177,669	12,778,519	14,023,164	16,347,688	15,860,731	15,291,847	24,062,934	26,070,707
Total General Fund	<u>\$ 12,582,065</u>	<u>\$ 12,655,990</u>	<u>\$ 15,555,671</u>	<u>\$ 16,137,507</u>	<u>\$ 17,575,809</u>	<u>\$ 18,983,286</u>	<u>\$ 18,157,172</u>	<u>\$ 17,186,815</u>	<u>\$ 26,968,866</u>	<u>\$ 28,813,001</u>
All Other Governmental Funds										
Nonspendable	\$ 142,602	\$ 194,068	\$ 176,672	\$ 194,173	\$ 172,442	\$ 182,382	\$ 182,382	\$ 168,602	\$ 1,058,594	\$ 201,002
Restricted	25,001,299	153,124,260	165,858,022	150,489,590	87,101,709	64,945,417	52,678,871	62,124,566	185,329,309	174,933,546
Committed	914,101	1,944,181	1,743,071	1,233,483	969,109	1,097,197	944,753	1,062,390	1,430,214	1,430,214
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(18,203)	-	(136,445)	(105,925)	(283,781)	(205,036)	(8)	(8)	(521,014)	(125,037)
Total all other governmental funds	<u>\$ 26,039,799</u>	<u>\$ 155,262,509</u>	<u>\$ 167,641,320</u>	<u>\$ 151,811,321</u>	<u>\$ 87,959,479</u>	<u>\$ 66,019,960</u>	<u>\$ 53,805,998</u>	<u>\$ 63,355,550</u>	<u>\$ 187,297,103</u>	<u>\$ 176,439,725</u>
Total all governmental funds	<u>\$ 38,621,864</u>	<u>\$ 167,918,499</u>	<u>\$ 183,196,991</u>	<u>\$ 167,948,828</u>	<u>\$ 105,535,288</u>	<u>\$ 85,003,246</u>	<u>\$ 71,963,170</u>	<u>\$ 80,542,365</u>	<u>\$ 214,265,969</u>	<u>\$ 205,252,726</u>

FLORENCE COUNTY, SOUTH CAROLINA

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 43,615,461	\$ 47,350,139	\$ 68,480,047	\$ 69,478,984	\$ 68,634,347	\$ 75,098,622	\$ 78,983,209	\$ 80,704,903	\$ 89,109,050	\$ 94,158,027
Licenses and permits	1,980,518	1,857,613	1,998,971	2,291,631	2,222,934	2,202,810	2,495,643	2,048,134	2,338,545	2,306,053
Fines and fees	9,425,804	9,823,938	9,849,718	10,932,493	10,974,742	11,702,697	12,514,543	11,722,673	12,675,400	13,948,120
Intergovernmental	10,924,089	11,181,138	14,072,329	11,407,538	12,088,668	13,459,933	13,964,441	12,965,647	25,162,519	23,584,507
Sales and other functional revenues	5,690,198	5,545,915	5,726,085	5,726,323	6,675,577	7,957,414	9,090,770	7,595,052	8,734,653	9,117,877
Miscellaneous	3,867,926	5,626,265	3,747,481	3,179,198	4,280,694	4,946,474	4,410,173	4,916,787	1,967,225	1,208,162
Total Revenues	75,503,996	81,385,008	103,874,631	103,016,167	104,876,962	115,367,950	121,458,779	119,953,196	139,987,392	144,322,746
Expenditures										
General government	23,408,104	26,185,032	27,913,183	24,422,085	26,694,881	29,408,083	30,303,786	29,982,934	18,441,636	26,013,688
Public safety	20,097,086	21,254,809	23,829,898	24,792,500	25,536,667	26,384,562	29,035,926	30,367,440	34,567,554	30,957,182
Economic and physical development	1,310,761	784,427	936,066	821,100	559,117	577,564	831,789	726,605	572,891	2,810,244
Public works	3,880,542	4,366,736	4,030,007	4,450,224	3,855,274	5,020,524	5,680,217	4,734,959	3,723,255	4,081,050
Health	6,307,817	7,085,410	7,226,115	7,005,594	7,177,240	9,267,342	9,676,769	9,566,987	9,042,545	10,484,410
Welfare	424,560	432,731	535,181	481,948	387,731	355,900	352,037	352,731	341,637	347,753
Culture and recreation	7,433,825	7,147,756	8,341,095	8,474,389	9,311,496	9,158,391	8,295,042	8,487,764	8,635,860	9,295,950
Education	2,261,113	2,799,515	2,394,515	2,599,515	2,279,515	2,816,515	2,576,587	2,036,578	2,870,661	2,955,600
Capital outlay	7,639,909	11,489,269	39,332,172	43,617,568	62,348,913	44,265,150	18,222,036	18,349,805	38,773,834	34,477,830
Debt service										
Principal retirement	5,590,918	5,438,818	20,534,514	22,075,259	25,025,054	25,416,759	28,047,087	32,351,853	34,634,989	27,664,464
Interest	815,384	1,056,519	5,442,120	6,660,699	6,430,440	5,743,506	6,236,865	5,367,042	5,482,055	10,159,285
Bond issuance costs	2,300	661,923	192,793	206,320	28,313	-	100,918	227,142	621,324	40,212
Refunding lease issuance costs	-	-	30,929	40,399	-	-	-	-	-	-
Paying agent fee	-	-	3,500	2,500	4,036	4,025	5,300	6,825	3,777	44,453
Total Expenditures	79,172,319	88,702,945	140,742,088	145,650,100	169,638,677	158,418,321	139,364,359	142,558,665	157,712,018	159,332,121
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,668,323)	(7,317,937)	(36,867,457)	(42,633,933)	(64,761,715)	(43,050,371)	(17,905,580)	(22,605,469)	(17,724,626)	(15,009,375)

FLORENCE COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing Sources (Uses)										
Issuance of debt	\$ 6,866,072	\$ 137,428,325	\$ 54,249,065	\$ 34,230,821	\$ 2,441,000	\$ 16,457,258	\$ 4,607,000	\$ 26,412,772	\$ 120,000,000	\$ 5,851,000
Issuance of leases	-	-	-	-	-	-	-	-	45,326,000	14,912
Proceeds of refunding bonds	-	-	3,154,824	-	-	-	-	1,163,167	22,620,841	-
Premiums on bond issuances	-	-	(4,502,510)	(6,687,296)	-	-	-	-	(37,122,830)	-
Payment to bond escrow agents	-	-	-	-	-	-	-	-	(209,968)	-
Discounts on bond issuances	-	-	-	-	-	-	-	3,350,217	173,577	-
Proceeds from sale of capital assets	-	14,076,942	9,182,839	3,750,574	2,203,257	2,145,614	7,181,056	1,860,757	11,855,757	273,814
Transfers in	1,880,413	(14,915,810)	(9,962,437)	(3,888,436)	(2,305,368)	(1,887,127)	(6,922,552)	(1,602,253)	(11,597,253)	6,635,819
Transfers out	(2,802,281)	-	-	-	-	-	-	-	-	(6,377,315)
Total Other Financing Sources	5,944,204	136,589,457	52,121,781	27,405,663	2,338,889	16,715,745	4,865,504	31,184,660	151,046,124	6,398,230
Net Change in Fund Balance	\$ 2,275,881	\$ 129,271,520	\$ 15,254,324	\$ (15,228,270)	\$ (62,422,826)	\$ (26,334,626)	\$ (13,040,076)	\$ 8,579,191	\$ 133,321,498	\$ (8,611,145)
Debt Service as a Percentage of Noncapital Expenditures*	8.96%	8.41%	25.62%	28.16%	29.32%	27.30%	28.30%	30.37%	33.73%	43.60%

* Noncapital expenditures are total expenditures less capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included within the functional expenditure categories. This formula adds "functional" and "principal" and divides them by the "total expenditures" minus the "capital outlay."

FLORENCE COUNTY, SOUTH CAROLINA

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Non- Manufacturing Personal	Non- Manufacturing Real	Manufacturing Personal and Real	Less: Tax Exempt Manufacturing Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2013	\$ 63,492,850	\$ 310,011,297	\$ 74,848,943	\$ 7,710,260	\$ 440,642,830	84.80	\$ 8,157,572,459	5.40%
2014	66,883,377	314,076,598	73,118,927	7,342,640	446,736,262	89.30	8,273,721,395	5.40%
2015	71,563,865	319,499,676	76,715,896	7,175,450	460,603,987	86.40	8,492,247,005	5.42%
2016	75,008,143	323,234,005	78,622,827	7,354,050	469,510,925	89.10	8,632,979,037	5.44%
2017	71,567,597	329,337,629	77,743,427	6,857,820	471,790,833	92.20	8,712,360,228	5.42%
2018	67,947,109	335,484,968	75,421,535	5,379,910	473,473,702	93.20	8,777,741,930	5.39%
2019	67,930,744	341,129,774	75,531,993	4,031,810	480,560,701	90.00	8,902,756,469	5.40%
2020	69,067,659	346,051,814	71,353,739	3,789,774	482,683,438	90.70	9,002,556,168	5.36%
2021	71,333,923	359,466,951	82,031,467	3,957,240	508,875,101	94.50	9,396,230,530	5.42%
2022	76,334,153	363,938,795	81,040,028	5,849,800	515,463,176	95.50	9,557,033,268	5.39%

Source: Florence County Auditor

Note:

Property in the County is reassessed every five years. The County appraises property at estimated actual taxable value and then applies the appropriate assessment rate based on the class of property. Tax rates are per \$1,000 of assessed value.

FLORENCE COUNTY, SOUTH CAROLINA

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
County-wide Tax Rates										
General County	26.0	25.0	23.6	23.6	21.9	20.9	20.9	19.3	20.0	25.8
Jail	-	-	-	-	-	-	-	-	-	31.5
Emergency Management	-	-	-	-	-	-	-	-	-	5.8
Public Safety	46.3	46.3	46.3	45.4	45.4	45.4	45.4	45.4	46.6	-
Florence-Darlington Technical College	-	-	-	-	4.9	4.9	4.9	4.9	4.9	4.9
County Library	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	8.0	7.9
Senior Citizens Center	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9
County Bonds	14.9	14.9	12.5	12.7	12.7	12.7	9.6	8.5	9.0	8.0
Total County Millage	95.50	94.50	90.70	90.00	93.20	92.20	89.10	86.40	89.30	84.80
Special Districts - Fire Tax Rates										
Florence Rural Fire District	-	-	-	-	-	-	-	-	-	-
West Florence Rural Fire District	-	-	-	-	12.8	12.8	12.8	12.8	8.0	8.0
Windy Hill/Olanta Rural Fire District	-	-	-	-	-	-	-	-	27.8	27.7
Howe Springs Fire District	-	-	-	-	-	-	-	-	25.3	25.2
South Lynches Fire District	21.4	21.9	22.2	22.2	21.5	22.9	22.7	20.9	20.9	25.1
Sardis-Timmonsville Fire District	-	-	-	-	-	-	-	-	15.0	15.0
Johnsonville Rural Fire District	-	-	-	-	-	-	-	-	40.4	37.9
Hannah-Salem Friendfield	-	-	-	-	-	-	-	-	18.1	23.8
Unified Fire District	23.1	23.1	23.3	23.9	26.9	26.9	26.9	27.5	-	-
Total Special Districts Millage	44.50	45.00	45.50	46.10	61.20	62.60	62.40	61.20	155.50	162.70
School District Tax Rates										
Florence - School District #1	265.8	238.6	237.8	233.2	229.5	229.0	227.7	222.1	221.0	220.1
Pamplico - School District #2	268.8	271.9	273.9	270.1	261.4	260.0	259.0	253.5	235.4	233.7
Lake City - School District #3	225.6	224.9	221.4	218.7	214.6	211.9	211.6	207.7	205.0	201.2
Timmonsville - School District #4	141.2	141.2	141.2	166.3	170.7	188.4	171.6	174.6	191.8	207.8
Johnsonville - School District #5	287.3	287.2	280.1	273.7	267.5	285.1	288.9	296.0	286.9	266.1
Total School District Millage	1188.70	1163.80	1154.40	1162.00	1143.70	1174.40	1158.80	1153.90	1140.10	1128.90
City Tax Rates										
Florence	63.1	63.1	61.8	60.9	60.9	60.2	56.5	56.5	56.7	56.7
Quinby	-	-	-	-	-	-	-	-	-	-
Pamplico	109.6	109.6	107.7	105.2	102.7	102.7	96.5	96.5	96.5	93.7
Lake City	204.7	184.1	183.1	180.0	173.9	174.0	174.0	176.0	176.0	176.0
Olanta	53.4	53.4	52.4	52.4	52.4	52.4	52.4	52.4	57.3	57.3
Timmonsville	131.0	129.4	127.1	132.9	130.0	128.4	128.3	135.5	133.5	130.6
Johnsonville	59.0	59.0	59.0	59.0	59.0	58.3	55.4	54.2	54.2	50.1
Coward	-	-	-	-	-	-	-	-	-	-
Scranton	-	-	-	-	-	-	-	-	-	-
Total City Millage	620.80	598.60	591.14	590.40	578.90	576.00	563.10	571.10	574.20	564.40
Special Tax District - Other										
Lynches Lake	18.4	18.5	18.8	18.1	19.2	19.9	19.9	19.7	19.5	19.1
Salem Polecat	16.0	15.9	15.6	15.6	16.0	16.8	16.7	16.1	15.8	15.9
Total Special District - Other Millage	34.40	34.40	34.40	33.70	35.20	36.70	36.60	35.80	35.30	35.00
Total Direct and Overlapping Rates	1983.90	1936.30	1916.14	1922.20	1912.20	1941.90	1910.00	1908.40	1994.40	1975.80

Source: Florence County Auditor

Note:

Overlapping rates are those of local and county governments that apply to property owners within Florence County. Not all overlapping rates apply to all Florence County property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

FLORENCE COUNTY, SOUTH CAROLINA

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2022			Taxpayer	2013		
	Taxable Assessed Value*	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value*	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Progress LLC	\$ 5,894,456	1	1.14%	Duke Energy Progress LLC	\$ 3,206,455	1	0.73%
FCWC JIPC Nan Ya	2,776,824	2	0.54%	FCWC JIPC Nan Ya	2,386,854	2	0.54%
Dominion Energy South Carolina	1,407,787	3	0.27%	QHG of South Carolina	1,980,729	3	0.45%
McLeod Regional Medical Center	1,286,551	4	0.25%	PR Magnolia LLC	909,050	4	0.21%
PR Magnolia LLC	1,039,297	5	0.20%	CSX Transportation	908,195	5	0.21%
CSX Transportation	962,797	6	0.19%	Bellsouth Telecommunications	889,259	6	0.20%
WestRock RKT Company	806,460	7	0.16%	SCE&G	872,174	7	0.20%
Spectrum Southeast LLC	796,340	8	0.15%	McLeod Regional Medical Center	614,759	8	0.14%
Santee Electric	710,271	9	0.14%	NUCOR	572,562	9	0.13%
Florence (Florence Mall) FMH	523,623	10	0.10%	Florence (Florence Mall) FMH	504,434	10	0.11%
Total	<u>\$ 16,204,406</u>		3.14%		<u>\$ 12,844,471</u>		2.91%
Total Gross Digest Assessment	<u>\$515,463,176</u>			Total Gross Digest Assessment	<u>\$440,642,830</u>		

Source: Florence County Auditor

* Actual

FLORENCE COUNTY, SOUTH CAROLINA

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 29,216,979	\$ 28,442,895	97.35%	\$ 486,545	\$ 28,929,440	99.02%
2014	31,040,981	30,259,781	97.48%	590,827	30,850,608	99.39%
2015	31,249,576	30,448,327	97.44%	501,085	30,949,412	99.04%
2016	32,740,720	31,901,285	97.44%	565,243	32,466,528	99.16%
2017	34,283,702	33,434,828	97.52%	486,298	33,921,126	98.94%
2018	34,850,908	34,074,791	97.77%	446,292	34,521,083	99.05%
2019	36,307,201	35,515,588	97.82%	499,435	36,015,023	99.20%
2020	37,230,645	34,708,280	93.23%	843,981	35,552,261	95.49%
2021	40,425,206	37,908,787	93.78%	1,003,452	38,912,239	96.26%
2022	40,923,443	38,967,814	95.22%	-	38,967,814	95.22%

Source: Florence County Treasurer

FLORENCE COUNTY, SOUTH CAROLINA

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Governmental Activities						Business-type Lease Liabilities	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Bond Anticipation Note	Revenue Bonds	Financed Purchases	Installment Purchase Revenue Bonds	Lease Liabilities				
2013	\$ 16,323,771	\$ -	\$ 5,391,920	\$ 19,620,000	\$ -	\$ -	\$ -	\$ 41,335,691	1.0%	\$ 300
2014	151,828,240	-	4,752,744	16,648,000	-	-	-	173,228,984	4.0%	1,254
2015	130,632,850	3,500,000	4,081,384	20,420,065	45,154,824	-	-	203,789,123	4.0%	1,468
2016	124,771,375	-	19,652,579	17,027,847	45,004,594	-	-	206,456,395	4.0%	1,488
2017	103,935,900	-	19,027,000	13,588,805	44,854,364	-	-	181,406,069	3.0%	1,309
2018	81,676,425	-	18,898,000	9,711,446	59,704,134	-	-	169,990,005	3.0%	1,227
2019	59,679,950	-	18,620,000	8,976,698	57,286,625	-	-	144,563,273	2.0%	1,045
2020	59,814,642	-	18,323,000	8,940,438	51,753,674	-	-	138,831,754	2.0%	1,004
2021	176,655,850	-	18,007,000	8,049,787	50,941,721	-	-	253,654,358	4.0%	1,834
2022	154,890,303	-	17,476,587	6,580,867	46,915,000	-	22,981	225,885,738	3.0%	1,502

Source: Florence County Finance Office

¹ See the table for Demographic and Economic Statistics for personal income and population data used for these calculations.

FLORENCE COUNTY, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Bonded Debt Outstanding			Ratio of Net Bonded Debt to Assessed Value ¹	Net Bonded Debt Per Capita ²
	General Obligation	Less: Amount Available in Debt	Total Net Bonded		
	Bonds	Service Fund	Debt		
2013	\$ 16,323,771	\$ 2,523,013	\$ 13,800,758	0.17%	\$ 100
2014	151,828,240	16,617,959	135,210,281	1.63%	979
2015	130,632,850	12,803,291	117,829,559	1.39%	849
2016	124,771,375	17,478,793	107,292,582	1.24%	773
2017	103,935,900	13,889,625	90,046,275	1.03%	650
2018	81,676,425	20,982,111	60,694,314	0.69%	438
2019	59,679,950	19,817,241	39,862,709	0.45%	288
2020	59,814,642	22,923,262	36,891,380	0.41%	267
2021	176,655,850	43,018,039	133,637,811	1.42%	966
2022	154,890,303	51,393,191	121,439,713	1.27%	878

Source: Florence County Finance Department

¹ See the table for Assessed Value and Estimated Actual Value of Taxable Property for total taxable assessed value used for these calculations.

² See the table for Demographic and Economic Statistics for the population used for these calculations.

Note:

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

FLORENCE COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022

Governmental Unit	Debt Outstanding	Estimated Percent Applicable ¹	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
Florence County	\$ 231,036,977	100.00%	\$ 231,036,977
Overlapping Debt:			
Florence County School District #1	32,130,000	100.00%	32,130,000
Florence County School District #2	259,000	100.00%	259,000
Florence County School District #3	3,161,000	100.00%	3,161,000
Florence County School District #4	-	100.00%	-
Florence County School District #5	363,717	100.00%	363,717
Total Estimated Share of Overlapping Debt			<u>35,913,717</u>
Total Estimated Share of Direct and Overlapping Debt			<u>\$ 266,950,694</u>

Sources: Florence County Finance Department and Florence County Auditor

¹ Estimated percent applicable is determined by the ratio of assessed valuation of real property subject to taxation in the overlapping entity to the valuation of real property subject to taxation in the entire County.

FLORENCE COUNTY, SOUTH CAROLINA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed valuation	\$ 509,613,376
Add back: exempt manufacturing property	<u>5,849,800</u>
Total assessed valuation	<u>515,463,176</u>
Debt limit - eight percent of total assessed value	41,237,054
Debt applicable to limit:	
General obligation bonds	<u>31,148,000</u>
Debt qualifying for margin	<u>31,148,000</u>
Legal debt margin	<u><u>\$ 10,089,054</u></u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Legal debt limit*	\$ 35,251,426	\$ 35,738,901	\$ 36,848,319	\$ 37,560,874	\$ 37,743,267	\$ 37,877,896	\$ 38,444,856	\$ 38,614,675	\$ 40,710,008	\$ 41,237,054
Net debt applicable to limit	<u>16,323,771</u>	<u>14,399,915</u>	<u>13,745,000</u>	<u>22,234,000</u>	<u>8,690,000</u>	<u>6,325,000</u>	<u>4,318,000</u>	<u>25,350,000</u>	<u>34,035,009</u>	<u>31,148,000</u>
Legal debt margin	<u><u>\$ 18,927,655</u></u>	<u><u>\$ 21,338,986</u></u>	<u><u>\$ 23,103,319</u></u>	<u><u>\$ 15,326,874</u></u>	<u><u>\$ 29,053,267</u></u>	<u><u>\$ 31,552,896</u></u>	<u><u>\$ 34,126,856</u></u>	<u><u>\$ 13,264,675</u></u>	<u><u>\$ 6,674,999</u></u>	<u><u>\$ 10,089,054</u></u>
Total net debt applicable to the limit as a percentage of debt limit	46.31%	40.29%	37.30%	59.19%	23.02%	16.70%	11.23%	65.65%	83.60%	75.53%

Source: Florence County Auditor and Florence County Treasurer

* Calculated at eight percent of the total taxable assessed value.

Note:

Under South Carolina Constitution Article X, Section 14, 7(a), Florence County's outstanding general obligation debt should not exceed 8 percent of the total assessed property value.

FLORENCE COUNTY, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population ¹	Personal Income ³ <i>(in thousands)</i>	Per Capita Personal Income ³	Unemployment Rate ²
2013	137,985	\$ 4,772,861	\$ 34,590	8.6%
2014	138,178	4,817,920	34,867	7.5%
2015	138,779	5,007,678	36,084	6.8%
2016	138,715	5,234,747	37,737	5.6%
2017	138,595	5,422,811	39,127	4.8%
2018	138,495	5,540,598	40,006	3.8%
2019	138,277	5,813,911	42,045	3.7%
2020	138,293	6,085,055	44,001	7.7%
2021	138,325	5,815,875	42,045	4.5%
2022	136,504	6,381,425	46,749	3.4%

Sources: ¹ US Census Bureau, Population Division
² US Department of Labor, Bureau of Labor Statistics
³ US Department of Commerce, Bureau of Economic Analysis

Note:
All data, except school enrollment, is based on calendar years and may be estimates or not be available for the current year and some of the previous years.

FLORENCE COUNTY, SOUTH CAROLINA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

2022				2013			
Company or Organization	Number of Employees	Rank	Percentage of Total County Employment	Company or Organization	Number of Employees	Rank	Percentage of Total County Employment
McLeod Regional Medical Center	6,000	1	9.30%	McLeod Regional Medical Center	4,700	1	7.33%
Florence School District One	2,200	2	3.41%	Florence School District One	2,149	2	3.35%
TRICARE PGBA	1,200	3	1.86%	MUSC Hospital	1,840	3	2.87%
Ruiz Foods	1,200	4	1.86%	JP Morgan Chase	1,100	4	1.71%
McCall Farms	1,100	5	1.71%	TRICARE PGBA	1,100	5	1.71%
Assurant	1,100	6	1.71%	Assurant	893	6	1.39%
MUSC Hospital	1,100	7	1.71%	Nanya	830	7	1.29%
Honda	1,000	8	1.55%	Florence County	782	8	1.22%
Nanya	850	9	1.32%	Wal-Mart	761	9	1.19%
Florence County	800	10	1.24%	ESAB Welding and Cutting	575	10	0.90%
	<u>16,550</u>		<u>25.66%</u>		<u>14,730</u>		<u>22.96%</u>

Source: Florence County Economic Development Partnership

FLORENCE COUNTY, SOUTH CAROLINA
COUNTY FULL-TIME EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	284	298	303	303	305	300	298	299	297	299
Public safety	272	278	278	279	283	294	305	304	306	310
Economic and physical development	4	4	4	5	5	5	5	5	5	5
Public works	49	49	49	49	49	49	49	49	49	49
Health	81	97	97	97	101	120	121	121	121	121
Culture and recreation	98	112	113	113	115	116	116	117	117	118
Utility system	1	1	1	1	-	-	-	-	-	-
E911 system	2	2	2	3	2	2	2	2	2	2
Total	791	841	847	850	860	886	896	897	897	904

Source: Florence County Budget

Note:

The above counts are based on the actual number of full-time employees at June 30 for each fiscal year.

FLORENCE COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Jail average daily population	439	317	274	294	332	365	365	334	327	385
911 calls dispatched	161,922	159,332	138,636	143,999	150,819	155,234	148,352	150,029	159,667	165,399
Public Works										
Road miles lowed	9,398	10,463	9,448	9,245	8,867	8,386	11,223	8,183	6,315	4,976
Feet of pipe installed	2,250	3,560	3,272	3,890	3,004	4,526	3,912	977	5,210	3,050
Signs installed/repairs	1,450	1,132	1,049	1,124	1,287	744	658	1,988	808	399
Health										
EMS transports	13,011	13,703	14,803	15,472	16,207	16,783	17,267	16,669	17,563	18,562

Source: Various governmental departments

Note:

Indicators are not available for the general government function

FLORENCE COUNTY, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Sheriffs stations	1	1	1	1	1	1	1	1	1	1
Maximum jail bed capacity	520	520	520	520	520	520	520	520	520	520
Public Works										
Road miles	625.2	625.1	625.6	625.6	630.6	630.7	630.7	630.7	630.7	630.7
Health										
EMS stations	5	5	5	5	7	7	7	8	8	8
Ambulances	17	17	17	17	18	18	18	19	19	19
Culture and Recreation										
Libraries	6	6	6	6	6	6	6	6	6	6
Acres of parks	696.6	696.6	696.6	696.6	696.6	721.6	721.6	721.6	721.6	721.6

Source: Various governmental departments

Note:

Indicators are not available for the general government function

COMPLIANCE SECTION



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

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Florence County, South Carolina** (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 21, 2023. Our report includes a reference to an emphasis of a matter relative to the change in accounting principle resulting from the implementation of GASB Statement No. 87, *Leases*.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we considered to be a material weakness.

Report on Compliance and Other Matters

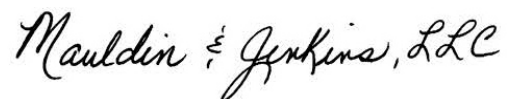
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Florence County, South Carolina's Response to the Finding

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

Purpose of this Report

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



Columbia, South Carolina
February 21, 2023



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
February 21, 2023

FLORENCE COUNTY, SOUTH CAROLINA

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

Federal Grantor/Pass-through Grantor Program Title	Federal Assistance Listing Number	Federal Grantor's/ Pass-through Grantor's Number	Federal Expenditures	Passed through to Subrecipients
<u>U.S. DEPARTMENT OF COMMERCE</u>				
ECONOMIC DEVELOPMENT CLUSTER				
Direct Assistance				
Investments for Public Works and Economic Development Facilities	11.300	04-01-07394	\$ 1,021,583	\$ -
Total Economic Development Cluster			<u>1,021,583</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF COMMERCE			<u>1,021,583</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed through S.C. Department of Commerce				
Community Development Block Grant	14.228	4-CI-20-007	454,661	-
Community Development Block Grant	14.228	4-CE-20-006	5,000	-
Community Development Block Grant	14.228	4-CE-21-010	6,500	-
			<u>466,161</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>466,161</u>	<u>-</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Direct Assistance				
Equitable Sharing Program	16.922	N/A	27,460	-
Passed through S.C. Department of Public Safety				
COVID-19: Coronavirus Emergency Supplemental Program	16.034	ICF-20-075	1,247	-
COVID-19: Coronavirus Emergency Supplemental Program	16.034	ICF-20-113	120,000	-
			<u>121,247</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>148,707</u>	<u>-</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER				
Passed through S.C. Department of Transportation				
Highway Planning and Construction Grant	20.205	PLA-04-13	115,748	-
Total Highway Planning and Construction Cluster			<u>115,748</u>	<u>-</u>
HIGHWAY SAFETY CLUSTER				
Passed through S.C. Department of Public Safety				
12th Judicial Circuit Law Enforcement Network Grant	20.600	2JC21012	670	-
Total Highway Safety Cluster			<u>670</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>116,418</u>	<u>-</u>
<u>U.S. DEPARTMENT OF TREASURY</u>				
Direct Assistance				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	2,250,007	-
TOTAL U.S. DEPARTMENT OF TREASURY			<u>2,250,007</u>	<u>-</u>
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>				
Direct Assistance				
Highway Planning and Construction Grant	45.024	1860808-59-19	2,095	-
Passed through S.C. State Library				
LSTA	45.310	IID-ARPA-111	2,000	-
LSTA	45.310	IID-21-307	1,144	-
LSTA	45.310	IID-21-319	1,000	-
LSTA	45.310	IIDARPA-027	4,050	-
LSTA	45.310	IIDARPA-026	4,700	-
LSTA	45.310	IID19-06& 20-04	50,000	-
LSTA	45.310	IID-ARPA-025	19,489	-
			<u>82,383</u>	<u>-</u>
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			<u>84,478</u>	<u>-</u>

FLORENCE COUNTY, SOUTH CAROLINA

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

Federal Grantor/Pass-through Grantor Program Title	Federal Assistance Listing Number	Federal Grantor's/ Pass-through Grantor's Number	Federal Expenditures	Passed through to Subrecipients
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through S.C. Department of Social Services				
Child Support Enforcement Services Program	93.563	C-21022C	\$ 212,796	\$ -
Social Services Block Grant	93.563	C-210212	36,868	-
Service of Title IV-D Process Program	93.563	C-21021S	29,617	-
			<u>279,282</u>	<u>-</u>
Passed through S.C. Department of Health and Environmental Control				
National Bioterrorism Hospital Preparedness Program	93.889	PD-2-431	105,000	-
National Bioterrorism Hospital Preparedness Program	93.889	PD-2-287	2,339	-
National Bioterrorism Hospital Preparedness Program	93.889	PD-2-288	2,742	-
			<u>110,081</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>389,363</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Passed through S.C. Emergency Preparedness Division				
Emergency Management Performance Grant	97.042	20EMPG01	20,726	-
Emergency Management Performance Grant	97.042	21EMPG-01	68,358	-
Emergency Management Performance Grant	97.042	21-EMPG-ARPA	22,674	-
Emergency Management Performance Grant	97.042	20-EMPG-S01	21,326	-
COVID-19 Supplies Grant	97.044	EMW-2020-FG-01455	774	-
			<u>133,858</u>	<u>-</u>
Passed through S.C. Department of Emergency Management				
Disaster Grants - Public Assistance - Florence	97.036	FEMA-4394-DR-SC	69,924	-
Disaster Grants - Public Assistance - Irma	97.036	N/A	19,500	-
CE Disaster and Emergency Prep	97.039	N/A	262	-
			<u>89,685</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>223,543</u>	<u>-</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Direct Assistance				
COMMUNITY FACILITIES LOANS AND GRANTS CLUSTER				
Rural Development - Community Facilities Loans	10.766	N/A	50,000	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>50,000</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE EXPENDED			<u>\$ 4,750,260</u>	<u>\$ -</u>

FLORENCE COUNTY, SOUTH CAROLINA

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

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Florence County (the "County") under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

NOTE 3. INDIRECT COST RATE

The County has elected not to use the 10 percent de Minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. SUBRECIPIENTS

The County did not have subrecipients during the fiscal year ended June 30, 2022.

NOTE 5. DISASTER GRANTS - PUBLIC ASSISTANCE PRESIDENTIAL DECLARED DISASTER (HURRICANE FLORENCE AND HURRICANE IRMA)

Stafford Act funds are reported when the funds are approved by the Department of Homeland Security (DHS)/FEMA. Accordingly, \$89,424 included in the Schedule were costs incurred in a previous fiscal year.

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

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
 Material weaknesses identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:
 Material weaknesses identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes No

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)? Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	U.S. Department of the Treasury COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? Yes No

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

SECTION II
FINANCIAL STATEMENT FINDINGS

2022-001 Management and Reporting of Long-term Obligations

Criteria: Generally accepted accounting principles require long-term obligations to be recorded in the accounting period in which they are incurred. Additionally, governmental accounting standards require liabilities reported in governmental-type funds and whose liquidation does not require current financial resources to be reported only at the government-wide level Statement of Net Position. Additionally, governmental accounting standards require that governmental funds record proceeds from the issuance of long-term obligations in the period of issuance as well as debt service expenditure and costs of issuance in the period paid.

Condition: The County did not properly record the activities associated with the issuance of the 2015 Series Installment Purchase Revenue Bond.

Context: We addressed this matter with County officials, who worked diligently to determine the appropriate amounts to be recorded for the installment purchase revenue bond as of July 1, 2021.

Effect: The County determined a restatement to decrease the beginning net position of the County's governmental activities in order to record the outstanding debt in the amount of \$5,375,000 as of July 1, 2021.

Cause: There was a lack of appropriate controls implemented at the County during the prior fiscal year to ensure that all long-term obligations were properly reported in the accounting period in which they were incurred.

Recommendation: We recommend that the County implement the necessary controls to identify all long-term obligations that are issued in the name of the County to ensure such activities are properly reported in the period in which they occur.

View of Responsible Officials and Planned Corrective Action: We concur with the finding. We will implement the necessary controls and procedures to identify all long-term obligations that are issued in the name of the County to ensure such activities are properly reported in the period in which they occur.

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

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

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

2021-001 – Prepaid Capital Expenditures

Criteria: Under GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, governmental fund financial statements focus on near-term inflows and outflows of spendable resources. Therefore, they are reported using the current financial resources measurement focus and the modified accrual basis of accounting. For this purpose, capital asset acquisitions are reported as expenditures in the *Statement of Revenues, Expenditures and Changes in Fund Balances*.

Condition: During the fiscal year ended June 30, 2021, the County recognized the purchase of equipment as a prepaid expense instead of capital outlay expenditures within its governmental fund financial statements.

Status: Resolved.

APPENDIX B-1

FORM OF BASE LEASE AGREEMENT

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INDEX

Page

BASE LEASE AGREEMENT

between

FLORENCE COUNTY, SOUTH CAROLINA
as Lessor

and

FLORENCE COUNTY PUBLIC FACILITIES CORPORATION
as Lessee

Dated as of December 1, 2023

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions of Words and Terms 2
Section 1.2. Rules of Construction 3
Section 1.3. Accounting Terms 3

ARTICLE II
REPRESENTATIONS

Section 2.1. Representations by the County 3
Section 2.2. Representations by the Corporation 4

ARTICLE III
LEASE OF THE REAL PROPERTY; ACQUISITION OF THE PROJECT FACILITIES; RENT

Section 3.1. Lease of the Real Property 4
Section 3.2. Purchase of the Project Facilities 4
Section 3.3. Assignments, Subleases and Mortgages 4
Section 3.4. Rent and Other Consideration 4
Section 3.5. Taxes and Insurance 5
Section 3.6. Granting of Easements, Rights of Way, Releases and Substitutions of Property 5

ARTICLE IV
TERMINATION

Section 4.1. Termination 6
Section 4.2. Default by the Corporation 7
Section 4.3. Quiet Enjoyment 7
Section 4.4. No Merger 7
Section 4.5. Waiver of Personal Liability 7
Section 4.6. Maintenance of Premises 7

ARTICLE V
CONTROL OF REAL PROPERTY AND PROJECT FACILITIES
DURING BASE LEASE TERM

Section 5.1. Control of Real Property and Project Facilities During Base Lease Term 8

ARTICLE VI
MISCELLANEOUS

Section 6.1. Binding Effect 8
Section 6.2. Severability 8
Section 6.3. Amendment, Changes and Modifications 8
Section 6.4. Execution in Counterparts 8
Section 6.5. Applicable Law 8
Section 6.6. Captions 8
Section 6.7. Notices 9

SIGNATURES 9

EXHIBIT A - Legal Description of the Real Property A-1

BASE LEASE AGREEMENT

THIS BASE LEASE AGREEMENT dated as of December 1, 2023 (the "Base Lease") made and entered into by and between FLORENCE COUNTY, SOUTH CAROLINA, a body politic and political subdivision of the State of South Carolina (the "County") as lessor, and FLORENCE COUNTY PUBLIC FACILITIES CORPORATION, a non-profit corporation duly organized under the laws of the State of South Carolina (the "Corporation"), as lessee,

WITNESSETH

WHEREAS, the Corporation is a non-profit corporation formed under the provisions of Sections 33-1-10 through 33-31-180, inclusive, Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, the County is a duly organized and existing county and political subdivision duly formed under the laws of the State of South Carolina and is authorized under the provisions of Title 4, Chapter 9, Code of Laws of South Carolina, 1976, as amended (the "Act"), to enter into this Base Lease; and

WHEREAS, the County presently owns certain improved real property (the "Real Property") upon which improvements are to be constructed or otherwise made by the Corporation as part of the Capital Projects (as hereinafter defined) and used by the County pursuant to the terms hereof as more specifically defined herein; and

WHEREAS, the County desires to lease the Real Property to the Corporation so that the Corporation may provide for the acquisition and construction of the Capital Projects on the Real Property; and

WHEREAS, the Capital Projects, as completed, and any improvements hereby conveyed to the Corporation (collectively, the "Project Facilities") are to be sold to the County under the terms of a Public Facilities Purchase and Occupancy Agreement dated as of December 1, 2023 (the "Facilities Agreement") between the Corporation and the County; and

WHEREAS, the payments to be made under the Facilities Agreement and the rights of the Corporation thereto (except for certain reserved rights as provided therein) are to be assigned to The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee") pursuant to the terms of a Trust Agreement dated as of December 1, 2023 (the "Trust Agreement") between the Corporation and the Trustee in order to secure and provide a source of payment for certain bonds, the proceeds of which are to be used for the payment of the costs of acquiring and constructing the Capital Projects; and

WHEREAS, the County desires to enter into this Base Lease in order to achieve the foregoing purposes;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements, including the payments of the Base Lease Rent (as hereinafter defined) herein set forth the County and the Corporation do hereby covenant and agree as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.1. Definitions of Words and Terms. Capitalized terms not otherwise defined herein are used with the meanings provided therefor in the Trust Agreement or the Facilities Agreement or shall have the following meanings, unless some other meaning is plainly intended:

"Acquisition Payments" means those payments required to be made by the County by Sections 4.1 and 4.2 of the Facilities Agreement.

"Act" means Title 4, Chapter 9, Code of Laws of South Carolina, 1976, as amended.

"Base Lease Rent" means those items referred to as such in Section 3.4 of this Base Lease.

"Base Lease Term" means the term of this Base Lease which ends on June 1, 2033.

"Capital Projects" means the Project Facilities to be designed, constructed, equipped and furnished upon the Real Property.

"Corporation" means Florence County Public Facilities Corporation, a non-profit corporation formed under the laws of the State of South Carolina, and its successors and assigns.

"Corporation Representative" means the person or persons at the time designated to act on behalf of the Corporation in matters relating to this Base Lease, the Facilities Agreement and the Trust Agreement as evidenced by a written certificate furnished to the County and the Trustee containing the specimen signature of such person or persons and signed on behalf of the Corporation by its Chairman or Vice Chairman. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Corporation Representative.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either the County or the Corporation.

"County Council" means Florence County Council, the governing body of the County.

"Event of Default" means (a) with respect to the Facilities Agreement, any Event of Default as defined in Section 8.1 of the Facilities Agreement, and (b) with respect to the Trust Agreement, any Event of Default as defined in Section 7.1 of the Trust Agreement.

"Fiscal Year" means the 12-month period adopted by the County as its fiscal year for financial reporting purposes. Currently, such Fiscal Year for the County begins on July 1 of each calendar year.

"Ordinance" means the Ordinance enacted by County Council on November 16, 2023 authorizing this Base Lease and the Facilities Agreement and consenting to the Trust Agreement.

"Project Facilities" means the improvements hereinafter renovated or constructed on the Real Property and designated by the County to be part of the Capital Projects.

"Real Property" means property owned by the County and leased to the Corporation, as described on Exhibit A.

"State" means the State of South Carolina.

"Trust Estate" means the Trust Estate described in the Granting Clauses of the Trust Agreement.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., a banking association or corporation organized and existing under the laws of the United States of America, and its successor or successors and any other trustee which at any time may be substituted in its place pursuant to and at the time serving as trustee under the Trust Agreement.

SECTION 1.2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons.

SECTION 1.3. Accounting Terms. Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed to such terms by accounting principles generally accepted in the United States as from time to time in effect.

**ARTICLE II
REPRESENTATIONS**

SECTION 2.1. Representations by the County. The County represents and warrants as follows:

- (a) The County is a duly constituted County under the provisions of Article 4, Chapter 9 of the Code of Laws of South Carolina, 1976, as amended, and a body politic and corporate and a political subdivision of the State.
- (b) The demise and lease of the Real Property to the Corporation, as provided in this Base Lease, in order to allow the Corporation to provide for the construction of the Project Facilities, and the sale of the Project Facilities by the Corporation to the County pursuant to the Facilities Agreement has been undertaken to enable the County to undertake comprehensive improvements to the facilities of the County.
- (c) County Council has full power and authority to enact the Ordinance and the County has full power and authority to enter into the transactions contemplated by this Base Lease and to carry out its obligations hereunder.
- (d) Neither the execution and delivery of this Base Lease, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the County is now a party or by which the County is bound.
- (e) The County has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer, any act or thing whereby the County's interests in Real Property and the Project Facilities shall be or may be impaired, changed or encumbered in any manner whatsoever except as permitted by this Base Lease or the Facilities Agreement.
- (f) The County is the fee owner of the Real Property free and clear of all liens, encumbrances and restrictions (including, without limitation, leases) other than Permitted Encumbrances.

SECTION 3.5. Taxes and Insurance. The County shall pay and have responsibility for all taxes on and insurance of the Real Property and the Project Facilities for so long as this Base Lease shall remain in force, except as provided in Section 4.1(b) herein. All insurance shall provide that the proceeds shall be payable to the County, the Corporation or the Trustee as their interests may appear.

SECTION 3.6. Granting of Easements, Rights of Way, Releases and Substitutions of Property. From time to time during the term hereof and so long as there is not an existing Event of Default under the Facilities Agreement and there has not occurred an Event of Nonappropriation that has not been waived by the Trustee, the Corporation, at the request of the County and with prior written notice to the Trustee, may execute such instruments as are necessary to provide for the granting of easements or rights of way for road construction, utilities or in such other instances as the County certifies are not inconsistent or incompatible with the continued use of the balance of the Real Property for their intended purposes. Such instruments may include a termination of this Base Lease with respect to such portion of the Real Property as is affected thereby or an acceptance or acknowledgment of the right of the grantee of any such easement or right-of-way to continue to use such property notwithstanding the exercise of any rights or remedies afforded to the Corporation hereunder or under the Facilities Agreement. Any request from the County hereunder shall be accompanied by copies of any instruments proposed to be executed together with a certificate from the County to the effect that (i) the continued use of the Real Property affected thereby will not be impaired or hampered thereby; (ii) access to the Real Property for ingress and egress will be adequate; and (iii) that the value of the Real Property to the County will not be significantly diminished thereby.

The Corporation may also terminate this Base Lease with respect to any portion of the Project Facilities Real Property deemed excess or unneeded for the continued operation of the Project Facilities and the related public facilities for the purposes for which they were designed or are then being used, and release its interest in such portion to the County, upon receipt by the Corporation of the following: (i) a plat showing the location of the Project Facilities and related public facilities and the portion of the Real Property deemed excess or unneeded; (ii) an amendment to Exhibit A hereto revising the description of the affected parcel of property; (iii) a certificate from an engineer or architect stating that the remaining Real Property will be adequate for the continued operation of the Project Facilities and related public facilities for the purpose for which they were designed or are then being used including a certification that there will be adequate access to the remaining Real Property for ingress and egress; and (iv) a certification from the County that the portion of the Real Property being released from the provisions hereof is excess to or unneeded for the continued operation of the Project Facilities and related public facilities for the purposes for which they were designed or are then being used.

The County shall not be obligated to compensate the Corporation for the removal of any property or for any conveyance or grant of an easement or right-of-way under the provisions hereof and any consideration paid in connection therewith shall be turned over to the County so long as there is not an existing Event of Default under the Facilities Agreement and no Event of Nonappropriation has occurred that has not been waived by the Trustee. The Corporation shall have no obligation or responsibility to prepare or record any instrument authorized hereunder.

**ARTICLE IV
TERMINATION**

SECTION 4.1. Termination.

- (a) This Base Lease shall terminate upon the completion of the Base Lease Term specified in Section

SECTION 2.2. Representations by the Corporation. The Corporation represents and warrants as follows:

- (a) The Corporation is a non-profit corporation duly incorporated under the laws of the State and has corporate power to enter into this Base Lease, the Facilities Agreement and the Trust Agreement. By proper corporate action the officers of the Corporation have been duly authorized to execute and deliver this Base Lease, the Facilities Agreement and the Trust Agreement.
- (b) The execution and delivery of this Base Lease, the Facilities Agreement and the Trust Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or constitute a breach of or default under the Corporation's articles of incorporation or bylaws or any bond, debenture, note or other evidence of indebtedness of the Corporation, or any contract, agreement, or instrument to which the Corporation is a party or by which it is bound.
- (c) To provide funds to finance the Project Facilities, the Corporation will enter into the Trust Agreement pursuant to which it will issue the Series 2023 Bonds payable from and secured by the Acquisition Payments under the Facilities Agreement.

**ARTICLE III
LEASE OF THE REAL PROPERTY;
ACQUISITION OF THE PROJECT FACILITIES; RENT**

SECTION 3.1. Lease of the Real Property. For and in consideration of the agreement of the Corporation to provide funds to improve the same through renovations, expansions and construction of new facilities, the County hereby demises and leases to the Corporation and the Corporation hereby leases from the County the Real Property for a Base Lease Term which ends on June 1, 2033 (the "Base Lease Term"). The parties hereto agree to amend Exhibit A to this Base Lease at such time, and from time to time, as the County acquires or makes available Real Property required for construction of Project Facilities, or if the County acquires or makes available Additional Real Property if such Additional Real Property is the site of Additional Project Facilities, with prior written notice to the Trustee.

SECTION 3.2. Purchase of the Project Facilities. Pursuant to the terms of the Facilities Agreement, the Corporation, as part of the Capital Projects, will construct as Project Facilities improvements on the Real Property and will convey title to the Project Facilities to the County, but subject to the Trust Agreement and the reservation of certain rights under this Base Lease.

SECTION 3.3. Assignments, Subleases and Mortgages. Except as contemplated by the Trust Agreement or permitted by the Facilities Agreement, the Corporation may not (i) mortgage or otherwise encumber or assign its rights under this Base Lease, (ii) mortgage or otherwise encumber, or lease, assign, transfer or otherwise dispose of its interest in the Real Property or the Project Facilities or any portion thereof or (iii) remove, modify or alter the Real Property or the Project Facilities, without the consent of the County.

SECTION 3.4. Rent and Other Consideration. In consideration for the leasing of the Real Property to the Corporation hereunder, the Corporation agrees (i) to pay to the County \$_____ at closing, which represents the full payment of Base Lease Rent for the entire term of this Base Lease ending on June 1, 2033, and (ii) to fulfill its obligations with respect to the Project Facilities as provided in the Facilities Agreement. The payment required hereunder shall be made as provided in Section 5.1(b) of the Trust Agreement.

3.1 hereof; provided, however, in the event the County exercises the option to purchase the Project Facilities as provided in Section 9.1(a) of the Facilities Agreement and satisfies the conditions thereof, then this Base Lease shall be considered terminated through merger of the leasehold interest with the fee simple interest of the County and, provided further, that upon the termination of the Facilities Agreement and any partition of the Project Facilities pursuant to Section 2.4 of the Facilities Agreement, this Base Lease shall be terminated with respect to that portion of the Real Property (the "County Real Property") relating to any County Facilities (as defined in the Facilities Agreement) and the County Real Property shall no longer be subject to this Base Lease and the Corporation shall have no interest therein; provided however, the Base Lease shall remain in place as to the Corporation Facilities and the Real Property associated therewith. Notwithstanding the termination of the Facilities Agreement as a consequence of an Event of Default or Event of Nonappropriation, the County may thereafter purchase the Project Facilities not previously purchased by it upon payment of the applicable Purchase Option Price and the satisfaction of all other terms and conditions set forth in Section 9.1(a) of the Facilities Agreement.

(b) The Corporation agrees, upon any termination or completion of the Base Lease Term or the exercise by the County of its option to purchase as provided in Section 9.1(a) of the Facilities Agreement, to quit and surrender the Real Property and that all title and interest in the Project Facilities and the Real Property shall vest in the County free and clear of the encumbrance of this Base Lease and any other encumbrances except those permitted by Section 9.2(a) of the Facilities Agreement. The Corporation agrees, upon any partition of the Project Facilities provided for in Section 2.4 of the Facilities Agreement, to quit and surrender the County Real Property and that in those circumstances all title and interest in the County Facilities and the County Real Property shall vest in the County free and clear of the encumbrance of this Base Lease and any other encumbrances except those permitted by Section 9.2(a) of the Facilities Agreement.

If an Event of Default under the Facilities Agreement occurs or if the County fails to continue the Facilities Agreement for the entire term thereof for any reason, the Corporation shall have the right to possession of portions of the Real Property (the "Corporation Real Property") relating to the Corporation Facilities (as defined in the Facilities Agreement) as the result of a partition as provided for in Section 2.4 of the Facilities Agreement for the remainder of the Base Lease Term and shall have the right to sublease the Corporation Facilities or transfer its leasehold interest in the Corporation Real Property and in this Base Lease upon whatever terms and conditions it deems prudent. Both parties acknowledge that the County has an insurable interest in the Corporation Facilities but not in any additions, alterations, furnishings and fixtures provided in connection with use of the Corporation Facilities by the Corporation or any person to whom the Corporation enters into a lease, license or other such agreement providing for occupancy, temporary or long-term. Therefore, the County's obligation to provide insurance and pay taxes under the provisions of Section 3.5 hereof shall be limited to the portions of the Real Property and the Project Facilities and related property as they existed as of the Division Date (as defined in the Facilities Agreement). As to any additions, alterations, furnishings and fixtures provided in connection with use of the Corporation Facilities by the Corporation or any person to whom the Corporation enters into a lease, license or other such agreement providing for occupancy temporary or long-term, the Corporation shall provide the County with adequate public liability and comprehensive risk insurance covering such additions, alterations, furnishings and fixtures and the use thereof by the Corporation or such person, and shall pay all taxes relating thereto for the remainder of the Base Lease Term and will furnish the County with evidence thereof promptly upon written request from the County. In the event that the Corporation shall receive a payment for the transfer of its leasehold interest or total rental payments for subleasing that are, after the payment of the Corporation's expenses in connection therewith, including fees and expenses of the Trustee, in excess of the principal amount of the Outstanding Bonds at the time of termination or default and the interest and premium, if any, due and to become due thereon (with amounts so received to be credited first to such interest and then to principal), then such excess shall be paid to the County by the Corporation, its assigns or its lessee.

SECTION 4.2. Default by the Corporation. The County shall not have the right to exclude the Corporation from the Real Property or the Project Facilities or to take possession of the Real Property or the Project Facilities (except pursuant to the Facilities Agreement) or to terminate this Base Lease prior to the termination of the Base Lease Term notwithstanding any default by the Corporation hereunder; except that if, upon exercise of the option to purchase the Corporation's entire interest in the Project Facilities granted to the County in Article IX of the Facilities Agreement and after the payment of the purchase price specified therein and the other sums payable under the Facilities Agreement, the Corporation fails to convey its interest in the Project Facilities to the County pursuant to said option, then the County shall have the right to terminate this Base Lease, such termination to be effective 30 days after delivery of written notice of such termination to the Corporation. However, in the event of any default by the Corporation hereunder, the County may maintain an action, if permitted in equity, for specific performance.

SECTION 4.3. Quiet Enjoyment. Subject to the Facilities Agreement, the Corporation at all times during the term of this Base Lease shall peaceably and quietly have and enjoy the Real Property and the Project Facilities.

SECTION 4.4. No Merger. Except as expressly provided herein, no union of the interests of the County and the Corporation herein or in the Facilities Agreement shall result in a merger of this Base Lease and the title to the Project Facilities. The Corporation and County confirm that the Project Facilities shall be property of the Corporation and title thereto shall remain vested in the Corporation as Project Facilities are constructed and shall not merge into the leasehold estate of the Corporation in the Real Property subject to the provisions of this Base Lease and the Facilities Agreement; except that title to the Project Facilities shall revert to and be vested in the County upon termination of this Base Lease, irrespective of any Event of Nonappropriation or Event of Default under the Facilities Agreement. The Corporation shall have the power to convey undivided interests in the Project Facilities to the County from time to time as Acquisition Payments are made as contemplated by the Facilities Agreement.

SECTION 4.5. Waiver of Personal Liability. All liabilities under this Base Lease on the part of the Corporation are strictly and exclusively liabilities of the Corporation as a corporation. To that end and for that purpose, the County hereby releases each and every incorporator, member, director and officer of the Corporation of and from any personal or individual liability under this Base Lease, including without limitation the obligation to make payment of the Base Lease Rent and, to the extent permitted by law, agrees to hold such individuals harmless against all suits, claims, actions and judgments arising out of this Base Lease. No incorporator, member, director or officer of the Corporation shall at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by the Corporation hereunder.

SECTION 4.6. Maintenance of Premises. Subject to the provisions of the Facilities Agreement, the Corporation covenants that it will maintain or cause to be maintained the Real Property, and will not cause, permit or suffer to be caused or permitted waste thereto. At the conclusion of the term hereof, the Real Property shall be returned to the County, together with the Project Facilities and any other improvements thereto, in substantially the condition thereof as of the date hereof or the date the Real Property is added hereto, subject to normal wear and tear. Except as contemplated under the Facilities Agreement, the Corporation shall not make or consent to any other improvements, modifications or alterations to the Real Property or the Project Facilities or any portion thereof, or remove any part thereof without the written consent of the County. Prior to an Event of Nonappropriation that has not been waived by the Trustee, in the event of any damage, destruction or condemnation of any of the Real Property, the provisions of Article VII of the Facilities Agreement shall be deemed to apply with respect to the Real Property in like manner as provided therein with respect to Project Facilities, and the net

proceeds from any insurance policies, performance bonds or condemnation awards shall be applied in the same manner for the benefit of Real Property as are Net Proceeds under Section 7.2 of the Facilities Agreement. After an Event of Nonappropriation that has not been waived by the Trustee, in the event of any damage, destruction or condemnation of any of the Real Property, the proceeds of any insurance, performance bonds, or condemnation awards allocable to the Corporation's interest in the Real Property shall be applied either in the manner provided in Section 7.2 of the Facilities Agreement or to the retirement of any Bonds or indebtedness with respect thereto and the balance, if any, remaining thereafter to such use as the County may direct.

**ARTICLE V
CONTROL OF REAL PROPERTY AND PROJECT FACILITIES
DURING BASE LEASE TERM**

SECTION 5.1. Control of Real Property and Project Facilities During Base Lease Term. Subject to the Facilities Agreement, during the Base Lease Term the Corporation shall have complete control over the Real Property and the Project Facilities and their operation, provided however, that the Corporation shall not create any encumbrance against the Real Property and Project Facilities, except pursuant to the Trust Agreement, during the Base Lease Term without the written consent of the County.

**ARTICLE VI
MISCELLANEOUS**

SECTION 6.1. Binding Effect. This Base Lease shall inure to the benefit of and shall be binding upon the County, the Corporation and their respective successors and assigns.

SECTION 6.2. Severability. In the event any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

SECTION 6.3. Amendment, Changes and Modifications. This Base Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Trustee except to the extent anticipated (i) in Section 3.1 hereof in connection with amendment of Exhibit A hereto to include additional parcels of Real Property herein, and (ii) in Section 3.6 hereof in connection with the granting of easements, releases and substitutions.

SECTION 6.4. Execution in Counterparts. This Base Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

SECTION 6.5. Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the State, without regard to conflict of law principles.

SECTION 6.6. Captions. The Section and Article headings herein are for convenience only and in no way define, limit or describe the scope or intent of any of the provisions hereof.

SECTION 6.7. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Base Lease to be given to or filed with the County, the Corporation or the Trustee if the same is given or filed in the manner and at the addresses specified in the Trust Agreement.

**EXHIBIT A
LEGAL DESCRIPTION OF THE REAL PROPERTY**

All that certain piece, parcel or tract of land, situate, lying and being in the City of Florence, County of Florence, State of South Carolina, containing 1.58 acres more or less and delineated as Parcel "A" being shown on a Plat surveyed for Florence County, prepared by Nesbitt Surveying Co., Inc. dated _____, 2023, and recorded in the Office of the Clerk of Court for Florence County on _____ 2023 in Plat Book ___ at page _____. Reference being made to the aforementioned Plat for a more thorough and complete description.

For derivation of title, see Deed from the City of Florence of its one-half undivided interest to the County of Florence dated August 19, 2016 and recorded September 27, 2016, in the Office of the Clerk of Court for Florence County, South Carolina, in Deed Book B653, at Page 1124. See also Deed Book B460 at Page 495.

Tax Map Number: 90167-02-007

WITNESS the due execution of this Base Lease as of the date first above written.

(SEAL) LESSOR:
FLORENCE COUNTY, SOUTH CAROLINA

WITNESS:

By: _____
Chairman, Florence County Council

Attest: _____
Clerk to Florence County Council

(SEAL) LESSEE:
FLORENCE COUNTY PUBLIC FACILITIES CORPORATION

WITNESS:

By: _____
President

Attest: _____
Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF FLORENCE)

I, the undersigned Notary Public for the State of South Carolina, do hereby certify that FLORENCE COUNTY, SOUTH CAROLINA, by Willard Dorriety, Jr., Chairman of Florence County Council ("County Council"), the governing body of Florence County, South Carolina, and Hope M. Jones, Clerk to County Council, personally appeared before me this day and acknowledged the due execution of the foregoing Base Lease Agreement.

Witness my hand and official seal this _____ day of December, 2023.

_____(SEAL)
Notary Public, State of South Carolina
Notary Name Printed: _____
My Commission Expires: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF FLORENCE)

I, the undersigned Notary Public for the State of South Carolina, do hereby certify that FLORENCE COUNTY PUBLIC FACILITIES CORPORATION, by Rodney C. Jernigan, its President, and _____, its Secretary, personally appeared before me this day and acknowledged the due execution of the foregoing Base Lease Agreement.

Witness my hand and official seal this _____ day of December, 2023.

_____(SEAL)
Notary Public, State of South Carolina
Notary Name Printed: _____
My Commission Expires: _____

APPENDIX B-2

FORM OF PUBLIC FACILITIES PURCHASE AND OCCUPANCY AGREEMENT

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INDEX

Page

PUBLIC FACILITIES PURCHASE AND OCCUPANCY AGREEMENT

between

FLORENCE COUNTY PUBLIC FACILITIES CORPORATION
as Seller

and
FLORENCE COUNTY, SOUTH CAROLINA
as Buyer

DATED AS OF DECEMBER 1, 2023

All right, title and interest of Florence County Public Facilities Corporation in the revenues derived under this Public Facilities Purchase and Occupancy Agreement (except for certain reserved rights) have been assigned to The Bank of New York Mellon Trust Company, N.A., as Trustee, under a Trust Agreement dated as of December 1, 2023, between Florence County Public Facilities Corporation and the Trustee.

Recitals..... 1

ARTICLE I
DEFINITIONS

SECTION 1.1. Definitions 2
SECTION 1.2. Rules of Construction 4
SECTION 1.3. Terms Defined in the Trust Agreement, Rights of the Trustee..... 5
SECTION 1.4. County Representations and Covenants 5
SECTION 1.5. Corporation Representations 7

ARTICLE II
ACQUISITION AND USE OF PROJECT FACILITIES

SECTION 2.1. Acquisition and Use of Project Facilities; Term..... 8
SECTION 2.2. Termination 9
SECTION 2.3. Post-Termination Payments 9
SECTION 2.4. Surrender of Possession Upon Termination; Partition of Undivided Interests 10

ARTICLE III
THE PROJECT FACILITIES; FINANCING

SECTION 3.1. Acquisition and Installation or Construction of the Project Facilities 11
SECTION 3.2. Administration of Project Facilities Contracts..... 11
SECTION 3.3. Notices and Permits 11
SECTION 3.4. Disbursements from the Project Fund 11
SECTION 3.5. Defaults Under Project Facilities Contracts..... 12
SECTION 3.6. Contractor's Worker's Compensation Insurance 12
SECTION 3.7. Contractor's Performance and Payment Bonds 12
SECTION 3.8. Contractor's General Public Liability and Property Damage Insurance 13
SECTION 3.9. Proceeds of Insurance Policies 13
SECTION 3.10. No Merger of Project Facilities 14

ARTICLE IV
ACQUISITION PAYMENTS; ASSIGNMENT TO TRUSTEE

SECTION 4.1. Acquisition Payments 14
SECTION 4.2. Acquisition Payments Not Subject to Reduction, Offset or Other Credits 15
SECTION 4.3. Prepayment of Acquisition Payments 16
SECTION 4.4. Administrative Expenses 16
SECTION 4.5. Assignment of Facilities Agreement; Manner of Payment 16
SECTION 4.6. Limited and Special Obligation of County 16
SECTION 4.7. Event of Nonappropriation 18

i

ARTICLE V
COVENANTS OF THE COUNTY

SECTION 5.1. Consolidation..... 19
SECTION 5.2. Maintenance and Operation of Real Property and Project Facilities..... 19
SECTION 5.3. Liens on Project Facilities 20
SECTION 5.4. Representations and Covenants Regarding Tax Exempt Status of Bonds..... 20
SECTION 5.5. Reports and Opinions; Inspections 21
SECTION 5.6. Immunity and Indemnification of Corporation and Trustee..... 21
SECTION 5.7. Compliance with Laws 21
SECTION 5.8. Insurance and Condemnation Proceeds 22
SECTION 5.9. Filing of Budget with Trustee..... 22
SECTION 5.10. Alterations of the Project Facilities; Removals 22
SECTION 5.11. Continuing Disclosure 22

ARTICLE VI
INSURANCE

SECTION 6.1. Types of Insurance and Coverage Requirements 23
SECTION 6.2. Self-Insurance Approval..... 24

ARTICLE VII
DAMAGE, DESTRUCTION AND
CONDEMNATION; USE OF NET PROCEEDS

SECTION 7.1. Damage, Destruction and Condemnation 24
SECTION 7.2. Obligation to Repair or Replace the Project Facilities..... 24
SECTION 7.3. Discharge of Obligation to Repair or Replace the Project Facilities 25
SECTION 7.4. Cooperation of the Parties 25

ARTICLE VIII
DEFAULTS AND REMEDIES

SECTION 8.1. Events of Default 26
SECTION 8.2. Remedies 26
SECTION 8.3. Limitations on Remedies 27
SECTION 8.4. Cumulative Rights 27
SECTION 8.5. Discontinuance of Proceedings..... 27

ARTICLE IX
CONVEYANCE OF THE PROJECT FACILITIES

SECTION 9.1. Optional Purchase of the Project Facilities..... 28
SECTION 9.2. Manner of Conveyance 28

ARTICLE X
MISCELLANEOUS

SECTION 10.1. Limitation of Liability of the Corporation and the County 30
SECTION 10.2. Surrender of Possession Upon Termination 30

SECTION 10.3. Notices..... 30
SECTION 10.4. Assignments 31
SECTION 10.5. Severability..... 31
SECTION 10.6. Amendments..... 31
SECTION 10.7. Successors and Assigns 31
SECTION 10.8. Applicable Law 31
SECTION 10.9. Recordation 32

Signatures 33

EXHIBIT A - Legal Description of the Real Property A-1
EXHIBIT B - Permitted Encumbrances..... B-1
EXHIBIT C - Acquisition Payments Schedule C-1
EXHIBIT D - Disclosure Dissemination Agent Agreement D-1

PUBLIC FACILITIES PURCHASE AND OCCUPANCY AGREEMENT

**ARTICLE I
DEFINITIONS**

This PUBLIC FACILITIES PURCHASE AND OCCUPANCY AGREEMENT dated as of December 1, 2023 (the "Facilities Agreement") is made and entered into by and between FLORENCE COUNTY PUBLIC FACILITIES CORPORATION (together with its successors and assigns, the "Corporation"), a non-profit corporation formed under the laws of the State of South Carolina, as Seller, and FLORENCE COUNTY, SOUTH CAROLINA (the "County"), a body politic and political subdivision of the State of South Carolina, as buyer.

WITNESSETH

WHEREAS, the Corporation is a non-profit corporation formed under the provisions of Sections 33-31-10 through 33-31-180, inclusive, Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, the County is a duly organized and existing political subdivision duly formed under the laws of the State of South Carolina and is authorized under the provisions of Title 4, Chapter 9, Code of Laws of South Carolina, 1976, as amended, to enter into this Facilities Agreement; and

WHEREAS, the Corporation and the County have agreed to enter into a Base Lease Agreement, dated as of even date herewith (the "Base Lease") pursuant to which the County is leasing to the Corporation certain improved real property owned in fee simple by the County (the "Real Property") so that the Corporation may provide for the construction thereon of certain new facilities (the "Capital Projects"); and

WHEREAS, in order to provide funds for the payment of the costs of the Capital Projects and certain facilities which shall not constitute or be situated on the Real Property and shall not be subject to the Base Lease or this Facilities Agreement (the "Ancillary Projects"), the Corporation intends to issue \$50,000,000 Florence County Public Facilities Corporation Installment Purchase Revenue Bonds (Comprehensive Facilities Improvements), Series 2023, dated December __, 2023 (the "Bonds") under and by the terms of a Trust Agreement dated as of December 1, 2023 (the "Trust Agreement") by and between the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"); and

WHEREAS, the County has agreed to make certain payments (the "Acquisition Payments") for its acquisition of the completed Capital Projects (the "Project Facilities") on an installment basis and, in accordance with the terms hereof, shall be entitled to the use and occupancy of the Real Property and the Project Facilities and certain other matters; and

WHEREAS, the right to receive Acquisition Payments is being assigned to the Trustee under the Trust Agreement as security and the source of payment for the Bonds;

NOW, THEREFORE, in consideration of the undertaking of the Corporation to acquire and construct the Capital Projects, the undertaking of the County to pay the Acquisition Payments hereunder, the mutual covenants and agreements of the parties hereto, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Corporation and the County, intending to be legally bound, do hereby agree as follows:

1

"County Facilities" means that portion of the Project Facilities allocated to the County as the result of a partition under the provisions of Section 2.4 hereof.

"County Council" means Florence County Council, the governing body of the County.

"Division Date" means the date upon which the Trustee gives notice of the occurrence of any such event under the provisions of Section 4.7(b) hereof or Section 7.2 of the Trust Agreement.

"Environmental Laws" means all federal, state and local laws, rules, regulations, ordinances, programs, permits, guidances, orders and consent decrees relating to health, safety and environmental matters, including, but not limited to, the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, the Toxic Substances Control Act, as amended, the Clean Water Act, as amended, the Clean Air Act, as amended, the Superfund Amendments and Reauthorization Act of 1986, as amended, state and federal superlien and environmental cleanup programs and laws and U.S. Department of Transportation regulations.

"Event of Default" means the events set forth in Section 8.1 of this Facilities Agreement.

"Event of Nonappropriation" means a termination of this Facilities Agreement by the County caused by the County's failure, for any reason, to specifically budget and appropriate monies to pay all Acquisition Payments due under this Facilities Agreement for the succeeding Fiscal Year. The existence or nonexistence of an Event of Nonappropriation shall be determined as of July 1 of each year, being the date by which the County Council is required by the South Carolina Constitution to adopt a resolution setting forth its operating budget for the Fiscal Year beginning on such July 1, or on any earlier date on which the County gives written notice to the Corporation and the Trustee that the County will not appropriate funds in the next succeeding Fiscal Year for payment of Acquisition Payments; but the Trustee may waive any Event of Nonappropriation as provided for in Section 4.7 herein.

"Fiscal Year" means the fiscal year of the County, currently beginning on each July 1 and ending on the succeeding June 30.

"Force Majeure" means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; landslides; earthquakes, flood; fire; storms; droughts; explosion; breakage or accidents to machinery, transmission pipes or canals; or any other cause or event not within the control of the party seeking the benefit of force majeure and not due to its own negligence.

"Net Proceeds" when used with respect to any proceeds from policies of insurance required hereby or any condemnation award, or proceeds from damages, refunds, adjustments or otherwise in connection with claims against any suppliers, vendors, contractors or subcontractors and/or materialmen or similar persons, including payments from sureties or on performance bonds with respect thereto, or from any liquidation of any part of the Project Facilities, means the amount remaining after deducting from the gross proceeds thereof all expenses (including, without limitation, reasonable attorney's fees and costs) incurred in the collection of such proceeds or award.

"Ordinance of County Council" means that certain ordinance enacted by County Council on November 16, 2023, which, *inter alia*, authorizes the financing of the Capital Projects, and expresses the intent of the County to enter into this Facilities Agreement.

3

SECTION 1.1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings provided therefor in the Base Lease or the Trust Agreement or as set forth below:

"Acquisition Payments" means the payments to be paid by the County pursuant to Sections 4.1 and 4.2 hereof, including Base Payments and Additional Payments, subject to an Event of Nonappropriation as provided in Section 4.7 hereof.

"Acquisition Price" shall mean the sum of all Base Payments to be made hereunder on a semi-annual basis, on such dates as shown on Exhibit C hereto, in order for the County to acquire the Project Facilities; subject, however, at all times to Sections 2.2 and 2.3 hereof, which Acquisition Price may be recalculated in the event of any prepayment of Base Payments provided for in Section 9.1 hereof.

"Additional Project Facilities" means any facilities of the County proposed to be acquired or renovated by the Corporation and made subject to this Facilities Agreement other than those contemplated as of the date hereof.

"Additional Real Property" means any real property that is or will become the site of Additional Project Facilities.

"Additional Payments" means that portion of the Acquisition Payments specified in Sections 4.1 and 4.2 hereof as Additional Payments.

"Base Payments" means that portion of the Acquisition Payments specified in Section 4.1 hereof as Base Payments.

"Bond Counsel" means a firm of nationally recognized bond counsel experienced in matters of tax-exempt finance that shall be acceptable to the Trustee.

"Bond Fund" means the fund of such name established pursuant to Section 5.5 of the Trust Agreement.

"Bond Proceeds" means the gross proceeds received from the issuance and sale of the Bonds.

"Capital Projects" means the projects designated as such by the Corporation and the County to be constructed or placed on the Real Property and includes the assets and improvements, the cost of acquisition, construction, renovation or improvement for which is or has been paid from amounts disbursed from the Project Fund.

"Certificate of Acceptance" means the Direction to Make Final Disbursement and Certificate of Acceptance filed with the Trustee in accordance with Section 3.4 hereof.

"Completion Date" means the date on which the County provides a Certificate of Acceptance.

"Corporation Facilities" means that portion of the Project Facilities allocated to the Corporation as the result of a partition under the provisions of Section 2.4 hereof.

"County Agreements" means the Base Lease and the Facilities Agreement.

2

"Owner" means the registered owner of any Bond as shown in the registration books of the Corporation maintained by the Trustee or any registrar or paying agent.

"Permitted Encumbrances" means, as of any particular time, (i) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pursuant to the provisions of Sections 4.1 and 4.2 respectively of this Facilities Agreement; (ii) the Security Documents; (iii) utility, access and other easements and other rights-of-way, restrictions and exceptions which an officer of the County certifies will not interfere with or impair the use of the Project Facilities by the Corporation or the County as contemplated hereby, including rights or privileges in the nature of easements; (iv) any financing statements filed to perfect security interests pursuant to this Facilities Agreement or the Trust Agreement; and (v) the matters described on Exhibit B hereto.

"Project Facilities" means the Capital Projects and any future additions, modifications and substitutions to any of such assets and any related personal property such as furniture and equipment, or other items of personalty, but only to the extent such items have been acquired from amounts disbursed from the Project Fund.

"Project Facilities Contracts" means those contracts entered into by or on behalf of the Corporation in connection with the Capital Projects.

"Project Fund" means the fund of such name established pursuant to Section 5.2 of the Trust Agreement.

"Purchase Option Price" means an amount equal to the amount required to defease or otherwise discharge the Bonds under the Trust Agreement plus the amount of any Additional Payments which are due or accrued hereunder at the time which any purchase option hereunder is exercised.

"Real Property" means that certain real property leased to the Corporation under the Base Lease, as more particularly described on Exhibit A, as may be amended in accordance with Section 10.6 herein.

"Security Documents" means this Facilities Agreement, the Base Lease, the Trust Agreement, financing statements, if any, and any other instruments or documents providing security for the Owners of the Bonds.

"State" means the State of South Carolina.

"Verification Agent" means a firm recognized in the field of verifying the sufficiency of defeasance escrows for tax-exempt bonds.

"Waiver Period" means the period of time commencing on the date notice is received by the Trustee pursuant to Section 4.7(b) hereof of the occurrence of an Event of Nonappropriation and ending and including the July 31 following the commencement of a Fiscal Year affected by an Event of Nonappropriation.

SECTION 1.2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons.

4

SECTION 1.3. Terms Defined in the Trust Agreement; Rights of the Trustee. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Trust Agreement unless the context clearly indicates to the contrary. The parties hereto acknowledge that the rights of the Corporation hereunder have been assigned to the Trustee to the extent and in the manner provided in the Trust Agreement. Accordingly, wherever in this Facilities Agreement reference is made to the Corporation for enforcement of any right or remedy, the parties agree that the Trustee may enforce such right or remedy regardless of whether so stated. The parties acknowledge that the Trustee is a third-party beneficiary of the obligations of the County hereunder and may act directly, in its own name, in enforcing such obligations.

SECTION 1.4. County Representations and Covenants. The County makes the following representations, warranties and covenants:

(a) The County is a body politic and political subdivision of the State and has full power and legal right to enter into this Facilities Agreement and the Base Lease and to perform its obligations hereunder and thereunder. The County's actions in making and performing this Facilities Agreement and the Base Lease have been duly authorized by all necessary governmental action and do not and will not violate or conflict with any law or governmental rule or regulation, or any mortgage, agreement, instrument or other document by which the County or its properties are bound.

(b) The County is a political subdivision within the meaning of Section 103(c)(1) of the Code.

(c) The County will take such action as is necessary to assure that the Capital Projects are completed, furnished and occupied by the County. In the event the amounts available from the proceeds from the Bonds appear to be insufficient for such purpose, the County, in its sole discretion, shall take one or more of the following steps: (i) cooperate with the Corporation to make such modifications or changes in the Capital Projects as will allow the cost thereof to be funded within the amount available from such bond proceeds, (ii) make arrangements with the Corporation for the sale of Additional Bonds, or (iii) provide for the payment of such costs from other sources available to the County.

(d) The County will take such action as is necessary to ensure that the proceeds from the Bonds, other than amounts set aside in the Trust Agreement for payment of costs of issuance or payment of interest are applied solely for the payment of the costs of initial payment of Base Lease Rent and acquiring the Capital Projects.

(e) No portion of the Project Facilities or the Ancillary Projects will be used in the trade or business of a person who is not a "political subdivision" within the meaning of Section 103(c)(1) of the Code, without the written approval of Bond Counsel.

(f) The amounts, if any, spent by the County from its own funds to pay costs of the acquisition and construction of the Capital Projects and the Ancillary Projects were not expended more than 60 days prior to the adoption of the Ordinance of County Council, except with respect to certain preliminary expenditures for architectural, engineering, surveying, soil testing and similar costs. No site preparation or similar costs incident to the commencement of construction were incurred prior to 60 days prior to September 17, 2023.

(g) There is no fact that is not disclosed in the Official Statement for the Bonds which will materially and adversely affect the properties, activities, operations, revenues, prospects or condition (financial or otherwise) of the County, its status as a political subdivision of the State within the meaning of Section 103(c)(1) of the Code, its ability to own and operate its property in the manner such property is

5

be designed in accordance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, planning, building, safety and environmental quality. The County will operate or will cause the Real Property and the Project Facilities to be operated in compliance with the requirements of all such laws, ordinances, rules and regulations, including, without limitation, Environmental Laws. The County further covenants and agrees to comply in all material respects with and materially conform to, and to use its reasonable efforts to cause other persons whose obligations it is to so comply, by contract or pursuant to law, to comply in all material respects with and materially conform to, all present and future laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations and every applicable governmental authority, including Environmental Laws, applicable to the Real Property and the Project Facilities, and all covenants, restrictions and conditions now or hereafter of record which may be applicable to the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of the Real Property and the Project Facilities, including building and zoning codes and ordinances (collectively, the "Legal Requirements"), provided that the County shall not be in default hereunder so long as the County promptly after receiving an actual written notice of any noncompliance, files a copy thereof with the Trustee and the County commences and uses its diligent efforts to cause compliance with such Legal Requirements, as long as the failure to comply does not subject the Project Facilities to any material danger of being forfeited or lost as a result thereof. The County possesses or will possess, and the County hereby agrees to maintain and obtain in the future, all necessary licenses and permits, or rights thereto, to operate the Real Property and the Project Facilities as proposed to be operated, and all such licenses, permits or other approvals required in connection with the operation of the Real Property and the Project Facilities have been duly obtained and are in full force and effect except for any such licenses, permits or other approvals that are not yet required and that will be duly obtained not later than the time required or the failure to obtain which will not materially and adversely affect the operation of the Real Property and the Project Facilities. The County covenants and agrees to do all things necessary to preserve and keep in full force and effect its franchises, rights, powers and privileges as the same relate to the Real Property and the Project Facilities.

(m) The County has approved the Corporation and the issuance by the Corporation of the Bonds.

(n) The County has not as of the date hereof terminated any lease, lease-purchase agreement or installment purchase agreement to which it has been party by nonappropriation.

SECTION 1.5. Corporation Representations and Covenants. The Corporation makes the following representations, warranties and covenants:

(a) The Corporation is a duly organized and existing non-profit corporation created under the laws of South Carolina, has the requisite power to carry on its present and proposed activities, and has full power, right and authority to enter into this Facilities Agreement, the Trust Agreement and the Base Lease and to perform each and all of the obligations of the Corporation provided therein.

(b) The Corporation has taken or caused to be taken all requisite corporate action to authorize the execution and delivery of, and the performance of its obligations under this Facilities Agreement, the Base Lease, the Trust Agreement and each of the Project Facilities Contracts to which it is or will be a party.

(c) By proper corporate action the officers of the Corporation have been duly authorized to execute and deliver this Facilities Agreement, the Base Lease, and the Trust Agreement.

(d) The execution and delivery by the Corporation of this Facilities Agreement, the Base Lease and the Trust Agreement and the consummation by the Corporation of the transactions contemplated

7

currently operated or its ability to perform its obligations under this Facilities Agreement or the Base Lease.

(h) There are no proceedings pending or, to the knowledge of the County, threatened against or affecting the County, except as disclosed in the Official Statement for the Bonds, in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the properties, operations, prospects or condition (financial or otherwise) of the County, or the corporate existence or powers or ability of the County to enter into and perform its obligations under this Facilities Agreement or the Base Lease.

(i) The execution and delivery of the County Agreements, and the consummation of the transactions provided for herein and therein, and compliance by the County with the provisions of the County Agreements:

(i) are within the governmental powers and have been duly and validly authorized by all necessary governmental and other action on the part of the County;

(ii) do not and will not conflict with or result in any material breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the County pursuant to, any indenture, loan agreement or other agreement or instrument (other than this Facilities Agreement) or any governmental restriction to which the County is a party or by which the County, its properties or operations may be bound or with the giving of notice or the passage of time or both would constitute such a breach or default or result in the creation or imposition of any such lien, charge or encumbrance, which breach, default, lien, charge or encumbrance could materially and adversely affect the validity or the enforceability of the County Agreements or the County's ability to perform fully its obligations under the County Agreements; nor will such action result in any violation of any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the County, its properties or operations are subject.

(j) No event has occurred and no condition exists that constitutes an Event of Default or which, upon the execution and delivery of this Facilities Agreement, and/or the passage of time or giving of notice or both, would constitute an Event of Default. The County is not in violation in any material respect, and has not received notice of any claimed material violation (except such violations as do not, and shall not, have any material adverse effect on the transactions herein contemplated and the compliance by the County with the terms hereof, or the Security Documents), of any terms of any court order, statute, regulation, ordinance, agreement, or other instrument to which it is a party or by which it, its properties or its operations may be bound.

(k) This Facilities Agreement is a legal, valid and binding obligation and agreement of the County, enforceable against the County in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity; anything herein to the contrary notwithstanding, this Facilities Agreement is subject in its entirety to the right of the County to terminate this Facilities Agreement and all the terms and provisions hereof by failing to budget and appropriate moneys specifically to pay Acquisition Payments, as provided in Sections 2.2, 4.6 and 4.7 hereof.

(l) The operation of the Real Property and the Project Facilities in the manner contemplated will not conflict in any material respect with any zoning, water or air pollution or other ordinance, order, law, rule, or regulation applicable to the Real Property and the Project Facilities including, without limitation, Environmental Laws. The County has caused or will cause the Real Property and the Project Facilities to

6

hereby and thereby have not and will not conflict with or constitute a breach of or default under the Corporation's articles of incorporation or bylaws or any bond, debenture, note or other evidence of indebtedness of the Corporation, or any contract, agreement, or instrument to which the Corporation is a party or by which it is bound.

(e) Each of this Facilities Agreement, the Base Lease, the Trust Agreement and each Project Facilities Contract to which the Corporation is or will be a party has been or will be duly executed and delivered by the Corporation and constitutes or will constitute a legal and valid obligation of the Corporation, enforceable against the Corporation in accordance with its terms, except as enforcement may be limited by laws affecting creditors' rights generally and except as equitable remedies may be limited by judicial discretion.

(f) Other than as disclosed in writing by the Corporation, there is no litigation pending or threatened against the Corporation that challenges the Corporation's authority to execute, deliver or perform this Facilities Agreement and the Corporation has disclosed any threatened litigation with respect to such matters of which the Corporation is aware.

(g) The Corporation is in material compliance with all applicable laws, regulations and ordinances, including but not limited to those applicable to the Corporation's activities in connection with this Facilities Agreement.

(h) The Corporation is a South Carolina nonprofit, public benefit corporation, no part of the net income of which inures to the benefit of any private individual or organization.

(i) In order to finance the Capital Projects and the Ancillary Projects and the purchase of land thereof, the Corporation will enter into the Trust Agreement pursuant to which it will issue the Bonds payable from and secured by the Acquisition Payments under this Facilities Agreement.

ARTICLE II ACQUISITION AND USE OF PROJECT FACILITIES

SECTION 2.1. Acquisition and Use of Project Facilities; Term. The Corporation hereby agrees to sell the Project Facilities on an installment basis to the County in accordance with the provisions hereof. Title to the Project Facilities will be in the Corporation. Upon each payment of Base Payments from funds other than amounts constituting Bond Proceeds (including any amounts deposited from the sale of the Bonds as provided in Section 5.1 of the Trust Agreement and income from the investment of such amounts), title to an undivided interest in Project Facilities and the Real Property equal to that percentage of the Acquisition Price represented by such payment will transfer from the Corporation to the County without further action by either party hereto.

In conjunction therewith, the Corporation hereby conveys and grants to the County an undivided interest in the Project Facilities and the Real Property which undivided interest shall increase pro rata based on the percentage of the Acquisition Price represented by each Base Payment. At the request of the County, the Corporation agrees to execute such quitclaim or special warranty deed(s) to the County indicating the undivided interest so acquired by the County. The parties hereby expressly waive any and all rights to partition their respective undivided interests in the Project Facilities and the Real Property, excepting a right to partition as provided in Section 2.4 hereinafter.

Any prepayment of Base Payments will result in a recalculation of the Acquisition Price to take account of such prepayment and, upon the making of such prepayment, the County shall be credited with

8

an undivided interest in the Project Facilities equal to that percentage of the total Acquisition Price, as adjusted, represented by the total of all Base Payments made, including the prepayment on such date.

Subject to the provisions of Section 4.7 and Article VIII hereof, the County shall have the exclusive right to occupy and use the Real Property and the Project Facilities until this Facilities Agreement is terminated.

The County may permit civic or charitable organizations or agencies of the State or any other political subdivision thereof to use portions of the Real Property and the Project Facilities subject to the following limitations: (i) no agreement may be for a term in excess of one year; (ii) the Project Facilities or Real Property shall not be used in any manner that interferes with the use of such property by the County for the purposes for which it was designed or is then being used; (iii) any such agreement shall expressly terminate upon the occurrence of an Event of Default or an Event of Nonappropriation hereunder; and (iv) except in the case of single event uses, the County shall have received an opinion from Bond Counsel stating that the proposed use will not adversely affect the Federal income tax treatment of interest on the Bonds. The County shall monitor all such use to ensure continued compliance with the provisions of the Tax Regulatory Agreement and Section 5.4 hereof.

SECTION 2.2. Termination. This Facilities Agreement shall terminate upon the earliest of any of the following events:

(a) The earlier of (i) the last day of the Fiscal Year during which there occurs an Event of Nonappropriation as provided in Section 4.7 hereof, or (ii) the July 31 following any July 1 on which the County shall fail to specifically budget and appropriate moneys sufficient to pay the Acquisition Payments due hereunder during the Fiscal Year beginning such July 1, pursuant to Article IV hereof (which Event of Nonappropriation is not thereafter duly waived);

(b) The purchase by the County of the Project Facilities as provided in Article IX of this Facilities Agreement;

(c) The occurrence of an Event of Default under and termination of this Facilities Agreement by the Corporation or Trustee under Article VIII of this Facilities Agreement; or

(d) December 1, 2027, or such later date as all Acquisition Payments due hereunder shall be paid.

Termination of this Facilities Agreement shall terminate all obligations of the County under this Facilities Agreement, including its obligations to pay any future Acquisition Payments (except as specifically provided herein), and, subject to identification as provided in Section 2.4 hereof, shall terminate the County's rights of exclusive possession under this Facilities Agreement to the Project Facilities (except to the extent of any conveyance pursuant to Article IX of this Facilities Agreement); but all other provisions of this Facilities Agreement, including all obligations of the Corporation with respect to the Owners of the Bonds and the receipt and disbursement of funds and all rights and remedies of the Corporation specifically provided herein, shall be continuing until the Trust Agreement is discharged as provided therein. Notwithstanding the foregoing, termination of this Facilities Agreement shall not impair the County's rights as landlord or the Corporation's rights as tenant under the Base Lease, except as provided in the Base Lease.

SECTION 2.3. Post-Termination Payments. In the event the County fails to surrender possession of the allocated Corporation Facilities at the time required under Section 2.4 hereof, the County shall be liable for the payment of Acquisition Payments allocable to such Corporation facilities, including Additional Payments, for successive six month periods commencing on the Bond Payment Date

based on the prepayment amount that would be required under the second paragraph of Section 2.1 of this Facilities Agreement to result in the allocation of the Facilities Component to the County.

Proposal; Finality. The Consultant shall be required to make its proposal not later than 60 days after the Division Date. The County and the Corporation shall have 20 days from the receipt of the Consultant's proposal to object to the allocation and partition recommended therein and if there is no objection, the report shall be final. If there is any objection, the Consultant shall issue a final allocation and partition report not later than 15 days after the last date on which objection could be made and such report shall then be conclusively binding upon all parties.

Instruments of Conveyance. Not later than 20 days after the Consultant's report becomes final, the County and the Corporation shall exchange deeds, leases, cross easements or other instruments conveying interests in such portions of the Project Facilities and the Real Property as is required to effect such allocation and partition; provided, however, that any conveyance deed or other instrument made by the Corporation shall be made in the manner and subject to the conditions set forth in Section 9.2 hereof. Immediately thereafter, the County shall deliver up or cause to be delivered up and shall cede or cause to be ceded ownership and peaceable possession of the Corporation's Facilities to the Corporation without delay, upon demand made by the Trustee, in good repair and operating condition, excepting reasonable wear and tear, but subject to and for the duration of the term of the Base Lease.

ARTICLE III THE PROJECT FACILITIES; FINANCING

SECTION 3.1. Acquisition and Installation or Construction of the Project Facilities. The Corporation and the County acknowledge that the County will be responsible for any and all contracts necessary or appropriate for the acquisition and installation, or for any renovation, construction, installation, restoration, and reconstruction, to be performed in connection with the completion of the Capital Projects and the County shall be the agent of the Corporation for all such purposes. The County and the Corporation agree and acknowledge that all contracts relating to the Project Facilities shall be entered into in compliance with the procurement procedures of the County. The County may install machinery, equipment and other tangible property in the Project Facilities and all such machinery, equipment and other tangible property not acquired and financed from Bond Proceeds will remain the sole property of the County and will not be deemed a portion of the Project Facilities.

SECTION 3.2. Administration of Project Facilities Contracts. The County shall be responsible for preparing, administering, amending and enforcing the contracts to be entered into with respect to the Project Facilities and for litigating or settling all claims thereunder. The County and the Corporation, as their interests may appear, will be entitled to the benefit of all warranties, guaranties and indemnities provided under the Project Facilities Contracts and by law.

SECTION 3.3. Notices and Permits. The Corporation shall cooperate in any request made by the County in order to give or cause to be given all notices and shall comply or cause compliance with all laws, ordinances, municipal rules and regulations and requirements of public authorities applying to or affecting the conduct of any work relating to the Project Facilities. The County will defend and save the Corporation, the Trustee and their respective members, directors, officers, agents and employees harmless from all liabilities, damages or fines due to failure to comply therewith.

SECTION 3.4. Disbursements from the Project Fund.

(a) The balance of the Bond Proceeds (net of any Underwriter's discount) remaining after deposit of accrued interest to the Acquisition Account shall be deposited by the Trustee into the Project Fund.

following the last due date of Base Payments hereunder until the County delivers possession of the Corporation Facilities to the Corporation.

SECTION 2.4. Surrender of Possession Upon Termination; Partition of Undivided Interests. Upon the occurrence of an Event of Default or an Event of Nonappropriation which results in termination hereof, the respective interests of the County and the Corporation in the Project Facilities and Real Property shall be allocated and partitioned, so that the parties' respective undivided interests in the Project Facilities and the Real Property will be divided into separate ownership interests, viz County Facilities and Corporation Facilities, in accordance with the following provisions. The date upon which the Trustee gives notice of the occurrence of any such event under the provisions of Section 4.7(b) hereof or Section 7.2 of the Trust Agreement shall be the "Division Date," and the County Facilities and Corporation Facilities may be referred to together or generally as the "Facilities Components."

Appointment of Consultant; Report. Not later than 20 days after the Division Date, the County at its expense shall appoint an advisor (the "Consultant") experienced in the valuation of facilities of the size and design of the Project Facilities to propose a partition of the respective interests in the Project Facilities and the Real Property in Facilities Components, and the allocation of such Facilities Components as either County Facilities or Corporation Facilities. In preparing the proposed partition and allocation, the Consultant shall endeavor, as nearly as possible, to partition the Project Facilities and Real property and allocate the Project Facilities so that logically, economically and commercially useful portions of the Project Facilities are allocated and partitioned to the County and the Corporation, respectively, as County Facilities and Corporation Facilities, as the case may be; provided, however, that Corporation Facilities will be those which, to the extent reasonably feasible, will best protect the interests of the Owners.

Allocation of Project Facilities and Real Property into Corporation Facilities and County Facilities. In partitioning the Project Facilities and the Real Property into Facilities Components and allocating the same as either County Facilities or Corporation Facilities, the Consultant shall take into account the market value of potential Facilities Components, any Permitted Encumbrances and other material aspects of the Project Facilities and the Real Property that may affect the uses that may be made of such as Facilities Components and the relative importance of potential Facilities Components to the County; provided that, as stated above, Corporation Facilities will be those which, to the extent reasonably feasible, will best protect the interests of the Owners.

Such partition of Project Facilities and the Real Property into Facilities Components and allocation of Facilities Components as either County Facilities or Corporation Facilities shall create for the County and the Corporation dedicated areas of ownership and possession whether by use of condominium regimes, leasehold tenancies, deed transfers or such other arrangements or means as may be available under applicable law in order to achieve the desired partitioning of the Project Facilities and the Real Property into the respective Facilities Components, and the allocation thereof to the County and Corporation, respectively, which partitions and allocations shall remain at all times subject to the terms and conditions of the Base Lease.

The Consultant shall offer the County as part of such partitions and allocations, the option (i) to continue to occupy the Corporation's Facilities Component (or portions thereof) and to make payments in an amount to be determined by the Consultant as the proper charge for use of the Corporation's interest in such Facilities Component, which charge shall not be less than the amount of total unpaid Base Payments reasonably allocable to such Facilities Component if this Facilities Agreement or the rights of the County hereunder had not been terminated; or (ii) to purchase the balance of the Corporation's interest in such Facilities Component by the payment of an amount determined by the Consultant, such payment to be

Thereafter, disbursements from the Project Fund shall be made for costs of the Capital Projects, for payment of Base Lease Rent to the County, and costs of issuance in accordance with the procedures set forth in Section 5.3 of the Trust Agreement.

(b) As provided in Section 5.3(c) of the Trust Agreement, the final requisition from the Project Fund shall contain, among other things, a Certificate of Acceptance of the County stating that the Capital Projects have been substantially completed in accordance with the applicable Project Facilities Contracts and other terms and conditions of the Facilities Agreement and that the Project Facilities comply in all material respects with all applicable governmental regulations. Upon receipt of such Certificate of Acceptance, the Trustee shall apply any balance then remaining in the Project Fund in the manner provided in Section 5.4 of the Trust Agreement. As used in this paragraph, "substantial completion" of the Capital Projects shall mean completion such that a certificate of occupancy could be issued notwithstanding the fact that certain minor items of work remain to be done.

(c) Any amounts remaining in the Project Fund following the delivery of such Certificate of Acceptance by the County to the Trustee shall be paid to the County or as otherwise provided in Section 5.4 of the Trust Agreement. Any amounts so disbursed to the County shall be expended only for the purpose of defraying the cost of the Ancillary Projects or other capital expenditures. The County by notice to the Corporation may direct that any of the amounts available to it under this Section 3.4(c) be applied as provided in Section 5.4 of the Trust Agreement.

SECTION 3.5. Defaults Under Project Facilities Contracts. In the event of any material default by a supplier, contractor or subcontractor under any of the Project Facilities Contracts, or in the event of a material breach of warranty with respect to any property, fixtures, materials, workmanship or performance under any Project Facilities Contract, the County and the Corporation shall promptly proceed, and may do so in conjunction with others, to pursue diligently such remedies as are available against the applicable supplier, contractor or subcontractor and/or against any surety of any bond securing the performance of the Project Facilities Contracts. The Net Proceeds of any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, remaining after reimbursement to the County or the Corporation of any amounts theretofore paid by either of them, and not previously reimbursed, for correcting or remedying the default or breach of warranty which gave rise to the proceedings against the contractor or surety, shall be paid into the Project Fund if received before the Completion Date, or if received thereafter, shall be deposited as otherwise provided in Section 7.2 of this Facilities Agreement or otherwise applied as provided in Section 7.3 of this Facilities Agreement.

SECTION 3.6. Contractor's Worker's Compensation Insurance. The County and the Corporation shall take such steps as are necessary to ensure that worker's compensation insurance is in force with respect to any contracts.

SECTION 3.7. Contractor's Performance and Payment Bonds. The County shall take such steps as are necessary to ensure that performance and payment bonds regarding contractor's performance and payment are provided in the same manner as would be applicable to any contracts of the County. The Corporation shall take any action requested by the County in this regard. Such payment and performance bonds shall contain, to the extent practicable, dual obligee riders in favor of the Trustee.

The Net Proceeds of any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the performance and payment bonds remaining after reimbursement to the County and the Corporation of any amounts theretofore paid by either of them, and not previously reimbursed, for correcting or remedying the default or breach of warranty which gave rise to the

proceedings against the contractor or surety, shall be paid into the Project Fund if received before the Completion Date, or if received thereafter, shall be deposited as otherwise provided in Section 7.2 of this Facilities Agreement or otherwise applied as provided in Section 7.3 of this Facilities Agreement.

SECTION 3.8. Contractor's General Public Liability and Property Damage Insurance; Builder's Risk Insurance. The County shall take such steps as are necessary to ensure that comprehensive general public and property damage liability insurance is provided for contractors in the same manner as would be applicable to any contracts of the County. The Corporation shall take any action requested by the County in this regard.

The County shall procure and maintain, at its own cost and expense, or require of a contractor as a condition of a Project Facilities Contract, during the term of any Project Facilities Contract and until the Project Facilities are completed, standard, all risk of loss builder's risk completed value insurance upon the Project Facilities constructed or installed or to be constructed or installed in whole or in part, by such contractor or his subcontractors. Any policies shall include a provision prohibiting cancellation or termination without 30 days' prior written notice by certified mail to the County, the Corporation, and the Trustee and shall contain a waiver of subrogation by the issuer of such policy with respect to the County and the Corporation, and their officers, agents and employees while acting within the scope of their employment. The policy may have a deductible clause in such amount as may be approved by the Corporation and the County; provided, however, that neither the County nor the Corporation shall thereby be deemed to have incurred any obligation to reimburse each other, the Trustee, or any other person for the amount of the deductible. A copy of such insurance policy shall be provided to the County, the Corporation, and the Trustee. Such insurance coverage shall be in an amount at least equal to the total contract price for all contractors' and subcontractors' work. In the event of any change order resulting in the performance of additional work in connection with the Project Facilities, the amount of such insurance shall be increased to include the cost of such additional work, as well as materials and fixtures to be incorporated in the Project Facilities. Such builder's risk completed value insurance policy shall be made payable to the County, the Corporation, the Trustee, and the Owner as their respective interests may appear, as named insureds or loss payees. No agent or employee of the County shall have the power to adjust or settle any loss with respect to the Project Facilities without the prior written consent of the Trustee; except that losses not exceeding One Hundred Thousand Dollars (\$100,000) may be adjusted or settled by the County without the consent of such parties.

Any proceeds from the foregoing insurance policies shall, during any period the County has not exercised its rights under Section 7.3 of this Facility Agreement, be paid (on a pro-rata basis based on the relative outstanding principal amounts of the Bonds) to the Trustee for deposit to the Project Fund under the Trust Agreement, to be disbursed in accordance with the requirements of the Trust Agreement.

SECTION 3.9. Proceeds of Insurance Policies. The Net Proceeds of any insurance policies required by Sections 3.7 or 3.8 of this Facilities Agreement, or any amounts recovered by way of damages, refunds, adjustments, proceeds or otherwise from such insurance policies, and after reimbursement to the County or the Corporation of any amounts not to exceed \$100,000 theretofore paid by the County or the Corporation and not previously reimbursed to the County or the Corporation for actions taken by the County or the Corporation to restore damaged portions of the Project Facilities to a condition necessary to secure the Project Facilities and prevent further loss shall be paid into the Project Fund before the Completion Date or, if received thereafter, shall either be deposited as provided in Section 7.2 of this Facilities Agreement or otherwise applied as provided in Section 7.3 of this Facilities Agreement; provided, however, such deposit shall not exceed the amount necessary to fulfill the obligations of the County under this Facilities Agreement as determined by the Trustee.

13

Agreement, the Trustee may, but shall be under no obligation to, take any such action. Any such advances shall continue to be due as Additional Payments hereunder.

(d) *Credits.* The County shall be entitled to a credit against payments of Base Payments in the amount of any deposits in the Bond Fund provided for in Section 5.4 of the Trust Agreement. In addition to the credit provided in the preceding sentence, the amount payable by the County as Base Payments will be reduced by the amount of money in the Acquisition Account to be credited against those payments and representing Base Payments, including without limitation accrued interest on the Bonds.

(e) *Payments Deposited In Verified Escrow.* The deposit of cash and Defeasance Obligations by the County with the Trustee in an irrevocable escrow shall constitute satisfaction of the first sentence of Section 4.1(b) to the extent that such cash and Defeasance Obligations have been verified by a Verification Agent to be sufficient, without reinvestment, to yield the amount required to be paid on such Bond Payment Date, taking into account the credits described in Section 4.1(d) herein. In such case, amounts to be paid from escrow shall be available to the Trustee no later than the applicable Bond Payment Date.

(f) *Base Payments by County.* The County has no reason to believe, as of the date hereof, that it will not continue making Acquisition Payments through the entire duration of this Facilities Agreement, and reasonably believes that it will pay the Acquisition Payments due or coming due hereunder in order to continue to use the Project Facilities and that it will have adequate capacity to issue general obligation debt that does not require voter approval in amounts sufficient and at times to pay Base Payments when due. The County further represents that it presently intends to maintain its capacity to issue general obligation debt that does not require voter approval, in amounts and at times sufficient to make Base Payments when due; provided that nothing herein shall be construed to limit the County from providing funds from other sources to pay Base Payments. These representations are subject to the ability of the County to terminate this Facilities Agreement and all obligations hereunder as provided in Section 4.7 hereof.

SECTION 4.2. Acquisition Payments Not Subject to Reduction, Offset or Other Credits.

(a) The County and the Corporation intend that this Facilities Agreement shall yield on a net basis the Base Payments specified in Section 4.1 hereof during the duration of this Facilities Agreement, and that all costs, expenses, liabilities and obligations of any kind and nature whatsoever including, without limitation, any ad valorem taxes or other taxes levied against owners of real or personal property, insurance premiums, utility charges, fees and expenses of the Consultant, and assessments and all operation, maintenance, repair and upkeep expenses relating to the Project Facilities and Real Property and the use of the Project Facilities and Real Property which do not constitute Base Payments, or other obligations relating to the Project Facilities and Real Property which may arise or become due during this Facilities Agreement and which the Corporation except for this Facilities Agreement or the provisions of the Base Lease would ordinarily be required to pay as owner of the Project Facilities and Real Property (regardless of whether the County as owner would be so required to pay) shall either be paid under the provisions of the Base Lease or be included in the Acquisition Payments and paid by the County as Additional Payments. The County acknowledges that, under the provisions of the Base Lease, it has retained sole responsibility for the payment of taxes and insurance on the Real Property and the Project Facilities and the property associated therewith and the obligations of the County under the Base Lease are not subject to the limitations of Section 4.6 hereof, except as provided in Section 4.1(b) of the Base Lease.

15

SECTION 3.10. No Merger of Project Facilities. The Corporation and County confirm that the Project Facilities shall be property of the Corporation and title thereto shall remain vested in the Corporation and shall not merge into the respective leasehold estates of the Corporation in the Real Property, except that title to said Project Facilities shall revert to and be vested in the County upon termination of the Base Lease. The Corporation shall have the power to convey undivided interests in the Project Facilities to the County from time to time as Acquisition Payments are made as contemplated hereby.

**ARTICLE IV
ACQUISITION PAYMENTS; ASSIGNMENT TO TRUSTEE**

SECTION 4.1. Acquisition Payments.

(a) *Acquisition Payments to Constitute a Current Expense of County.* The Corporation and the County understand and intend that the obligation of the County to pay Acquisition Payments hereunder shall constitute a current expense of the County and shall not in any way be construed to be a debt of the County in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the County, nor shall anything contained herein constitute a pledge of the general tax revenues, funds, moneys or credit of the County.

(b) *Payment of Base Payments.* Subject to an Event of Nonappropriation as described in Section 4.7 hereof, on or before the 15th day prior to each Bond Payment Date during the period this Facilities Agreement is in effect, the County shall pay to the Trustee, as assignee of the Corporation, Base Payments exclusively from moneys specifically budgeted and appropriated for such purpose in lawful money of the United States of America, which payments shall be made to the Trustee as assignee of this Facilities Agreement, in the amounts and on the dates set forth on Exhibit C hereto.

Each payment of Base Payments shall be in consideration for the conveyance of title to an undivided interest in the Project Facilities as and to the extent provided in Section 2.1 hereof. As further consideration for the receipt of Base Payments, the County shall be entitled to the use and occupancy of all of the Real Property and the Project Facilities during the applicable Fiscal Year in which such payments are made, subject to the provisions of Section 8.2 hereof.

(c) *Payment of Additional Payments.* Subject to the provisions of Section 4.7 hereof, the County agrees to pay the following amounts as Additional Payments together with such other sums as are provided for herein:

(i) The amounts provided for in Sections 4.2 and 4.4 hereof to the parties referred to therein; and

(ii) All reasonable costs and expenses incurred or to be paid by the Corporation or the Trustee, as the case may be, under the terms of this Facilities Agreement or the Trust Agreement, including without limitation the amounts specified in Section 4.4 hereof.

The Corporation may, but shall be under no obligation to, advance moneys (i) to pay taxes, assessments and other governmental charges with respect to the Real Property and the Project Facilities, (ii) for the discharge of mechanic's and other liens relating to the Real Property and the Project Facilities, (iii) to obtain and maintain insurance for the Real Property and the Project Facilities and pay premiums therefor, and (iv) generally, to make payments and incur expenses in the event that the County fails to do so as required by this Facilities Agreement or the Base Lease. As provided in Section 6.11 of the Trust

14

(b) All payments of Additional Payments referred to in Section 4.2(a) above shall be made by the County in immediately available funds on a timely basis directly to the person or entity to which such payments are owed; provided, however, subject to the terms of the Security Documents, that the County shall not be required to pay, discharge or remove any tax, lien, or assessment or any mechanic's, laborer's or materialman's lien or encumbrance, or any other imposition or charge against the Real Property or the Project Facilities or any part thereof, or comply with any law, ordinance, order, rule, regulation or requirement, as long as the County shall, after written notice to the Corporation and the Trustee, at the County's expense, contest the same or the validity thereof in good faith, by action or inaction which shall operate to prevent the collection of the tax, lien, assessment, encumbrance, imposition or charge so contested, or the enforcement of such law, ordinance, order, rule, regulation or requirement, as the case may be, and the sale of the Real Property or the Project Facilities or any part thereof to satisfy the same or to enforce such compliance; provided further, that the County shall have given reasonable security as may be demanded by the Corporation, the Trustee, or both, to insure such payment and prevent any sale or forfeiture of the Real Property or the Project Facilities or any part thereof by reason of such nonpayment or noncompliance.

(c) To the extent permitted by law, the County hereby agrees to indemnify, defend and hold the Corporation harmless from the payment of Additional Payments which may be deemed the obligation of the Corporation by such third party suppliers.

SECTION 4.3. Prepayment of Acquisition Payments. The County may prepay Acquisition Payments in whole or in part as provided in, and under the conditions prescribed under, Sections 7.3 and 9.1 hereof. The County shall notify the Trustee in writing of the dates on which the Bonds corresponding to any prepayment hereunder are to be redeemed and the amount to be redeemed on each such date, all in accordance with the provisions of the Trust Agreement. The Trustee may request such reasonable information and reports as may be necessary to establish the sufficiency of the payments to be made at the time of such prepayment.

SECTION 4.4. Administrative Expenses. Subject to the provisions of Section 4.7 hereof, the County shall pay as Additional Payments (i) the periodic fees and reasonable expenses, including reasonable attorney's fees, costs and expenses, from time to time of the Trustee and any paying agent or registrar incurred in administering the Trust Agreement and the Bonds and any Extraordinary Service, or Extraordinary Expense, in connection therewith, and (ii) any reasonable expenses, including reasonable attorneys' fees, costs and expenses, incurred by the Corporation or the Trustee to compel full and punctual performance of this Facilities Agreement in accordance with the terms hereof and any Extraordinary Service, or Extraordinary Expense, in connection therewith.

SECTION 4.5. Assignment of Facilities Agreement; Manner of Payment. As security for and the source of payment of the Bonds, pursuant to the Trust Agreement, the Corporation has assigned to the Trustee all of its right, title and interest in and to this Facilities Agreement, except for the right of the Corporation to receive indemnity against claims and payment of its fees and expenses pursuant to Sections 4.2, 4.4 and 5.6 hereof. The County consents and agrees to the assignment of this Facilities Agreement as provided herein. The County covenants to fully perform, in timely fashion, all of its covenants, agreements and obligations under this Facilities Agreement, and to make all payments required by the County under this Facilities Agreement (other than payment for indemnity and fees and expenses of the Corporation) directly to the Trustee, all without set-off, defense or counterclaim by reason of any dispute which the County may have with the Corporation or the Trustee.

SECTION 4.6. Limited and Special Obligation of County. UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION, THE COUNTY MAY TERMINATE THIS FACILITIES

16

AGREEMENT AT THE END OF THE LAST FISCAL YEAR WHICH IS NOT AFFECTED BY SUCH EVENT OF NONAPPROPRIATION, AND THE COUNTY SHALL NOT BE OBLIGATED TO MAKE PAYMENT OF THE ACQUISITION PAYMENTS PROVIDED FOR IN THIS FACILITIES AGREEMENT BEYOND THE END OF SUCH FISCAL YEAR. The County agrees to deliver notice to the Corporation and the Trustee of any such termination prior to July 1 of the Fiscal Year first affected by an Event of Nonappropriation. If this Facilities Agreement is terminated under this Section 4.6 or as provided in Section 4.7 or Section 2.2, the County agrees to peaceful delivery of that portion of the Project Facilities to be retained by the Corporation or its assigns as provided in Section 2.4 hereof.

The obligations of the County to make Acquisition Payments required under this Article IV and other sections hereof, and to perform and observe the covenants and agreements contained herein, shall be absolute and unconditional in all events, except as expressly provided under this Facilities Agreement. Notwithstanding any dispute involving the County and any of the Corporation, any contractor, subcontractor, or supplier of materials or labor, or any other person, the County shall make all Acquisition Payments when due and shall not withhold any Acquisition Payments pending final resolution of such dispute, nor shall the County assert any defense or right of set-off, recoupment, or counterclaim against its obligation to make such payments required under this Facilities Agreement. The County's obligation to make Acquisition Payments during the duration of this Facilities Agreement shall not be abated through accident or unforeseen circumstances. The County agrees not to suspend, reduce, abrogate, diminish, postpone, modify, discontinue, withhold, or abate any portion of the payments required pursuant to this Facilities Agreement by reason of any defects, malfunctions, breakdowns, or infirmities of the Project Facilities, failure of the Corporation to complete the acquisition, construction, or installation of the Capital Projects, failure of the County to occupy or to use the Project Facilities as contemplated in this Facilities Agreement or otherwise, any change or delay in the time of availability of the Project Facilities, any acts or circumstances which may impair or preclude the use or possession of the Project Facilities, any defect in the title, design, operation, merchantability, fitness, or condition of the Project Facilities or in the suitability of the Project Facilities for the County's purposes or needs, failure of consideration, the invalidity of any provision of this Facilities Agreement, any acts or circumstances that may constitute an eviction or constructive eviction, destruction of or damage to the Real Property or the Project Facilities, the taking by eminent domain of title to or the use of all or any part of the Real Property or the Project Facilities, failure of the County's title to the Real Property or any part thereof, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or in the rules or regulations of any governmental authority, or any failure of the Corporation to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Facilities Agreement. Nothing contained in this paragraph shall be construed to release the Corporation from the performance of any of the agreements on its part herein contained. In the event the Corporation should fail to perform any such agreement on its part, the County may institute such action against the Corporation as the County may deem necessary to compel performance so long as such action does not abrogate the County's obligations under this Facilities Agreement. The County may, however, at its own cost and expense and in its own name or in the name of the Corporation, prosecute or defend any action or proceeding or take any other action involving third persons which the County deems reasonably necessary in order to secure or protect its right of possession, occupancy, and use under this Facilities Agreement, and in such event the Corporation hereby agrees to cooperate fully with the County and to take all action necessary to effect the substitution of the County for the Corporation in any such action or proceeding if the County shall so request. It is the intention of the parties that the payments required by this Facilities Agreement will be paid in full when due without any delay or diminution whatsoever, SUBJECT ONLY TO THE SPECIAL AND LIMITED NATURE OF THE COUNTY'S OBLIGATION TO PAY ACQUISITION PAYMENTS HEREUNDER AS SET FORTH ABOVE.

17

The Trustee shall, upon the occurrence of an Event of Nonappropriation, be entitled to all moneys then on hand and being held in all funds created under the Trust Agreement for the benefit of the Owners of the Bonds. After the expiration of the Fiscal Year during which an Event of Nonappropriation occurs, if such occurs by notice, or the July 31 following the July 1 on which the County fails to specifically budget and appropriate sufficient moneys to pay the Acquisition Payments hereunder, the Trustee may or shall, as the case may be, proceed to exercise its remedies, liquidate its interest in this Facilities Agreement or to lease the Project Facilities as provided in Section 8.2 of this Facilities Agreement. All property, funds and rights acquired by the Trustee by reason of an Event of Nonappropriation as provided herein, less any moneys due and owing to the Trustee for services performed and expenses incurred (including attorney's fees, costs and expenses) as Trustee, shall be held by the Trustee for the benefit of the Owners of the Bonds as set forth in the Trust Agreement.

Notwithstanding anything in this Facilities Agreement to the contrary, in the event that the Trustee shall receive a payment for the transfer of its interest in this Facilities Agreement, or total rental payments for leasing that are, after the payment of the Corporation's expenses in connection therewith, including attorneys' and other fees and expenses of the Trustee (including attorney's fees, costs and expenses), in excess of the principal amount of the Outstanding Bonds at the time of the Event of Nonappropriation and the interest due and to become due thereon (with amounts so received to be credited first to such interest and then to principal), then such excess shall be paid to the County by the Trustee, its assigns or its lessee.

ARTICLE V COVENANTS OF THE COUNTY

SECTION 5.1. Consolidation. Nothing in this Facilities Agreement shall be construed to prevent the County from consolidating pursuant to Article VIII, Section 12 of the South Carolina Constitution with one or more municipalities not parties to this Facilities Agreement to form a consolidated political subdivision, provided that the consolidated political subdivision enters into a written supplement hereto, joined in by the Corporation, whereunder the consolidated political subdivision assumes payment of Acquisition Payments and all other obligations of the County hereunder, thereupon such consolidated political subdivision shall replace and become the County for all purposes of this Facilities Agreement.

SECTION 5.2. Maintenance and Operation of Real Property and Project Facilities.

(a) Subject to Sections 4.6 and 4.7 herein, the County covenants and represents it will, at its own cost or expense, operate the Real Property and the Project Facilities in a sound and economical manner, in compliance with all present and future laws and governmental regulations applicable thereto, further that it will maintain, preserve and keep the Real Property and the Project Facilities in good repair, working order and condition, and that it shall from time to time make or cause to be made all necessary and proper repairs and renewals so that at all times the operation of the Real Property and the Project Facilities may be properly and advantageously conducted. This covenant shall not prevent the County from discontinuing operation of the Real Property and the Project Facilities as a judicial center at any time.

(b) Except as otherwise provided in this Section 5.2, prior to payment of the Bonds in full, the County shall not sell, transfer, lease, sublease or otherwise dispose of all or any substantial portion of the Real Property or the Project Facilities, or its interests under this Facilities Agreement, except to another governmental entity, as defined under the laws of the State, which assumes in writing all obligations of

19

THE OBLIGATIONS OF THE COUNTY UNDER THIS FACILITIES AGREEMENT SHALL NOT CONSTITUTE A PLEDGE OF THE FULL FAITH, CREDIT OR TAXING POWER OF THE COUNTY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL OR STATUTORY PROVISION.

SECTION 4.7. Event of Nonappropriation. In the event the County Council shall not specifically budget and appropriate, on or before July 1 of each year, moneys to pay all Acquisition Payments due hereunder and to accrue hereunder for the Fiscal Year commencing on such July 1, an Event of Nonappropriation shall be deemed to have occurred; subject, however, to each of the following provisions:

(a) The Trustee shall declare an Event of Nonappropriation on any earlier date on which the Trustee receives official, specific written notice from the County that this Facilities Agreement will be terminated.

(b) As soon as practicable after receiving such specific written notice from the County or after an Event of Nonappropriation is deemed to have occurred as contemplated above, the Trustee shall give written notice to the County and the Corporation of an Event of Nonappropriation; but any failure of the Trustee to give such written notice shall not prevent the Trustee from declaring an Event of Nonappropriation or from taking any remedial action which would otherwise be available to the Trustee.

(c) The Trustee may waive any Event of Nonappropriation which is cured by the County within a reasonable time if the Waiver Period has not expired.

(d) The Trustee shall waive any Event of Nonappropriation which is cured by the County's specifically budgeting and appropriating, prior to expiration of the Waiver Period, moneys sufficient to pay Acquisition Payments coming due hereunder for such Fiscal Year.

If an Event of Nonappropriation occurs and is not waived, the County shall not be deemed to be in default under this Facilities Agreement and shall not be obligated to make payment of any future Acquisition Payments due hereunder or any other payments provided for herein which accrue after the beginning of the Fiscal Year with respect to which there has occurred an Event of Nonappropriation; provided, however, that, subject to the limitations of Section 4.6 hereof and this Section 4.7, the County shall continue to be liable for Acquisition Payments (a) accrued prior to the beginning of such Fiscal Year, and due hereunder, and (b) allocable to any period during which the County shall continue to occupy the Corporation Facilities.

The enactment by the County Council of an ordinance authorizing the issuance of general obligation bonds of the County at such time and in such amount as will provide sufficient funds for the County make all Base Payments due in the Fiscal Year in question in accordance with Section 4.1 herein shall be deemed a specific budgeting and appropriating of such funds for purposes of this Section 4.7.

The County, in all events, shall cooperate with the Corporation and the Trustee in making the partition required under Section 2.4 hereof and shall vacate and deliver over to the Trustee the Corporation Facilities by the expiration of the Fiscal Year during which an Event of Nonappropriation occurs if such occurs by notice, or not later than the July 31 following the July 1 on which the County shall fail to specifically budget and appropriate sufficient moneys to pay the Acquisition Payments hereunder.

18

the County under this Facilities Agreement and shall enter into no such transaction without the written consent of the Trustee.

(c) Notwithstanding any other provision hereof to the contrary, the County may provide for the exchange of any asset comprising Real Property and Project Facilities (the "Released Facility") for another building and the real estate on which such facility (the "Exchange Facility") is located if: (i) the County provides the Trustee an appraisal upon which the Trustee shall conclusively rely showing that the proposed Exchange Facility has a value equal to or greater than the proposed Released Facility; (ii) the County certifies to the Trustee that the Exchange Facility is necessary to the operations of the County and that the remaining useful life of the Exchange Facility is not less than the remaining useful life of the Released Facility; (iii) the County certifies to the Trustee that the exchange is necessary to facilitate either the sale or other disposition of the Released Facility or the conversion of its use to another purpose other than use by the County for its original intended purpose; and (iv) the Trustee receive an opinion of Bond Counsel to the effect that the proposed exchange will not adversely affect the Federal income tax treatment of interest paid to the Holders of the Bonds.

In the event the County desires to provide for the exchange of Real Property prior to the commencement thereof of any improvements comprising a portion of the Capital Projects, then (i) the appraisal required by Section 5.2(c)(i) shall take into account any proposed improvements to the Exchange Facility proposed as a portion of the Capital Projects, (ii) the certification of the County as to the remaining useful life of the Exchange Facility required by Section 5.2(c)(ii) herein may take into account any proposed improvements to the Exchange Facility proposed as a portion of the Capital Projects, and (iii) the certification set forth in Section 5.2(c)(iii) herein shall not be required.

SECTION 5.3. Liens on Project Facilities. The County shall not create, incur or suffer to exist any lien, charge or encumbrance on the Real Property or the Project Facilities or its rights under this Facilities Agreement other than any Permitted Encumbrance.

SECTION 5.4. Representations and Covenants Regarding Tax Exempt Status of Bonds.

(a) The County shall not take any action or permit any action to be taken on its behalf, or cause or permit any circumstance within its control to arise or continue, if such action or circumstance, or its expectation on the date of this Facilities Agreement would cause the interest paid on the Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes.

(b) The County covenants to the Corporation, the Trustee and the Owners of the Bonds that, notwithstanding any other provision of this Facilities Agreement or any other instrument, it will neither make nor cause to be made any investment or other use of the proceeds of the Bonds or amounts on deposit in any of the funds or accounts held under the Trust Agreement or under any other document related to the Bonds which would cause the Bonds to be "arbitrage bonds" under Section 148 of the Code and the regulations thereunder or to be "Federally guaranteed" under Section 149(b) of the Code and the regulations thereunder, and that it will comply with the requirements of such Sections and regulations throughout the term of the Bonds.

(c) The County shall take all actions necessary on its part to enable compliance with the rebate provisions of Section 148(f) of the Code in order to preserve the federal income tax status of payments of interest with respect to the Bonds. The County shall ensure that the Corporation retains a consultant experienced in the calculation and determination of rebate payments and liability under Section 148(f) of the Code to provide the reports required under the Tax Regulatory Agreement.

20

(d) The County will accept title to the Project Facilities upon the discharge of the Bonds.

SECTION 5.5. Reports and Opinions; Inspections.

(a) The County shall deliver to the Trustee and the Corporation, within 90 days after the end of each Fiscal Year, a certificate stating that no Event of Default under this Facilities Agreement has occurred and is continuing and that the Project Facilities are being used in accordance with the terms of this Facilities Agreement.

(b) On a date not later than four years and six months after the issuance of the Bonds, and on each fifth anniversary of such date, the County shall deliver to the Trustee a legal opinion advising the Trustee of each action necessary to continue for the following five-year period the perfection of the security interests granted pursuant to the Trust Agreement together with any UCC continuation statements or other documents that are identified in such opinion.

(c) The County shall permit the Corporation and the Trustee to examine, visit and inspect, at any reasonable time, the Project Facilities, and the County's facilities, and any accounts, books and records, including its receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing, and to supply such reports and information as the Trustee may reasonably require.

SECTION 5.6. Immunity and Indemnification of Corporation and Trustee. In the exercise of the powers of the Corporation and the Trustee and their members, directors, officers, employees and agents under the Trust Agreement or this Facilities Agreement including (without limiting the foregoing) the application of moneys and the investment of funds, neither the Corporation nor the Trustee shall be accountable to the County for any action taken or omitted with respect to the Real Property, the Project Facilities or this Facilities Agreement by either of them or their members, directors, officers, employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred under this Facilities Agreement. The Corporation and the Trustee and their members, officers, employees and agents shall conclusively rely upon and shall be fully protected in its or their acting upon any paper or documents believed by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the County for any claims based on the Trust Agreement or this Facilities Agreement against any member, director, officer, employee or agent of the Corporation or the Trustee alleging personal liability on the part of such person.

SECTION 5.7. Compliance with Laws. With respect to the Real Property and the Project Facilities and any additions, alterations, or improvements thereto, the County will at all times comply with all applicable requirements of federal and state laws and with all applicable lawful requirements of any agency, board, or commission created under the laws of the State or of any other duly constituted public authority; provided, however, that the County shall be deemed in compliance with this Section 5.7 so long as it is contesting in good faith any such requirement by appropriate legal proceedings.

SECTION 5.8. Insurance and Condemnation Proceeds. The County shall not make any disposition nor direct the disposition of insurance or condemnation payments with respect to the Project Facilities in excess of \$250,000 without the written consent of the Trustee except as may be required by the terms of the Security Documents or of any Permitted Encumbrances existing on the date hereof.

SECTION 5.9. Filing of Budget with Trustee. For the duration of this Facilities Agreement, the County shall file with the Trustee, prior to the end of each Fiscal Year, a copy of the annual budget of the County for the following Fiscal Year.

21

(b) The County shall, to the extent required by law or good business practice, maintain for the duration of this Facilities Agreement, general liability insurance, worker's compensation insurance, disability insurance, and any other form of insurance, covering loss resulting from injury, sickness, disability or death of employees in amounts at least equal to those carried by institutions of similar size and nature.

(c) The County shall maintain, for the duration of this Facilities Agreement, general liability insurance against loss or losses from liabilities imposed by law or assumed in any written contract and arising from the death or bodily injury of persons or damage to the property of others caused by accident or occurrence (including contractual liability endorsement), with limits of not less than with limits of not less than \$300,000 for a loss arising from a single occurrence and not less than \$600,000 in the aggregate per occurrence regardless of the number of claims made, and \$300,000 for property damage per occurrence, excluding liability imposed upon the County by any applicable worker's compensation law. Such insurance shall name the Corporation and the Trustee as additional insureds, or, in lieu thereof, loss payees, as their interests may appear.

(d) All policies of insurance required hereunder shall be written by the South Carolina Insurance Reserve Trust, companies rated not lower than A by A. M. Best Company or in one of the two highest rating categories by Standard and Poor's Credit Markets Services and Moody's Investors Service or by companies acceptable to the Trustee, in each case qualified to do business in the State and each policy shall provide at least 30 days prior written notice to the Corporation and the Trustee before such policy is canceled. The County may provide any part or all of the insurance required hereby under the terms of a policy insuring other facilities or risks or any "blanket" policy. The County covenants that it will take all action, or cause the same to be taken, which may be necessary to enable recovery under the aforesaid insurance policies.

(e) All policies of insurance required hereby shall be open to inspection by the Corporation and the Trustee at all reasonable times. Certificates of insurance describing such policies shall be furnished by the County or the County shall cause the same to be furnished to the Corporation and the Trustee at or prior to the execution and delivery of this Facilities Agreement, and at least 10 days prior to the expiration of each of such policies. If any change shall be made in such insurance as to either amount or type of coverage, a description and notice of such change shall be furnished immediately to the Corporation and the Trustee by the County or it shall cause the same to be so furnished. In the event that the County fails to maintain any insurance as provided in this Section, the Trustee may, following written notice to the County, procure and maintain such insurance at the expense of the County (reimbursable as provided hereinbefore), but the Trustee shall not be under an obligation to do so.

(f) The County agrees that it shall certify in writing to the Trustee on June 30 of each year that it is in compliance with this Section 6.1.

SECTION 6.2. Self-Insurance Approval. If, at the time of execution of this Facilities Agreement, the County self-insures or at any time hereafter desires to self-insure to the extent permitted by law, the entry into such self-insurance program shall require the written approval of the Corporation and the Trustee.

**ARTICLE VII
DAMAGE, DESTRUCTION AND
CONDEMNATION; USE OF NET PROCEEDS**

23

SECTION 5.10. Alterations of the Project Facilities; Removals. The County, in its discretion and at its expense, may remodel or make such additions, modifications and improvements to the Real Property and the Project Facilities as it may deem to be desirable; provided that no such additions, modifications or improvements shall adversely affect the structural integrity or strength of, or materially interfere with the use and operations of, the Real Property and the Project Facilities. Subject to the right of the County to install its own machinery, equipment and other tangible personal property as provided in Section 3.1 hereof, any such changes shall become and be deemed to constitute part of the Real Property or the Project Facilities as the case may be.

In this connection, the County may remove any items of personal property constituting a part of the Project Facilities, provided that such removal of the personal property shall not materially diminish the value of the Project Facilities or the related Real Property.

In the case of any removal as provided above or any removal of County property not constituting Project Facilities, the County shall repair any damage resulting from such removal.

SECTION 5.11. Continuing Disclosure. The County covenants to provide the information required by Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("15c2-12"), as an Obligated Person (as defined in 15c2-12) and to comply with the provisions of the Disclosure Dissemination Agent Agreement attached hereto as Exhibit D. In the event of a failure by the County to comply with any provisions of the Disclosure Dissemination Agent Agreement, the rights of the Owners of the Bonds to enforce the provisions of the Disclosure Dissemination Agent Agreement shall be limited solely to a right, by action in mandamus or specific performance, to compel performance of the parties' obligations under the Disclosure Dissemination Agent Agreement. Any failure by a party to perform in accordance with the Disclosure Dissemination Agent Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated in the Disclosure Dissemination Agent Agreement.

**ARTICLE VI
INSURANCE**

SECTION 6.1. Types of Insurance and Coverage Requirements.

(a) The County shall, commencing with the date that any items of personal property comprising the Project Facilities are delivered, or in the event that progress payments are to be made to the manufacturer thereof prior to the date of such delivery, commencing with the date of this Facilities Agreement, and upon completion of any construction, reconstruction, renovation or remodeling incidental to the completion and installation of the Project Facilities, on all such improvements to the Project Facilities, maintain all-risk fire, extended coverage, vandalism, and malicious mischief insurance on the Project Facilities. Such insurance shall name the Corporation and the Trustee as additional insureds, or, in lieu thereof, loss payees, as their interests may appear, be maintained for the duration of this Facilities Agreement and each policy shall be in an amount equal to the replacement value of the Project Facilities; provided that, on the third anniversary of the execution of this Facilities Agreement and every three years thereafter, the County shall cause the preparation and pay for the expense of a certification of the maximum full insurable value of the Project Facilities by an independent insurance agent or a person or company knowledgeable in such matters and shall deliver the same to the Trustee.

22

SECTION 7.1. Damage, Destruction and Condemnation. If, during the duration of this Facilities Agreement, (i) the Project Facilities or any portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty, or (ii) title to, or the temporary or permanent use of, the Project Facilities, the Real Property or any portion thereof or the estate of the County or the Corporation in the Project Facilities, the Real Property or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, or (iii) a material defect in construction or installation of the Project Facilities, the Real Property or any portion thereof shall become apparent, or (iv) title to or the use of all or any portion of the Project Facilities, Real Property or any portion thereof shall be lost by reason of a defect in title thereto, then the County shall be obligated, subject to the option provided in Section 7.3 hereof and the provisions of Sections 4.6 and 4.7 hereof, to continue to pay the amounts specified as Acquisition Payments under this Facilities Agreement.

SECTION 7.2. Obligation to Repair or Replace the Project Facilities. Subject to the provisions of Section 7.3 hereof, the County, the Corporation and the Trustee shall cause the Net Proceeds of any insurance policies, performance bonds or condemnation awards, made available by reason of any occurrence described in Section 7.1 hereof, to be deposited as provided in Section 3.9 hereof prior to the Completion Date or, after the Completion Date, in a separate trust fund designated as the "Net Proceeds Fund" which the Trustee is hereby directed to establish in such event. Except as set forth in Section 7.3 hereof, all Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Project Facilities by the County upon receipt of written requisitions upon which the Trustee shall conclusively rely signed by an authorized official of the County stating with respect to each payment to be made: (i) the requisition number; (ii) the name and address of the person, firm or corporation to whom payment is due; (iii) the amount to be paid; and (iv) that each obligation mentioned therein has been properly incurred, is properly payable from the Net Proceeds held in the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. In carrying out any of the provisions of this Section 7.2, the County shall have all power and authority granted under Article III of this Facilities Agreement; and the Trustee shall reasonably cooperate with the County in the administration of such fund. The balance of any such Net Proceeds remaining after such repair, restoration, modification, improvement or replacement has been completed shall be applied to any lawful and authorized purpose of the County as directed in writing by the County. Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of such Net Proceeds shall be included as part of the Project Facilities under this Facilities Agreement and the Trust Agreement.

If the Net Proceeds (plus any amounts withheld from such Net Proceeds by reason of any deductible clause) shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Project Facilities referred to above, the County shall be responsible, subject to the option contained in Section 7.3 hereof, for the completion of the work and the payment of any cost in excess of the amount of the Net Proceeds. The County agrees that, if by reason of any such insufficiency of the Net Proceeds, the County shall make any payments pursuant to the provisions of this paragraph, the County shall not be entitled to any reimbursement therefor from the Trustee or the Owners of the Bonds, nor shall the County be entitled to any diminution of any Acquisition Payments payable under this Facilities Agreement.

SECTION 7.3. Discharge of Obligation to Repair or Replace the Project Facilities. If, as a result of the occurrence of an event described in Section 7.1 hereof, (a) any part of the Project Facilities or Real Property is totally destroyed or is damaged to such an extent that the rebuilding or repairing of such part of the Project Facilities or Real Property would be impracticable, (b) there is discovered a material

24

defect in the construction of the Project Facilities, or any portion thereof that renders the Project Facilities or such portion unusable by the County for its intended purposes, (c) all or substantially all of the Project Facilities or Real Property relating to a particular building is taken by eminent domain or (d) the County is deprived of the use of any part of the Project Facilities or Real Property by reason of a defect in title thereto, the County may elect to apply the Net Proceeds of applicable insurance policies, performance bonds or condemnation awards as a prepayment of Acquisition Payments and the discharge of its obligations with respect to Sections 7.1 and 7.2 hereof. Such an election may be made by written notice to the Corporation and the Trustee within 90 days of the occurrence of an event described in (a) through (d) above. Upon any such prepayment, the amount thereof shall be applied to redeem Bonds at the earliest practicable date, the Acquisition Price shall be recalculated to take account of such prepayment, title to the affected part of the Project Facilities shall be deemed transferred to the County and in the event of any future partition under Section 2.4 hereof, such affected part of the Project Facilities or Real Property shall be automatically assigned to the County. If at any time the amount to be applied as a prepayment hereunder shall exceed the redemption price of all Bonds, all Bonds shall be redeemed, title to all the Project Facilities, Project Facilities Property or portion thereof shall be transferred to the County and any amounts not required for the redemption of the Bonds and payment of other expenses under the Trust Agreement shall be paid to the County.

SECTION 7.4. Cooperation of the Parties. The Corporation, the County and the Trustee shall cooperate fully with each other in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 7.1 of this Facilities Agreement, in making the Net Proceeds available in accordance with Section 7.2 or 7.3 hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Project Facilities, the Real Property or any portion thereof and in the enforcement of all warranties relating to the Project Facilities. The Corporation hereby designates the County as its agent for the purpose of making collections under such policies. In no event shall the Corporation voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding with respect to the Project Facilities or any portion thereof without the written consent of the County and the Trustee.

ARTICLE VIII DEFAULTS AND REMEDIES

SECTION 8.1. Events of Default. Each of the following events is hereby defined as, and declared to be and shall constitute, an "Event of Default":

- (a) failure by the County to make any payment required to be made pursuant to Section 4.1(b) hereof by the first day of the calendar month after the same is due (provided, however, that an Event of Nonappropriation shall not result in an Event of Default under this provision); or
- (b) failure by the County to timely comply with the provisions of Section 2.4 hereof relating to partition and vacating of Project Facilities at the times required; or
- (c) failure by the County to make any payment required to be made pursuant to Section 4.1(c), 4.2 or 4.4 hereof or under the provisions of the Base Lease within 10 days after the same is due; or
- (d) failure by the County to observe and perform any other covenant, condition or agreement on its part to be observed or performed under this Facilities Agreement for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the County by the Trustee; or

25

- (ii) The Trustee may temporarily assign its rights to the Corporation Facilities for the benefit of the Owners of the Bonds.

Notwithstanding anything in this Facilities Agreement to the contrary, in the event of a termination of the County's interest in any portion of the Project Facilities and subsequent thereto the Trustee shall receive a payment for the transfer of its interest in this Facilities Agreement or total rental payments for leasing that are, after the payment of the Corporation's expenses in connection therewith, including fees and expenses of the Trustee (including attorney's fees, costs and expenses), in excess of the principal amount of the Outstanding Bonds at the time of the Event of Default or Event of Nonappropriation and the interest due and to become due thereon (with amounts so received to be credited first to such interest and then to principal), then the Trustee shall pay such excess to the County.

SECTION 8.3. Limitations on Remedies. A judgment requiring a payment of money may be entered against the County by reason of an Event of Default or Event of Nonappropriation only as to the County's liabilities described in Section 10.1 of this Facilities Agreement.

SECTION 8.4. Cumulative Rights. No remedy conferred upon or reserved to the Corporation or the Trustee by this Facilities Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Facilities Agreement or now or hereafter existing at law or in equity or by statute. No waiver by the Corporation or the Trustee of any breach by the County of any of its obligations, agreements or covenants hereunder shall be deemed a waiver of any subsequent breach, or a waiver of any other obligation, agreement or covenant, and no delay or failure by the Corporation or the Trustee to exercise any right or power shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised by the Corporation or the Trustee from time to time and as often as may be deemed expedient.

SECTION 8.5. Discontinuance of Proceedings. In case the Corporation or the Trustee shall have proceeded to enforce any right under this Facilities Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Corporation or the Trustee, then and in every such case the County, the Corporation and the Trustee shall be restored respectively to their several positions and rights hereunder and all rights, remedies and powers of the County, the Corporation and the Trustee shall continue as though no such proceeding had been taken.

ARTICLE IX CONVEYANCE OF THE PROJECT FACILITIES

SECTION 9.1. Optional Purchase of the Project Facilities. (a) *Purchase in Full.* The County is hereby granted the option to terminate this Facilities Agreement and to purchase the Corporation's interest in the Project Facilities not theretofore acquired by the County at any time upon payment by the County of the then applicable Purchase Option Price; provided, however, that no such termination shall relieve the County from its obligation to pay Administrative Expenses as provided in Section 4.4 hereof until the Bonds have been fully discharged and the Trust Agreement terminated. The County shall notify the Corporation and the Trustee in writing of its intention to exercise this option, on or before the 45th day preceding the date of such purchase or such later date as may be acceptable to the Trustee, but in no event later than the 30th day preceding the date of such purchase, and the County shall provide funds for such prepayment or such other assurance thereof as may be acceptable to the Trustee. Upon the payment of the Purchase Option Price, the Corporation shall transfer and convey all its remaining interest in the

27

(e) if any of the representations and warranties of the County hereunder shall prove to be false or misleading in any material respect; or

(f) the failure by the County promptly to stay or lift any execution, garnishment or attachment of such consequence as will, in the reasonable judgment of the Trustee, materially impair its ability to carry out its obligations under this Facilities Agreement (provided that the County shall not be in default so long as it is diligently prosecuting a bona fide appeal from any such execution, garnishment or attachment); or

(g) if the County shall (i) apply for or consent to the appointment of a receiver, trustee, or the like of the County or of property of the County, or (ii) admit in writing the inability of the County to pay its debts generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) be adjudicated a bankrupt or insolvent, or (v) commence a voluntary case under the United States Bankruptcy Code or file a voluntary petition seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the United States Bankruptcy Code.

The foregoing provisions of this Section 8.1 are subject to the following provision: If, by reason of Force Majeure, the County shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of the County contained in Articles IV and VI of this Facilities Agreement, the County shall not be deemed in default during the continuance of such inability. The County agrees, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the County from carrying out its agreement, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the County.

SECTION 8.2. Remedies. Subject at all times to the rights of the County under Section 2.1 hereof as to portions of the Project Facilities it has so acquired, whenever any Event of Default referred to in Section 8.1 of this Facilities Agreement shall have happened and be continuing, or if an Event of Nonappropriation shall have happened, the Corporation and the Trustee may terminate this Facilities Agreement and shall give notice to the County to vacate the Corporation Facilities within 31 days from the date of such notice; provided that if an Event of Nonappropriation shall occur by reason of the failure of the County to specifically budget and appropriate for Acquisition Payments on or before July 1 of any year, the County shall vacate or deliver possession of the Corporation Facilities not later than the immediately following July 31 or such later date as may be determined under Section 2.4 hereof.

Subject at all times to the rights of the County under Section 2.1 hereof as to portions of the Project Facilities it has so acquired, the Trustee, in its discretion, may also (i) take whatever action at law or in equity which may appear necessary or desirable to enforce its rights in and to the Project Facilities under this Facilities Agreement, the Security Documents and the Trust Agreement, subject, however, to the limitations set forth herein, and (ii) exercise all applicable rights and remedies of a secured party under Title 36, Chapter 9, Code of Laws of South Carolina, 1976, as amended.

In addition, the Trustee may, or at the written direction of the Owners of the majority in aggregate principal amount of the Outstanding Bonds shall, without any further demand or notice, and subject to the terms of the Base Lease, take one or both of the following additional remedial steps:

- (i) The Trustee may liquidate its interest in this Facilities Agreement or sell or assign its interest in the Base Lease upon five (5) days prior written notice to the County; or

26

Project Facilities to the County in the manner provided in Section 9.2 hereof.

(b) *Partial Prepayment of Acquisition Payments and Purchase.* From and after _____, 20____, the County is also granted the option to prepay Acquisition Payments on the due date of any Base Payments hereunder for the purpose of having such prepayments credited towards the purchase price of the Project Facilities. The County shall notify the Corporation and the Trustee in writing of its intention to exercise this option, on or before the 45th day preceding the date of such prepayment or such later date as may be acceptable to the Trustee, but in no event later than the 30th day preceding the date of such prepayment, and shall provide funds for such prepayment or such other assurance thereof as may be acceptable to the Trustee.

SECTION 9.2. Manner of Conveyance. (a) *Complete Conveyance.* At the closing of any purchase or other conveyance of all of the Project Facilities and the Real Property pursuant to Section 9.1(a) of this Facilities Agreement, or at the termination hereof by the payment of all amounts due hereunder, the Corporation and the Trustee by an instrument terminating the Base Lease and this Facilities Agreement and by quit claim or special warranty deed, as the case may be, in the form as mutually agreed to by the Trustee, the Corporation and the County shall execute and deliver to the County all necessary documents assigning, transferring, conveying and relinquishing all interest to the Project Facilities and the Real Property, subject to the following:

- (i) Permitted Encumbrances, other than this Facilities Agreement and the Trust Agreement;
- (ii) all liens, encumbrances and restrictions created or suffered to exist by the County, the Corporation and the Trustee as required or permitted by this Facilities Agreement or the Trust Agreement or arising as a result of any action taken or permitted to be taken by the County, the Corporation or the Trustee as required or permitted by this Facilities Agreement or the Trust Agreement; and
- (iii) any lien or encumbrance created by action of the County.

(b) *Partial Conveyance Resulting from Partition.* Upon any conveyance under Section 2.4 hereof to the County, the Corporation and the Trustee shall at the written direction of the County execute and deliver to the County all necessary documents assigning, transferring and conveying all interest in the County Facilities by an instrument terminating the Base Lease and this Facilities Agreement with respect to the Project Facilities and quit claim or special warranty deed, as the case may be, in the form as mutually agreed to by the Trustee, the Corporation and the County, subject to the following:

- (i) Permitted Encumbrances, other than this Facilities Agreement and the Trust Agreement;
- (ii) all liens, encumbrances and restrictions created or suffered to exist by the County, the Corporation and the Trustee as required or permitted by this Facilities Agreement or the Trust Agreement or arising as a result of any action taken or permitted to be taken by the County, the Corporation or the Trustee as required or permitted by this Facilities Agreement or the Trust Agreement; and
- (iii) any lien or encumbrance created by action of the County.

Neither the Trustee nor the Corporation shall be responsible for the recordation of any deed or other instrument for such purposes and the County shall be responsible for the recordation of any such deed or other instrument for such purposes.

28

Upon any conveyance under Section 2.4 hereof to the Corporation, the County shall execute and deliver to the Corporation and the Trustee all necessary documents assigning, transferring and conveying all interest in the Corporation Facilities by an instrument terminating this Facilities Agreement with respect to the Corporation Facilities and quit claim or special warranty deed, as the case may be, in the form as mutually agreed to by the Corporation and the County, subject to the following:

- (i) Permitted Encumbrances, other than this Facilities Agreement and the Trust Agreement;
- (ii) all liens, encumbrances and restrictions created or suffered to exist by the County, the Corporation and the Trustee as required or permitted by this Facilities Agreement or the Trust Agreement or arising as a result of any action taken or permitted to be taken by the County, Corporation or the Trustee as required or permitted by this Facilities Agreement or the Trust Agreement;
- (iii) any lien or encumbrance created by action of the County; and
- (iv) the Base Lease.

Neither the Trustee nor the County shall be responsible for the recordation of any deed or other instrument to the Trustee or the Corporation for such purposes and the Corporation shall be responsible for the recordation of any such deed or other instrument for such purposes.

(c) *Partial Conveyance Resulting from Prepayment.* Any conveyance resulting from a partial prepayment under Section 9.1(b) hereof shall be made in the manner as all other conveyances with respect to payments on each Bond Payment Date.

**ARTICLE X
MISCELLANEOUS**

SECTION 10.1. Limitation of Liability of the Corporation and the County. Notwithstanding any other provision of this Facilities Agreement (other than Section 10.6 hereof), in the event of any default by either the Corporation or the County hereunder or under the Trust Agreement, any liability of the Corporation or the County shall be enforceable only out of their respective interests in the Base Lease and under this Facilities Agreement and the moneys to be paid by the County through the later of the end of the Fiscal Year as to which Base Payments have been appropriated for or any Base Payments due as provided in Section 2.3 hereof, and there shall be no recourse for any claim based on this Facilities Agreement, the Trust Agreement or the Bonds, against any other property of the Corporation or the County or against any officer or employee, past, present or future, of the Corporation or the County or any successor body as such, either directly or through the Corporation or the County or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, and the liability of the Corporation and the County shall be limited to its interests in the Base Lease and interests under this Facilities Agreement and the moneys to be paid by the County hereunder through the later of the end of the Fiscal Year as to which Base Payments have been appropriated therefor or any Base Payments due as provided in Section 2.3 hereof, and the lien of any judgment shall be restricted thereto, and there shall be no other recourse by the County against the Corporation or the Corporation against the County or any of the property now or hereafter owned by it or either of them. The provisions hereof shall not be deemed to limit the rights of either the County or the

- (c) To add to the covenants and agreements of the County herein contained, or to surrender any right or power herein reserved to or conferred upon the County; or
- (d) To increase the Base Payments hereunder to enable the County to proceed to acquire and install Additional Project Facilities; or
- (e) To reflect a change in applicable law;
- (f) To make any changes required in connection with a substitution of facilities as permitted under the Base Lease or hereunder or to add Additional Real Property; or
- (g) To make any amendments required by Moody's Investors Service or Standard and Poor's Credit Markets Services as a condition to rating the Bonds.

The County and the Corporation may, with notice to but without the prior consent of the Trustee, and without the consent of the Owner of any Bond, enter into any amendments hereto at any time and from time to time to (i) add additional parcels of Real Property to the description in Exhibit A hereto or (ii) under the conditions specified in Section 5.2(c) hereof, to delete Real Property in connection with a substitution of other Real Property.

All other amendments must be consented to by the Trustee and, if and to the extent required by the Trust Agreement, the consent of the Holders of the Bonds.

SECTION 10.7. Successors and Assigns. All covenants, promises and agreements contained in this Facilities Agreement by or on behalf of or for the benefit of the County or the Corporation, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 10.8. Applicable Law. This Facilities Agreement shall be governed by, and interpreted under, the laws of the State of South Carolina, without regard to conflict of law principles.

SECTION 10.9. Recordation. At the option of the Corporation this Facilities Agreement or a short form and summary hereof may be recorded in appropriate official records.

[Signatures appear on the following page]

Corporation or any assignee thereof as to any contracts with other parties with respect to the Project Facilities.

SECTION 10.2. Surrender of Possession Upon Termination. Upon termination hereof or upon termination of all rights of the County hereunder, either by reason of an Event of Default or an Event of Nonappropriation, the County covenants that it will deliver up or cause to be delivered up peaceable possession of such of the Project Facilities as are determined under Section 2.4 hereof to be Corporation Facilities together with the related Real Property without delay, upon demand made by the Corporation or the Trustee, in good repair and operating condition, excepting reasonable wear and tear and damage, injury or destruction by fire or other casualty which, under the terms hereof, shall not have been repaired, reconstructed or replaced.

SECTION 10.3. Notices. Notices hereunder shall be given to the addresses shown below or to such other address as shall be filed in writing with the parties hereto:

The Corporation	Florencia County Public Facilities Corporation 180 N. Irby Street Florence, SC 29501 Attn: President
The County	Florence County, South Carolina 180 North Irby Street Florence, SC 29501 Attn: County Administrator
The Trustee	The Bank of New York Mellon Trust Company, N.A. 4655 Salisbury Road, Suite 300 Jacksonville, Florida 32256 Attn: Corporate Trust

SECTION 10.4. Assignments. Except as contemplated in Section 5.1 hereof and the Trust Agreement, this Facilities Agreement may not be assigned by either of the parties hereto without the written consent of the other party hereto and the written consent of the Trustee. Except as provided in Section 8.2 hereof and the provisions of Articles VI and VII of the Trust Agreement, the Trustee shall not be permitted to further assign its interest in this Facilities Agreement.

SECTION 10.5. Severability. In case any provision of this Facilities Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof and this Facilities Agreement shall be construed as if such provision had never been contained herein.

SECTION 10.6. Amendments. The County and the Corporation may, with the prior written consent of the Trustee, but without the consent of the Owner of any Bond, enter into any amendments hereto at any time for any of the following purposes:

- (a) To cure any ambiguity, defect or omission herein or in any amendment hereto; or
- (b) To grant to or confer upon the Corporation any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon it; or

WITNESS the due execution of this Facilities Agreement as of the day and year first mentioned above.

FLORENCE COUNTY PUBLIC FACILITIES CORPORATION

WITNESS: By: _____
President

Attest: _____
Secretary

FLORENCE COUNTY, SOUTH CAROLINA,

WITNESS: By: _____
Chairman, Florence County Council

Attest: _____
Clerk to Florence County Council

STATE OF SOUTH CAROLINA)
)
COUNTY OF FLORENCE)

PERSONALLY APPEARED before me the undersigned witness and made oath that (s)he saw the within named FLORENCE COUNTY, SOUTH CAROLINA, by Willard Dorriety, Jr., Chairman of Florence County Council ("County Council"), the governing body of Florence County, South Carolina, and Hope M. Jones, Clerk to County Council, sign, seal and as its act and deed deliver the within Public Facilities Purchase and Occupancy Agreement, and that (s)he, together with the other witness whose signature appears above, witnessed the execution thereof.

SWORN AND SUBSCRIBED BEFORE ME
this ____ day of December, 2023

Notary Public for South Carolina
My Commission Expires: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF FLORENCE)

PERSONALLY APPEARED before me the undersigned witness and made oath that (s)he saw the within named FLORENCE COUNTY PUBLIC FACILITIES CORPORATION by _____, its President, and _____, its Secretary, sign, seal and as its act and deed deliver the within Public Facilities Purchase and Occupancy Agreement, and that (s)he, together with the other witness whose signature appears above, witnessed the execution thereof.

SWORN AND SUBSCRIBED BEFORE ME
this ____ day of December, 2023

Notary Public for South Carolina
My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE REAL PROPERTY

All that certain piece, parcel or tract of land, situate, lying and being in the City of Florence, County of Florence, State of South Carolina, containing 1.58 acres more or less and delineated as Parcel "A" being shown on a Plat surveyed for Florence County, prepared by Nesbitt Surveying Co., Inc. dated _____, 2023, and recorded in the Office of the Clerk of Court for Florence County on _____ 2023 in Plat Book ____ at page ____ Reference being made to the aforementioned Plat for a more thorough and complete description.

For derivation of title, see Deed from the City of Florence of its one-half undivided interest to the County of Florence dated August 19, 2016 and recorded September 27, 2016, in the Office of the Clerk of Court for Florence County, South Carolina, in Deed Book B653, at Page 1124. See also Deed Book B460 at Page 495.

Tax Map Number: 90167-02-007

EXHIBIT B

PERMITTED ENCUMBRANCES

[insert permitted encumbrances]

EXHIBIT C

DISCLOSURE DISSEMINATION AGENT AGREEMENT

ACQUISITION PAYMENTS SCHEDULE

Payment Due 15 th Day Prior to	Amount Due	Payment Due 15 th Day Prior to	Amount Due

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of December 14, 2023, is executed and delivered by Florence County, South Carolina (the "Issuer") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute "advice" within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C. acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Disclosure Representative" means the Chief Financial Officer of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Issuer's failure to file an Annual Report on or before the Annual Filing Date.

"Financial Obligation" as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Force Majeure Event" means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities) as shown on Exhibit A.

"Official Statement" means that Official Statement prepared by the Issuer in connection with the Bonds, as listed in Exhibit A.

"Trustee" means the institution, if any, identified as such in the document under which the Bonds were issued.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than seven months after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2023. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, if any, for filing with the MSRB.

- (e) The Disclosure Dissemination Agent shall:
- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
 - (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;
 - (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
 - (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 1. "Principal and interest payment delinquencies;"
 2. "Non-Payment related defaults, if material;"
 3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
 4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
 5. "Substitution of credit or liquidity providers, or their failure to perform;"
 6. "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;"
 7. "Modifications to rights of securities holders, if material;"
 8. "Bond calls, if material, and tender offers;"
 9. "Defeasances;"
 10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
 11. "Rating changes;"
 12. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
 13. "The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the
- termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;"
14. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
 15. "Incurrence of a Financial Obligation of the obligated pPerson, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and
 16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
 - (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
 1. "amendment to continuing disclosure undertaking;"
 2. "change in obligated person;"
 3. "notice to investors pursuant to bond documents;"
 4. "certain communications from the Internal Revenue Service;" other than those communications included in the Rule;
 5. "secondary market purchases;"
 6. "bid for auction rate or other securities;"
 7. "capital or other financing plan;"
 8. "litigation/enforcement action;"
 9. "change of tender agent, remarketing agent, or other on-going party;" and
 10. "other event-based disclosures;"
 - (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being

D-4

D-5

any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"
2. "change in fiscal year/timing of annual disclosure;"
3. "change in accounting standard;"
4. "interim/additional financial information/operating data;"
5. "budget;"
6. "investment/debt/financial policy;"
7. "information provided to rating agency, credit/liquidity provider or other third party;"
8. "consultant reports;" and
9. "other financial/operating data."

- (viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the operating data generally consistent with the information contained in the tables in the Official Statement dated with respect to the Bonds under the captioned "FINANCIAL AND TAX INFORMATION – Five Year Summary of General Fund Operations," "– Summary of General Fund Budget," "CERTAIN FISCAL MATTERS – Millage History," "– Market Value/Assessment Summary of the County," "– Tax Collections in the County" and "– Ten Largest Taxpayers" and : "DEBT STRUCTURE – Legal Debt Limit of the County," "– Outstanding Debt," "– Composite General Obligation Bond Debt Service of the County," and "– Capital Leases and Other Debt."

D-6

(b) Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with Generally Accepted Accounting Principles as described in the Official Statement will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

The Issuer will reserve the right to modify from time to time the specific type of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer will agree that any such modification will be done in a manner consistent with the Rule.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or

D-7

similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to

D-8

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full, for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure

D-10

disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Issuer will provide the Disclosure Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

D-9

Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, if any, of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

D-11

By: _____
Name: _____
Title: _____

FLORENCE COUNTY, SOUTH CAROLINA
as Issuer

By: _____
Name: Kevin Yokim
Title: Florence County Administrator

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: Florence County, South Carolina
Name of Bond Issue: \$_____ Florence County Public Facilities Corporation
\$50,000,000 Installment Purchase Revenue Bonds, (Comprehensive
Facilities Improvements) Series 2023
Date of Issuance: December ____, 2023
Date of Official Statement: _____, 2023
CUSIP Numbers:

June 1 CUSIP Number

D-12

D-A-1

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Florence County, South Carolina
Name of Bond Issue: \$_____ Florence County Public Facilities Corporation \$50,000,000
Installment Purchase Revenue Bonds, (Comprehensive Facilities
Improvements) Series 2023
Date of Issuance: December 14, 2023
Dates of Disclosure Agreement: December 14, 2023
CUSIP Numbers:
June 1 CUSIP Number

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of the Issuer

cc: Issuer

D-B-1

EXHIBIT C-1

EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: _____

Issuer's Six-Digit CUSIP Number: _____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates: _____

Number of pages attached: _____

____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;" Tender offers;
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. _____ "Merger, consolidation, or acquisition of the obligated person, if material;"
14. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15. _____ "Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and
16. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

D-C-1

**EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____, 2023 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;" and
10. _____ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date:

D-C-2

**EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____, 2023 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Financial Disclosure (Check One):

1. _____ "quarterly/monthly financial information;"
2. _____ "change in fiscal year/timing of annual disclosure"
3. _____ "change in accounting standard;"
4. _____ "interim/additional financial information/operating data;"
5. _____ "budget;"
6. _____ "investment/debt/financial policy;"
7. _____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. _____ "consultant reports;" and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date:

D-C-3

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APPENDIX B-3

FORM OF TRUST AGREEMENT

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INDEX

(This Index is not a part of the Trust Agreement but rather is for convenience of reference only)

Table with 2 columns: Section/Article and Page. Includes sections for Preambles, Granting Clauses, ARTICLE I DEFINITIONS, ARTICLE II RECITALS AND REPRESENTATIONS, ARTICLE III AUTHORIZATION AND TERMS OF BONDS, ARTICLE IV REDEMPTION OF BONDS, ARTICLE IX DEFEASANCE, ARTICLE X ADDITIONAL COVENANTS AND AGREEMENTS OF THE TRUSTEE, ARTICLE XI AMENDMENTS TO BASE LEASE AND FACILITIES AGREEMENT, ARTICLE XII MEETINGS OF HOLDERS, ARTICLE XIII MISCELLANEOUS, and Exhibits A-D.

TRUST AGREEMENT

between

FLORENCE COUNTY PUBLIC FACILITIES CORPORATION

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

DATED AS OF DECEMBER 1, 2023

ARTICLE V PROVISIONS AS TO FUNDS AND PAYMENTS

Table with 2 columns: Section and Page. Includes sections 5.1 through 5.11 regarding deposit of money, creation of project fund, disbursements, completion of capital projects, bond fund accounts, reserved investments, monies held in trust, nonpresentation of bonds, repayment to county, and rebate fund.

ARTICLE VI TRUSTEE

Table with 2 columns: Section and Page. Includes sections 6.1 through 6.11 regarding trustee's acceptance, rights and obligations, fees, intervention, successor trustee, resignation, removal, appointment, dealing in bonds, and right to pay taxes.

ARTICLE VII DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND HOLDERS

Table with 2 columns: Section and Page. Includes sections 7.1 through 7.9 regarding defaults, notice of default, remedies, rights of holders, application of monies, and waivers of events of default.

ARTICLE VIII SUPPLEMENTAL AGREEMENTS

Table with 2 columns: Section and Page. Includes sections 8.1 through 8.7 regarding supplemental agreements generally, consent of county, authorization to trustee, and modification by unanimous consent.

TRUST AGREEMENT

This TRUST AGREEMENT dated as of December 1, 2023 (the "Trust Agreement") is made by and between FLORENCE COUNTY PUBLIC FACILITIES CORPORATION (the "Corporation"), a nonprofit corporation duly organized under the laws of the State of South Carolina, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as trustee (the "Trustee"), a national banking association duly organized and validly existing under the laws of the United States of America, with its designated corporate trust office located in Jacksonville, Florida.

WITNESSETH:

WHEREAS, Florence County, South Carolina (the "County") is simultaneously herewith entering into a Base Lease Agreement dated as of December 1, 2023 (the "Base Lease") pursuant to which it has leased certain real property to the Corporation (the "Real Property"), as more particularly described in Exhibit A attached to the Base Lease; and

WHEREAS, the Corporation is simultaneously herewith entering into a Public Facilities Purchase and Occupancy Agreement dated as of December 1, 2023 (the "Facilities Agreement") with the County, pursuant to which the Corporation has agreed with respect to the Capital Projects (as defined in the Facilities Agreement) to make certain improvements on the Real Property (collectively, the "Project Facilities"), which the County will purchase under the provisions of the Facilities Agreement and the County will be entitled to occupy the Project Facilities pending completion of the payment therefor; and

WHEREAS, in order to raise funds to pay the costs of financing the Capital Projects and certain facilities that will not be situated on the Real Property (the "Ancillary Projects"), the Corporation proposes to issue \$50,000,000 Florence County Public Facilities Corporation Installment Purchase Revenue Bonds (Comprehensive Facilities Improvements), Series 2023, dated December 1, 2023 (the "Series 2023 Bonds") pursuant to the terms of this Trust Agreement; and

WHEREAS, the Corporation desires to enter into this Trust Agreement in order to prescribe the terms and conditions of the Series 2023 Bonds and the security therefor and to provide for the issuance of one or more series of Additional Bonds (the "Additional Bonds") and, together with the Series 2023 Bonds, the "Bonds") to be secured under the terms hereof on a parity with the Series 2023 Bonds, and the Corporation and the Trustee are each authorized to execute and deliver this Trust Agreement and to do or cause to be done all acts provided or required herein to be performed on their respective parts; and

WHEREAS, the Bonds are and will be secured by this Trust Agreement, and the Corporation and the Trustee are each authorized to execute and deliver this Trust Agreement and to do or cause to be done all acts provided or required herein to be performed on their respective parts; and

WHEREAS, as the source of payment and security for the Series 2023 Bonds and any Additional Bonds issued hereafter (except for certain reserved rights described herein) of the Corporation under the Facilities Agreement and certain of the payments to be made by the County under the Facilities Agreement are being assigned to the Trustee hereunder, all to provide funds for the payment of the costs of the Capital Projects and the Ancillary Project and the payment of the costs and expenses of issuing the Bonds; and

WHEREAS, the Trustee has accepted the trusts created by this Trust Agreement, and in evidence thereof has joined in the execution hereof;

1

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that to secure the payment of the Bonds, to secure the performance and observance of all of the covenants, agreements, obligations and conditions contained therein and herein, and to declare the terms and conditions upon and subject to which the Bonds are and are intended to be executed, delivered, held, secured and enforced, and in consideration of the premises and the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Bonds by the Holders, and for other good and valuable consideration, the receipt of which is acknowledged, the Corporation has executed and delivered this Trust Agreement and absolutely assigns hereby to the Trustee, and to its successors in trust, and its and their assigns all of the following described collateral, whether presently owned or subsequently acquired by the Corporation:

Granting Clause First

All right, title and interest of the Corporation in and to the Revenues (as defined in Article I of this Trust Agreement), including, without limitation, all Acquisition Payments (as defined in the Facilities Agreement) and other amounts receivable by or on behalf of the Corporation under the Facilities Agreement; subject to certain reserved rights described in Sections 4.2, 4.4, 4.5 and 5.6 of the Facilities Agreement.

Granting Clause Second

All of the Corporation's right, title, and interest in and to the Project Facilities, Capital Projects, the Facilities Agreement, the Base Lease and the property rights evidenced thereby in the Real Property, including all the right, title, and interest of the Corporation in and to (a) all of the rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of and from the real property described in Exhibit A to the Base Lease on which the Project Facilities will be located, and from and in connection with the Corporation's ownership of the Project Facilities, including, without limiting the generality of the foregoing, rents and revenues under any and all leases of the Real Property or the Project Facilities or any agreement for the operation or management of the Real Property or the Project Facilities, and (b) all leases of all or part of the Project Facilities hereafter made, executed, or delivered, whether oral or written, together with any and all renewals, extensions, and modifications thereof and any guarantees of the lessees' obligations under any thereof and any and all tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts, and other contracts, licenses, and permits now or hereafter affecting the Project Facilities, the Real Property or any part thereof.

Granting Clause Third

All of the Corporation's rights with respect to any contracts for the construction or acquisition of the Project Facilities, including without limitation the Project Facilities Contracts (as defined in the Facilities Agreement); any insurance or condemnation proceeds with respect to the Project Facilities or any portion thereof and the proceeds of any other collateral granted hereunder or assigned hereby as security for the Bonds.

Granting Clause Fourth

All moneys and investments in the funds created pursuant to this Trust Agreement (except the Rebate Fund referred to in Section 5.11 hereof), and all income thereon.

2

TO HAVE AND TO HOLD unto the Trustee and its successors in that trust and its and their assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the provisions hereof, and subject to the Bonds provided for herein and the Facilities Agreement, except as provided otherwise herein, for the equal benefit, security and protection of all present and future Holders of the Bonds executed and delivered under and secured by this Trust Agreement; for the enforcement of the payment of Base Payments by the County when payable, according to the true intent and meaning thereof and of this Trust Agreement; and to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms and conditions of this Trust Agreement, in each case, without preference, priority or distinction, as to lien or otherwise, of any one Bond over any other Bond by reason of designation, number, date of the Bond or of authorization, sale, execution, delivery or maturity thereof, or otherwise, so that the Bonds shall have the same right, lien and privilege under this Trust Agreement as all other Bonds and shall be secured equally and ratably hereby, it being intended that the lien and security of this Trust Agreement shall take effect from the date hereof, without regard to the date of the actual execution, delivery, sale or disposition of the Bonds as though upon that date all of the Bonds were actually executed, sold and delivered to purchasers for value; *provided, however*, that if the principal of the Bonds and the interest due or to become due with respect thereto shall be well and truly paid, at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof, or the Outstanding Bonds of a particular Series shall have been paid and discharged in accordance with Article IX hereof, and if all of the covenants, agreements, obligations, terms and conditions of the Corporation under this Trust Agreement shall have been kept, performed and observed and there shall have been paid to the Trustee, all sums of money due or to become due to it in accordance with the terms and provisions hereof, then this Trust Agreement and the rights assigned hereby shall cease, determine and be void with respect to the Bonds, except as provided in Section 9.2 hereof with respect to the survival of certain provisions hereof; otherwise, this Trust Agreement shall be and remain in full force and effect.

It is declared that all Bonds executed and delivered hereunder and secured hereby are to be executed and delivered, and that all property assigned hereby is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes provided in this Trust Agreement. The Corporation and the Trustee have each agreed and covenanted, and agree and covenant with each other and with each and all Holders, as follows:

**ARTICLE I
DEFINITIONS**

SECTION 1.1. Definitions. Terms used herein without other definition shall have the meanings provided therefor in the Facilities Agreement unless the context or use clearly indicates another meaning or intent. In addition, the following words and terms shall have the meanings set forth below unless the context or use clearly indicates another meaning or intent:

"Acquisition Account" means the account of such name within the Bond Fund established pursuant to Section 5.5 hereof.

"Additional Ancillary Projects" means improvements acquired, developed and constructed with proceeds of Additional Bonds, but not made subject to the Facilities Agreement or situated on the Real Property.

"Acquisition Payments" means the amounts required to be paid to the Corporation by the County pursuant to Article IV of the Facilities Agreement.

"Additional Bonds" means any Bonds issued after the issuance of the Series 2023 Bonds and secured on a parity with the Series 2023 Bonds under the terms of this Trust Agreement.

"Additional Project Facilities" means any facilities of the County proposed to be acquired or renovated by the Corporation and made subject to the Facilities Agreement.

"Additional Real Property" means any real property that is or will become the site of Additional Project Facilities.

"Additional Payments" means Additional Payments as defined in the Facilities Agreement.

"Ancillary Projects" means those improvements identified as such in the County Council Ordinance. Such improvements and the real property upon which the same are situated shall not be subject to the Base Lease.

"Base Lease" means the Base Lease Agreement dated as of December 1, 2023, between the County and the Corporation, as it may be amended and modified.

"Base Payments" means the Base Payments as defined in the Facilities Agreement.

"Bond" or "Bonds" means the Series 2023 Bonds and any Additional Bonds issued and secured under the terms hereof.

"Bond Counsel" means a firm of nationally recognized bond counsel experienced in matters of tax-exempt finance as shall be acceptable to the Trustee.

"Bond Fund" means the Bond Fund established pursuant to Section 5.5 hereof.

"Bond Payment Date" means June 1 and December 1 of each year, on and after June 1, 2025, while there are any unpaid or Outstanding Bonds.

"Business Day" means any day other than a Saturday, a Sunday, a legal holiday or a day on which banking institutions are closed in the state where the designated corporate trust office of the Trustee is located or any day that the payment system of the U.S. Federal Reserve is not operational.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor internal revenue laws of the United States enacted by the Congress of the United States in replacement thereof. References to the Code and sections of the Code include relevant applicable regulations, temporary regulations and proposed regulations thereunder and any successor provisions to those sections, regulations, temporary regulations or proposed regulations.

"Corporation" means Florence County Public Facilities Corporation, a non-profit corporation formed under the laws of the State of South Carolina, and its successors and assigns.

"Corporation Representative" means the person or persons at the time designated to act on behalf of the Corporation in matters relating to the Base Lease, the Facilities Agreement and this Trust Agreement as evidenced by a written certificate furnished to the County and the Trustee containing the specimen

3

4

signature of such person or persons and signed on behalf of the Corporation by its President or any Vice President. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Corporation Representative.

"County" means Florence County, South Carolina.

"County Council" means the Florence County Council, the governing body of the County.

"County Council Ordinance" means Ordinance 18-2023/24 of County Council, enacted on November 16, 2023.

"County Financial Officer" means the Finance Director of the County, or such other employee or officer of the County who shall be designated by County Council from time to time to serve as chief financial officer of the County.

"County Representative" means the person or persons at the time designated to act on behalf of the County in matters relating to the Base Lease, the Facilities Agreement or this Trust Agreement as evidenced by a written certificate furnished to the Corporation and the Trustee containing the specimen signature of such person or persons and signed on behalf of the County by the Chairman of County Council. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of the County Representative.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either the County or the Corporation.

"Defeasance Obligations" means (a) cash; or (b) Eligible Investments that are United States Treasury Obligations State and Local Government Series; United States Treasury bills, notes, bonds, or zero coupon treasury bonds all as traded on the open market; Direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities; pre-refunded municipal obligations; obligations of the following agencies which are backed by the full faith and credit of the United States: (i) U.S. Export-Import Bank-direct obligations or fully guaranteed certificates of beneficial ownership; (ii) Farmers Home Administration: Certificates of beneficial ownership; (iii) Federal Financing Bank; (iv) General Services Administration: Participation certificates; (v) U.S. Maritime Administration: Guaranteed Title XI financing; (vi) U.S. Department of Housing and Urban Development: Project Notes; Local Authority Bonds; New Communities Debenture-U.S. government guaranteed debentures; (vii) U.S. Public Housing notes and bonds-U.S. government guaranteed public housing bonds; or any legally permissible combination of any of the foregoing. Defeasance Obligations may be redeemable, but only if solely at the option of the holder thereof.

"Eligible Investments" means, to the extent permitted by applicable law:

(i) Certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

(ii) Investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States (a) direct obligations or fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States, (b) debentures of the Federal Housing Administration, (c) guaranteed mortgage backed bonds of the Government National Mortgage Association, (d) certificates of beneficial interest of the Farmers Home Administration, (e)

5

"Facilities Agreement" means the Public Facilities Purchase and Occupancy Agreement dated as of December 1, 2023, between the Corporation, as seller, and the County, as buyer, as the same may be amended or supplemented from time to time.

"Fiscal Year" means the Fiscal Year of the County as defined in the Facilities Agreement.

"Holder" or "Holder of a Bond" or "Bondholder" means the Person in whose name a Bond is registered on the Register.

"Ordinary Services" and "Ordinary Expenses" mean those services normally rendered, and those expenses normally incurred, by a trustee, registrar or paying agent under instruments similar to this Trust Agreement.

"Outstanding," when used with reference to the Bonds, means, as of the applicable date, all the Bonds which have been executed and delivered, or which are being delivered by the Trustee under this Trust Agreement, except:

(a) Bonds canceled upon surrender, exchange or transfer, or canceled because of payment or redemption on or prior to that date;

(b) Bonds, or the portions thereof, for the payment, redemption or purchase for cancellation of which sufficient money has been deposited and credited with the Trustee on or prior to that date for that purpose (whether upon or prior to the maturity date of those Bonds);

(c) Bonds or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of this Trust Agreement; and

(d) Bonds in lieu of which others have been executed and delivered under Section 3.12 of this Trust Agreement.

"Person" or words importing "persons" mean firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

"Project Fund" means the Project Fund established pursuant to Section 5.2 hereof.

"Purchase Agreement" means the Bond Purchase Agreement dated November 30, 2023, among the County, the Corporation and the Series 2023 Underwriter.

"Purchase Option Price" has the meaning set forth in Section 1.1 of the Facilities Agreement.

"Record Date" means either a Regular Record Date or a Special Record Date as the case may be.

"Register" means the books kept and maintained by the Trustee for registration and transfer of Bonds pursuant to Section 3.13 hereof.

"Regular Record Date" means, with respect to any Bond, the fifteenth day of the calendar month next preceding a Bond Payment Date applicable to the Bond.

7

obligations of the Federal Financing Bank or (f) project notes and local authority bonds of the Department of Housing and Urban Development.

(iii) Investments in (a) senior obligations of the Federal Home Loan Bank System, (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation, (c) mortgage-backed securities and senior debt obligations (excluding stripped mortgage securities that are valued greater than par on the portion of unpaid principal) of the Federal National Mortgage Association or (d) senior debt obligations of the Student Loan Marketing Association.

(iv) Repurchase agreements with primary dealers and/or banks rated, at all times, A and A3 or better by Standard & Poor's Corporation and Moody's Investors Service, Inc., respectively, collateralized by direct obligations of the United States of America or with the obligations described in (ii) or (iii) above or (ix) below, held by a third party custodian.

(v) S.E.C. registered money market mutual funds conforming to Rule 2a-7 of the Investment Company Act of 1940 that invest primarily in direct obligations issued by the U.S. Treasury and repurchase agreements backed by those obligations, including funds for which the Trustee or an affiliate of the Trustee acts as an advisor, and rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service, Inc.

(vi) Certificates of deposit of any bank (including the Trustee), trust company or savings and loan association whose short term obligations are rated, at all times, A-1 or better by Standard & Poor's Corporation and P-1 by Moody's Investors Service, Inc. provided that such certificates of deposit are fully secured by the obligations described in (i) or (ii) above, the Trustee has a perfected first security interest in the obligations securing the certificates and the Trustee holds (or has the option to appoint a bank, trust company or savings and loan association as its agent to hold) the obligations securing the certificates.

(vii) Certificates of deposit of any bank (including the Trustee), trust company or savings and loan association which certificates are fully insured by the Federal Deposit Insurance Corporation.

(viii) Commercial paper rated, at all times, P-1 or better by Moody's Investors Service, Inc. and A-1+ by Standard & Poor's Corporation.

(ix) Obligations of, or obligations fully guaranteed by, any state of the United States of America or any political subdivision thereof which obligations, at all times, are rated by Standard & Poor's Corporation and Moody's Investors Service, Inc. in the highest rating categories (without regard to any refinement or graduation of rating category by numerical modifier or otherwise) and without regard to credit enhancement assigned by such rating agencies to obligations of that nature.

"Event of Default" means an Event of Default under Section 7.1 hereof.

"Event of Nonappropriation" shall have the meaning set forth for such term in Section 1.1 of the Facilities Agreement.

"Extraordinary Services" and "Extraordinary Expenses" means all services rendered and all reasonable expenses properly incurred by the Trustee under this Trust Agreement, other than Ordinary Services and Ordinary Expenses.

6

"Revenues" means, with respect to the Bonds, (i) the Acquisition Payments under the Facilities Agreement, (ii) all other moneys received or to be received by the Trustee under the Facilities Agreement from the lease, sale or other disposition of the Project Facilities, (iii) any monies and investments in the Bond Fund (including the Acquisition Account), and (iv) all income and profit from the investment of the foregoing moneys.

"Securities Depository" shall mean a recognized securities depository (or its successor or substitute) selected by the Corporation or the County to act as the securities depository maintaining a book-entry transfer system for the Bonds.

"Securities Depository Nominee" shall mean, with respect to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name the Bonds shall be registered on the Register during the time such Bonds are held under a book-entry system through such Securities Depository.

"Series 2023 Bond" or "Series 2023 Bonds" means any or all of the \$50,000,000 Florence County Public Facilities Corporation Installment Purchase Revenue Bonds (Comprehensive Facilities Improvements), Series 2023, dated December 14, 2023, authorized by and secured under this Trust Agreement.

"Series 2023 Underwriter" means Stephens Inc.

"Special Record Date" means, with respect to any Bond, the date established by the Trustee in connection with the payment of overdue interest on that Bond pursuant to Section 3.5 hereof.

"State" means the State of South Carolina.

"Supplemental Agreement" means any agreement supplemental to this Trust Agreement entered into between the Corporation and the Trustee in accordance with Article VIII hereof.

"Tax Regulatory Agreement" means the Arbitrage and Tax Regulatory Agreement dated as of the date of the initial delivery of the Series 2023 Bonds among the County, the Trustee and the Corporation.

"Trust Agreement" means this Trust Agreement dated as of December 1, 2023, by and between the Corporation and the Trustee as the same may be supplemented or amended by any Supplemental Agreement.

"Trust Estate" means the Trust Estate described in the Granting Clauses hereto.

"Trustee" means The Bank of New York Mellon Trust Company, N.A. or any successor Trustee that may become the Trustee pursuant to the applicable provisions of this Trust Agreement.

SECTION 1.2. Interpretation. Any reference to a section or provision of the Constitution of the State, or to a section, provision or chapter of the Code of Laws of South Carolina, or to any statute of the United States of America, includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this paragraph, if it constitutes in any way an impairment of the rights or obligations of the County, the Corporation, the Holders, or the Trustee under this Trust Agreement, the Bonds, the Base Lease, the Facilities Agreement or any other instrument or document entered into in connection with any of the

8

foregoing, including without limitation, any alteration of the obligation to pay principal, premium, if any, or interest on the Bonds in the amount and manner, at the times, and from the sources provided in this Trust Agreement, except as permitted herein.

Unless the context indicates otherwise, words implying the singular number include the plural number, and vice versa. The terms "hereof," "hereto," "herein," "hereto," "hereunder," "hereinafter" and similar terms refer to this Trust Agreement; and the term "hereafter" means after, and the term "heretofore" means before the date of this Trust Agreement. Words of any gender include the correlative words of the other gender, unless the sense indicates otherwise.

References to sections, articles or exhibits, unless otherwise indicated, are to sections and articles of or exhibits to this Trust Agreement.

SECTION 1.3. Captions and Headings. The captions and headings in this Trust Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

**ARTICLE II
RECITALS AND REPRESENTATIONS**

SECTION 2.1. Base Lease and Facilities Agreement. The Corporation has entered into with the County (i) the Base Lease under which the County has conveyed a leasehold interest in the Real Property to the Corporation and (ii) the Facilities Agreement under the terms of which the County has arranged with the Corporation for the acquisition and installation, construction and equipping of the Project Facilities for sale to and use and occupancy by the County.

SECTION 2.2. Acquisition Payments. Under the Facilities Agreement, the County is obligated to pay to the Corporation or its assigns during the term thereof Acquisition Payments for the purchase of the Project Facilities, subject to the occurrence of an Event of Nonappropriation as set forth in Section 4.7 of the Facilities Agreement, and subject to the County's right to exercise its purchase option as set forth in Section 9.1 of the Facilities Agreement.

SECTION 2.3. Assignment and Conveyance. (a) For the purpose of securing the payment of the Bonds, the Corporation has provided the Trustee with certain liens, assignments, security interests and other claims under the granting clauses hereto. The Corporation hereby represents and confirms that it has full legal power and authority to make the grants enumerated in the granting clauses and that no assignment has been made, except to the Trustee, of any of its right, title and interest in and to the Project Facilities, Facilities Agreement, the Base Lease, the Project Facilities Contracts or the Revenues.

(b) The Corporation and the Trustee intend for this Trust Agreement to be a security agreement within the meaning of the Uniform Commercial Code as adopted by the State (the "UCC"). The intent of the Corporation is to provide to the Trustee, to the fullest extent that the Trust Estate now or hereafter may be subject to a security interest under the UCC, the security interest in the Trust Estate including all presently-owned, or after-acquired property constituting all or a portion of the Trust Estate. The Corporation hereby covenants that it will prepare, execute and file all initial financing statements, and hereby authorizes the Trustee to prepare, execute and file any restatements, extensions, continuations, renewals or amendments thereof, in such form as the Trustee may require to perfect or continue the perfection of this security interest or other statutory liens held by the Trustee. Notwithstanding anything to the contrary contained herein, the Trustee shall not be responsible for any initial filings of any

Corporation to perfect and to preserve the Trust Estate created by this Trust Agreement or any part thereof until the Bonds shall have been paid or discharged in the manner hereinafter provided.

SECTION 2.6. Assignment. For the purpose of obtaining the moneys required to be deposited with the Trustee with respect to the Capital Projects, the Corporation has assigned to the Trustee, subject to certain exceptions, its right, title and interest, under the Base Lease and the Facilities Agreement and in the Project Facilities, all pursuant to this Trust Agreement. In consideration of that assignment and the execution of this Trust Agreement, the Trustee has agreed to authenticate and cause to be delivered the Series 2023 Bonds. Each Series 2023 Bond evidences an undivided proportionate interest in the rights to receive Revenues to the extent provided in this Trust Agreement.

SECTION 2.7. Contract Documents. The rights assigned under Granting Clause Third hereof include all of the Corporation's right and title to modify, alter, or amend the contracts that are subject to the operation of Granting Clause Third (the "Contract Documents"), to terminate the Contract Documents, and to waive or release the performance or observance of any obligation or condition of the Contract Documents. Notwithstanding such assignment, so long as there is no Event of Default the Corporation shall have the right to modify, alter, or amend the Contract Documents without the approval of the Trustee if the County certifies to the Trustee in writing prior to such modification, alteration or amendment, that as a result of such modification, alteration or amendment, either (i) the costs of the Capital Projects will not increase by more than \$500,000, or (ii) that if there is such an increase in the costs of the Capital Projects, the County has deposited in the Project Fund the amount required to provide for such increase. Prior written approval of the Trustee shall be required for any such modification, alteration or amendment if neither of the conditions set forth in (i) or (ii) of the preceding sentence is satisfied. The Corporation covenants that it will not without the prior written approval of the Trustee assign its interest in the Contract Documents to any person or entity other than the Trustee. The Corporation shall allow the Trustee, upon reasonable notice, access to the Contract Documents in manner and at a place and time convenient to the Trustee and the Corporation. The Trustee shall not assume any responsibilities, obligations or liabilities under the terms of any Contract Documents. No action taken by the Trustee under this Section 2.7 shall require consent by the Bondholders. Prior to consenting to any modification, assignment or alteration of any Contract Document, the Trustee shall receive, and shall be fully protected in conclusively relying upon, the opinion of any counsel approved by it as conclusive evidence that (i) any proposed modification, assignment or alteration of such Contract Document complies with the provisions of this Trust Agreement, and (ii) it is proper for the Trustee to join in the execution of such modification, assignment or alteration of such Contract Document under the provisions of this Section 2.7. The Trustee shall have no liability to the Bondholders for any approval granted by it under this Section 2.7, provided that it acts in good faith.

**ARTICLE III
AUTHORIZATION AND TERMS OF BONDS**

SECTION 3.1. Principal Amount of Bonds; Designation of Bonds; Conditions to Delivery.

(a) Pursuant to the provisions of this Trust Agreement, there are hereby authorized to be issued one or more series of revenue bonds of the Corporation. Upon the execution and delivery hereof, there are hereby authorized an initial series of Bonds in the aggregate principal amount of \$50,000,000 to be designated "S50,000,000 Florence County Public Facilities Corporation Installment Purchase Revenue Bonds (Comprehensive Facilities Improvements), Series 2023." Any subsequent Bonds issued on a parity with the Series 2023 Bonds shall be designated Florence County Public Facilities Corporation

financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the applicable Uniform Commercial Code. In addition, unless the Trustee shall have been notified in writing by the County or the Corporation that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in (i) conclusively relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto and (ii) filing any continuation statements in the same filing offices as the initial filings were made. In the event that the Trustee is required to file any continuation statement, the Trustee shall cause to be filed such continuation statement with respect to the applicable Uniform Commercial Code financing statement that was filed at the time of the issuance of the Bonds, in such manner and in such places as the initial filing was made, provided that a copy of such filed original financing statement is timely delivered to the Trustee. The Corporation shall be responsible for the reasonable costs incurred by the Trustee in the preparation and filing of all continuation statements hereunder (including but not limited to reasonable attorney's fees, costs and expenses). With respect to any of the Trust Estate in which a security interest is not perfected by the filing of a financing statement, the Corporation consents and agrees to undertake, and to cooperate fully with the Trustee, to take actions necessary to perfect the security interest or otherwise protect the rights granted to the Trustee in the Trust Estate. During the term of the Facilities Agreement, the Trustee may exclusively rely on the County to operate the Project Facilities and the Real Property in accordance with all laws, ordinances, rules and regulations, including without limitation, Environmental Laws.

(c) The Corporation and the Trustee intend for this Trust Agreement to be a collateral assignment of all rents, leases, issues and profits created by, or arising out of any right, title or interest of the Corporation in the Trust Estate, including without limitation, all leases, rents, issues, and profits arising out of the Base Lease, the Facilities Agreement, and any future lease or leases now or hereinafter entered into by the Corporation; all as more particularly authorized by Section 29-3-100 of the Code of Laws of South Carolina, 1976, as amended.

SECTION 2.4. Powers and Trusts Granted. All acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the execution and entering into of this Trust Agreement have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this Trust Agreement.

SECTION 2.5. Other Security Documents. The Corporation shall cause this Trust Agreement and any financing statements relating hereto, to be filed, in such manner and at such places as may be required by law to fully protect the security of the Holders of the Bonds and the right, title and interest of the Trustee in and to the Project Facilities and the Trust Estate created by this Trust Agreement or any part thereof. The Corporation will cause the Base Lease, the Facilities Agreement and any related instruments or documents to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the Holders and the rights of the Trustee hereunder. The Corporation shall execute or cause to be executed any and all further instruments as shall reasonably be requested by the Trustee for such protection of the interests of the Holders of the Bonds, and shall furnish satisfactory evidence to the Trustee of filing and refiling of such instruments as requested by the Trustee and necessary to perfect and preserve the Trust Estate created by this Trust Agreement or any part thereof until the principal of and interest of the Bonds issued hereunder shall have been paid. The Trustee shall execute or join in the execution of any such further or additional instrument and file or join in the filing thereof at such time or times and in such place or places as may be requested in writing by the

Installment Purchase Revenue Bonds with such further and other designation as may be necessary to identify such Bonds.

(b) Upon the execution and delivery of this Trust Agreement, and satisfaction of the conditions established by this Trust Agreement and the Purchase Agreement for delivery of the Bonds, the Trustee shall execute and deliver the Series 2023 Bonds to, or to the order of, the Series 2023 Underwriter.

(c) Before the Trustee executes and delivers any of the Series 2023 Bonds, the Trustee shall have received a request and authorization from the County and the Corporation, signed on their behalf by a County Representative and a Corporation Representative, respectively, to execute and deliver the Series 2023 Bonds to, or on the order of, the Series 2023 Underwriter upon payment to the Trustee of the amount specified therein (including without limitation, any accrued interest), which amount shall be deposited as provided in Section 5.1 hereof. Executed copies of the following shall be submitted with the request:

- (i) this Trust Agreement,
- (ii) the Base Lease,
- (iii) the Facilities Agreement; and
- (iv) the Tax Regulatory Agreement.

(d) The Bonds do not and shall not constitute a debt or pledge of the faith and credit of the County but shall constitute a limited obligation of the Corporation and shall be payable solely from the Revenues.

SECTION 3.2. Purposes. The Series 2023 Bonds are authorized for the principal purposes of defraying a portion of the cost of acquisition and construction of the Capital Projects, the Ancillary Projects, and paying certain costs and expenses relating to the issuance of the Series 2023 Bonds. The funds being used to pay costs of acquisition and construction of the Project Facilities are to be made available through the Project Fund to the Corporation and County under the Facilities Agreement.

SECTION 3.3. Maturity Schedule; Date; Interest Rates. The Series 2023 Bonds shall mature on June 1 in the years and principal amounts set forth below and shall bear interest payable on each Bond Payment Date, at the rates set forth below.

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
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SECTION 3.4. Provisions Relating to Additional Bonds; Conditions for Issuance.

(a) **Authorization for Additional Bonds.** Additional Bonds may be issued hereunder and secured on a parity with the Series 2023 Bonds under the conditions set forth herein.

(b) **Purposes for Additional Bonds.** Additional Bonds may be issued for the purposes of providing funds (i) to refund any of the Series 2023 Bonds or any Additional Bonds theretofore issued, (ii) for the purpose of paying the cost of completing the Capital Projects, (iii) for the purpose of paying the cost of Additional Project Facilities and Additional Ancillary Projects, and (iv) paying costs of issuance.

(c) *Conditions to the Issuance of All Additional Bonds.* No Additional Bonds may be issued hereunder if at the time there is an Event of Default or an Event of Nonappropriation unless upon the issuance of such Additional Bonds, no other Bonds will be Outstanding hereunder. Prior to issuing any Additional Bonds, there shall have been executed and delivered (i) a Supplemental Agreement authorizing such Additional Bonds and prescribing the terms and details thereof and the purposes for the issuance of such Additional Bonds; (ii) a supplement to the Facilities Agreement providing for Acquisition Payments thereunder sufficient to provide for the payment of the Additional Bonds, and extending the term of the Facilities Agreement, if needed, to the final maturity of such Additional Bonds; and (iii) a supplement to the Base Lease extending the term thereof by the same amount of time as any extension to the term of the Facilities Agreement, making any changes required if there is additional real estate being acquired in connection therewith. There shall also be provided to the Trustee certified copies of resolutions adopted by the Corporation and the County authorizing the issuance of the Additional Bonds and the execution and delivery of the documents to which each is a party. No Additional Bonds shall be issued hereunder unless the Trustee receives an opinion of Bond Counsel to the effect that the issuance of such Additional Bonds, the modifications to the Trust Agreement, the Facilities Agreement and the Base Lease and the application of the proceeds of the Additional Bonds as envisioned thereby are authorized and permitted under this Trust Agreement and shall not adversely affect the Federal income tax treatment of interest payments received or to be received by the Holders of the Series 2023 Bonds.

(d) *Other Provisions Relating to Additional Bonds.* The details of any Additional Bonds, including the payment provisions thereof shall be specified in the supplement hereto providing for the issuance thereof. Such supplement shall include provisions for the separation of the Bond Fund and the accounts therein into separate accounts and subaccounts for the Series 2023 Bonds and each series of Additional Bonds.

SECTION 3.5. *Payment of Principal and Interest.*

(a) Each of the Series 2023 Bonds shall be authenticated, as provided in Section 3.10 hereof, on such date as it shall be delivered and shall bear interest from the later of December 14, 2023, or the date to which interest has been paid immediately preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which event, each such Series 2023 Bond shall bear interest from the earlier of such authentication date or the date to which interest has been paid or, in the event no interest has been paid, from December 14, 2023. Additional Bonds shall be authenticated and bear interest as provided in the supplement prescribing the terms and conditions thereof.

(b) Subject to the provisions of Section 3.18 hereof, the principal of and premium, if any, on the Bonds shall be paid in immediately available funds by check or draft drawn upon the Trustee to the Holders thereof upon presentation and surrender thereof when due at the designated corporate trust office of the Trustee; provided, that in the event that the Bonds are not held under a book-entry system, any Holder in an aggregate principal amount of not less than \$1,000,000 may, by prior written instructions filed by the Trustee prior to the close of business on the applicable Record Date (which instructions shall remain in effect until revoked by subsequent written instructions) request that principal and premium payments be made by wire transfer or other means acceptable to the Trustee to an address in the continental United States. Subject to the provisions of Section 3.18 hereof, the interest on the Bonds shall be paid by check or draft drawn upon the Trustee and mailed to the Holders in whose names the Bonds are registered on the Record Date; provided, that in the event that the Bonds are not held under a book-entry system, any Holder in an aggregate principal amount of not less than \$1,000,000 may, by prior written instructions filed with the Trustee prior to the close of business on the applicable Record Date (which instructions shall remain in effect until revoked by subsequent written instructions) request that

13

upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Trust Agreement. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by any authorized signatory of the Trustee.

SECTION 3.11. *Medium of Payment.* The Bonds shall be payable with respect to principal, interest and premium, if any, in lawful money of the United States of America.

SECTION 3.12. *Mutilated, Lost, Stolen or Destroyed Bonds.* In the event any Bond is mutilated, lost, stolen or destroyed, the Corporation may execute and the Trustee may authenticate a new Bond of like series, date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Corporation and to the Trustee evidence of such loss, theft or destruction satisfactory to the Corporation and the Trustee together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the Corporation may pay the same. The Corporation and the Trustee may charge the Holder of such Bond with their reasonable fees and expenses (including attorney's fees, costs and expenses, if any) in this connection.

SECTION 3.13. *Transfer and Registry; Persons Treated as Holders.*

(a) As long as there shall be any Outstanding Bond, the Corporation shall cause books for the registration and for the transfer of Bonds to be kept which books constitute the Register. The Register shall be kept by the Trustee at its corporate trust office in Jacksonville, Florida. The transfer of each Bond may be registered only upon the Register kept by the Trustee for that purpose by the Holder thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Holder or his duly authorized attorney. Upon the registration of transfer of any Bond, the Trustee will authenticate and deliver, subject to the provisions of Section 3.15 hereof, in the name of the transferee, a new Bond or Bonds of the same series and aggregate principal amount as the surrendered Bond. Prior to any transfer of a Bond, the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including, without limitation, any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(b) The Corporation and the Trustee may deem and treat the person in whose name any Bond shall be registered upon the Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or, upon his order, shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Corporation nor the Trustee shall be affected by any notice to the contrary.

SECTION 3.14. *Interchangeability of Bonds.* Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Holder or his duly authorized attorney, may, at the option of the Holder and upon payment by such Holder of any charges made pursuant to Section 3.15 hereof, be exchanged for an equal aggregate principal amount of Bonds of any other authorized denominations of the same series and maturity.

15

interest payments for any period be made by wire transfer or other means acceptable to the Trustee to an address in the continental United States.

(c) Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Bond Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder of such Bond on the relevant Regular Record Date by virtue of having been such Holder. The Trustee may elect to make payment of any Defaulted Interest to the persons in whose names the Bonds (or their respective predecessor Bonds) are registered at the close of business on a Special Record Date (as defined below) for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Trustee shall determine the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, shall fix a date (a "Special Record Date") for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment, and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed first class, postage prepaid, to each Holder at his address as it appears on the Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds (or their respective predecessor Bonds) are registered on such Special Record Date.

SECTION 3.6. *Denomination; Numbering.* The Series 2023 Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2023 Bonds shall be numbered by the Trustee consecutively from 1 upward, preceded by the letter "R." Additional Bonds shall be in such denominations and be numbered in the manner provided in the supplement hereto providing therefor.

SECTION 3.7. *Paying Agent and Registrar.* As long as there is any Outstanding Bond under this Trust Agreement, the Corporation shall cause the Trustee to serve as paying agent and registrar therefor. Notices and demands to or upon the Trustee and the Corporation in respect of the Bonds may be served, at the designated corporate trust office of the Trustee. The Bonds shall be presented for registration of transfers and exchanges in accordance with the provisions of this Trust Agreement at the designated corporate trust office of the Trustee.

SECTION 3.8. *Form of Bonds.* The Series 2023 Bonds, together with the certificate of authentication and assignment to appear thereon, shall be in substantially the form attached hereto as Exhibit A with necessary and appropriate variations, omissions and insertions as permitted or required by this Trust Agreement. Additional Bonds shall be in such form as is provided in the supplement hereto pursuant to which such Additional Bonds are issued.

SECTION 3.9. *Execution of Bonds.* The Bonds shall be executed in the name of and on behalf of the President or Vice President of the Corporation and the same shall be attested by such officer as may be designated by the Board of Directors of the Corporation. Such officers may employ facsimiles of their signatures.

In case any officer whose signature or facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond such signatures or such facsimiles shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office.

SECTION 3.10. *Authentication.* Only such Bonds as shall have endorsed thereon a certificate of authentication duly executed by the Trustee shall be entitled to any right or benefit under this Trust Agreement. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate of the Trustee

14

SECTION 3.15. *Regulations With Respect to Exchanges and Transfer.* In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Corporation shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Trust Agreement. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled and destroyed and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Corporation. All Bonds so destroyed shall thereafter no longer be considered Outstanding Bonds for any purposes of this Trust Agreement. There shall be no charge to the Holder for such exchange or transfer of Bonds except that the Trustee may make a charge sufficient to reimburse itself for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the Corporation nor the Trustee shall be required to issue, exchange or transfer (i) any Bond during the 15 days immediately preceding any Bond Payment Date, (ii) any Bond during a period beginning at the opening of business 15 days immediately preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption or (iii) any Bonds called for redemption in whole or in part.

SECTION 3.16. *Cancellation and Destruction of Mutilated, Paid or Surrendered Bonds.* Upon the surrender of mutilated Bonds pursuant to Section 3.12 hereof or Bonds paid or surrendered, the same shall be cancelled and destroyed and shall not be reissued, and a counterpart of the certificate evidencing such destruction shall be furnished by the Trustee to the Corporation. All Bonds so destroyed shall thereafter no longer be considered Outstanding Bonds for any purposes of this Trust Agreement.

SECTION 3.17. *Payments Due on Days Other Than a Business Day.* In any case where the Bond Payment Date or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of principal of, premium, if any, or interest on the Bonds need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the Bond Payment Date or the date fixed for redemption, and no interest shall accrue for the period after such date.

SECTION 3.18. *Book-Entry System.* Notwithstanding anything to the contrary herein, so long as any series of the Bonds are being held under a book-entry system pursuant to this Section 3.18, transfers of beneficial ownership of such Bonds will be effected pursuant to rules and procedures established by the Securities Depository. The Series 2023 Bonds shall be initially issued under a book-entry system and shall be held thereunder except as provided in this Section 3.18. The Series 2023 Bonds shall be initially issued in the form of a separate, authenticated, fully registered Series 2023 Bond for each maturity in a principal amount equal to the amount of such maturity, and shall be registered on the Register in the name of the Securities Depository Nominee. So long as the book-entry system is in effect, the Securities Depository Nominee will be recognized as the Holder of the Series 2023 Bonds for the purposes of: (i) paying the principal of, premium, if any, or interest on the Bonds; (ii) selecting the Series 2023 Bonds or portions thereof to be redeemed; (iii) giving any notice permitted or required to be given to Holders under this Trust Agreement; (iv) registering the transfer of Series 2023 Bonds; and (v) requesting any consent or other action to be taken by the Holders, and for all other purposes whatsoever, and neither the Trustee nor the Corporation shall be affected by any notice to the contrary. Neither the Trustee nor the Corporation shall have any responsibility or obligation to any Participant, any beneficial owner of Series 2023 Bonds or any other person claiming a beneficial ownership interest in the Series 2023 Bonds under or through the Securities Depository or any Participant, or any other person which is not shown on the Register as being a Holder of Series 2023 Bonds with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant, (ii) the payment to the Securities Depository, any Participant or any beneficial owner of Series 2023 Bonds of any amount in respect of the principal of, premium, if any, or interest on the Bonds, (iii) any notice which is permitted or required to be given to Holders under this Trust Agreement, (iv) the selection by the Securities Depository or any Participant or any other person to receive payment in the event of a partial redemption of the Series 2023 Bonds or (v) any other action

16

taken by the Securities Depository as Holder of the Series 2023 Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Series 2023 Bonds only to the Securities Depository or the Securities Depository Nominee, as the case may be, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the principal of and premium, if any, and interest on the Series 2023 Bonds to the extent of the sum or sums so paid.

The Securities Depository may determine to discontinue providing its services as such with respect to the Series 2023 Bonds at any time by giving notice to the Corporation and the Trustee and discharging its responsibilities with respect thereto under applicable laws. In such event, the Corporation shall either (i) engage the services of another Securities Depository or (ii) deliver physical Series 2023 Bonds in the manner described below. In the event the book-entry system is discontinued or terminated with respect to the Series 2023 Bonds, and no other Securities Depository is named, then the Corporation shall notify the Trustee of such event and the Securities Depository shall immediately notify the Participants of the availability, through the Securities Depository, of physical Series 2023 Bonds. In such event, the Corporation shall execute and the Trustee shall authenticate, register and deliver physical Series 2023 Bonds as requested by the Securities Depository or any Participant or beneficial owner of Series 2023 Bonds in appropriate authorized denominations in exchange for the Series 2023 Bonds registered in the name of Securities Depository Nominee.

Notwithstanding any other provision of this Trust Agreement to the contrary, so long as the Series 2023 Bonds are registered in the name of Cede & Co., as Securities Depository Nominee, all payments with respect to the principal of, premium, if any, and interest on the Bonds and all notices with respect to the Series 2023 Bonds shall be made and given, respectively, to The Depository Trust Company, New York, New York, as provided in the representation letter.

In connection with any notice or other communication to be provided to the Holders by the Corporation or the Trustee with respect to any consent or other action to be taken by the Holders, the Corporation or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than 15 days in advance of such record date to the extent possible.

SECTION 3.19. Tax Covenants of Corporation. The Corporation will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest evidenced by or paid on the Series 2023 Bonds and, if it should take or permit, or omit to take or cause to be taken, any such action, the Corporation will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly on having knowledge thereof. The Corporation acknowledges that the continued exclusion of interest evidenced by or paid on the Series 2023 Bonds from a Holder's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code. To that end, the Corporation covenants that it will comply with the Tax Regulatory Agreement.

The Corporation acknowledges that, for federal income tax purposes, the Series 2023 Bonds are being issued by the Corporation, acting on behalf of the County as set forth in Revenue Ruling 63-20 (as supplemented by Revenue Procedure 82-26) and covenants to comply with all provisions of such Revenue Ruling as so supplemented. The Corporation, therefore, represents, warrants and covenants as follows:

(a) The County may, at any time, request and receive a conveyance of fee simple title to and exclusive possession of the Project Facilities by (i) establishing an irrevocable deposit that will be

17

shall determine as set forth in a Certificate of the Corporation filed with the Trustee. If less than all Series 2023 Bonds of any one maturity are called for redemption, the Trustee shall select the Series 2023 Bonds to be redeemed by lot, each \$5,000 portion of the principal being counted as one Series 2023 Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2023 Bond is Cede & Co., such selection shall be made by DTC.

(d) *Redemption of Additional Bonds.* Provisions relating to the circumstances upon which Bonds other than Series 2023 Bonds may be redeemed shall be as set forth in the Supplemental Agreement providing for the issuance thereof.

SECTION 4.2. Notice of Redemption. Notice of redemption of the Bonds may only be given if funds for such redemption are irrevocably deposited with the Trustee prior to rendering notice of redemption to the Bondholders, or in the alternative, the notice expressly states that such redemption is subject to the deposit of funds by the Corporation and that failing such deposit no redemption shall take place. The notice of the call for redemption of Bonds shall identify (i) the CUSIP number or numbers of the Bonds to be redeemed; (ii) the numbers assigned to such Bonds, and in the case of Bonds called in part only, the amounts being redeemed; (iii) the date of the notice; (iv) the redemption date; (v) the redemption price; (vi) the address of the Trustee where such Bonds are to be presented, with the name and telephone number of a contact person, if available; (vii) the issue date of the Bonds; and (viii) the maturity date of the Bonds being redeemed. Notice shall be given by the Trustee by first class mail, postage prepaid, at least 30 days, but not more than 60 days, prior to the date fixed for redemption to the Holder of each Bond subject to redemption at the Holder's address shown on the Register on the 15th day preceding that mailing; provided such notice shall be given by certified or registered mail, return receipt requested to each person who holds Bonds in the aggregate principal amount of not less than \$100,000; and provided further such notice shall be posted on the Electronic Municipal Market Access System (EMMA) of the Securities and Exchange Rulemaking Board not less than thirty (30) days prior to the date fixed for redemption. Failure to receive any notice by mailing or otherwise or any defect in such notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any other Bond. Notwithstanding anything herein to the contrary, the only remedy for the failure by the Trustee to post any notice with the Municipal Securities Rulemaking Board via its Electronic Municipal Marketplace Access ("EMMA") system shall be an action by the holders of the Bonds in mandamus for specific performance or similar remedy to compel performance.

SECTION 4.3. Payment of Redeemed Bonds. Notice having been mailed, the Bonds called for redemption shall become due and payable on the redemption date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price plus interest accrued to the redemption date.

If money for the redemption of all of the Bonds to be redeemed is held by the Trustee on the redemption date so as to be available therefor on that date, and if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Bonds called for redemption shall no longer be entitled to payment of any sum other than the redemption price.

In the event Bonds which have been called for redemption are not presented to the Trustee for redemption on or prior to the 30th day following the redemption date, the Trustee shall notify the registered Holder thereof by certified or registered mail, return receipt requested, that such Bonds have been called and that the Trustee is holding funds for the payment of the redemption price thereof pending presentation by such Holder.

19

sufficient to defease the Series 2023 Bonds, and (ii) paying the reasonable costs incident to such defeasance. The Trustee and the Corporation agree in such event to immediately cancel all encumbrances on the Project Facilities and Real Property to which they are a party, including any management contract or lease of the Project Facilities and Real Property.

(b) If the Corporation defaults in its payments of principal and interest due on the Series 2023 Bonds and the Trustee declares the principal of the Series 2023 Bonds to be due and payable, the County is granted the exclusive option to purchase the Project Facilities, including any improvements, for a price equal to the amount of the Series 2023 Bonds which are Outstanding, plus accrued interest to the date of such default and, upon such purchase, to terminate the Base Lease. These provisions are not intended and shall not be interpreted so as to limit the rights of the Holders of the Series 2023 Bonds to pursue their remedies under this Trust Agreement and the Facilities Agreement.

(c) The County shall obtain fully unencumbered fee simple title to the Project Facilities when the Series 2023 Bonds are discharged and paid in full. The Corporation will convey to the County such fee simple title and exclusive possession and use of the Project Facilities, including any additions thereto, without demand or further action on its part.

(d) The proceeds of fire or other casualty insurance policies received in connection with the damage or destruction to the portion of the Project Facilities or Real Property financed or refinanced with the proceeds of the Series 2023 Bonds, including any improvements, will be used, subject to the provisions of this Trust Agreement regarding extraordinary redemption of the Bonds, to rebuild the Project Facilities or to redeem the Series 2023 Bonds or, if all of the Bonds have been paid or defeased under this Trust Agreement, will be remitted to the County.

(e) A reasonable estimate of the fair market value of the Project Facilities as of the latest maturity date of the Series 2023 Bonds is equal to at least 20% of the original costs of the Project Facilities.

(f) A reasonable estimate of the remaining useful life of the Project Facilities on the latest maturity date of the Series 2023 Bonds is equal to at least 20% of the original useful life of the Project Facilities.

ARTICLE IV REDEMPTION OF BONDS

SECTION 4.1. Redemption of Bonds.

(a) *Optional Redemption of Series 2023 Bonds.* The Series 2023 Bonds are not subject to optional redemption prior to maturity.

(b) *Special Optional Redemption of Series 2023 Bonds.* In the event the County elects to prepay Acquisition Payments pursuant to the provisions of Section 7.3 of the Facilities Agreement, the Series 2023 Bonds shall be subject to redemption on the earliest reasonably practicable Bond Payment Date, as selected by the Trustee, at a price equal to 100% of the principal amount of the Bonds so redeemed, without premium, plus accrued interest to the date of redemption. Series 2023 Bonds shall be redeemed pursuant to this paragraph (b) in accordance with the procedure set forth in the last paragraph of paragraph (a) above and Section 4.2 hereof.

(c) *Partial Redemption of Series 2023 Bonds.* If less than all of the Series 2023 Bonds are called for redemption, the Series 2023 Bonds to be redeemed will be selected in the manner that the Corporation

18

All moneys deposited in the Bond Fund and held by the Trustee for the redemption of particular Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds.

ARTICLE V PROVISIONS AS TO FUNDS AND PAYMENTS

Section 5.1. Deposit of Money. In order to assure that the costs of the Project Facilities will be paid without delay and that the Project Facilities will be available for purchase and occupancy by the County without delay, there shall be deposited with the Trustee \$ _____ of the proceeds received from the sale of the Series 2023 Bonds, such amount being net of the Series 2023 Underwriter's discount in the amount of \$ _____. Such proceeds shall be applied by the Trustee as follows:

(a) \$ _____, being Base Lease Rent payable to the County under the Base Lease shall be deposited in the Project Fund to be disbursed at the written direction of the County pursuant to Section 5.3(d) hereof; and

(b) \$ _____, being the balance of the proceeds from the sale of the Series 2023 Bonds shall be deposited to the Project Fund.

Section 5.2. Creation of Project Fund. There is hereby created as a separate account in the custody of the Trustee a trust fund designated the "Project Fund." Pending disbursement pursuant to this Trust Agreement, the proceeds of the sale of the Series 2023 Bonds deposited in the Project Fund pursuant to Section 5.1 hereof, together with any other moneys and Eligible Investments held to the credit of the Project Fund, shall be held as security for the payment of the Bonds.

Section 5.3. Disbursements from and Records of Project Fund.

(a) Moneys in the Project Fund shall be disbursed for the costs of the Capital Projects or the payment of Base Lease Rent in accordance with the provisions of this Section. The Trustee shall cause to be kept and maintained adequate records pertaining to the Project Fund and all investments and disbursements of moneys in the Project Fund. After the Capital Projects have been completed and a Certificate of Acceptance with respect thereto is filed as referred to in Section 5.3(c) hereof, the Trustee shall retain copies of the records pertaining to the Project Fund and disbursements therefrom for inspection upon reasonable written request of the Corporation or the County.

(b) All disbursements from the Project Fund, except those pertaining to the payment of issuance costs of the Bonds and disbursements for the payment of Base Rent as provided in subparagraph (d) below and disbursements for the payment of any legal fees, costs and expenses, shall be made by the Trustee upon the receipt of a requisition in substantially the form set forth in Exhibit B hereto signed by a County Representative. The Trustee shall be entitled to conclusively rely on each requisition as conclusive evidence of the County's compliance with the procedure described herein. Funds may not be disbursed from the Project Fund for working capital expenditures.

Disbursements from the Project Fund pertaining to payment of costs of issuance of the Bonds shall be made by the Trustee upon receipt of a requisition of the Corporation, substantially in the form set forth in Exhibit C hereto, which has been approved by the County, together with evidence of the amounts payable thereunder, in form and substance satisfactory to the Trustee.

20

(c) Upon the substantial completion of the Capital Projects, the County shall submit to the Trustee a final requisition request in the total amount remaining owing for costs of the Capital Projects, including all applicable retainages. Such requisition request shall be made in the same manner as provided in subparagraph (b) above except that such requisition request shall be in substantially the form of the final disbursement request form attached hereto as Exhibit D and shall contain (i) a certification by the County Representative to the effect that the Project Facilities are free and clear of all liens and encumbrances for labor or materials furnished by the Corporation and all contractors, subcontractors and materialmen retained by the Corporation or the County and all contractors, subcontractors and materialmen performing work on the Capital Projects have been, or upon receipt by the County of the payment of the final requisition request will be, paid in full, except for those the Corporation is contesting in good faith and with due diligence as permitted under the Facilities Agreement; and (ii) a Certificate of Acceptance stating that the Capital Projects have been substantially completed in accordance with the applicable Project Facilities Contract and other terms and conditions of the Facilities Agreement, and the Project Facilities comply in all material respects with all applicable governmental regulations. Upon the receipt of the final requisition request, the Trustee shall promptly disburse the amounts requested therein. As used in this paragraph, "substantial completion" of the Capital Projects shall mean completion such that a certificate of occupancy has been, or could be, issued notwithstanding the fact that certain minor items of work remain to be done.

(d) The Trustee is hereby authorized to pay to or at the written direction of the County the sum of \$_____ for Base Rent under the Base Lease at such time as it receives a written request therefor from a County Representative.

Section 5.4. Completion of Capital Projects. As soon as practicable after the filing with the Trustee of the Certificate of Acceptance referred to in Section 5.3(c) hereof, the Trustee shall remove any balance then remaining in the Project Fund (other than the amounts required to be retained by the Trustee as described in the said certificate), and the Project Fund shall be closed. Any amounts so removed shall, as directed in writing by a County Representative, be paid to the County in accordance with Section 3.4(c) of the Facilities Agreement, or deposited in the Acquisition Account of the Bond Fund and credited against the payment of the next installment or installments of Base Payments under the Facilities Agreement.

Section 5.5. Creation of Bond Fund: Acquisition Account. (a) There is hereby created as a separate account in the custody of the Trustee a trust fund to be designated the "Bond Fund." Within the Bond Fund there shall be an Acquisition Account. There shall be deposited in the Bond Fund (and credited, as required by this Agreement, to appropriate Accounts therein), those amounts from the Bond Proceeds set forth in Section 5.1 hereof and the Base Payments to be made by the County to the Trustee (as the assignee of the Corporation) under the terms of the Facilities Agreement.

(b) The Bond Fund (and the Accounts therein) and the moneys and Eligible Investments therein shall be used solely and exclusively for the payment of principal of, premium, if any, and interest on the Bonds as the same become due, except as otherwise provided in this Trust Agreement.

(c) The Trustee shall set aside from moneys in the Bond Fund amounts sufficient to make timely payments of the principal of, premium, if any, and interest on the Bonds.

(d) Amounts due with respect to the Bonds, except as provided in the remainder of this Section 5.5, shall be payable as they become due in the following order, (i) first, from amounts in the Acquisition Account of the Bond Fund; (ii) second, from other Revenues to the extent available; and (iii) third, from

21

of purchase of such investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. In the absence of written investment instructions from the County, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested. Although the Corporation and the County each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Corporation and the County agree that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

SECTION 5.8. Moneys to be Held in Trust. All moneys required or permitted to be deposited with or paid to the Trustee under any provisions of this Trust Agreement or the Facilities Agreement, and any investments thereof, shall be held by the Trustee in trust. Except for moneys held by the Trustee pursuant to Section 5.9 hereof, all moneys described in the preceding sentence held by the Trustee shall be subject to the lien of this Trust Agreement while so held.

SECTION 5.9. Nonpresentation of Bonds. If any Bond is not presented for payment when its principal becomes due in whole or in part, or a check or draft for interest is uncashed, if moneys sufficient to pay the principal then due on that Bond or such check or draft shall have been made available to the Trustee for the benefit of its Holder, all liability of the Corporation or the County to that Holder for the payment of the principal then due or of the check or draft thereupon shall cease and be discharged completely. Thereupon, it shall be the duty of the Trustee to hold those moneys, without liability for interest thereon, for the exclusive benefit of the Holder, who shall be restricted thereafter exclusively to those moneys for any claim of whatever nature on its part under this Trust Agreement or on, or with respect to, that principal then due or of such check or draft.

Any such moneys which shall be so held by the Trustee, and which remain unclaimed by the Holder of a Bond not presented for payment or check or draft not cashed for a period of five (5) years after the due date thereof, shall be paid to the County free of any trust or lien. Thereafter, the Holder of such Bond shall look only to the County for payment and then only to the amounts so received by the County without any interest thereon, and the Trustee shall not have any responsibility with respect to those moneys.

SECTION 5.10. Repayment to County from Bond Fund. Except as provided in Section 5.9 hereof, any amounts remaining in the Bond Fund in excess of the amounts necessary to effect the payment and discharge of the Bonds (i) after all of the Outstanding Bonds shall be deemed paid and discharged under the provisions of this Trust Agreement, and (ii) after payment of all fees, charges and expenses of the Trustee and of all other amounts required to be paid under this Trust Agreement and the Facilities Agreement, shall be paid to the County.

SECTION 5.11. Rebate Fund. There is required to be established under the Tax Regulatory Agreement under the circumstances specified therein a Rebate Fund to be held by the Trustee. The Rebate Fund shall be held by the Trustee and administered in accordance with the terms hereof and of the Tax Regulatory Agreement. Deposits into the Rebate Fund shall be made in accordance with the Tax Regulatory Agreement with notice thereof in writing to the Trustee, such notice signed by a County Financial Officer.

23

any other source lawfully available to the Trustee, including without limitation, proceeds from the leasing of the Project Facilities in accordance with the terms of the Facilities Agreement and the Base Lease.

SECTION 5.6. Reserved.

SECTION 5.7. Investments.

(a) Moneys in the Project Fund and the Bond Fund shall be invested and reinvested by the Trustee in Eligible Investments at the written direction of the County Financial Officer. Any investments of moneys held to the credit of the Project Fund or the Bond Fund shall mature, be redeemable at the option of the owner or holder, or, in the case of repurchase agreement or similar contract, be available thereunder, not later than the respective dates when the money held to the credit of those Funds and Accounts will be required for the purpose intended.

(b) At the written direction from the County Financial Officer with respect thereto, from time to time, the Trustee shall sell investments and reinvest the proceeds therefrom in Eligible Investments maturing or redeemable or available as required hereunder. The Trustee may enter into transactions for the purchase or sale of Eligible Investments with itself or any bank, trust company or savings and loan association affiliated with the Trustee and may charge its ordinary and customary fees for such trades. The Trustee shall sell or redeem Eligible Investments credited to the Bond Fund, without direction from the County, at the times required for the purpose of paying amounts due with respect to the Bonds payable therefrom when due as aforesaid, and shall do so without necessity for any order. An investment made from moneys credited to the Project Fund or to any Account in the Bond Fund shall constitute part of that Account and Fund, and each Account and Fund shall be credited with all proceeds of sale and income from investment of moneys credited thereto.

(c) Investment income from investment of amounts on deposit in the Project Fund shall be retained therein and applied as other moneys in the Project Fund.

(d) Investment income from investment of the Acquisition Account shall be retained in the Acquisition Account and credited against the amount of the Base Payments to be paid by the County on the next succeeding Bond Payment Date.

(e) Reserved.

(f) The Trustee shall report to the County at least five (5) days prior to each date on which a Base Payment is due and payable the amount of investment income credited or transferred to the Acquisition Account of the Bond Fund and available to make payments due on the next Bond Payment Date, and the amount of the Base Payment by the County on that date shall be reduced by such amount.

(g) The Trustee shall not be liable for any loss resulting from the making or disposition of any investment pursuant to the provisions of this Section, and any such losses shall be charged to the Fund and Account with respect to which such investment is made.

(h) The value of the obligations in which money in a Fund or Account has been invested shall be computed at market value or the amortized cost thereof, whichever is lower.

(i) The Trustee may conclusively rely upon the County's written instructions as to both the suitability and legality of all directed investments. Ratings of investments shall be determined at the time

22

**ARTICLE VI
TRUSTEE**

SECTION 6.1. Trustee's Acceptance and Responsibilities.

(a) The Trustee accepts the trusts imposed upon it by this Trust Agreement, and agrees to observe and perform those trusts, but only upon and subject to the terms and conditions set forth in this Article, to all of which the parties hereto, the County and the Holders agree.

(b) It is expressly understood and agreed that this Trust Agreement is being executed by the Trustee not in its corporate and individual capacity but solely as trustee hereunder in the exercise of the power and authority conferred and vested in it as such Trustee. It is further understood and agreed that neither the Trustee nor any director, officer, employee, agent, controlling person or nominee of the Trustee shall be personally liable for any breach of any representation or warranty of the trust incorporated herein or in any other agreement or obligation contemplated hereby and nothing herein or therein contained shall be construed as creating any liability of the Trustee in its corporate and individual capacity or as creating any liability of any director, officer, employee, agent, controlling person or nominee of the Trustee to make any payment or to perform any agreement or undertaking contained herein or therein.

(c) Prior to the occurrence of an Event of Default of which the Trustee has been notified or deemed to have been notified as provided in paragraph (f) of Section 6.2 hereof, and after the cure or waiver of all defaults or Events of Default which may have occurred,

(i) the Trustee undertakes to perform only those duties and obligations which are set forth specifically in this Trust Agreement, and no duties or obligations shall be implied to the Trustee;

(ii) in the absence of bad faith on its part, the Trustee may rely conclusively, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Trust Agreement; but in the case of any such certificates or opinions which by any provision hereof are required specifically to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Trust Agreement.

(d) After the occurrence of an Event of Default of which the Trustee has actual knowledge or is deemed to have knowledge, the Trustee shall exercise those rights and powers vested in it by this Trust Agreement in the same manner and degree of care as a prudent person would exercise or use under similar circumstances.

(e) No provision of this Trust Agreement shall be construed to relieve the Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that:

(i) this subsection shall not be construed to affect the limitation of the Trustee's duties and obligations provided in subsection (c)(i) of this Section or diminish the Trustee's right to conclusively rely on the truth of statements and the correctness of opinions as provided in subsection (c)(ii) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith in ascertaining the pertinent facts;

24

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement;

(iv) no provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it; and

(v) the Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Corporation or the County) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon that opinion or advice.

(f) Every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 6.1. Whenever the Trustee acts in its capacity as Trustee with respect to any document or agreement relating the Bonds, the provisions of this Section 6.1 shall apply to all such action.

SECTION 6.2. Certain Rights and Obligations of the Trustee. Except as otherwise provided in Section 6.1 hereof:

(a) The Trustee (i) may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, (ii) shall be entitled to the advice of counsel concerning all matters of trusts or powers hereof and duties hereunder, and (iii) may pay reasonable compensation in all cases to all of those attorneys, agents, receivers and employees reasonably employed by it in connection with the trusts hereof.

(b) Except as may be required of it in its capacity as assignee of the Corporation under the Facilities Agreement or as specifically provided for elsewhere herein, the Trustee shall not be responsible for:

(i) any recital in this Trust Agreement or the Bonds,

(ii) the validity, priority, perfection, recording, rerecording, filing or refiling of this Trust Agreement or any Supplemental Agreement, the Facilities Agreement or any financing statement with respect to the Trust Estate; provided, however, that upon the receipt of any opinion under Section 5.5(b) of the Facilities Agreement, the Trustee agrees to cooperate with the County and the Corporation and to take such action as is reasonably required to be taken in accordance with such opinion,

(iii) any instrument or document of further assurance or collateral assignment,

(iv) any financing statements, amendments thereto or continuation statements,

(v) insurance of any of the Project Facilities or collection of insurance moneys,

25

requirements, the Trustee may assume conclusively that there is no default or Event of Default, except as noted above.

(g) At any reasonable time, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives may inspect and copy fully all books, papers and records of the Corporation pertaining to the Project Facilities, and may make any memoranda from and in regard thereto as the Trustee may desire.

(h) The Trustee shall not be required to give any bond or surety with respect to execution of these trusts and powers or otherwise in respect of the premises.

(i) Notwithstanding anything contained elsewhere in this Trust Agreement, the Trustee may demand any showings, certificates, reports, opinions, appraisals and other information, and corporate action and evidence thereof, in addition to those required by the terms hereof, as a condition to the execution and delivery of any Bonds or the taking of any action whatsoever within the purview of this Trust Agreement, if the Trustee deems it to be desirable for the purpose of establishing the right of any Person to the taking of any other action by the Trustee; provided, that the Trustee shall not be required to make that demand.

(j) Before taking action hereunder pursuant to Section 6.4 or Article VII hereof (with the exception of any action required to be taken under Section 7.2 hereof), the Trustee may require that a satisfactory indemnity bond be furnished to it by the Holders for the reimbursement of all expenses which it may incur and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful default. The Trustee may take action without such indemnity, and in that case, all of the Trustee's expenses pursuant to Section 6.3 hereof with respect to the Bonds will be reimbursable as provided in the Facilities Agreement.

(k) Unless otherwise provided herein, all moneys received by the Trustee under this Trust Agreement shall be held in trust for the purposes for which those moneys were received, until those moneys are used, applied or invested as provided herein; provided, that those moneys need not be segregated from other moneys, except to the extent required by this Trust Agreement or by law. The Trustee shall not have any liability for interest on any moneys received hereunder, except to the extent expressly provided herein or agreed with the Corporation.

(l) Any opinions, certificates and other instruments and documents for which provision is made in this Trust Agreement, may be accepted by the Trustee, in the absence of bad faith on its part, as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its action taken hereunder.

(m) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its gross negligence or willful misconduct.

(n) Notwithstanding the effective date of this Trust Agreement or anything to the contrary herein, the Trustee shall have no liability or responsibility for any act or event relating to this Trust Agreement that occurs prior to the date the Trustee formally executes this Trust Agreement and commences acting as Trustee hereunder.

(o) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with

27

(vi) the validity of the execution by the Corporation of this Trust Agreement, any Supplemental Agreement or instruments or documents of further assurance,

(vii) the sufficiency of the security for the Bonds executed and delivered hereunder or intended to be secured hereby,

(viii) the value of or title to the Project Facilities, or

(ix) the maintenance of the security hereof, except that, in the event that the Trustee enters into possession of a part or all of the Project Facilities pursuant to any provision of the Facilities Agreement or any other instrument or document collateral thereto, the Trustee shall use due diligence in preserving that property.

The Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, agreements or obligations on the part of the Corporation or the County under the Facilities Agreement except as set forth hereinafter; but the Trustee may require of the Corporation or the County full information and advice as to the observance or performance of those covenants, agreements and obligations.

(c) Except with respect to the disbursement of amounts deposited with or received by it under the provisions of this Trust Agreement, the Trustee shall not be accountable for the application by the County or any other Person of the proceeds of the Bonds.

(d) The Trustee shall conclusively rely upon and shall be fully protected and shall incur no liability, in the absence of bad faith on its part, in acting or proceeding, or in not acting or not proceeding upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons. The Trustee is under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instruments. Any action taken by the Trustee pursuant to this Trust Agreement upon the request or authority or consent of any Person who is the Holder of any Bond at the time of making, the request or giving the authority or consent, shall be conclusive and binding upon all future Holders of the same Bond and of Bonds executed and delivered in exchange therefor or in place therefor.

(e) As to the existence or nonexistence of any fact for which the Corporation or the County may be responsible or as to the sufficiency or validity of any instrument, document, report, paper or proceeding, the Trustee, in the absence of bad faith on its part, shall be entitled to conclusively rely upon a certificate signed on behalf of the Corporation by a Corporation Representative or the County by a County Representative as sufficient evidence of the facts recited therein. Prior to the occurrence of a default or Event of Default of which the Trustee has been notified or is deemed to have notice as provided in paragraph (f) of this Section, the Trustee may accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient; provided, that the Trustee in its discretion may require and obtain any further evidence which it deems to be necessary or advisable; and, provided further, that the Trustee shall not be bound to secure any further evidence.

(f) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default with respect to the Bonds, except Events of Default described in Section 7.1(a) hereof, unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the County or the Holders of at least 10% of the aggregate principal amount of Outstanding Bonds. In the absence of delivery of a notice satisfying those

26

respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(p) The Trustee shall have no duty to review or analyze any financial statements delivered to it or to verify the accuracy thereof and shall hold such financial statements solely as a repository for the benefit of the holders of the Bonds; the Trustee shall not be deemed to have notice of any information contained therein or event of default which may be disclosed therein in any manner.

(q) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Trust Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(r) The Trustee shall have the right to accept and act upon directions or instructions given pursuant to this Trust Agreement, the Facilities Agreement or any other document reasonably relating to the Bonds and delivered using Electronic Means (defined below); provided, however, that the Corporation or the County, as the case may be, shall provide to the Trustee an incumbency certificate listing Authorized Officers with the authority to provide such directions or instructions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Corporation or the County elects to give the Trustee directions or instructions using Electronic Means and the Trustee in its discretion elects to act upon such directions or instructions, the Trustee's understanding of such directions or instructions shall be deemed controlling. The Corporation and the County each understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee shall conclusively presume that directions or instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Corporation and the County, as the case may be, shall each be responsible for ensuring that only Authorized Officers transmit such directions or instructions to the Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. Each of the Corporation and the County agree: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing

28

applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

SECTION 6.3. Fees, Charges and Expenses of Trustee. The Trustee acknowledges receipt of payment in full from the proceeds of the Bonds for its fees for its Ordinary Services rendered hereunder and for all advances, counsel fees, costs and expenses and other Ordinary Expenses reasonably and necessarily paid or incurred, or to be paid or incurred, by it in connection with the provision of Ordinary Services to the date hereof. The Trustee shall be entitled to the payment of its annual charges upon invoice to the Corporation (which pursuant to the Facilities Agreement shall be payable by the County). In the event that it should become necessary to perform Extraordinary Services including any such Extraordinary Services relating to a default or post-default situation, with respect to the Bonds, the Trustee shall be entitled to reasonable extra compensation therefor, determined in accordance with the Trustee's then-current fee schedule, and to reimbursement for reasonable and necessary Extraordinary Expenses incurred in connection therewith.

The Trustee, in that or its other capacities, shall not be entitled to compensation or reimbursement for Extraordinary Services or Extraordinary Expenses occasioned by its gross negligence or willful misconduct.

Any amounts payable under this Section 6.3 are payable upon demand and shall bear interest from the date of demand thereat at the prime rate quoted from time to time by the banking association serving as Trustee or the Trustee's affiliated bank. The provisions of this Section 6.3 shall not be subject to the limitations of Section 13.13.

SECTION 6.4. Intervention by Trustee. The Trustee may and shall, at the written direction of the Holders of at least 25% of the aggregate principal amount of the Outstanding Bonds, intervene in any judicial proceeding to which the Corporation or the County is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Holders of the Bonds. The rights and obligations of the Trustee under this Section are subject to the approval of that intervention by a court of competent jurisdiction. The Trustee may require that a satisfactory indemnity bond be provided to it by the Holders in accordance with Sections 6.1 and 6.2 hereof before it takes action hereunder.

SECTION 6.5. Successor Trustee. Anything herein to the contrary notwithstanding:

(a) Any corporation or association (i) into which the Trustee may be converted or merged, (ii) with which the Trustee or any successor to it may be consolidated, or (iii) to which it may sell or transfer its assets or corporate trust assets and trust business or corporate trust business as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger, consolidation, sale or transfer, *ipso facto*, shall be and become successor Trustee hereunder and shall be vested with all of the title to the whole property or Trust Estate hereunder.

(b) Any such corporation or association that becomes a successor Trustee by virtue of the foregoing shall be vested further, as was its predecessor, with each and every trust, property, remedy, power, right, duty, obligation, discretion, privilege, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Trust Agreement to be exercised by, vested in or conveyed to the Trustee, without the execution or filing of any instrument or document or any further act on the part of any of the parties hereto.

29

capital and surplus of not less than \$75,000,000, and (v) be willing to accept the trusteeship under the terms and conditions of this Trust Agreement.

(c) Every successor Trustee appointed hereunder shall execute and acknowledge, and shall deliver to its predecessor and to the Corporation and the County an instrument or document in writing accepting the appointment and certifying that it is eligible to serve as successor Trustee pursuant to the terms of this Trust Agreement. Thereupon, without any further act, the successor shall become vested with all of the trusts, properties, remedies, powers, rights, duties, obligations, discretion, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of its predecessor. Upon the written request of its successor, the Corporation or the County, the predecessor Trustee (i) shall execute and deliver any instrument or document transferring to its successor all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests, and liens of the predecessor Trustee hereunder, and (ii) shall take any other action necessary to duly assign, transfer and deliver to its successor all property (including without limitation, all securities and moneys) held by it as Trustee. Should any instrument or document in writing from the Corporation be requested by any successor Trustee for vesting and the conveying more fully and certainly in and to that successor the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens vested or conveyed hereby in or to the predecessor Trustee, the Corporation shall execute, acknowledge and deliver that instrument or document.

(d) In the event of a change in the Trustee, the predecessor Trustee shall cease to be custodian of any moneys which it may hold pursuant to this Trust Agreement and shall cease to act as registrar and paying agent for the Bonds. The successor Trustee shall become custodian, registrar and paying agent.

(e) Upon the appointment of a successor Trustee and completion by the predecessor Trustee of the actions required of it under (c) above, the predecessor Trustee shall not be liable for any acts of its successor.

SECTION 6.9. Dealing in Bonds. The Trustee and its affiliates, and any directors, officers, employees or agents thereof, in good faith, may become the owner of any Bond or Bonds with the same rights which they would have hereunder if the Trustee did not serve in that capacity.

SECTION 6.10. Representations, Agreements and Covenants of Trustee. The Trustee hereby represents that it is a banking association duly organized, validly existing and in good standing under the laws of the United States of America and duly authorized to exercise corporate trust powers in the State, it has an unimpaired reported capital and surplus of not less than \$75,000,000. The Trustee covenants that it will take such action, if any, as is necessary to remain in good standing and duly authorized to exercise corporate trust powers in the State, and that it will maintain unimpaired reported capital and surplus of not less than \$75,000,000. The Trustee accepts and agrees to observe and perform the duties and obligations of the Trustee hereunder and under any other instrument or document providing security for the Bonds; provided, nevertheless, that the Trustee shall not be responsible or liable for the performance of or observation of any covenants respecting the maintenance of Federal tax exemption of interest with respect to the Bonds in the absence of specific direction in writing from the County or the Corporation and shall not be responsible for ascertaining the requirements of Federal tax law with respect thereto.

SECTION 6.11. Right of Trustee to Pay Taxes and Other Charges. Reference is made to the Facilities Agreement whereby the Corporation is authorized to advance moneys (i) to pay taxes, assessments and other governmental charges with respect to the Project Facilities, (ii) for the discharge of

31

(c) Any successor Trustee, or its parent corporation, however, shall (i) be a trust company or a bank having the powers of a trust company, (ii) be duly authorized to exercise trust powers and in good standing under the laws of the State or of the United States, (iii) be subject to examination by federal or State authorities, and (iv) have a reported capital and surplus of not less than \$75,000,000.

SECTION 6.6. Resignation by Trustee. The Trustee may resign at any time from the trusts created hereby by giving written notice of the resignation to the County and by mailing written notice of the resignation to the Holders as their names and addresses appear on the register at the close of business 15 days prior to the mailing. The resignation shall take effect upon the appointment of a successor Trustee.

SECTION 6.7. Removal of Trustee.

(a) The Trustee may be removed for cause upon thirty (30) days written notice to the Trustee by an instrument or document or concurrent instruments or documents in writing delivered to the Trustee, with copies thereof mailed to the County, and signed by or on behalf of the Holders of not less than a majority of the aggregate principal amount of the Outstanding Bonds.

(b) The Trustee also may be removed upon thirty (30) days written notice to the Trustee for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any material provision of this Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Corporation, the County or the Holders of not less than 25% in aggregate principal amount of the Outstanding Bonds.

(c) At the request of the County, so long as no default exists under the Facilities Agreement and no Event of Nonappropriation has occurred, the Corporation may appoint a successor Trustee as provided in Section 6.8 hereof.

SECTION 6.8. Appointment of Successor Trustee.

(a) If (i) the Trustee shall resign, shall be removed, shall be dissolved, or shall become otherwise incapable of acting hereunder, (ii) the Trustee shall be taken under the control of any public officer or officers, or (iii) a receiver shall be appointed for the Trustee by a court, then a successor Trustee shall be appointed by the Corporation (with the agreement of the County if there is no Event of Default and no Event of Nonappropriation under the Facilities Agreement); provided, that if a successor Trustee is not so appointed within ten days after (a) a notice of resignation or any instrument or document of removal is received by the Corporation as provided in Sections 6.6 and 6.7 hereof, respectively, or (b) the Trustee is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, so long as the Corporation shall not have appointed a successor Trustee, the Holders of a majority in aggregate principal amount of the Outstanding Bonds not paid or provided for may designate a successor Trustee by an instrument or document or concurrent instruments or documents in writing signed by or on behalf of those Holders. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 60 days of the occurrence of any event listed in Section 6.8(a)(i)-(iii), the Holder of any Outstanding Bond hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(b) Every successor Trustee appointed pursuant to this Section shall (i) be a trust company or bank having the powers of a trust company, (ii) be in good standing within the State or the United States, (iii) be duly authorized to exercise trust powers within the State or the United States, (iv) have a reported

30

mechanic's and other liens relating to the Project Facilities, (iii) to obtain and maintain insurance for the Project Facilities and pay premiums therefor, and (iv) generally, to make payments and incur expenses in the event that the County fails to do so as required by such Facilities Agreement. The Trustee may make those advances but shall not be required to do so (and may require indemnification to its satisfaction) pursuant to Sections 6.1(e) (iv) and 6.2(j) hereof, but without prejudice to any rights of the Trustee as assignee of the Corporation against the County for failure of the County to do so.

ARTICLE VII DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND HOLDERS

SECTION 7.1. Defaults; Events of Default. The occurrence of any of the following events is defined as and declared to be and to constitute an Event of Default hereunder:

(a) Payment of the principal or interest due on any Bond shall not be made when and as such payment shall become due and payable; or

(b) The occurrence and continuance of an Event of Default as defined in Section 8.1 of the Facilities Agreement; or

(c) Any material breach by the Corporation of any representation or warranty made in this Trust Agreement or default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Corporation in this Trust Agreement or in the Bonds contained; or

(d) The issuance of an order of relief by the United States Bankruptcy Court or the United States District Court having valid jurisdiction, granting the Corporation relief under federal bankruptcy law, or the issuance by any other court having valid jurisdiction of an order or decree under applicable federal or state law providing for the appointment of a receiver, liquidator, assignee, trustee, or sequestrator (or other similar official) of the Corporation or any substantial part of its property, affairs, or assets, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(e) The consent by the Corporation to the institution of proceedings in bankruptcy against it, or to the institution of any proceeding against it under any federal or state insolvency laws, or to the filing of any petition, application, or complaint seeking the appointment of a receiver, liquidator, assignee, trustee, or sequestrator (or other similar official) of the Corporation or of any substantial part of its property, affairs, or assets.

SECTION 7.2. Notice of Default. Subject to Section 6.2(f) hereof, in the event the Trustee becomes aware of the occurrence of any of the events described in 7.1 above, the Trustee shall give written notice of the Event of Default, by registered or certified mail, to the County and the Corporation, within 10 days after the Trustee has knowledge of the Event of Default. If an Event of Default occurs of which the Trustee has notice pursuant to Section 6.2(f) of this Trust Agreement, the Trustee shall give written notice thereof, within 30 days after the Trustee's receipt of notice of its occurrence, to the Holders of all Outstanding Bonds as shown by the Register at the close of business 15 days prior to the mailing of that notice.

SECTION 7.3. Remedies; Rights of Holders. (a) *General.* Upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy to enforce the payment of any amounts due with respect to the Bonds or the observance and performance of any other covenant,

32

agreement or obligation under this Trust Agreement, the Facilities Agreement pertaining thereto or any other instrument providing security, directly or indirectly, for the Bonds. If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do by the Holders of at least 25% of the aggregate of the principal amount of the Outstanding Bonds, the Trustee (subject to the provisions of Sections 6.1 and 6.2 hereof), shall exercise one or more rights and powers conferred by this Section as the Trustee, upon advice of counsel, deems most expedient in the interests of the Holders of such Bonds.

(b) *Acceleration.* Upon the occurrence of an Event of Default, and at any time thereafter while such Event of Default continues, then, and in each and every case, the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Holders of all Outstanding Bonds, may proceed, and upon the written request of the Holders of not less than 25% in principal amount of the Outstanding Bonds, shall proceed to declare the principal of all Outstanding Bonds, together with all accrued and unpaid interest thereon, if not already due, to be due and payable immediately, and upon any such declaration the same shall become and be due and payable immediately, anything contained in this Trust Agreement or any Supplemental Agreement or in any of the Bonds to the contrary notwithstanding. This provision is also subject, however, to the condition that, if at any time after the principal of the Bonds, together with the accrued and unpaid interest thereon and other moneys secured hereby, have been so declared due and payable and before any further action has been taken (other than the making of the above declaration), the principal amount of all Bonds which have matured either according to the maturity date or dates otherwise specified therein (except as a result of such declaration) and all arrears of interest upon all Bonds, except interest accrued but not yet due on said Bonds, have been paid or caused to be paid, and all other Events of Default, if any, which have occurred have been remedied, cured or secured, then and in each and every such case the Holders of 25% in principal amount of the Outstanding Bonds, by notice in writing delivered to the Trustee and the Corporation, may waive such Event of Default and its consequences and rescind and annul such declaration. No such waiver or rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power related to such subsequent default.

(c) *Other Remedies.* In case any one or more of the Events of Default shall happen and be continuing, then and in every such case, but subject to the provisions of Section 7.7 hereof, the Holder of any Outstanding Bond, or Trustee therefor, may, for the equal benefit and protection of all Holders of the Bonds similarly situated:

- (i) by mandamus or other suit, action or proceedings at law or in the equity, enforce such Bondholder's right against the Corporation and require and compel the Corporation to perform and carry out its duties and obligations under this Trust Agreement or enforce any such remedies against the County pursuant to the Facilities Agreement, and require and compel the Corporation to perform and carry out its covenants and agreements with the Bondholders;
- (ii) by action or suit in equity require the Corporation to account as if such Corporation were the trustee of an express trust;
- (iii) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders;
- (iv) bring suit upon the Bonds;

33

Second: To the payment to the Persons entitled thereto of the unpaid principal amounts or redemption premium, if any, of any Bonds which shall have become due (other than Bonds previously called for redemption in accordance with the provisions hereof), whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the principal amounts or redemption premium, if any, due on such date, to the Persons entitled thereto, without any discrimination or preference; and

Third: If, when there is not an Event of Default, the Trustee is required to expend funds to defend itself in a lawsuit which arises under a cause of action attacking the legality of the Bonds; the inclusion of interest earned on the Bonds in the gross income for Federal income tax purposes of a Holder; or the status of the Corporation as issuer, then, in such event the Trustee shall be entitled to a call on the funds for the same kinds of expenses as are described as costs and expenses of collection as described in Section 7.5(b) below.

(b) If the principal of all Outstanding Bonds shall have become or have been declared due and payable, any funds received by the Trustee hereunder, after payment of costs and expenses of collection, shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference. For purposes of this Section 7.5, "costs and expenses of collection" shall include all such expenses as are necessary for the Trustee to fulfill its obligation of due diligence to protect the interests of the Holders in the Trust Estate, which may include but are not limited to the Trustee's reasonable expenses and fees for its duties administering this Trust Agreement while the Bonds are in default to include its normal fees, additional expenses resulting from managing any of the property forming part of the Trust Estate, expenses of counsel to represent the Trustee, fees, costs and expenses of any and all consultants employed by the Trustee and direct expenses of the Trustee to include the costs of preparing and mailing notices to Holders and other parties.

(c) If the principal of all Outstanding Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all Outstanding Bonds shall later become due or be declared due and payable, moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

(d) Whenever moneys are to be applied pursuant to the provisions of this Section, those moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of moneys available for application and the likelihood of additional moneys becoming available for application in the future. Whenever the Trustee shall direct the application of those moneys, it shall fix the date upon which the application is to be made, and upon that date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided the moneys are available therefor. The Trustee shall give notice of the deposit with it of any moneys and of the fixing of that date, all consistent with the requirements of Section 3.5 hereof for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of a Bond to the Holder thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

35

(v) take such other action with respect to the Trust Estate, including obtaining the appointment of a receiver, as it may deem appropriate and apply any funds resulting therefrom as if such funds were Revenues; or

(vi) avail itself of any other remedy, whether at law or in equity, as it may determine to be appropriate.

(d) *Remedies Under Uniform Commercial Code.* The Trustee may exercise any rights, powers, or remedies it may have as a secured party under the Uniform Commercial Code of the State, or other similar laws in effect.

(e) *No Remedy Exclusive, Effect of Delay and Waiver.* No remedy conferred upon or reserved to the Trustee (or to the Holders) by this Trust Agreement is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or otherwise to the Trustee or to the Holders now or hereafter existing. No delay in exercising or omission to exercise any remedy, right or power accruing upon any default or Event of Default shall impair that remedy, right or power or shall be construed to be a waiver of any default or Event of Default or acquiescence therein. Every remedy, right and power may be deemed to be expedient. No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Holders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any remedy, right or power consequent thereon.

(f) *Remedies Under Facilities Agreement and Base Lease.* As the assignee of all right, title and interest of the Corporation in and to the Facilities Agreement and the Base Lease, the Trustee is empowered to enforce each remedy, right and power granted to the Corporation under the Facilities Agreement (except for those rights specifically reserved to the Corporation) and the Base Lease. In exercising any remedy, right or power under the Facilities Agreement, the Base Lease or this Trust Agreement, the Trustee shall take any action which would best serve the interests of the Holders in the judgment of the Trustee, applying the standards described in Sections 6.1 and 6.2 hereof.

SECTION 7.4. Right of Holders to Direct Proceedings. Anything to the contrary in this Trust Agreement notwithstanding, the Holders of at least a majority in aggregate principal amount of the Outstanding Bonds shall have the right at any time to direct, by an instrument or document or instruments or documents in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Trust Agreement or any other proceedings hereunder; provided, that (i) any direction shall not be other than in accordance with the provisions of law and of this Trust Agreement, (ii) the Trustee shall be indemnified as provided in Sections 6.1 and 6.2 hereof, and (iii) the Trustee may take any other action which it deems to be proper and which is not inconsistent with the direction.

SECTION 7.5. Application of Moneys. (a) Unless the principal of all Outstanding Bonds shall have become or have been declared due and payable any funds received by the Trustee hereunder, after payment of costs and expenses of collection, shall be applied as follows:

First: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds in the order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the person entitled thereto, without any discrimination or preference;

34

(e) Whenever all Bonds and interest thereon have been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid, any balance remaining shall be paid to the Person entitled to receive the same; if no other Person shall be entitled thereto, then the balance shall be paid to the County or as a court of competent jurisdiction may direct.

SECTION 7.6. Remedies Vested in Trustee. All rights of action (including without limitation, the right to file proofs of claims) under this Trust Agreement or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Holders as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Holders of the Outstanding Bonds subject to the provisions of this Trust Agreement. When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 7.7. Rights and Remedies of Holders. Except as provided in Section 7.4, a Holder of a Bond shall not have any right to institute any suit, action or proceeding for the enforcement of this Trust Agreement, for the execution of any trust hereof, or for the exercise of any other remedy hereunder, unless there has occurred and is continuing an Event of Default of which the Trustee has been notified or is deemed to have notice as provided in Section 6.2(f) hereof; the Holders of at least 25% in aggregate principal amount of the Outstanding Bonds shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name, and shall have offered indemnity to the Trustee as provided in Sections 6.1 and 6.2 hereof; and the Trustee thereafter shall have failed or refused to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name. At the option of the Trustee, such notification (or notice), request, opportunity and offer of indemnity are conditions precedent in every case, to the institution of any suit, action or proceeding described above.

No one or more Holders of the Bonds shall have any right to affect, disturb or prejudice in any manner whatsoever the security or benefit of this Trust Agreement by its or their action, or to enforce, except in the manner provided herein, any remedy, right or power hereunder. Any suit, action or proceeding shall be instituted, had and maintained in the manner provided herein for the benefit of the Holders of all Outstanding Bonds. Nothing in this Trust Agreement shall affect or impair, however, the right of any Holder to enforce the payment of the principal and interest due on any Bond owned by that Holder at and after the due date thereof, at the place, from the sources and in the manner expressed in the Bond.

SECTION 7.8. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any remedy, right or power under this Trust Agreement in any suit, action or proceedings, and the suit, action or proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Corporation and the Holders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as if no suit, action or proceedings had been taken.

SECTION 7.9. Waivers of Events of Default. Except as hereinafter provided, at any time, in its discretion, the Trustee may waive any Event of Default hereunder and its consequences and shall do so upon the written request of the Holders of Bonds of least a majority in aggregate principal amount of Bonds Outstanding. There shall not be so waived, however, any Event of Default described in Section

36

7.1(a) hereof unless at the time of such waiver payments of all amounts then due and payable with respect to the Bonds have been made or provision has been made therefor. In the case of such waiver, or in case any suit, action or proceeding taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned or determined adversely to it, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively. No waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

ARTICLE VIII SUPPLEMENTAL AGREEMENTS

SECTION 8.1. Supplemental Agreements Generally. The Corporation and the Trustee may enter into Supplemental Agreements, as provided in this Article and pursuant to the other provisions therefor in this Trust Agreement.

SECTION 8.2. Supplemental Agreements Not Requiring Consent of Holders. Without the consent of, or notice to, any of the Holders, the Corporation and the Trustee may enter into Supplemental Agreements which shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) To cure any ambiguity, inconsistency or formal defect or omission in this Trust Agreement;
- (b) To grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;
- (c) To assign additional revenues under this Trust Agreement;
- (d) To accept additional security and instruments and documents of further assurance with respect to the Project Facilities;
- (e) To add to the covenants, agreements and obligations under this Trust Agreement, other covenants, agreements and obligations to be observed for the protection of the Holders;
- (f) To evidence any succession to the Trustee and the assumption by its successor of the covenants, agreements and obligations of the Trustee under this Trust Agreement and the Bonds;
- (g) To permit the use of a book entry system to identify the owner of a proportionate interest in the payments under the Facilities Agreement, whether that proportionate interest was formerly, or could be, evidenced by a tangible security;
- (h) To permit the Trustee to comply with any obligations imposed upon it by law;
- (i) To specify further the duties and responsibilities of the Trustee;
- (j) To achieve compliance of this Trust Agreement with any applicable Federal securities or tax law;
- (k) To make amendments to the provisions hereof relating to matters under the Code, if, in the opinion of nationally recognized bond counsel selected by the Corporation and approved by the Trustee,

37

If the Trustee shall receive, within a period described by the Trustee of not less than 60 days but not exceeding one year, following the mailing of the notice, an instrument or document or instruments or documents (which instrument or document or instruments or documents shall refer to the proposed Supplemental Agreement in the form described in the notice), by which the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds consent to the execution of such Supplemental Agreement, the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Agreement in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder shall have consented thereto.

Any consent shall be binding upon the Holder of the Bond giving the consent and, anything herein to the contrary notwithstanding, upon any subsequent Holder of that Bond and of any Bond executed and delivered in exchange therefor (regardless of whether the subsequent Holder has notice of the consent to the Supplemental Agreement). A consent may be revoked in writing, however, by the Holder who gave the consent or by a subsequent Holder of the Bond by a revocation of such consent received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Agreement. At any time after the Holders of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the Trustee shall make and file with the County a written statement that the Holders of the required percentage of Bonds have filed those consents. That written statement shall be conclusive evidence that the consents have been so filed.

If the Holders of the required percentage in aggregate principal amount of Outstanding Bonds shall have consented to the Supplemental Agreement, as provided in this Section, no Holder shall have any right (a) to object to (i) the execution or delivery of the Supplemental Agreement, (ii) any of the terms and provisions contained therein, or (iii) the operation thereof, (b) to question the propriety of the execution and delivery thereof, or (c) to enjoin or restrain the Trustee from that execution or delivery or from taking any action pursuant to the provisions thereof.

SECTION 8.4. Consent of County. Anything contained herein to the contrary notwithstanding, a Supplemental Agreement executed and delivered in accordance with this Article VIII which affects any rights or obligations of the County shall not become effective unless and until the County shall have consented in writing to the execution and delivery of that Supplemental Agreement. The Trustee shall cause notice of the proposed execution and delivery of any Supplemental Agreement and a copy of the proposed Supplemental Agreement to be mailed to the County, as provided in Section 13.3 hereof, (i) at least 30 days (unless waived by the County) before the date of the proposed execution and delivery in the case of a Supplemental Agreement to which reference is made in Section 8.2 hereof, and (ii) at least 30 days (unless waived by the County) before the giving of the notice of the proposed execution and delivery in the case of a Supplemental Agreement for which provision is made in Section 8.3 hereof.

SECTION 8.5. Authorization to Trustee; Effect of Supplement. The Trustee is authorized to join with the Corporation in the execution and delivery of any Supplemental Agreement in accordance with this Article and to make the further agreements and stipulations which may be contained therein with the following effect:

- (a) That Supplemental Agreement shall form a part of this Trust Agreement;
- (b) All terms and conditions contained in that Supplemental Agreement as to any provision authorized to be contained therein shall be deemed to be a part of the terms and conditions of this Trust Agreement for any and all purposes;

39

those amendments would not cause the interest on the Bonds to become includable in the gross incomes of the recipients thereof for Federal income tax purposes;

- (l) To make provision of the issuance of Additional Bonds as provided for herein;
- (m) To permit any other amendment which is not to the prejudice of the Trustee or the Holders; or
- (n) To reflect a change in applicable law.

The provisions of paragraphs (h), (j) and (n) above shall not be deemed to constitute a waiver by the Trustee or any Holder of any right which it may have in the absence of those provisions to contest the application of any change in law to this Trust Agreement or the Bonds.

SECTION 8.3. Supplemental Agreements Requiring Consent of Holders. Exclusive of Supplemental Agreements to which reference is made in Section 8.2 hereof and subject to the terms, provisions and limitations contained in this Section, and not otherwise, with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds at such time, evidenced as provided in this Trust Agreement, the Corporation and the Trustee may execute and deliver Supplemental Agreements adding any provisions to, changing in any manner or eliminating any of the provisions of this Trust Agreement or any Supplemental Agreement or restricting in any manner the rights of the Holders. Nothing in this Section or Section 8.2 hereof shall, however, be construed as permitting:

- (a) without the consent of the Holder of each Bond so affected, (i) an extension of the maturity of the principal of or the interest on any Bond, or (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, or
- (b) without the consent of the Holders of all Outstanding Bonds, (i) the creation of a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (ii) a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Agreement; provided, however, that the establishment of an escrow for the defeasance of a portion of the Bonds shall not be deemed to constitute the creation of a privilege or priority for the benefit of the Bonds to be defeased.

If the Corporation shall request in writing that the Trustee execute and deliver any Supplemental Agreement for any of the purposes of this Section, upon (i) being satisfactorily indemnified with respect to its expenses and liability in connection therewith, and (ii) if required by Section 8.4 hereof, receipt of the County's consent to the proposed execution and delivery of the Supplemental Agreement, the Trustee shall cause notice of the proposed execution and delivery of the Supplemental Agreement to be mailed by first class mail, postage prepaid, to all Holders of Outstanding Bonds at their addresses as they appear on the Register at the close of business on the 15th day preceding that mailing.

The Trustee shall not be subject to any liability to any Holder by reason of the Trustee's failure to mail, or the failure of any Holder to receive, the notice required by this Section. Any failure of that nature shall not affect the validity of the Supplemental Agreement when there has been consent thereto as provided in this Section. The notice shall set forth briefly the nature of the proposed Supplemental Agreement and shall state that copies thereof are on file at the designated trust office of the Trustee for inspection by all Holders.

38

(c) This Trust Agreement shall be deemed to be modified and amended in accordance with the Supplemental Agreement; and

(d) The respective rights, duties and obligations under this Trust Agreement of the Corporation, the Trustee and all Holders of Outstanding Bonds shall be determined, exercised and enforced hereunder in a manner which is subject in all respects to those modifications and amendments made by the Supplemental Agreement.

Express reference to any executed and delivered Supplemental Agreement may be made in the text of any Bonds executed and delivered thereafter; if that reference is deemed necessary or desirable by the Trustee or the Corporation. The Trustee shall not be required to execute a Supplemental Agreement containing provisions adverse to the Trustee.

SECTION 8.6. Opinion of Counsel. The Trustee shall be entitled to receive, and shall be fully protected in conclusively relying upon, the opinion of any counsel approved by it as conclusive evidence that (i) any proposed Supplemental Agreement complies with the provisions of this Trust Agreement, and (ii) it is proper for the Trustee to join in the execution of that Supplemental Agreement under the provisions of this Article. The Trustee may accept an opinion of Bond Counsel or counsel for the Corporation or the County for such purposes. Prior to taking any action hereunder, the Trustee shall be entitled to assurance as to the payment of the fees and expenses of any counsel providing such opinion.

SECTION 8.7. Modification by Unanimous Consent. Notwithstanding anything contained elsewhere in this Trust Agreement, the rights and obligations of the Trustee and of the Holders of the Bonds, and the terms and provisions of the Bonds and this Trust Agreement or any Supplemental Agreement, may be modified or altered in any respect with the consent of (i) the Trustee, (ii) the Holders of all of the Outstanding Bonds, and (iii) if required by Section 8.4 hereof, the County.

ARTICLE IX DEFEASANCE

SECTION 9.1. Defeasance.

(a) When principal or redemption price (as the case may be) of, and interest on, any Bonds issued hereunder has been paid, or provision shall have been made for payment of the same, together with the compensation of the Trustee and all other sums payable hereunder by the Corporation and the County, the right, title and interest of the Trustee with respect to such Bonds shall thereupon cease and the Trustee shall release this Trust Agreement and shall execute such documents to evidence such releases as may be reasonably required by the Corporation and shall turn over to the Corporation or to such person, body or authority as may be entitled to receive the same all balances then held by it hereunder; provided, however, that the County shall in all events remain liable under the Facilities Agreement (subject to Section 4.7 thereof) until all amounts due and owing thereunder have been paid.

(b) Provision for the payment of the Bonds shall be deemed to have been made when the Trustee holds, in an irrevocable deposit, under the provisions hereof (i) cash in an amount sufficient to make all payments specified above with respect to all of such Bonds, or (ii) Defeasance Obligations maturing on or before the date or dates when the payments specified above shall become due, the principal amount of which and the interest thereon, when due, is or will be, in the aggregate, sufficient without reinvestment

40

to make all payments specified above with respect to such Bonds, or (iii) any combination of such cash and such Defeasance Obligations the amounts of which and interest thereon, when due, are or will be, in the aggregate, sufficient without reinvestment to make all payments specified above on such Bonds; provided that, to the extent such deposit does not solely consist of uninvested cash, the Trustee shall have received a report of an independent accountant or firm of accountants verifying that the computations of the amount available from Defeasance Obligations when added to any cash available shall be sufficient to meet the requirements hereof.

(c) Neither the obligations nor the moneys deposited with the Trustee pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be segregated and held in trust for, the payment of the principal or redemption price of, and interest on, said Bonds.

(d) Whenever moneys or obligations shall be deposited with the Trustee for the payment or redemption of Bonds more than 60 days prior to the date that such Bonds are to mature or be redeemed, the Trustee shall mail a notice stating that such moneys or obligations have been deposited and identifying the Bonds for the payment of which such moneys or obligations are being held, to the Holders of Bonds for the payment of which such moneys or obligations are being held.

(e) Prior to any defeasance becoming effective under this Trust Agreement, there shall have been delivered to the Trustee an opinion of Bond Counsel, satisfactory to the Trustee, to the effect that interest on the Bonds being paid by such defeasance will not become subject to Federal income taxation by reason of such defeasance.

SECTION 9.2. Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of this Trust Agreement which relate to the maturity of Bonds, interest payments and dates thereof, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentation of Bonds, the holding of moneys in trust, and payments to the County from the Bond Fund pertaining to the Facilities Agreement and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and be binding upon the Trustee and the Holders, notwithstanding, the release and discharge of this Trust Agreement. The provisions of this Article shall survive the release, discharge and satisfaction of this Trust Agreement.

ARTICLE X

ADDITIONAL COVENANTS AND AGREEMENTS OF THE TRUSTEE

SECTION 10.1. Additional Covenants and Agreements of the Trustee. In addition to any other covenants and agreements of the Trustee in this Trust Agreement, the Trustee further covenants and agrees for the benefit of the Holders as follows:

(a) *Register.* During the normal business hours of the Trustee and under reasonable regulations established by the Trustee, the Register for the Bonds may be inspected and copied by the Corporation, the County or Holders of 25% or more in principal amount of the Outstanding Bonds, or a designated representative thereof.

(b) *Rights and Enforcement of Base Lease and Facilities Agreement.* The Trustee may enforce, in its name, all rights of the Corporation under the Base Lease and the Facilities Agreement for and on behalf of the Holders. The Trustee covenants and agrees to perform all obligations and duties imposed on it by assignment hereunder, and to enforce all covenants, agreements and obligations of the County under and

41

consent thereto of the Holders of all of the Outstanding Bonds; provided that this requirement shall not apply to amendments that increase payments under the Facilities Agreement to provide for Additional Bonds hereunder; or

(b) Any amendment, change or modification of the Facilities Agreement without the giving of notice as provided in this section of the proposed amendment, change or modification and the receipt of the written consent thereto of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds.

The consent of the Holders shall be obtained as provided in Section 8.3 hereof with respect to Supplemental Agreements. If the County shall request at any time the consent of the Trustee to any proposed amendment, change or modification of the Facilities Agreement contemplated in subsections (a) or (b), upon being indemnified satisfactorily with respect to expenses and liability, the Trustee shall cause notice of the proposed amendment, change or modification to be provided in the manner which is required by Section 8.3 hereof with respect to notice of Supplemental Agreements. The notice shall set forth briefly the nature of the proposed amendment, change or modification and shall state that the copies of the instrument or document embodying it are on file at the designated corporate trust office of the Trustee for inspection by all Holders.

Prior to consenting to any amendment, change or modification of the Base Lease or the Facilities Agreement, the Trustee shall receive, and shall be fully protected in conclusively relying upon, the opinion of any counsel approved by it as conclusive evidence that (i) any proposed amendment, change or modification complies with the provisions of this Trust Agreement, and (ii) it is proper for the Trustee to join in the execution of such amendment, change or modification under the provisions of this Article.

ARTICLE XII

MEETINGS OF HOLDERS

SECTION 12.1. Purpose of Meetings. A meeting of Holders of the Bonds may be called at any time and from time to time pursuant to the provisions of this Article XII, to take any action (i) authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Bonds, (ii) under any provision of this Trust Agreement, or (iii) authorized or permitted by law.

SECTION 12.2. Call of Meetings. The Trustee may call at any time a meeting of Holders of the Bonds pursuant to Section 12.1 hereof to be held at any reasonable time and place the Trustee shall determine. Notice of such meeting, setting forth the time, place and generally the subject thereof, shall be mailed by first class mail, postage prepaid, not fewer than 15 nor more than 90 days prior to the date of the meeting to the Holders at their addresses as they appear on the Register on the 15th day preceding such mailing, which 15th day preceding the mailing shall be the record date for the meeting.

At any time the Holders of at least 25% in aggregate principal amount of the Outstanding Bonds shall have requested the Trustee to call a meeting of Holders, by written request setting forth the purpose of the meeting within 20 days after receipt of the request, then the Corporation or, if it does not do so, the Holders of Bonds in the amount above specified may determine the time and the place of the meeting and may call the meeting to take any action authorized in Section 12.1 hereof, by mailing notice thereof as provided above, such meeting to be noticed not more than 30 days after receipt of request of the Holders.

43

pursuant to the Base Lease and the Facilities Agreement. The Trustee will do all things and take all actions on its part necessary to comply with covenants, agreements, obligations duties and responsibilities on its part to be observed or performed under the Base Lease and the Facilities Agreement, and will take all actions within its authority to keep the Base Lease and the Facilities Agreement in effect in accordance with the terms thereof. The Trustee's obligations under this paragraph are subject to the provisions of the last paragraph of Section 7.3 hereof.

SECTION 10.2. Observance and Performance of Covenants, Agreements, Authority and Actions. The Trustee will observe and perform faithfully at all times all covenants, agreements, authority, actions, undertakings, stipulations and provisions to be observed or performed on its part under this Trust Agreement and the Bonds.

The Trustee represents and warrants that:

(a) It is duly authorized to execute and deliver this Trust Agreement and to perform its obligations hereunder in the manner and to the extent set forth in this Trust Agreement.

(b) All actions required on its part to be performed for the execution and delivery of the Bonds and this Trust Agreement have been taken.

ARTICLE XI

AMENDMENTS TO BASE LEASE AND FACILITIES AGREEMENT

SECTION 11.1. Amendments Not Requiring Consent of Holders. Without the consent of or notice to the Holders, the Trustee, as Trustee and as lessor and seller by assignment, may consent to any amendment, change or modification of the Base Lease and the Facilities Agreement as may be required (i) by the provisions of the Base Lease, the Facilities Agreement or this Trust Agreement, (ii) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Base Lease or the Facilities Agreement, (iii) in connection with an amendment or to effect any purpose for which there could be an amendment of this Trust Agreement pursuant to Section 8.2 hereof, (iv) in connection with refinancing, in whole or in part, of the Project Facilities including the issuance of Additional Bonds as provided for herein, or (v) in connection with any other change therein which is not to the prejudice of the Trustee or the Holders. No such consent or notice to the Holders shall be required with respect to any amendment to add to the description of the Real Property any subsequently acquired property that becomes a part thereof or to remove therefrom any property to be deleted under the provisions of the Base Lease or the Facilities Agreement whether by way of release or substitution in accordance with the terms of the Base Lease and the Facilities Agreement.

The foregoing notwithstanding, the Corporation and the County shall have all rights to amend the Base Lease and Facilities Agreement with notice to but without the consent of the Trustee conferred by Section 6.3 of the Base Lease and Section 10.6 of the Facilities Lease.

SECTION 11.2. Amendments Requiring Consent of Holders. Except for the amendments, changes or modification contemplated in Section 11.1 hereof, the Trustee shall not consent to:

(a) Any amendment, change or modification of the Facilities Agreement which would change the amount or time as of which Base Payments are required to be paid without the giving of notice as provided in this Section of the proposed amendment, change or modification and receipt of the written

42

Any meetings of Holders shall be valid without notice, if the Holders of all Outstanding Bonds are present in person or by proxy, or if notice is waived before or after the meeting by the Holders of all Outstanding Bonds who were not so present at the meeting, and if the Corporation, the County and the Trustee are either present by duly authorized representatives or have waived notice, before or after the meeting.

SECTION 12.3. Voting. To be entitled to vote at any meeting of Holders of the Bonds, a Person shall (i) be a Holder of one or more Outstanding Bonds as of the record date for the meeting as determined above, or (ii) be a person appointed by an instrument or document in writing as proxy by a Person who is such a Holder as of the record date for the meeting of one or more Outstanding Bonds. Each Holder or proxy shall be entitled to one vote for each \$5,000 principal amount of Bonds held or represented by it.

The vote upon any resolution submitted to any meeting of Holders shall be by written ballots on which shall be subscribed the signatures of the Holders or their representatives by proxy and the identifying numbers of the Bonds held or represented by them.

The provisions hereof may be modified with respect to any particular series of Bonds to provide that any insurer, surety, guarantor or provider of any credit facility that applies to such series of Bonds or a portion thereof may act in the place and stead of the Holders with respect to consents or action at any meeting of the Holders.

SECTION 12.4. Meetings. Notwithstanding any other provision of this Trust Agreement, the Trustee may make any reasonable regulations which it may deem to be advisable for meetings of Holders, with regard to:

- (a) proof of the holding of Bonds and of the appointment of proxies,
- (b) the appointment and duties of inspectors of votes,
- (c) recodation of the proceedings of those meetings,
- (d) the execution, submission and examination of proxies and other evidence of the right to vote, and
- (e) any other matters concerning the conduct, adjournment or reconvening of meetings which it may think fit.

The Trustee shall appoint a temporary chair of the meeting by an instrument or document in writing, unless the meeting shall have been called by the Corporation or by the Holders, as provided in Section 12.2 hereof, in which case the Corporation or the Holders calling the meeting, as the case may be, shall appoint a temporary chair in like manner. A permanent chair and a permanent secretary of the meeting shall be elected by vote of the Holders of a majority in principal amount of the Bonds represented at the meeting and entitled to vote.

The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at the meeting, any representatives of the Trustee, any representatives of the Corporation, and any representatives of the County, and their respective counsel.

44

SECTION 12.5. Miscellaneous. Nothing contained in this Article XII shall be deemed or construed to authorize or permit any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Holders under any of the provisions of this Trust Agreement or of the Bonds by reason of any call of a meeting of Holders or any rights conferred expressly or impliedly hereunder to make a call.

4655 Salisbury Road, Suite 300
 Jacksonville, Florida 32256
 Attn: Corporate Trust

**ARTICLE XIII
 MISCELLANEOUS**

SECTION 13.1. Limitation of Rights. With the exception of rights conferred expressly in this Trust Agreement, nothing expressed or mentioned in or to be implied from the Base Lease, the Facilities Agreement or the Bonds is intended or shall be construed to give to any Person other than the parties hereto and the Holders of the Bonds any legal or equitable right, remedy, power or claim under or with respect to this Trust Agreement or any covenants, agreements, conditions and provisions contained herein. This Trust Agreement and all of those covenants, agreements, conditions and provisions are intended to be, and are, for the sole and exclusive benefit of the parties hereto, and the Holders of the Bonds as provided herein.

SECTION 13.2. Severability. In case any section or provision of this Trust Agreement, or any covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Trust Agreement, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Trust Agreement or any other covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Trust Agreement, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein.

Any illegality, invalidity or inoperability shall not affect any legal, valid and operable section, provision, covenant, agreement, stipulation, obligation, act, acting, part or application, all of which shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law from time to time.

SECTION 13.3. Notices. Except as provided in Section 7.2 hereof, it shall be sufficient service or giving of any notice, request, complaint, demand or other instrument or document, if it is mailed by first class mail, postage prepaid or is sent via facsimile. Notices to the Corporation, the County and the Trustee shall be addressed as follows:

The Corporation	Florence County Public Facilities Corporation 180 N. Irby Street Florence, SC 29501 Attn: President
The County	Florence County, South Carolina 180 North Irby Street Florence, SC 29501 Attn: County Administrator
The Trustee	The Bank of New York Mellon Trust Company, N.A.

45

Nothing contained herein shall be construed to limit the Trustee to the foregoing proof, and the Trustee may accept any other evidence of the matters stated therein which it deems to be sufficient. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, of the Holder of any Bond shall bind every future Holder of the same Bond, with respect to anything done or suffered to be done by the Corporation or the Trustee pursuant to that writing.

SECTION 13.7. Priority of this Trust Agreement. This Trust Agreement shall be superior to any liens which may be placed upon the Revenues or any Funds (or Accounts therein) created pursuant hereto.

SECTION 13.8. Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of the Trustee contained in this Trust Agreement are and shall be deemed to be covenants, stipulations, obligations and agreements of the Trustee as such to the full extent authorized by law. No covenant, stipulation, obligation or agreement of the Trustee or Corporation contained in this Trust Agreement or any other agreement relating to the Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Trustee or the Corporation in other than that person's official capacity. No official executing the Bonds, this Trust Agreement or any amendment or supplement hereto or thereto or other document relating to the Bonds, shall be liable personally on the Bonds or be subject to any personal liability or accountability by reasons of the issuance or execution hereof or thereof.

SECTION 13.9. Continuing Disclosure. The County has covenanted in the Facilities Agreement to provide information under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("15c2-12"), as an Obligated Person (as defined in 15c2-12).

SECTION 13.10. Binding Effect. This Trust Agreement shall inure to the benefit of and shall be binding upon the Corporation and upon the Trustee, and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 13.11. Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

SECTION 13.12. Governing Law. This Trust Agreement and the Bonds shall be deemed to be contracts made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State, without regard to conflict of law principles.

SECTION 13.13. Limitation of Liability of Corporation. All payments to be made by the Corporation or obligations of the Corporation hereunder are payable solely from the Trust Estate and revenues derived therefrom (other than pursuant to Section 6.3).

[Signatures appear on the following page]

47

Duplicate copies of each notice, request, complaint, demand or other instrument or document given hereunder by the Corporation, the Trustee or the County to one or more of the others also shall be given to the others. The foregoing parties may designate, by notice given hereunder, any further or different addresses to which any subsequent notice, request, complaint, demand or other instrument or document shall be sent.

In connection with any notice mailed pursuant to the provisions of this Trust Agreement, a certificate of the Trustee, the Corporation, the County or the Holders of the Bonds, whichever or whoever mailed that notice, that the notice was so mailed shall be conclusive evidence of the proper mailing of the notice.

SECTION 13.4. Suspension of Mail. If because of the suspension of delivery of first class mail or, for any other reason, the Trustee shall be unable to mail by the required class of mail any notice required to be mailed by the provisions of this Trust Agreement, the Trustee shall give such notice in such other manner as in the judgment of the Trustee shall most effectively approximate mailing thereof, and the giving of that notice in that manner for all purposes of the Facilities Agreement shall be deemed to be in compliance with the requirement for the mailing thereof. Except as otherwise provided herein, the mailing of any notice shall be deemed complete upon deposit of that notice in the mail and the giving of any notice by any other means of delivery shall be deemed complete upon receipt of the notice by the delivery service.

SECTION 13.5. Payments Due on Saturdays, Sundays and Holidays. If any Bond Payment Date or date of maturity of the principal of any Bonds is a Saturday, Sunday or a day on which the Trustee is required or authorized by law (including without limitation, executive orders) to close and is closed or any day that the payment system of the U.S. Federal Reserve is not operational, then payment of interest or principal need not be made by the Trustee on that date, that payment may be made on the next succeeding Business Day on which the Trustee is open for business with the same force and effect as if that payment were made on the Bond Payment Date or date of maturity and no interest shall accrue for the period after that date.

SECTION 13.6. Instruments of Holders. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, required under this Trust Agreement to be executed by any Holder may be in any number of concurrent writings of similar tenor and may be executed by that Holder in person or by an agent or attorney appointed in writing. Proof of (i) the execution of any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, (ii) the execution of any writing appointing any agent or attorney, and (iii) the ownership of Bonds, shall be sufficient for any of the purposes of this Trust Agreement, if made in the following manner, and if so made, shall be conclusive in favor of the Trustee with regard to any action taken thereunder, namely:

(a) The fact and date of the execution by any person of any writing may be proved by the certificate of any officer in any jurisdiction, who has power by law to take acknowledgments within that jurisdiction, that the person signing the writing acknowledged that execution before that officer, or by affidavit of any witness to that execution; and

(b) The fact of ownership of Bonds shall be proved by the Register.

46

IN WITNESS WHEREOF, the Corporation has caused this Trust Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officers, and the Trustee has caused this Trust Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officers all as of the day and year first above written.

WITNESS: FLORENCE COUNTY PUBLIC FACILITIES CORPORATION

By: _____
 President

Attest: _____
 Secretary

WITNESS: THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____

Its: _____

48

EXHIBIT A

[FORM OF BONDS]

Unless this Bond is presented by an authorized representative of the Depository Trust Company ("DTC"), a New York corporation, to the Corporation or its agent for registration or transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Registered No. R-1 \$ _____

FLORENCE COUNTY PUBLIC FACILITIES CORPORATION
INSTALLMENT PURCHASE REVENUE BOND
(FLORENCE COUNTY JUDICIAL CENTER PROJECT)
SERIES 2023

Table with 4 columns: Interest Rate, Maturity Date, Dated Date, CUSIP. Interest Rate is blank, Maturity Date is blank, Dated Date is blank, 2023. Interest Rate is blank, Maturity Date is blank, Dated Date is blank, 2023.

Holder: CEDE & CO.

Principal Amount: _____ DOLLARS

Florence County Public Facilities Corporation (the "Corporation"), a nonprofit corporation organized and existing under the laws of the State of South Carolina (the "State") and a support organization for Florence County, South Carolina (the "County"), for value received hereby acknowledges itself obligated to, and promises to pay, the Holder identified above, or registered assigns, but only out of the sources pledged for that purpose as hereinafter provided, and not otherwise, the principal amount set forth above on the maturity date set forth above, and to pay interest on said sum from the most recent _____ 1 or _____ 1 to which interest has been paid or for which due provision has been made or, if no interest has been paid, from the Dated Date set forth above, at the rate of interest per annum set forth above payable on _____ 1 and _____ 1 (each a "Bond Payment Date") of each year commencing _____ 1, 20____, until the Corporation's obligation with respect to payment of the principal amount is discharged.

Interest is payable to the person in whose name this bond is registered at the close of business on the 15th day of the calendar month next preceding each Bond Payment Date, except that interest not duly paid or provided for when due shall be payable to the person in whose name this bond is registered at the close of business on a special record date to be fixed for the payment of defaulted interest. Such defaulted interest shall be payable to the Holder in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed to the Holders of the Bonds not less than 15 days preceding such special record date. Such notice shall be mailed to the Holder in whose name this bond is registered at the close of business on the fifth day preceding the date of mailing. If the Trustee registers the transfer of this bond subsequent to the mailing of such notice and

A-1

TO MAKE PAYMENT OF THE ACQUISITION PAYMENTS BEYOND THE END OF SUCH FISCAL YEAR.

Counterparts or copies of the Trust Agreement, the Facilities Agreement, the Base Lease and the other documents referred to herein are on file at the principal corporate trust office of the Trustee in Jacksonville, Florida, and reference is hereby made thereto and to the documents referred to therein for the provisions thereof, including the provisions with respect to the rights, obligations, duties and immunities of the Corporation, the County, the Trustee and the Holders of the Bonds under such documents, the security for the Bonds and the conditions under which additional bonds may be issued thereunder to all of which the Holder hereof, by acceptance of this bond, assents.

The Bonds are subject to redemption prior to maturity as provided in the Trust Agreement, as described in the following lettered paragraphs:

(a) In the event the County exercises its option pursuant to the Facilities Agreement to prepay Base Payments, the Series 2023 Bonds maturing on and after _____, 20____, will be redeemed in whole on any date or in part on any Bond Payment Date, on or after _____, 20____, by the Corporation at a redemption price equal to the principal amount of such Series 2023 Bonds to be redeemed plus accrued interest to the redemption date.

(b) In the event the County elects to prepay Acquisition Payments pursuant to the provisions of the Facilities Agreement relating to damage to a portion of the Facilities, a material defect in construction of a portion of the Facilities, condemnation of a portion of the Facilities by an entity other than the County, or a defect in title to a portion of the Facilities, the Series 2023 Bonds will be subject to redemption on the earliest reasonably practicable Bond Payment Date, as selected by the Trustee, at a price equal to 100% of the principal amount of the Series 2023 Bonds so redeemed, without premium, plus accrued interest to the date of redemption.

Notice of redemption shall be given by the Trustee by first class mail, postage prepaid, to the Holders of the Bonds to be redeemed at their addresses appearing on the Register maintained by the Trustee, said mailing to be not less than 30 days, but not more than 60 days, prior to the redemption date. Failure of the Trustee to give any notice of redemption or any defects in such notice shall not affect the validity of the redemption of any other Bonds.

The Holder of this bond shall have no right to enforce the provisions of the Trust Agreement or to institute an action to enforce the covenants thereof, or to take any action with respect to a default hereof, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

For purposes of any vote, consent, objection, direction, request or other action under the Trust Agreement by Holders of a specified amount of the Bonds, a Holder of a Bond will be deemed to hold an amount of Bonds equal to the principal amount thereof.

Upon the occurrence of certain Events of Default (as defined in the Trust Agreement), all Bonds may be declared immediately due and payable and thereupon shall become and be immediately due and payable as provided in the Trust Agreement.

The Bonds are issuable only in fully registered form. Subject to the limitations provided for in the Trust Agreement, this bond may be exchanged for a like aggregate principal amount payable at maturity of Bonds of the same maturity in authorized denominations.

A-3

on or before the special record date, any such notice of payment of defaulted interest shall be binding upon the transferee and a copy of the notice of payment of defaulted interest shall be delivered by the Trustee to the transferee along with the bond or bonds.

Principal of and interest on this bond are payable in lawful money of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts. Payments of interest will be made by check or draft drawn upon The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and mailed to the person entitled thereto. Principal, when due, shall be paid upon surrender of this bond at the principal corporate trust office of the Trustee in Jacksonville, Florida. At the written request addressed to the Trustee of the Holder of Bonds in the aggregate principal amount of at least \$1,000,000, interest and redemptions of principal shall be paid by wire transfer to the bank account number filed not later than the Record Date with the Trustee for such purpose.

The Bonds and the interest thereon are limited obligations of the Corporation, do not and shall not constitute a debt or pledge of the faith and credit of the County but shall constitute a limited obligation of the Corporation and shall be payable solely from the Revenues pledged therefor as defined in the Trust Agreement (hereinafter defined) and are secured by said Trust Agreement. The Bonds and the interest thereon shall never constitute an indebtedness or charge against the general credit or taxing powers of the County within the meaning of any constitutional provision or statutory limitation, but shall be payable solely from the funds provided for in the Trust Agreement.

This bond is one of a series of Bonds of the Corporation limited in aggregate original face amount to \$_____ and designated as Florence County Public Facilities Corporation Installment Purchase Revenue Bonds, (Comprehensive Facilities Improvements) Series 2023 (the "Bonds"), issued under a Trust Agreement, dated as of December 1, 2023 (the "Trust Agreement"), between the Corporation and the Trustee, to provide funds to finance the costs of acquiring, constructing, and installing facilities to be sold by the Corporation to the County pursuant to a Public Facilities Purchase and Occupancy Agreement dated as of December 1, 2023 (the "Facilities Agreement") and used by the County, all by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and statutes of the State of South Carolina, and pursuant to resolutions duly adopted by the Board of Directors of the Corporation. The County Council of the County has also adopted an ordinance approving the issuance of the Bonds by the Corporation. The County has acquired and leased the sites of the facilities to the Corporation under the terms of a Base Lease Agreement dated as of December 1, 2023 (the "Base Lease").

Pursuant to the Trust Agreement the Corporation has granted to the Trustee for the benefit of the owners of the Bonds, a security interest in the trust estate (as described in the Trust Agreement). The trust estate includes the Revenues (as defined in the Trust Agreement) consisting of the Acquisition Payments (as defined in the Trust Agreement) payable by the County under the Facilities Agreement, any other sums arising under the Facilities Agreement, amounts on deposit from time to time in the funds and accounts created pursuant to the Trust Agreement and the investment income therefrom. The Trust Agreement further provides that the Corporation may issue additional bonds secured on a parity with the Bonds by the Trust Estate under the terms and conditions and to the extent described in the Trust Agreement. The County's obligation to pay Acquisition Payments under the Facilities Agreement is subject to annual appropriations and the obligation may be terminated at the end of any fiscal year of the County by an Event of Nonappropriation (as defined in the Facilities Agreement). UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION, THE COUNTY MAY TERMINATE THE FACILITIES AGREEMENT AT THE END OF THE FISCAL YEAR DURING WHICH SUCH EVENT OF NONAPPROPRIATION OCCURS, AND THE COUNTY SHALL NOT BE OBLIGATED

A-2

The Bonds are transferable by the Holder thereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner and subject to the limitations provided for in the Trust Agreement and upon surrender and cancellation of this bond. Upon such transfer a new Bond or Bonds of the same maturity and in authorized denominations for the same aggregate principal amount payable at maturity will be issued to the transferee in exchange.

The Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Trust Agreement in connection with the exchange or transfer. The Trustee need not exchange or register the transfer of a Bond which has been selected for redemption and need not exchange or register the transfer of any Bond for a period of 15 days before a selection of Bonds to be redeemed or before any _____ 1 or _____ 1.

The Corporation, the County, the Trustee and any herein agent may treat the Holder of this bond as the absolute owner for the purpose of receiving payment as herein provided and for all other purposes and none of them shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this bond have existed, have happened and have been performed in due form, time and manner as required by law.

A-4

IN WITNESS WHEREOF, the Corporation has caused this bond to be executed and attested by the manual signatures of its duly authorized officers, and this bond to be authenticated by the manual signature of an authorized representative of the Trustee, without which authentication this bond shall not be valid nor entitled to the benefits of the Trust Agreement.

[FORM OF REQUISITION]

EXHIBIT B

DIRECTION TO MAKE DISBURSEMENT

Requisition No. ____

FLORENCE COUNTY PUBLIC FACILITIES CORPORATION

By: _____
President

Attest: _____
Secretary

The Bank of New York Mellon Trust Company, N.A.

Attention: Corporate Trust Department

Re: \$ _____ Florence County Public Facilities Corporation Installment Purchase Revenue Bonds (Comprehensive Facilities Improvements), Series 2023.

Gentlemen:

As Trustee under the Trust Agreement dated as of December 1, 2023, between you and Florence County Public Facilities Corporation (the "Trust Agreement"), and in accordance with the provisions of Section 5.3 of the Trust Agreement, you are hereby directed to disburse from the Project Fund the sum of \$ _____, payable to the persons and in the amounts and at the addresses set forth in Schedule I attached hereto, said sums being the amounts due for or attributable to the items described in said Schedule I. Included herewith is documentation supporting the payments requested herein.

In this connection, we further certify to you as follows:

- A. The amounts to be paid hereunder (i) are due and payable, (ii) are the costs of the Capital Projects, and (iii) have not been the subject of any previous requisition from the Project Fund.
- B. All representations and warranties of Florence County (the "County") in the Facilities Agreement are true and correct as of the date hereof.
- C. The County is not in default under any provisions of the Facilities Agreement.

Dated this ____ day of _____, 20__.

FLORENCE COUNTY, SOUTH CAROLINA

By: _____
County Representative

TRUSTEE'S AUTHENTICATION CERTIFICATE

The undersigned Trustee hereby certifies that this is one of the Bonds described in the within-mentioned Trust Agreement.

Date of Authentication: _____

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Authorized Signatory

A-5

B-1

[FORM OF REQUISITION FOR ISSUANCE COSTS]

EXHIBIT C

DIRECTION TO MAKE DISBURSEMENT

Issuance Cost Requisition No. ____

The Bank of New York Mellon Trust Company, N.A.

Attention: Corporate Trust Department

Re: \$ _____ Florence County Public Facilities Corporation Installment Purchase Revenue Bonds (Comprehensive Facilities Improvements), Series 2023.

Gentlemen:

As Trustee under the Trust Agreement dated as of December 1, 2023, between you and Florence County Public Facilities Corporation (the "Trust Agreement"), and in accordance with the provisions of Section 5.3 of the Trust Agreement, you are hereby directed to disburse from the Project Fund the sum of \$ _____, payable to the persons and in the amounts and at the addresses set forth in Schedule I attached hereto, said sums being the amounts due for or attributable to the items described in said Schedule I. Included herewith is documentation supporting the payments requested herein.

In this connection, we further certify to you as follows:

- A. The amounts to be paid hereunder (i) are due and payable, (ii) are costs of issuance of the Bonds, and (iii) have not been the subject of any previous requisition from the Project Fund.
- B. All representations and warranties of Florence County Public Facilities Corporation (the "Corporation") in the Trust Agreement are true and correct as of the date hereof.
- C. The Corporation is not in default under any provisions of the Trust Agreement.

Dated this ____ day of _____, 20__.

FLORENCE COUNTY PUBLIC FACILITIES CORPORATION

By: _____
Corporation Representative

Approved:
FLORENCE COUNTY, SOUTH CAROLINA

By: _____
County Representative

C-1

[FORM OF FINAL REQUISITION]

EXHIBIT D

DIRECTION TO MAKE FINAL DISBURSEMENT AND CERTIFICATE OF COMPLETION

Requisition No. ____

The Bank of New York Mellon Trust Company, N.A.

Attention: Corporate Trust Department

Re: \$ _____ Florence County Public Facilities Corporation Installment Purchase Revenue Bonds (Comprehensive Facilities Improvements), Series 2023.

Gentlemen:

As Trustee under the Trust Agreement dated as of December 1, 2023, between you and Florence County Public Facilities Corporation (the "Trust Agreement"), and in accordance with the provisions of Section 5.3 of the Trust Agreement, you are hereby directed to disburse from the Project Fund as the case may be, the total sum of \$ _____, payable to the persons and in the amounts and at the addresses set forth in Schedule I attached hereto, said sum being the total of amounts due for or attributable to the items described in said Schedule I. Said sum represents the final requisition from said Project Fund. Included herewith is documentation supporting the payments requested herein.

In this connection, we further certify to you as follows:

- A. The amounts to be paid hereunder (i) are due and payable, (ii) are for costs of the Capital Projects, and (iii) have not been the subject of any previous requisition from the Project Fund.
- B. All representations and warranties of the County in the Facilities Agreement are true and correct as of the date hereof.
- C. The County is not in default under any provisions of the Facilities Agreement.
- D. The Project Facilities (as defined in the Facilities Agreement) are free and clear of all liens and encumbrances for labor and materials furnished by Florence County Public Facilities Corporation and by all contractors, subcontractors and materialmen retained by the County or by Florence County Public Facilities Corporation for the Capital Projects, and all such contractors, subcontractors and materialmen have been, or upon receipt of amounts being requisitioned herein, will be, paid in full.

We further certify to you that the Capital Projects have been substantially completed in accordance with all Acquisition or Construction Contracts (as defined in the Facilities Agreement) and the terms and conditions of the Facilities Agreement, and that the Capital Projects as completed comply with all applicable governmental regulations.

D-1

Dated this ____ day of _____, 20__.

FLORENCE COUNTY, SOUTH CAROLINA

By: _____
County Representative

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D-2

APPENDIX C

FORM OF BOND COUNSEL OPINION

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December 14, 2023

Florence County, South Carolina
Florence, South Carolina

Florence County Public Facilities Corporation
Florence, South Carolina

Re: \$50,000,000 Installment Purchase Revenue Bonds of Florence County Public Facilities Corporation
(Comprehensive Facilities Improvements) Series 2023

Ladies and Gentlemen:

We have acted at the request of Florence County, South Carolina (the "County") as bond counsel in connection with the issuance and delivery by Florence County Public Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State of South Carolina (the "Issuer"), of its \$50,000,000 Installment Purchase Revenue Bonds (Comprehensive Facilities Improvements) Series 2023, dated December 14, 2023 (the "Series 2023 Bonds"). The Series 2023 Bonds are being issued by the Issuer pursuant to the Constitution and laws of the State of South Carolina and a Trust Agreement dated as of December 1, 2023 (the "Trust Agreement"), by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). All capitalized terms used and not defined herein have the meanings provided for such terms in the Trust Agreement.

The Series 2023 Bonds are being issued for the purpose of providing funds for the acquisition, construction, renovation and expansion of county facilities, and paying the costs of issuance of the Series 2023 Bonds. The Issuer has leased the Real Property on which the Project Facilities are located pursuant to the terms of a Base Lease dated as of December 1, 2023 (the "Base Lease"), between the County, as lessor, and the Issuer, as lessee. The Project Facilities are being sold to the County pursuant to the terms of a Facilities Purchase and Occupancy Agreement dated as of December 1, 2023 (the "Facilities Agreement"), between the Issuer, as seller, and the County, as purchaser.

The Series 2023 Bonds are being issued as fully registered certificates in book-entry only form, numbered from 1 upwards in such fashion as to maintain a proper record thereof, will bear interest payable at the rates and at the times, and will not be subject to redemption prior to maturity, all as provided in the Trust Agreement.

In our capacity as Bond Counsel, we have examined the Constitution and the laws of the State of South Carolina, executed counterparts of the Base Lease, the Facilities Agreement, the Trust Agreement, certain other proofs submitted to us by the County, the Issuer and the Trustee, and such other laws, documents, instruments, proceedings and opinions as we have deemed relevant in rendering the opinions hereinafter expressed. We have also examined an executed Series 2023 Bond.

In such capacity, we have relied upon the opinions of even date herewith of counsel to the Issuer with respect to the execution and delivery of the Base Lease, the Facilities Agreement and the Trust Agreement by and as to the Issuer, and counsel to the County with respect to the execution and delivery of the Base Lease and the Facilities Agreement by and as to the County. Our services as Bond Counsel in connection with the issuance of the Series 2023 Bonds have been limited to rendering the opinions hereinafter expressed based on our review of such proceedings and documents, instruments, proceedings and opinions, as we deem necessary to approve the validity of the Series 2023 Bonds and the tax-exempt status of interest thereon. In rendering the following opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records and certifications, documents and other proceedings.

Based on such examination, and upon such reliance, we are of the opinion, under existing laws, regulations and judicial decisions, that:

1. The Base Lease has been duly authorized, executed and delivered and constitutes a valid and binding obligation of the County and the Issuer enforceable in accordance with its terms.

2. The Facilities Agreement has been duly authorized, executed and delivered and constitutes a valid and binding obligation of the County and the Issuer enforceable in accordance with its terms, provided, however, that the obligations of the County for the payment of Base Payments and Additional Payments under the Facilities Agreement are payable from annually appropriated funds of the County. The continuation of the Facilities Agreement beyond each fiscal year of the County and the County's obligation to pay Base Payments and Additional Payments in each fiscal year are subject to and dependent upon annual appropriations of sufficient funds therefor by the County Council.

3. The Trust Agreement has been duly authorized, executed and delivered and is valid and binding upon the Trustee and the Issuer. All right, title and interest of the Issuer in and to the Trust Estate have been validly pledged and assigned to the Trustee, and the Trust Agreement creates a valid security interest in the Trust Estate.

4. The Series 2023 Bonds have been duly authorized, executed and delivered and constitute the legal, valid and binding special limited obligations of the Issuer, payable by the Issuer solely from the Trust Estate and sources described in the Trust Agreement. The Series 2023 Bonds are entitled to the benefits and security of the Trust Agreement for the payment thereof in accordance with the terms of the Trust Agreement.

5. The County has approved both the Issuer and the issuance of the Series 2023 Bonds by the Issuer.

6. The principal of and interest on the Series 2023 Bonds are not payable from the general funds of the Issuer, nor do they constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of its property or upon any of its income, receipts or revenues, except for Base Payments and Additional Payments paid by the County under the Facilities Agreement and the funds that are pledged under the Trust Agreement. Neither the credit nor the taxing power of the State or any political subdivision thereof, including without limitation the County, is pledged for the payment of the principal of or interest on the Series 2023 Bonds, and no owner of the Series 2023 Bonds has the right to compel the exercise of the taxing power by the State or any political subdivision thereof, including without limitation the County, or the forfeiture of any of its property in connection with any default thereon.

7. The Series 2023 Bonds and the interest thereon are currently exempt from all State, county, municipal, school district and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, in South Carolina except for inheritance, estate or transfer taxes, but the interest thereon may be includable for purposes of certain franchise fees or taxes.

We express no opinion herein as to any other federal or state or local tax consequences to holders of the Series 2023 Bonds, except as discussed above.

It is to be understood that the rights of the owners of the Series 2023 Bonds and the enforceability of the Base Lease, the Facilities Agreement, the Trust Agreement and the Series 2023 Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, now or hereafter in effect, and by equitable principles, whether considered at law or in equity, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We express no opinion herein as to the accuracy, adequacy or completeness of the Preliminary Official Statement or the Official Statement relating to the Series 2023 Bonds.

The opinions expressed above are given as of the date hereof and we assume no obligation to update, revise or supplement such opinions to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX D

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “**Disclosure Agreement**”), dated as of December 14, 2023, is executed and delivered by Florence County, South Carolina (the “**County**”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “**Disclosure Dissemination Agent**” or “**DAC**”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “**Rule**”). Pursuant to the Public Facilities Purchase and Occupancy Agreement dated as of December 1, 2023, by and between the County and the Florence County Public Facilities Corporation (the “**Issuer**”), the County has covenanted to provide the information required by the Rule as an Obligated Person (as defined in the Rule) in connection with the issuance of the Issuer’s Installment Purchase Revenue Bonds (Comprehensive Facilities Improvements) Series 2023.

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Act**”). DAC will not provide any advice or recommendation to the County or the Issuer or anyone on the County’s or Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“**Annual Filing Date**” means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“**Annual Financial Information**” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“**Annual Report**” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“**Audited Financial Statements**” means the annual financial statements of the County for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“**Bonds**” means the Series 2023 Bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“**Certification**” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the County and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“**Disclosure Dissemination Agent**” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the County pursuant to Section 9 hereof.

“Disclosure Representative” means the Florence County Administrator or his or her designee, or such other person as the County shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the County’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” as used in this Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the County, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities) as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds, as listed in Exhibit A.

“Trustee” means the institution, if any, identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The County shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than the 31st day of January following the end of each fiscal year of the County, commencing with the fiscal year ending June 30, 2023. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the County will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the County irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the County are prepared but not available prior to the Annual Filing Date, the County shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, if any, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the County pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 1. "Principal and interest payment delinquencies;"
 2. "Non-Payment related defaults, if material;"
 3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"

4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”
 5. “Substitution of credit or liquidity providers, or their failure to perform;”
 6. “Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;”
 7. “Modifications to rights of securities holders, if material;”
 8. “Bond calls, if material;”
 9. “Defeasances;”
 10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
 11. “Rating changes;”
 12. “Tender offers;”
 13. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
 14. “The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;”
 15. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”
 16. “Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;” and
 17. “Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the County pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”

2. “change in obligated person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service;” other than those communications included in the Rule;
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;” and
10. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the County pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and
9. “other financial/operating data.”

(viii) provide the County evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The County may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination

Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

Each Annual Report shall contain Annual Financial Information with respect to the County, including the financial and statistical information provided in the Official Statement under the headings: “FINANCIAL AND TAX INFORMATION – Five Year Summary of General Fund Operations,” “– Summary of General Fund Budget,” “CERTAIN FISCAL MATTERS – Millage History,” “– Tax Year 2022 Market Value/Assessment Summary of the County” (applicable Tax Year-only); “– Tax Collections in the County” and “– Ten Largest Taxpayers” and “DEBT STRUCTURE – Legal Debt Limit of the County,” “– Outstanding Debt,” “– Composite General Obligation Bond Debt Service of the County,” “– Capital Leases and Other Debt,” and “– Installment Purchase Revenue Bonds.”

Audited Financial Statements as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then unaudited financial statements, prepared in accordance with Generally Accepted Accounting Principles as described in the Official Statement will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the County is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County will clearly identify each such document so incorporated by reference.

The County will reserve the right to modify from time to time the specific type of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that the County will agree that any such modification will be done in a manner consistent with the Rule.

SECTION 4. Reporting of Notice Events.

- (a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:
1. Principal and interest payment delinquencies;
 2. Non-payment related defaults, if material;
 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
 5. Substitution of credit or liquidity providers, or their failure to perform;
 6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 7. Modifications to rights of Bond holders, if material;
 8. Bond calls, if material;
 9. Defeasances;
 10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;
12. Tender offers;
13. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

14. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
16. Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
17. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The County shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the County desires to make, contain the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and identify the date the County desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the County or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the County determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the County desires to make, contain the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and

identify the date the County desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the County as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The County will provide the Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The County acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the County, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The County acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The County may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the County desires to make, contain the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and identify the date the County desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The County may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the County desires to make, contain the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and identify the date the County desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the County as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the County is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future

Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the County and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the County is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The County has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The County may, upon thirty days' written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the County or DAC, the County agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the County shall remain liable to the Disclosure Dissemination Agent until payment in full, for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the County.

SECTION 10. Remedies in Event of Default. In the event of a failure of the County or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the County has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the County and shall not be deemed to be acting in any fiduciary capacity for the County, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the County's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the County has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the County at all times.

The obligations of the County under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the County.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the County and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the County and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the County nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days' written notice of the intent to do so together with a copy of the proposed amendment to the County. No such amendment shall become effective if the County shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Trustee, if any, of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the County have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

FLORENCE COUNTY, SOUTH CAROLINA

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: Florence County Public Facilities Corporation
Obligated Person(s): Florence County, South Carolina
Name of Bond Issue: \$50,000,000 Installment Purchase Revenue Bonds (Comprehensive Facilities
Improvements) Series 2023
Date of Issuance: December 14, 2023
Date of Official Statement: November 30, 2023

CUSIP Numbers:

June 1
2028

CUSIP
340134BG9

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Florence County Public Facilities Corporation
Obligated Person(s): Florence County, South Carolina
Name of Bond Issue: \$50,000,000 Installment Purchase Revenue Bonds (Comprehensive Facilities
Improvements) Series 2023
Date of Issuance: December 14, 2023

CUSIP Numbers:

<u>June 1</u>	<u>CUSIP</u>
2028	340134BG9

NOTICE IS HEREBY GIVEN that the County has not provided an Annual Report with respect to the above named Bonds as required by the Disclosure Agreement between the County and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The County has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Issuer

cc: Issuer
Obligated Person(s)

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" may be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Tender offers;"
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;"
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
16. _____ "Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;" and
17. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the County or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of December 14, 2023 between the County and DAC.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;"
10. _____ "derivative or other similar transaction;" and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by the County or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date:

**EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of December 14, 2023 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Financial Disclosure (Check One):

1. _____ "quarterly/monthly financial information;"
2. _____ "change in fiscal year/timing of annual disclosure"
3. _____ "change in accounting standard;"
4. _____ "interim/additional financial information/operating data;"
5. _____ "budget;"
6. _____ "investment/debt/financial policy;"
7. _____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. _____ "consultant reports;" and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the County or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date:

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