

Lancaster
County
South Carolina

Annual Comprehensive Financial Report



For the Fiscal Year Ended
June 30, 2021

Lancaster County, South Carolina

LANCASTER COUNTY, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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LANCASTER COUNTY, SOUTH CAROLINA

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LANCASTER COUNTY, SOUTH CAROLINA

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INTRODUCTORY SECTION



December 28, 2021

To the Chairman, Members of County Council, and Citizens of Lancaster County:

In compliance with South Carolina Code of Laws *Section 4-9-150*, we hereby issue the Annual Comprehensive Financial Report (ACFR) of Lancaster County, South Carolina, for the fiscal year ended June 30, 2021. Management assumes full responsibility for the completeness and reliability of all the information presented. To provide a reasonable basis for making these assertions, management has established an internal control structure designed to protect the county's assets from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The county's internal control structure has been designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. As management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The certified public accounting firm of Mauldin & Jenkins, LLC audited the financial statements of Lancaster County. The independent audit involved examining, on a test basis, the following: evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded that there was reasonable basis for rendering an unmodified opinion on the County's financial statement for the year ended June 30, 2021. The independent auditor's report is included at the beginning of the financial section of this report.

In addition to meeting the state statutory requirements, the audit of the financial statements was designed to meet the federally mandated requirements of the Single Audit Act, as amended by the Single Audit Act of 1996, and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County's internal controls and compliance with legal requirements applicable to the administration of federal grants. The independent auditor's reports related specifically to the Single Audit are included in the Single Audit section.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A), which immediately follows the report of the independent auditor in the financial section. Generally Accepted Accounting Principles

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(GAAP) require that management provide the MD&A, which is a narrative introduction, overview, and analysis of the accompanying basic financial statements.

Profile of the Government



Lancaster County, South Carolina is located in the Piedmont region of the State and is bounded on the west by the Catawba River and Sugar Creek, on the east by Lynches River, on the South by Kershaw County, and on the north by Mecklenburg and Union counties of North Carolina. The County is conveniently located within three hours to the beach and mountains. Lancaster County's quality of life and low taxes makes it an ideal place to live. The mission of Lancaster County government is to continuously strive to provide progressive quality public services in a timely fashion and in a cost-effective manner. The County is one of the fastest growing counties in South Carolina. With a 2020 census population of 96,016, Lancaster County was established in 1785. The City of Lancaster, the county seat, is located 37 miles south of Charlotte, North Carolina and 60 miles north of Columbia, South Carolina, the state capital. Including the City of Lancaster, there are four incorporated municipalities: Kershaw, Heath Springs and Van Wyck. In the northernmost part of the county is also Indian Land, a thriving urban unincorporated community.

Lancaster County operates under the Council-Administrator form of government. County Council, the governing body, is comprised of seven single member districts. Council members, who are elected on a partisan basis, serve four-year terms. The council bi-annually elects members to serve as Chairman, Vice-Chairman, and Secretary. County Council is responsible for adopting ordinances, adopting the county budget, establishing fees, and appointing the County Administrator. The County Administrator is responsible for the day-to-day operations of the government with the assistance of the Deputy County Administrator and senior leadership.

The County provides a number of services primarily to its unincorporated areas such as: law enforcement, fire protection, solid waste management, and roads & bridges. Stormwater management services, funded by a special fee, are provided in areas north of Hwy 5. The County also provides a variety of administrative services which include: voter registration, tax assessment & collection, parks & recreation, and health & welfare.

Lancaster County government strives to maintain financial integrity and accountability in budgetary, fiscal, and internal controls. The objective of these controls is to ensure compliance with legal provisions contained in the annual budget approved by County Council and ensure fiscal accountability to its citizens. The County has won numerous awards for its annual financial report and budget.

Budgeting is an essential element of the financial planning, control, and evaluation process of the County. The annual budget process begins with the budget staff receiving requests from departments and agencies on behalf of the County Administrator. Meetings are held with senior leadership, Deputy County Administrator and the County Administrator. On the basis of the administrator's recommendations, the budget staff prepares a draft budget. The draft budget is prepared by fund and department. The recommended budget is presented in multiple workshops

for full Council to review. The Council then holds three readings, a public hearing and adopts the budget no later than June 30. The legal level of budgetary control is the fund level.

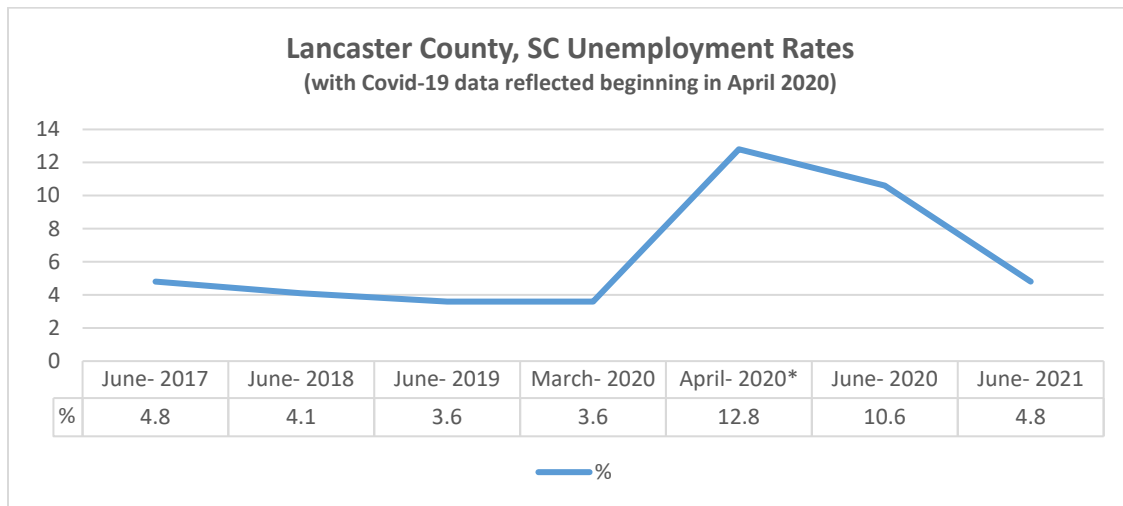
Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 71-72 as part of the required supplementary information. Special revenue & capital fund budget-to-actual comparisons are presented on pages 85-96. For the debt service fund, the comparison is presented on page 94.

Local Economy

Workforce and Industries

The County, once dependent upon manufacturing, has developed a diverse industry portfolio to include retail and headquarters of technical & professional industries. According to the South Carolina Department of Employment and Workforce, employment in the retail trade was highest in the first quarter of calendar year 2021. Health care & social assistance was the second highest during this period and manufacturing third. There were 41,169 employed and 2,063 recorded as unemployed as of June 2021.

The County’s unemployment rate was 4.8% at June 2021, close to pre-pandemic levels. The five-year trend for unemployment is shown in the table below, along with data reflecting the beginning of the economic downturn due to the pandemic.



Source: Bureau of Labor Statistics

Despite the pandemic, economic development announced several new investments and potential job creations. According to the South Carolina Department of Commerce, the County announced \$60,350,000 of investments and 130 jobs during the fiscal year. A few include:

- **Studio Displays**, a manufacturer of custom exhibits, announced a \$7.1 million-dollar investment which includes a new 82,000 square-foot facility;
- **Continental Tire the Americas**, announced plans for a \$20 million-dollar expansion which will include a new 88,000 square-foot building to be completed by mid-2022;

- **Unique Loom**, a global online retailer of area rugs and home décor, announced a \$18.4 million investment to expand its operations, with includes the construction of a 234,000 square-foot building;
- **Silgan Containers**, a manufacturer of metal food packaging announced expansion with a \$9.7 million investment.

Some of the major employers of the County include:

- **Adornus Cabinetry**, a leading manufacturer and distributor of kitchen cabinets and bathroom vanities;
- **CompuCom Systems**, a leader in information technology managed services;
- **Continental Tire headquarters**, one of the leading automotive tire suppliers worldwide;
- **Haile Gold Mine (OceanaGold Corporation)**, is located in the southern portion of the county and is the largest gold mining operation on the East Coast;
- **Keer America**, a textile manufacturer;
- **Medical University of South Carolina Lancaster Medical Center**, a 225-bed hospital;
- **Movement Mortgage**, a mortgage financing corporation with a headquarters of 104,000 square-feet;
- **Nutramax Labs, Inc.**, a manufacturer of animal health supplements;
- **Red Ventures**, an internet marketing and sales company. The campus includes a sales center, 6-story office tower, and a learning & development center;
- **ServiceMac**, a mortgage servicing company.

ADORNUS



RED VENTURES

Tax Abatements

The County offers industries tax incentives or tax abatements in the form of special source revenue credits and other methods approved under state law. The abatement information for the County can be found in the notes on page 69. A cost-benefit analysis is performed by County Economic Development and presented to Council for consideration when reviewing a potential project. The analysis includes information such as job types, average wages, and the economic impact created by the industry. The economic development staff is responsible for monitoring and compliance. The industries are also required to file annual reports with the State.

Housing and Commercial Markets

The County's proximity to the Charlotte region, along with taxes, has created a market for tremendous growth since 2007. The permit values were \$528,632,107 for residential and \$166,197,612 commercial during fiscal year 2021. This represented an 18% increase from the prior year and most permits were issued for the Indian Land region.

The County is experiencing growth in shopping and dining options in the Indian Land area. The Promenade and RedStone are the two largest retail developments in the County. The Promenade includes about 300,000 square-feet of retail space, with additional phases in the near future. RedStone, adjacent to the Red Ventures campus, is a 310,000 square-foot retail center which includes a 55,400 square-foot movie theatre. Phase II includes an additional 125,000 square-feet of retail space along with greenspace for outdoor events.

Higher Education

The University of South Carolina Lancaster (USCL) is an accredited two-year public university, which also provides for the completion of selected Bachelor's degrees through a partnership with USC Palmetto College. The university, established in 1959, is a regional campus of the University of South Carolina. USCL's enrollment is estimated to be 1,800 students. The university occupies a 150-acre campus and also a satellite site in Indian Land. The County has appropriated \$1-million dollars from its third capital project sales tax to defray the cost of constructing a new health education facility. This facility will support an expansion of the existing nursing program.

Long-term Financial Planning

The County approved its Capital Improvement Program (CIP) during fiscal year 2021. The CIP will be updated at regular intervals and correspond with the annual budget process. Among a number of capital needs funded by fund balance and/or bonds, the CIP includes public safety and recreation projects funded by Impact Fees. The fee was enacted in fiscal year 2021, with collections beginning in fiscal year 2022. Collections will occur with building permits, on new construction in the northern portion of the county, to help defray the cost of providing public facilities caused by growth.

The County has a fund balance reserve policy in place, as stated below. The goal is to strategically earmark the amounts above the threshold to address the CIP and other infrastructure needs.

Relevant financial policies

The County's financial policies were created with the general purpose of enabling the County to achieve a long-term stable and positive financial condition. Below are some of the relevant financial policies:

- Maintain a diversified and stable revenue system to protect itself from short-run fluctuations;
- One-time or non-recurring revenues will not be used to fund current ongoing operations or for budget balancing purposes;
- Maintain a General Fund unassigned fund balance at a level of 28-32 percent of the general fund operating budget;
- The County's cash flow shall be managed to maximize the cash available to invest;
- The County Treasurer or designee shall minimize market risk while maintaining the highest possible yield;
- Conserve and protect the County's resources from accidents and loss exposures.

Major Initiatives

The County held a referendum in November 2020 which approved the re-imposition of the Capital Project Sales Tax (CPST). The CPST is a one percent sales tax allowed by state law and the collection time is seven years. This is the County's third CPST and is effective May 2022. A CPST committee was created with members appointed by the county and local municipalities. The public was given an opportunity to engage and applicant presentations were held. The committee approved projects totaling \$68,092,276. Partially funding the construction of a new detention center, was the main project. The remaining thirteen projects total \$37,958,476.

Awards and Acknowledgements

The County received its ninth Distinguished Budget Presentation Award for the annual budget for fiscal year beginning July 1, 2020. This award signifies that the County prepares a budget document of the highest quality and is used as an operations guide, financial plan, and as a communication device. The award is valid for one year only and the County has submitted its fiscal year beginning July 1, 2021 budget for award consideration.

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Lancaster County for its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2020. This is the twenty-second consecutive year the County has received this award. In order to be awarded a Certificate of Achievement, Lancaster County published an easily readable and efficiently organized ACFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

The preparation of the ACFR would not have been possible without the valuable teamwork and dedication of the Lancaster County Finance staff. Moreover, the support and leadership of the County Council has been instrumental in the development of this report. We would also like to thank the accounting firm of Mauldin & Jenkins, LLC for their assistance with this project.

Respectfully submitted,



Veronica C. Thompson
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Lancaster
South Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Citizens of Lancaster County, South Carolina

Lancaster County Council

Elected Officials

S.C. Legislative Delegation Appointments

Boards & Commissions

- Accommodations Tax
- Airport Advisory
- Assessment Appeals
- Community Relations
- Construction Appeals
- Economic Dev. Advisory Bd.
- Fire Appeals
- Fire Commission *
- Forfeited Land Commission
- Health & Wellness
- Historical Commission
- Library Board *
- Parks & Rec. Advisory Comm.
- Planning Commission
- Stormwater Advisory
- Trails Advisory
- Zoning Appeals

Administrator / Deputy Administrator

Development Services Division (Director)	General Services Division	Financial Services Division (CFO)	Public Services Division (Director)	Public Safety Division	Judicial Services Division (Clerk of Court)
<ul style="list-style-type: none"> • Building Inspections • Planning & Zoning • Stormwater/Engineering 	<ul style="list-style-type: none"> • GIS • Human Resources • Information Technology • Parks & Recreation • Procurement • Risk Management 	<ul style="list-style-type: none"> • Assessor • Delinquent Tax Collector/Records • Finance Department • Register of Deeds • Liaison with: <ul style="list-style-type: none"> ○ Auditor ○ Treasurer 	<ul style="list-style-type: none"> • Airport • Animal Shelter • Building Maintenance • Fleet Maintenance • Project/ Facilities Mgmt. • Roads & Bridges • Solid Waste • Liaison with: <ul style="list-style-type: none"> ○ Transportation 	<ul style="list-style-type: none"> • EMD / Fire • Emergency Medical Services • Public Safety Communications 	<ul style="list-style-type: none"> • Liaison with: <ul style="list-style-type: none"> ○ Circuit Court ○ Family Court ○ Probate Court ○ Magistrate's Court ○ Public Defender ○ Solicitor ○ Juvenile Justice ○ Probation, Parole & Pardon

Liaison with: Clemson Extension, Coroner, Election/ Voter Registration, Health Department, Library, Sheriff, Social Services, Soil & Water, Veterans Affairs

SC State Agencies: Clemson Extension, Health Department, Probation, Parole & Pardon, Public Defender, Social Services, Soil & Water Conservation

Auditor *

Clerk of Court *

Coroner *

Probate Judge *

Sheriff *

Solicitor *

Treasurer *

- Election Commission *
- Voter Registration *
- Magistrate's Court *
- Transportation Committee
- Veteran's Officer *

* Council has partial budgetary and/or policy authority

LANCASTER COUNTY, SOUTH CAROLINA

PRINCIPAL COUNTY OFFICIALS JUNE 30, 2021

MEMBERS OF COUNTY COUNCIL



Terry Graham, District 1, Member
Charlene McGriff, District 2, Member
Billy Mosteller, District 3, Secretary
Larry Honeycutt, District 4, Member
Steve Harper, District 5, Chair
Allen Blackmon, District 6, Member
Brian Carnes, District 7, Vice Chair

Seated: *Carnes, Harper, Mosteller*

Standing: Blackmon, Honeycutt, McGriff, Graham

ELECTED OFFICIALS

Suzette Murphy, Auditor
Jeff Hammond, Clerk of Court
Karla Deese, Coroner
Dee Studebaker, Probate Judge
Barry Faile, Sheriff
Carrie Helms, Treasurer

ADMINISTRATIVE OFFICIALS

Steve Willis, County Administrator
Kimberly Belk, Interim-Deputy County Administrator
John K. Dubose, III, County Attorney
Veronica C. Thompson, Chief Financial Officer
Sherrie Simpson, Clerk to Council

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Lancaster County Council
of Lancaster County
Lancaster, South Carolina**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Lancaster County, South Carolina** (the "County"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Lancaster County, South Carolina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lancaster County, South Carolina as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13, Lancaster County, South Carolina implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, as of July 1, 2020. This standard significantly changed the accounting for Lancaster County, South Carolina's fiduciary activities. Our opinions are not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 14), the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund (on pages 71 and 72), the Schedule of Changes in the County's Total OPEB Liability and Related Ratios (on page 73), the Schedules of the Proportionate Share of the Net Pension Liability (on page 74), and the Schedules of Contributions (on pages 75 and 76) 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lancaster County, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) is presented for purposes of additional analysis as required by the State of South Carolina and is not a required part of the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2021, on our consideration of Lancaster County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Lancaster County, South Carolina's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 28, 2021

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2021

As management of Lancaster County, South Carolina (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal on pages i-vi and the County's financial statements.

Financial Highlights

- Lancaster County's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of June 30, 2021 by \$135,462,841 for governmental and business-type activities as reflected in the Statement of Net Position.
- A positive increase in net position of \$20,619,846 was reported.
- At the close of the fiscal year, the County's combined governmental funds reported ending fund balances of \$100,294,867, an increase of \$2,632,752 from the prior year.
- Total Unassigned Fund Balance for the Governmental Funds was \$39,311,581.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

The *statement of activities* presents information on how the County's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid. The focus of the statement of activities is on the net cost of activities provided by the County.

The government-wide financial statements includes information about the County (known as the primary government), which is mainly supported by taxes and charges for services. The County Airport (Enterprise Fund) is also reflected, which is supported by fees, charges, and the primary government.

The government-wide financial statements can be found on pages 15-16 of this report.

Fund financial statements

The fund financial statements provide more detailed information about the County's most significant funds. A fund is a grouping of related accounts used to maintain control over resources which have been segregated for specific activities or objectives. Lancaster County, like other state and local governments, utilizes 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, proprietary, and fiduciary.

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Governmental funds

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

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

The County maintains twenty-four individual governmental funds. The General Fund accounts for all financial resources except those required to be accounted for in another fund. Major Funds, other than the General Fund, include:

- The Capital Projects Sales Tax 2 Fund, accounts for 1 cent sales tax approved by a referendum in November 2020. Activity for the current fiscal year include road & library improvements;
- The General Obligation Bond Projects Fund which accounts for a \$19.9M mixed debt used for debt refunding, animal shelter and recreation projects;
- The Debt Service Fund.

The County's remaining twenty funds, (6) capital projects funds and (14) special revenue funds, are presented as non-major funds.

With the exception of the restricted grant fund, Lancaster County annually adopts an appropriated budget for its general, debt service and special revenue funds. Project length budgets are adopted for the capital projects fund. Budgetary comparison statements have been provided for the General Fund as required supplementary information. The OPEB and Pension Liability schedules are also required supplementary information. Budgetary comparisons for the debt service, capital projects, and special revenue funds, are included as other supplementary information.

The governmental fund financial statements can be found on pages 17-20 of this report.

Proprietary Funds

Proprietary funds are used to account the same functions presented as business-like transactions of the government. The types of proprietary funds are enterprise and internal service. The County maintains one enterprise fund used to account for the Airport operations.

The proprietary fund financials can be found on pages 21-23 of this report.

Fiduciary funds

Fiduciary funds account for resources held by the County for the benefit of other parties. The resources of fiduciary funds are not available to support the County's programs and are therefore excluded from the government-wide financial statements. There are four types of fiduciary funds: pension and other employee benefit trust funds, investment trust funds, private purpose trust funds and custodial funds. The County only reports custodial funds.

The fiduciary financial statements can be found beginning on pages 24-25 of this report.

Notes to the financial statements

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

The notes to the financial statements begin on page 26.

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Other information

In addition to the basic financial statements and accompanying notes, this report presents the previously mentioned budgetary comparisons for the general fund, special revenue and capital projects funds. Combining and Individual statements and also, schedules for nonmajor funds are presented. Pension and other post-employment benefits (OPEB) funding obligations are also included as supplementary information. Included are also a schedule required by state law applicable to expenditures on behalf of victims of crime and financial trends information.

The supplementary information begins on page 71.

Government-wide Financial Analysis

As noted earlier, the statement of net position over time may serve as an indicator of its financial position. In the case of Lancaster County, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$135,462,841 at June 30, 2021.

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

Lancaster County's Net position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Assets						
Current and other assets	\$116,244,622	\$111,114,612	\$ (105,571)	\$ (74,420)	\$116,139,051	\$111,040,192
Capital assets	111,812,164	98,572,275	7,090,299	6,610,928	118,902,463	105,183,203
Total assets	228,056,786	209,686,887	6,984,728	6,536,508	235,041,514	216,223,395
Deferred Outflows of Resources	13,795,513	9,414,377	24,163	17,179	13,819,676	9,431,556
Liabilities						
Long-term liabilities	103,134,246	101,879,660	118,351	133,070	103,267,316	101,998,011
Other liabilities	9,650,035	8,157,606	85,393	17,100	9,735,428	8,174,706
Total liabilities	112,784,281	110,037,266	218,463	\$135,451	113,002,744	110,172,717
Deferred Inflows of Resources	395,081	638,084	524	395,605	395,605	639,239
Net position:						
Net investment in capital assets	90,773,584	73,911,732	7,090,299	6,610,928	97,863,883	80,522,660
Restricted	38,876,125	33,112,801	-	-	38,876,125	33,112,801
Unrestricted	(976,772)	1,401,381	(300,395)	(193,847)	(1,277,167)	1,207,534
Total net position	\$128,672,937	\$108,425,914	\$6,789,904	\$6,417,081	\$135,462,841	\$114,842,995

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The largest portion (72%) of Lancaster County's **net position** reflects **net investment in capital assets** less any outstanding debt used to acquire those assets. These assets play an integral part in providing services to its residents. The **restricted** portion represents resources that are subject to external restrictions on their use such as funds for property tax reduction, general obligations bond proceeds, and capital projects sales tax 2. The increase in restricted net position is attributed an increase in hospitality tax revenue which will be used to fund a future sports complex. Debt service funds restricted also increased from prior year and will be used for subsequent year's debt payments. The increase in the **current and other assets** includes the Hospitality Tax which increased due to the growth of food establishment in the County. The assets of the stormwater fund also increase and will be used for major infrastructure & maintenance projects in the subsequent year. The **capital assets** of the government increased due to a number of construction projects, such improvements to the libraries and animal shelter, which were completed this fiscal year. **Long-term liabilities** increase partially due to the issuance of a bond anticipation note for the Reid Pointe development road repairs payable by the residents of the district. **Net investment in capital assets** increased due to an increase in net assets and a reduction of debt used to acquire the assets. The capital assets are discussed later in the report. At the close of fiscal year, the County's overall net position increased by \$20,619,846.

Governmental Activities. As stated before, the County's activities increased the net position \$20,619,846 from the prior year.

Key elements of the change include:

- **Total revenues** increased for all of the government's activities by \$6,127,709 for the fiscal year. General revenue sources such as property taxes attributed to the increase. The County's population continues to grow and a millage increase was not planned for this fiscal year. There was a \$2.6M increase in the General Fund property tax category which included ad valorem and local option sales tax. Also, a small increase for the Capital Improvement Fund which provides equipment to address the growth. Other taxes & licenses increased due a \$311,114 growth in road fee collections and a \$2,788,318 increase in capital projects sales tax revenue. *Charges for Services* grew \$1,627,429, mainly via building permit revenue and register of deeds collections.

Investment Earnings decreased throughout all cash accounts. The County has been experiencing interest income declines since the pandemic.

- **Total expenses** increased by \$4,600,216 for all governmental activities compared to the prior year. There were significant increases public health, culture & recreation, and public works. *Public Health* due to a newly renovated EMS headquarters paid with bond funds. *Public Works* expense increased from prior year mainly due to road projects including one major road in Indian Land reported in the CTC Fund and pavement preservation in the General Fund. Road improvements were also performed in Reid Pointe, paid with a bond issue and CTC funds.

Public safety and law enforcement decreased due to the purchase of self-contained breathing apparatus, \$2,649,823 in the prior fiscal year in the General Fund.

Business-type Activities. Business-type activities (Airport) net position increased by \$372,823 compared to the prior year. The Airport added assets (apron rehabilitation) paid with an FAA grant.

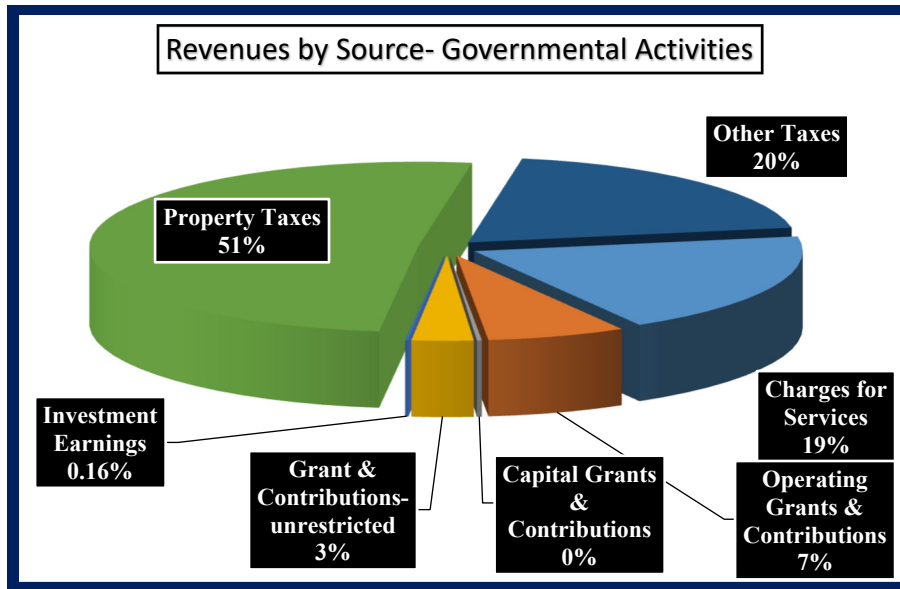
LANCASTER COUNTY, SOUTH CAROLINA
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The table below summarizes the changes in net position for the County for the year ended June 30, 2021:

Lancaster County's Changes in Net Position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Revenues:						
Program Revenues:						
Charges for services	\$19,980,747	\$17,233,758	\$180,551	\$199,758	\$20,161,298	\$17,433,516
Operating grants & contributions	7,027,593	5,070,517	-	-	7,027,593	5,070,517
Capital grants & contributions	249,204	3,331,129	778,646	18,478	1,027,850	3,349,607
General Revenues:						
Property taxes	52,256,106	50,027,001	-	-	52,256,106	50,027,001
Other taxes & licenses	20,169,722	16,721,546	-	-	20,169,722	16,721,546
Unrestricted grants & contributions	3,119,897	3,113,058	-	-	3,119,897	3,113,058
Unrestricted investment earnings	164,055	1,342,606	-	-	164,055	1,342,606
Other	-	-	-	-	-	-
Total revenues	102,967,324	96,839,615	959,197	218,236	103,926,521	97,057,851
Expenses:						
General government	20,581,760	20,570,980	-	-	20,581,760	20,570,980
Administration of justice	3,288,860	3,276,767	-	-	3,228,860	3,276,767
Public safety and law enforcement	28,658,281	30,033,078	-	-	28,658,281	30,033,078
Public works	13,257,472	11,870,816	-	-	13,257,472	11,870,816
Public health & welfare	9,419,576	6,557,657	-	-	9,419,576	6,557,657
Economic development	1,666,221	1,052,336	-	-	1,666,221	1,052,336
Culture & recreation	4,692,437	3,571,010	-	-	4,692,437	3,571,010
Interest on long-term debt	1,076,764	1,108,511	-	-	1,076,764	1,108,511
Airport	-	-	665,304	655,519	665,304	655,519
Total expenses	82,641,371	78,041,155	665,304	655,519	83,306,675	78,696,674
Increase (Decrease) in net position before Transfers	20,325,953	18,798,460	293,893	(437,283)	20,619,846	18,361,177
Transfers	(78,930)	(74,630)	78,930	74,630	-	-
Increase (Decrease) in net position	20,247,023	18,723,830	372,823	(362,653)	20,619,846	18,361,177
Net position- beginning of year (restated)	108,425,914	89,702,084	6,417,081	6,779,734	114,842,995	96,481,818
Net position- end of year	\$128,672,937	\$108,425,914	\$6,789,904	\$6,417,081	\$135,462,841	\$114,842,995

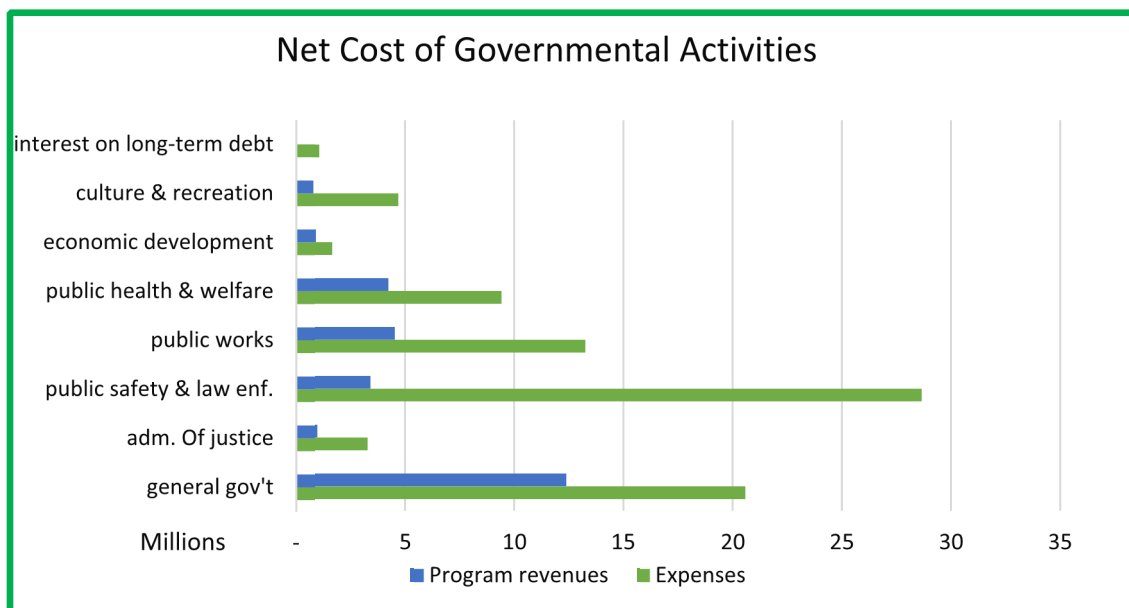
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The pie chart below depicts the percentages of revenues by source for the County's governmental activities:



As illustrated in the pie chart above, **Property Taxes (51%)** are the government's main source of revenue. This category includes taxes collected for general fund, debt service, court security, and capital improvement. **Charges for services**, another major source (19%), include: Stormwater management, EMS charges, & building permit fees. **Investment earnings** represent the least source of general revenue. **Other taxes (20%)** reflect revenue from road improvement fees, hospitality taxes, and capital projects sales tax 2 (CPST2).

The chart below represents the cost of governmental activities in comparison to the program revenues that support them (net cost of governmental activities):



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The net cost of **Public Safety** was the highest for the government even though there are a number of grants to supplement the programs. This category includes the Indian Land & Pleasant Valley Fire Districts which are funded by fire fees (\$1,610,364). **General Government** expense was the second largest net expense after receiving \$10,827,479 in charges for services which include: deed fees (\$2,167,184), building permits (\$6,099,989), and franchise fees (\$625,679). **Public Works** activity is the third largest net expense for the government. The stormwater management special revenue fund and CTC funds are included in this category. The stormwater fund is supported by fees and CTC fund is supported by a state gasoline tax.

Financial Analysis of the County's Funds

As noted earlier, Lancaster County's fund accounting ensures and demonstrates compliance with finance-related legal requirements. 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 spending at the end of the fiscal year.

At June 30, 2021, the sum of all the County's governmental funds fund balances totaled \$100,294,867 with \$39,311,581 classified as unassigned. The **General Fund** is the major governmental fund of the County. At the end of the fiscal year, the general fund reported an unassigned fund balance of \$39,617,495 compared to \$31,432,427 the prior year. Taxes account for 65% of the general fund revenues. Property tax collections increased due to growth in assessed values and local option sales tax revenue. Building permit collections also increased due to residential and commercial growth. The permits have been a key factor in the growth of the County's reserves over the years. The general fund balance increased by \$7,012,791. The County continues to maintain a healthy fund balance due to conservatively estimating revenues and controlled spending. There were also a number of vacancies and projects carried forward, as explained in the *general budgetary highlights* below, which contributed to the fund balance increase.

The **Capital Projects Sales Tax 2 Fund (CPST)**, also a major fund, reports the County's second CPST approved by the voters in November 2020. The fund balance decreased by \$2,942,746 mainly due to road improvements and library system improvements totaling \$13,635,086. There was also \$3,776,250 transferred to the debt service fund. Fund balance accumulates to fund the "pay go" projects and ensure debt payments are made for projects approved by the voters. The County's **Debt Service Fund**, which reports general obligation debt, is also reported as a major fund. The fund balance for this fund decreased by \$806,689. The **Bond Projects Fund** accounts for the \$19,905,000 General Obligation bonds issued May 23, 2020. The decrease in fund balance of \$3,372,017, reflects funding for multiple recreation projects which will be completed at different stages. **Nonmajor Governmental Funds** include capital projects and special revenue funds which fund balances are restricted. The fund balance increased by \$2,741,413 mainly due to Hospitality Tax, as the County is accumulating funds to issue future debt for a sports complex.

General Fund Budgetary Highlights

A budgetary comparison schedule is included for the general fund on pages 71-72. After accounting for other financing sources and uses, the net change in fund balance was an increase of \$7,012,791. Actual revenues were above budgetary estimates by \$8,106,844. Actual expenditures were below budgetary appropriations by \$6,114,523 due to reasons explained below. Transfers were made for the following: \$78,930 to assist the airport operations and \$933,836 to help fund the EMS headquarters. The EMS transfer was a one-time transfer to the bond fund.

Significant variances between final budgets to actual amounts for *revenues* include:

- Property Taxes- Revenues were more than anticipated in the following categories: Rollback taxes (\$113,344), fee-in-lieu of taxes (\$525,710), local option sales tax rollback (\$1,829,446), and local option sales tax revenue (\$762,382). All reflect the ongoing residential and commercial growth of the County. The rollback revenue will be given back to the taxpayers as a credit on their tax bills in the subsequent tax year;
- Other Taxes- Include road fees of \$35 per vehicle and increase is due to population growth, which collected \$378,840 more than anticipated. There is a fee increase to \$40 planned for collection beginning in January 2022;
- Licenses & permits- Total Collections were \$4,162,441 above revenue estimates in this category due to very conservative budgeting for this market & demand driven revenue. Building permits collected were \$2,851,369 above estimates and register of deeds fees, were \$1,122,183 above estimates. These excess revenues are used to build the County's fund balance;

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- Intergovernmental Revenue- Reflected a favorable variance attributed to \$393,045 reimbursements from the Cares Act- Coronavirus Relief Fund. The expenditures included: register of deeds scanning project to provide online access to deed records, medical supplies, reimbursement for waived credit card fees to allow taxpayers to pay online for free during part of the pandemic, and paid sick/leave for employee quarantines;
- Interest Revenue- an unfavorable variance, the rates have been low since the beginning of the pandemic.

The County reported significant negative & positive variances between final budgets and actual amounts for *expenditures* at the departmental level. At the fund level, the County's legal level of budgetary control, the overall variance ended positive.

Below were the significant negative variances:

- Legal team (\$154,304);
- Treasurer (\$140,129)- County Council agreed to waive credit card fees paid by the taxpayers during peak tax collection months of December and January;
- Emergency management (\$133,082) – COVID-19 expenditures for supplies and equipment. The County has been partially reimbursed through CARES funding;
- Coroner (\$197,254) - Increase in the number of autopsies and forensic expertise attributed by an increase in deaths;
- MIS (\$165,519)- improvements to critical IT infrastructure.

Below were the significant positive variances and the explanations for those variances:

- Non-departmental \$116,892- Unemployment and contract worker's compensation expenditure lower than expected, retiree insurance match lower than budget;
- County Council \$1,511,882- \$556K delay for DSS renovations, delays in hospital security bills for mental health patients, and savings in grant match;
- Administrator \$129,452- Savings medical contract for employees and training due to Administrator holding board appointments;
- Finance \$80,069- Savings in personnel line items, Budget Director was named Interim Deputy Administrator and moved to Administration;
- Building \$259,445- savings in outsourcing commercial plan reviews, demolition expense, and wages;
- Planning \$594,445- Vacancies, UDO revision & comp plan carried forward to subsequent year;
- Assessor \$217,750- Delayed reassessment, vacancy savings, training savings due to COVID-19;
- Tax Collector \$81,880- Savings in travel due to COVID-19, savings in advertising and postage due to delay in tax sale;
- Voter's Registration \$153,529- vacancy savings, voter equipment and training savings;
- Building Maintenance \$140,172- Utilities savings due to incomplete construction on facilities, savings in personnel;
- Administration of Justice \$326,937- court equipment & software projects incomplete, savings in overtime and health insurance;
- Sheriff \$618,170- savings from vacancies in full-time and part-time, fringe benefits savings, and gasoline savings;
- Detention center \$355,670- vacancy savings;
- Communications \$524,797- vacancies throughout the year;
- Fire Commission \$111,488- excess volunteer firefighter recruitment program;
- Roads and Bridges \$394,814- vacancy savings, vehicle maintenance & gas savings due to purchase of new fleet;
- Solid Waste \$279,550- landfill disposal savings;
- Recreation \$567,168- After school childcare and programs suspended during the fiscal year due to COVID-19;
- Library \$101,487- Facilities were closed during the fiscal year due to COVID-19.

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The County amended its budget on June 14, 2021. For most items, fund balance was a source with the exception of \$250,000 insurance proceeds which was used to replace a fire engine.

Below are changes that affected the original and final budgets:

- Body scanner at detention center, \$59,375
- Fire engine, \$617,425
- Barnett Building renovations, \$35K
- IT Upgrades, \$193K

Capital Assets

Lancaster County's net investment in capital assets for its governmental activities at June 30, 2021, totaled \$118,902,464, net of accumulated depreciation. This investment in capital assets includes land, buildings and building improvements, vehicles, furniture and equipment, and infrastructure assets added during the fiscal year.

	Lancaster County's Capital Assets (net of depreciation)					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Land	\$ 10,568,755	\$ 8,171,865	\$ 598,607	\$ 598,607	\$ 11,167,362	\$ 8,770,472
Buildings & Improvements	66,044,139	47,636,280	5,435,419	5,815,007	71,479,558	53,451,287
Vehicles	10,616,228	11,639,706	22,456	-	10,638,684	11,639,706
Furniture & Equipment	9,088,050	8,889,902	53,229	70,360	9,141,279	8,960,262
Infrastructure	11,458,403	12,309,432	-	-	11,458,403	12,309,432
Construction in Progress	4,036,590	9,925,090	980,588	126,954	5,017,178	10,052,044
Total	\$111,812,165	\$98,572,275	\$7,090,299	\$6,610,928	\$118,902,464	\$105,183,203

Major capital asset events during the fiscal year included the following:

- Del Web library improvements- \$853,733;
- Kershaw library improvements- \$997,370;
- Main library improvements- \$1,534,437;
- EMS 4/9 completion- \$190,810;
- Animal Shelter completion- \$604,202;
- Detention center security upfit- \$299,684;
- Library system furniture, fixtures, and equipment- \$ 1,250,696
- Construction in progress includes:
 - Airport apron rehab (business-type)- \$850,092
 - EMS headquarters- \$1,539,361
 - IL recreation building improvements- \$204,506
 - IL soccer complex- \$605,294
 - Heath Springs soccer complex- \$162,307
- Land for future recreation complex- \$2,311,878;
- Motor grader \$176,574- public works;
- Two ambulances for \$558,778;
- Two Mack trucks, \$318,418- public works;
- Twelve sheriff's vehicles- \$498,809;
- Fleet replacement- \$254,552;
- Fire truck pumper- \$600,980.

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Additional information on the County's capital assets can be found in note 5 beginning on page 44.

Debt Administration

The legal limit on the amount of general obligation bonded indebtedness that the County can incur is 8% of assessed value. The estimated legal debt margin is \$22,859,616 without a referendum. At the end of the current fiscal year, the County had total long-term liabilities outstanding of \$103,134,246. General obligation bonds make up 27% (\$27,917,646) of long-term debt and are backed by the full faith and credit of the government.

Lancaster County's Outstanding Debt						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
General Obligation Bonds	\$27,917,646	\$34,123,712	\$ -	\$ -	\$27,917,646	\$34,123,712
Special Source Revenue Bonds	5,812,293	6,110,057	-	-	5,812,293	6,110,057
Total	\$33,729,939	\$40,233,769	\$ -	\$ -	\$33,729,939	\$40,233,769

The County's general obligation debt decreased by \$6,503,830 partially due a large principal payment for a 2015A Referendum Debt which is expected to mature in the subsequent fiscal year and a \$1,475,000 principal reduction of a 2019 debt issue.

The County currently has ratings of AA- and Aa1 from Standard & Poor's Corporation and Moody's Investors Service, respectively, on general obligation bond issues. Additional information on the County's long-term debt can be found in note 6 on pages 46-52 of this report.

Economic Factors and Next Year's Budgets and Tax Rates

The unemployment rate for Lancaster County was 4.8% at June 2021 which reflected the pandemic. Statewide unemployment was 4.5%, while the national rate was 6.1% the same period.

The fiscal year 2021-2022 is a reassessment year and the budgeted revenue reflects that fact. Revenues are to remain neutral but by state law, the County is allowed to consider new growth and apply a millage increase once the baseline is established. The County approved the following budgets which total, \$102,254,002:

Lancaster County, South Carolina		
Original Adopted Budgets		
Fiscal Year Ending June 30, 2022		
General Funds		
General Fund		70,066,507
Capital Project Sales Tax Special Revenue Fund		10,500,000
Other Special Revenue Funds		
Court Security	\$ 1,703,580	
Victims Services	57,000	
E-911	843,240	
Stormwater	1,959,005	
Transportation	2,450,000	
Indian Land Fire District	1,013,870	
Local Accommodations Tax	115,000	
Lancaster County Airport Commission	274,918	
Pleasant Valley Fire District	865,862	
Hospitality Tax Fund	1,600,000	
State Accommodations Tax Fund	255,000	
	\$ 11,137,475	11,137,475
Debt Service Funds		
Debt Service		8,216,200
Capital Project Fund		
Capital Improvement		2,333,820
Total All Budgeted Funds		\$ 102,254,002

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The fiscal year 2022 budget includes the following:

- Property and Liability insurance increase of 21%;
- UDO rewrite, solid waste study, roads inventory, and second phase of the comprehensive plan;
- Reassessment costs;
- Planned utility increases of \$134,000 due to the increase of facilities;
- \$220K to improve IT infrastructure;
- Christmas bonus.

The Budget also addresses personnel needs which include:

- Twenty-nine new positions in various departments to address operational needs;
- A 3% cost-of-living adjustment.

In order to maintain the County's net position and fund balances at current levels in the face of increased demand for services, County Council adopted a general fund budget for fiscal year 2022 which includes 84.3 mils. County Council also adopted 4.8 mils for capital replacement needs, 8.5 mils for debt service, and 3.6 mils for Court Security. The Budget in its entirety can be found on the County's website at:

<https://www.mylancastersc.org/>
Finance Department's webpage.

Requests for Information

This financial report is designed to provide a general overview of Lancaster 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:

Chief Financial Officer
Lancaster County
P O Box 1809
Lancaster, SC 29721

LANCASTER COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 31,349,260	\$ 100	\$ 31,349,360
Investments	68,486,414	-	68,486,414
Receivables:			
Taxes	1,815,731	-	1,815,731
Accounts	5,585,133	1,337	5,586,470
Due from other governments	7,259,582	595,206	7,854,788
Internal balances	745,288	(745,288)	-
Inventories	133,300	43,074	176,374
Prepaid expenses	54,788	-	54,788
Assets held for resale	815,126	-	815,126
Capital assets:			
Nondepreciable	14,605,345	1,579,195	16,184,540
Depreciable, net	97,206,819	5,511,104	102,717,923
Total assets	<u>228,056,786</u>	<u>6,984,728</u>	<u>235,041,514</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	112,301	-	112,301
Pension - South Carolina Retirement System	6,506,206	24,163	6,530,369
Pension - South Carolina Police Officers Retirement System			
Retirement System	6,023,617	-	6,023,617
Other postemployment benefits	1,153,389	-	1,153,389
Total deferred outflows of resources	<u>13,795,513</u>	<u>24,163</u>	<u>13,819,676</u>
LIABILITIES			
Accounts payable	6,000,748	71,693	6,072,441
Accrued liabilities	2,506,656	-	2,506,656
Unearned revenues	803,869	13,700	817,569
Accrued interest payable	338,762	-	338,762
Noncurrent liabilities:			
Due within one year	10,320,015	-	10,320,015
Due in more than one year	28,867,930	-	28,867,930
Total other postemployment benefits liability	4,891,690	-	4,891,690
Net pension liability:			
South Carolina Retirement System	35,831,659	133,070	35,964,729
South Carolina Police Officers Retirement System	23,222,952	-	23,222,952
Total liabilities	<u>112,784,281</u>	<u>218,463</u>	<u>113,002,744</u>
DEFERRED INFLOWS OF RESOURCES			
Pension - South Carolina Retirement System	141,080	524	141,604
Pension - South Carolina Police Officers Retirement System	102,222	-	102,222
Other postemployment benefits	151,779	-	151,779
Total deferred inflows of resources	<u>395,081</u>	<u>524</u>	<u>395,605</u>
NET POSITION			
Net investment in capital assets	90,773,584	7,090,299	97,863,883
Restricted for:			
Property tax reduction	2,925,139	-	2,925,139
Capital projects	19,589,717	-	19,589,717
Public safety	4,887,405	-	4,887,405
Public works	2,997,500	-	2,997,500
Public health and welfare	183,180	-	183,180
Cultural and recreation	462,988	-	462,988
Economic development	5,642,580	-	5,642,580
Debt service	2,187,616	-	2,187,616
Unrestricted	(976,772)	(300,395)	(1,277,167)
Total net position	<u>\$ 128,672,937</u>	<u>\$ 6,789,904</u>	<u>\$ 135,462,841</u>

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

LANCASTER COUNTY, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 20,581,760	\$ 10,827,479	\$ 1,554,544	\$ -	\$ (8,199,737)	\$ -	\$ (8,199,737)
Administration of justice	3,288,860	868,196	117,387	-	(2,303,277)	-	(2,303,277)
Public safety	28,658,281	1,811,070	1,608,008	-	(25,239,203)	-	(25,239,203)
Public works	13,257,472	1,639,785	2,793,358	95,900	(8,728,429)	-	(8,728,429)
Public health and welfare	9,419,576	4,185,335	56,667	-	(5,177,574)	-	(5,177,574)
Culture and recreation	4,692,437	586,314	38,426	153,304	(3,914,393)	-	(3,914,393)
Economic development	1,666,221	62,568	859,203	-	(744,450)	-	(744,450)
Interest on long-term debt	1,076,764	-	-	-	(1,076,764)	-	(1,076,764)
Total governmental activities	82,641,371	19,980,747	7,027,593	249,204	(55,383,827)	-	(55,383,827)
Business-type activities:							
Airport	665,304	180,551	-	778,646	-	293,893	293,893
Total business-type activities	665,304	180,551	-	778,646	-	293,893	293,893
Total primary government	\$ 83,306,675	\$ 20,161,298	\$ 7,027,593	\$ 1,027,850	(55,383,827)	293,893	(55,089,934)
General revenues:							
Property taxes levied for:							
General purposes					43,999,806	-	43,999,806
Public safety					1,736,617	-	1,736,617
Debt service					3,616,145	-	3,616,145
Capital projects					2,903,538	-	2,903,538
Other taxes and licenses					20,169,722	-	20,169,722
Grants and contributions not restricted for a specific purpose					3,119,897	-	3,119,897
Unrestricted investment earnings					164,055	-	164,055
Transfers					(78,930)	78,930	-
Total general revenues and transfers					75,630,850	78,930	75,709,780
Change in net position					20,247,023	372,823	20,619,846
Net position, beginning of year					108,425,914	6,417,081	114,842,995
Net position, end of year					\$ 128,672,937	\$ 6,789,904	\$ 135,462,841

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

LANCASTER COUNTY, SOUTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Capital Projects Sales Tax 2 Fund	Bond Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 29,817,424	\$ -	\$ -	\$ 1,517,117	\$ 14,719	\$ 31,349,260
Investments	58,511,454	-	9,974,124	-	836	68,486,414
Taxes receivable, net	1,486,389	-	-	156,932	172,410	1,815,731
Accounts receivable, net	5,295,554	-	-	103	289,476	5,585,133
Due from other governments	2,053,081	3,979,248	-	-	1,227,253	7,259,582
Due from other funds	1,774,953	18,012,264	-	-	16,167,156	35,954,373
Prepaid expenditures	54,788	-	-	-	-	54,788
Inventories	133,300	-	-	-	-	133,300
Land held for resale	815,126	-	-	-	-	815,126
Total assets	<u>\$ 99,942,069</u>	<u>\$ 21,991,512</u>	<u>\$ 9,974,124</u>	<u>\$ 1,674,152</u>	<u>\$ 17,871,850</u>	<u>\$ 151,453,707</u>
LIABILITIES						
Accounts payable	\$ 5,898,839	\$ 58,143	\$ 42,347	\$ -	\$ 1,419	\$ 6,000,748
Accrued liabilities	2,506,656	-	-	-	-	2,506,656
Due to other funds	34,179,420	-	399,787	-	629,878	35,209,085
Unearned revenues	575,834	-	-	-	228,035	803,869
Total liabilities	<u>43,160,749</u>	<u>58,143</u>	<u>442,134</u>	<u>-</u>	<u>859,332</u>	<u>44,520,358</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,384,340	-	-	146,103	160,182	1,690,625
Unavailable revenue - emergency medical services	4,522,141	-	-	-	-	4,522,141
Unavailable revenue - intergovernmental	-	-	-	-	425,716	425,716
Total deferred inflows of resources	<u>5,906,481</u>	<u>-</u>	<u>-</u>	<u>146,103</u>	<u>585,898</u>	<u>6,638,482</u>
FUND BALANCES						
Nonspendable:						
Prepaid expenditures	54,788	-	-	-	-	54,788
Inventories	133,300	-	-	-	-	133,300
Land held for resale	815,126	-	-	-	-	815,126
Restricted for:						
Property tax reduction	2,925,139	-	-	-	-	2,925,139
DSS IV-D Incentive	183,180	-	-	-	-	183,180
Drug task force	130,000	-	-	-	-	130,000
Inmate commissary	123,539	-	-	-	-	123,539
Capital projects	-	17,934,148	-	-	1,655,569	19,589,717
Public safety	-	-	-	-	4,633,866	4,633,866
Public works	-	-	-	-	1,741,901	1,741,901
Culture and recreation	-	-	-	-	462,988	462,988
Economic development	-	-	-	-	5,642,580	5,642,580
Roads and bridges	-	-	-	-	1,255,599	1,255,599
Debt service	-	-	659,567	1,528,049	-	2,187,616
Assigned:						
General government	378,000	-	-	-	-	378,000
Roads and bridges	1,000,000	-	-	-	-	1,000,000
Culture and recreation	94,768	-	-	-	-	94,768
Subsequent year's budget	5,419,504	3,999,221	8,872,423	-	1,340,031	19,631,179
Unassigned	39,617,495	-	-	-	(305,914)	39,311,581
Total fund balances	<u>50,874,839</u>	<u>21,933,369</u>	<u>9,531,990</u>	<u>1,528,049</u>	<u>16,426,620</u>	<u>100,294,867</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 99,942,069</u>	<u>\$ 21,991,512</u>	<u>\$ 9,974,124</u>	<u>\$ 1,674,152</u>	<u>\$ 17,871,850</u>	<u>\$ 151,453,707</u>

LANCASTER COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total fund balances for governmental funds:		\$ 100,294,867
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		111,812,164
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		6,638,482
Certain long-term liabilities are not due and payable in the current period and are, therefore, not reported in the funds. All liabilities, both current and long-term, are reported in the Statement of Net Position net of issuance premiums, and discounts.		
General obligation bonds	\$ (27,917,646)	
Unamortized refunding deferral amount on general obligation bonds	112,301	
Unamortized bond premium	(2,267,214)	
Capital lease obligations	(570,000)	
Special source revenue bonds	(5,812,293)	
Post-closure care liabilities	(1,010,797)	
Compensated absences payable	(1,609,995)	
Total other postemployment benefits liability, net of related outflows and inflows of resources	(3,890,080)	
Net pension liability, net of related outflows and inflows of resources	<u>(46,768,090)</u>	
Total long-term liabilities		(89,733,814)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		<u>(338,762)</u>
Net position of governmental activities		<u>\$ 128,672,937</u>

LANCASTER COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	General Fund	Capital Projects Sales Tax 2 Fund	Bond Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 44,039,177	\$ -	\$ -	\$ 3,616,145	\$ 4,721,717	\$ 52,377,039
Sales and other local taxes	3,154,315	13,987,334	-	-	2,402,394	19,544,043
Licenses and permits	9,199,118	-	-	-	-	9,199,118
Intergovernmental	5,754,340	437,777	-	-	5,252,376	11,444,493
Charges for services	4,174,242	-	-	-	3,122,197	7,296,439
Fines and forfeitures	687,475	-	-	-	61,777	749,252
Interest revenue	83,401	43,479	23,728	2,172	11,275	164,055
Contributions and donations	173,334	-	-	-	324,587	497,921
Other revenues	638,422	-	-	-	151	638,573
Total revenues	<u>67,903,824</u>	<u>14,468,590</u>	<u>23,728</u>	<u>3,618,317</u>	<u>15,896,474</u>	<u>101,910,933</u>
EXPENDITURES						
Current:						
General government	18,450,984	-	-	-	237,511	18,688,495
Administration of justice	2,301,657	-	-	-	113,937	2,415,594
Public safety	20,369,784	-	-	-	5,011,122	25,380,906
Public works	6,404,447	7,827,551	-	-	3,126,206	17,358,204
Public health and welfare	8,293,700	-	-	-	298,618	8,592,318
Culture and recreation	3,768,096	5,807,535	-	-	505,163	10,080,794
Economic development	449,153	-	-	-	1,153,813	1,602,966
Capital outlay	-	-	4,329,581	-	2,595,914	6,925,495
Debt service:						
Principal	50,000	-	-	6,735,000	468,830	7,253,830
Interest	-	-	-	1,462,950	302,353	1,765,303
Fees	-	-	-	3,306	10,000	13,306
Total expenditures	<u>60,087,821</u>	<u>13,635,086</u>	<u>4,329,581</u>	<u>8,201,256</u>	<u>13,823,467</u>	<u>100,077,211</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,816,003</u>	<u>833,504</u>	<u>(4,305,853)</u>	<u>(4,582,939)</u>	<u>2,073,007</u>	<u>1,833,722</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	31,594	-	933,836	3,776,250	-	4,741,680
Transfers out	(1,012,766)	(3,776,250)	-	-	(31,594)	(4,820,610)
Issuance of bonds	-	-	-	-	700,000	700,000
Proceeds from the sale of capital assets	177,960	-	-	-	-	177,960
Total other financing sources (uses), net	<u>(803,212)</u>	<u>(3,776,250)</u>	<u>933,836</u>	<u>3,776,250</u>	<u>668,406</u>	<u>799,030</u>
Net change in fund balances	7,012,791	(2,942,746)	(3,372,017)	(806,689)	2,741,413	2,632,752
Fund balances, beginning of year	<u>43,862,048</u>	<u>24,876,115</u>	<u>12,904,007</u>	<u>2,334,738</u>	<u>13,685,207</u>	<u>97,662,115</u>
Fund balances, end of year	<u>\$ 50,874,839</u>	<u>\$ 21,933,369</u>	<u>\$ 9,531,990</u>	<u>\$ 1,528,049</u>	<u>\$ 16,426,620</u>	<u>\$ 100,294,867</u>

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

LANCASTER 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, 2021

Net change in fund balances - total governmental funds \$ 2,632,752

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

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

Capital outlay	\$ 21,841,671	
Depreciation expense	<u>(8,121,937)</u>	13,719,734

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position. (479,845)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 960,491

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

Repayment of the principal of long-term debt	\$ 7,253,830	
Issuance of general obligation bonds	(700,000)	
Amortization of premium/discount on long-term debt	657,507	
Amortization of the refunding deferral amount on the refunding general obligation bonds	<u>(41,496)</u>	7,169,841

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

Pension liability	\$ (3,749,100)	
Landfill post-closure liability	75,418	
Compensated absences	(3,857)	
Accrued interest on long-term debt	44,338	
Other postemployment benefits liability	<u>(122,749)</u>	<u>(3,755,950)</u>
		<u>\$ 20,247,023</u>

LANCASTER COUNTY, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2021**

	<u>Major Enterprise Fund Airport Fund</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 100
Accounts receivable	1,337
Due from other governments	595,206
Inventory	43,074
Total current assets	<u>639,717</u>
NONCURRENT ASSETS	
Capital assets:	
Nondepreciable	1,579,195
Depreciable, net of accumulated depreciation	5,511,104
Total noncurrent assets	<u>7,090,299</u>
Total assets	<u>7,730,016</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	24,163
Total deferred outflows of resources	<u>24,163</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	71,693
Due to other funds	745,288
Unearned revenues	13,700
Total current liabilities	<u>830,681</u>
NONCURRENT LIABILITIES	
Net pension liability	133,070
Total noncurrent liabilities	<u>133,070</u>
Total liabilities	<u>963,751</u>
DEFERRED INFLOWS OF RESOURCES	
Pension	524
Total deferred inflows of resources	<u>524</u>
NET POSITION	
Investment in capital assets	7,090,299
Unrestricted	(300,395)
Total net position	<u>\$ 6,789,904</u>

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

LANCASTER COUNTY, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Major Enterprise Fund Airport Fund</u>
OPERATING REVENUES	
Charges for services:	
Sale of fuel	\$ 126,762
Rental income	53,789
Total operating revenues	<u>180,551</u>
OPERATING EXPENSES	
Salaries and fringe benefits	84,533
Costs of services	183,278
Depreciation	397,493
Total operating expenses	<u>665,304</u>
Operating loss	<u>(484,753)</u>
Income before capital contributions and transfers	(484,753)
CAPITAL CONTRIBUTIONS	<u>778,646</u>
TRANSFERS	
Transfers in	78,930
Total transfers	<u>78,930</u>
Change in net position	372,823
Net position, beginning of year	<u>6,417,081</u>
Net position, end of year	<u>\$ 6,789,904</u>

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

LANCASTER COUNTY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Major Enterprise Fund Airport Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 218,523
Payments to suppliers	(121,806)
Payments to employees	(77,429)
Net cash provided by operating activities	<u>19,288</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	<u>78,930</u>
Net cash provided by noncapital financing activities	<u>78,930</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(876,864)
Intergovernmental revenues	<u>778,646</u>
Net cash used in capital and related financing activities	<u>(98,218)</u>
Net change in cash and cash equivalents	-
Cash and cash equivalents:	
Beginning of year	<u>100</u>
End of year	<u>\$ 100</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (484,753)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	397,493
Changes in assets and liabilities:	
Decrease in accounts receivable	1,356
Increase in due from other governments	(574,882)
Decrease in prepaid expenses	201
Increase in inventory	(10,422)
Increase in deferred outflows of resources	(6,984)
Increase in accounts payable	71,693
Increase in due to other funds	614,898
Decrease in unearned revenues	(3,400)
Increase in net pension liability	14,719
Decrease in deferred inflows of resources	(631)
Net cash provided by operating activities	<u>\$ 19,288</u>

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

LANCASTER COUNTY, SOUTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021**

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 31,215,523
Investments	21,273,008
Taxes receivable	6,091,422
Accounts receivable	126,448
Total assets	<u>\$ 58,706,401</u>
LIABILITIES	
Due to other taxing districts and agencies	\$ 49,773,044
Due to others	6,091,422
Total liabilities	<u>\$ 55,864,466</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	\$ 2,841,935
Total net position	<u>\$ 2,841,935</u>

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

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

	Custodial Funds
ADDITIONS	
Taxes and assessments	\$ 98,183,377
Fine and fees	1,454,006
Funds from state and participants	7,874
Inmate funds collected	443,992
Funds from foreclosure sales	4,012,439
Total additions	104,101,688
DEDUCTIONS	
Taxes and fees paid to other governments	103,208,647
Funds disbursed per court order	713
Inmate funds disbursed	443,992
Other custodial disbursements	7,874
Total deductions	103,661,226
Change in net position	440,462
NET POSITION, BEGINNING OF YEAR, AS RESTATED	2,401,473
NET POSITION, END OF YEAR	\$ 2,841,935

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

NOTES TO THE FINANCIAL STATEMENTS

LANCASTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lancaster County, South Carolina (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. 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 County's accounting policies are described below.

Reporting Entity

Lancaster County operates under Home Rule legislation effective July 1, 1976. The County operates under a Council-Administrator form of government and provides the following services as authorized by its charter: public safety (police and judicial), public works (roads and bridges), sanitation, health and welfare, culture-recreation, public improvements, and general administration services.

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

Basis of Presentation

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

Government-wide Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Financial Statements (Continued)

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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

The **Capital Projects Sales Tax 2 Fund** is used to account for the County's second local one-cent sales and use tax revenues that are restricted to pay for projects outlined in the County's bond resolution as well as additional capital projects not funded with bond proceeds.

The **Bond Projects Fund** accounts for various capital projects that are funded with General Obligation Bonds.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

The ***Capital Projects Funds*** are used to account for and report financial resources that are restricted, committed or assigned for the acquisition of capital assets or construction of major capital facilities.

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

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Government-wide Financial Statements (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's enterprise fund functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Fund Financial Statements

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

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

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

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

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

Revenue - Exchange and Non-exchange Transactions

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Revenue - Exchange and Non-exchange Transactions (Continued)

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

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

Unearned Revenue

The County reports unearned revenue on its Statement of Net Position and Governmental Funds Balance Sheet. In both the government-wide and governmental fund statements, resources received that are "intended to finance" a future period are reported as unearned revenue. In subsequent periods, the liability for unearned revenue is removed from the Statement of Net Position and Governmental Funds Balance sheet and revenue is recognized.

Unavailable Revenue

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

Property taxes for which there is an enforceable legal claim as of year-end, but which were levied to finance fiscal year 2021 operations, have been recorded as unavailable revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unavailable revenue.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Expenses/Expenditures

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

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The assigned fund balance for the subsequent year's budget includes outstanding encumbrances of \$210,169, \$3,999,221, \$8,872,423 and \$1,340,031 in the General Fund, the Capital Projects Sales Tax 2 Fund, Bond Projects Fund, and the Nonmajor Governmental Funds, respectively. The assigned fund balance for the subsequent year's budget also includes appropriations of existing unassigned fund balance at year-end to eliminate a deficit in next year's budget of \$5,209,335 in the General Fund.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity

Cash and Investments

Cash includes demand deposits as well as cash equivalents and short-term investments with a maturity date within three months of the date acquired by the County. State statutes authorize the County to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its political subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposits collaterally secured, repurchase agreements secured by the foregoing obligations, and the State Treasurer's Local Government Investment Pool (LGIP). The LGIP is an investment mechanism authorized by the South Carolina State Legislature and is not registered with the SEC as an investment company. There is no regulatory oversight of the pool. The pool's primary objective is to acquire maximum returns on investments by pooling available funds with funds from other political subdivisions. The total fair value of the investment pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1. Investments in the pool are stated at fair value, which approximates cost. The County's investments in mutual funds are reported at fair value based on quoted market prices. The remaining investments of the County are reported at fair value.

Receivables

Property taxes receivable represents delinquent and unpaid real and personal property tax billings less an allowance for the amounts estimated to be uncollectible.

Intergovernmental Receivable

Amounts due from federal grants represent reimbursable costs, which have been incurred by the County but have not been reimbursed by the grantor agency. Costs under grant programs are recognized as expenditures in the period in which they are incurred by the County.

Inventories and Prepaid Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Buildings and building improvements are capitalized when costs exceed \$50,000. Land improvements are capitalized when costs exceed \$25,000.

Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

All reported capital assets except land and site preparation are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40
Vehicles	5 - 15
Furniture and equipment	5 - 15
Infrastructure	20

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation pay benefits (up to a maximum of 240 hours) and sick pay benefits up to 75 days. Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is reported for unpaid accumulated sick leave.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Inflows/Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has seven (7) items that qualify for reporting in this category. One item is deferred charge on refunding, which is reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The other six (6) items relate to the County's pension and other postemployment benefits (OPEB) plans and are reported in the government-wide and proprietary fund Statements of Net Position. (1) Experience gains result from periodic studies by the County's actuary, which adjust the net pension and OPEB liabilities for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains are recorded as deferred outflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of the plan members. (2) Changes in actuarial assumptions adjust the net pension and OPEB liabilities and are amortized into pension and OPEB expense over the expected remaining service lives of plan members. (3) The differences between projected investment return on pension investments and actual return on those investments are deferred and amortized against pension expense over a five-year period. (4) The changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred outflows. (5) Any contributions made by the County to the pension plan before year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources. (6) Any contributions made by the County to the OPEB plan before year end but subsequent to the measurement date of the County's total OPEB liability are reported as deferred outflows of resources.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet reports a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of fund balance or net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has six (6) types of items that qualify for reporting in this category, three of which arise only under a modified accrual basis of accounting. Accordingly, the items, *unavailable revenue*, are reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from (1) property taxes, (2) emergency medical services, and (3) intergovernmental grant revenues and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Inflows/Outflows of Resources (Continued)

The other items relate to the County's pension and OPEB plans and are reported in the government-wide and proprietary fund Statements of Net Position. Certain experience losses (discussed in the previous paragraph) are deferred and amortized against expense over a five-year period, resulting in recognition as deferred inflows of resources. Additionally, the changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions (discussed in the previous paragraph) are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred inflows. Finally, changes in actuarial assumptions (discussed in the previous paragraph) adjust the total OPEB liability and are amortized against OPEB expense over the expected remaining service lives of plan members.

Interfund Transactions

Transactions among the County's funds that would be treated as revenues and expenditures or expenses if they involved organizations external to County government are accounted for as revenues and expenditures or expenses in the funds involved. Transactions, which constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund. Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective fund's operating statements. Activities between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Long-term Obligations

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity

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

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

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

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

Assigned - This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. Through resolution, the County Council has authorized the County Administrator and/or the Finance Director to assign fund balances to a specific purpose. The County Administrator must inform the County Council of assigned resources during the fiscal year. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity (Continued)

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

It is the policy of the County to maintain adequate levels of fund balance to mitigate current and future risks and to ensure stable tax rates. The County intends to maintain a General Fund unassigned fund balance of at least 28 to 32 percent of the General Fund operating budget. If the year-end unassigned fund balances exceeds 32 percent of the General Fund operating budget, the excess may be used to fund the following activities: a) one-time capital expenditures which do not increase ongoing operational costs; b) other one-time costs; and c) debt reduction.

If the unassigned fund balance declines below 28 percent of the General Fund operating budget, the County Council will pursue ways of increasing revenues or decreasing expenditures, or a combination of both until the 28 to 32 percent threshold is attained.

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

Net Position

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

Restricted Resources

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Use of Estimates

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

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, Special Revenue Funds (except for the Sunday Alcohol Sales Fund, Restricted Grants Fund, Hospitality Tax Fund, Economic Development Fund, and Development Agreements Fund), Debt Service Fund, Capital Projects Sales Tax 2 Fund, and the Capital Improvement Fund. The legally adopted budgets for the General Fund are presented as required supplementary information.

Each year, all County departments submit requests for appropriations to the County finance director. On the basis of the requests, the finance director prepares a draft budget. The proposed budget is presented to the County Council for review and approval. The County Council holds public hearings and adopts the budget no later than June 30. The appropriated budget is prepared by fund, function, and department. County department heads may make certain transfers of appropriations within their own departmental budgets without approval of County Council, and the County Administrator may make certain transfers between departments without approval of County Council. The legal level of budgetary control is the fund level.

Deficit Fund Equity

For the year ended June 30, 2021, the Restricted Grants Fund and the Victim Services Fund reported deficit fund balances of \$287,578, and \$18,336, respectively. These deficits will be eliminated through the recognition of unearned and/or unavailable revenues in future periods, through transfers from other funds, and from other future revenues.

Excess of Expenditures over Appropriations

For the year ended June 30, 2021, expenditures exceeded budget, as follows:

<u>Fund</u>	<u>Excess</u>
Indian Land Fire Protection	
Public safety	\$ 41,796
Transportation Fund	
Public works	793,743

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2021, are summarized below:

As reported in the Statement of Net Position:	
Cash and cash equivalents	\$ 31,349,360
Investments	68,486,414
As reported in the Statement of Fiduciary Net Position:	
Custodial Fund - cash and cash equivalents	31,215,523
Custodial Fund - investments	21,273,008
	\$ 152,324,305
Cash deposited with financial institutions	\$ 62,564,883
State Treasurer's Investment Pool	80,022,895
U.S. Government Treasuries	1,085,101
U.S. Government Agencies	479,696
Money market accounts	8,022,052
Mutual funds	129,167
Certificates of deposit	20,511
	\$ 152,324,305

Custodial Credit Risk – Cash. This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County's policy regarding cash custodial credit risk is to require the banks with which the County maintains deposits to collateralize or insure the County's funds. As of June 30, 2021, the carrying amount of the County's deposits was \$62,553,498 and the bank balance was \$63,830,562. All of the County's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the County's name. Petty cash funds of \$11,385 are reflected as cash.

As of June 30, 2021, the County has the following investments:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1-5	6-10
State Treasurer's Investment Pool	\$ 80,022,895	\$ 80,022,895	\$ -	\$ -
Money market accounts	8,022,052	8,022,052	-	-
Mutual funds	129,167	129,167	-	-
U.S. Government Treasuries	1,085,101	454,222	630,879	-
U.S. Government Agencies	479,696	-	479,696	-
Certificates of deposit	20,511	20,511	-	-
	\$ 89,759,422	\$ 88,648,847	\$ 1,110,575	\$ -

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurements as of June 30, 2021:

Investment	Level 1	Level 2	Level 3	Fair Value
Investments by Fair Value Level				
Debt securities:				
U.S. Treasuries	\$ 1,085,101	\$ -	\$ -	\$ 1,085,101
U.S. Agencies	479,696	-	-	479,696
Total debt securities	1,564,797	-	-	1,564,797
Mutual funds:				
Mutual fund taxable fixed income	129,167	-	-	129,167
Total mutual funds	129,167	-	-	129,167
Total investments by fair value level	\$ 1,693,964	\$ -	\$ -	\$ 1,693,964

The U.S. Treasuries, U.S. Agencies, and the mutual fund taxable fixed income investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

The County has no investments classified in Level 2 or 3 of the fair value hierarchy. The LGIP is an investment pool, which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose investment in the LGIP within the fair value hierarchy. The County's investments in certificates of deposit and money market accounts are valued at amortized cost, which approximates fair value. As a result, the County's certificates of deposit and money market funds are not disclosed within the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Credit Risk. This is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's policy is to invest in only those securities allowed by state statutes and that are highly rated. The County's investments in the U.S. Government Agencies, including the Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), and Federal National Mortgage Association (FNMA) were rated AA+ by Standard & Poor's and Aaa by Moody's Investor Services. As of June 30, 2021, the County owned \$479,696 of government sponsored entity (GSE) debt securities. These bonds are the direct obligation of the FFCB, FHLB, FHLMC, and FNMA, which are rated AA+ or equivalent by all rating agencies. The investments are either directly or indirectly guaranteed by the US Treasury. The money market accounts were rated AAA by Standard & Poor's and Aaa by Moody Investor Services. The LGIP is not rated, but generally, investments in this pool are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality and in federal agency securities.

Interest Rate Risk. This is the risk that the fair value of securities in the portfolio will fall due to changes in the market interest rates. The County's policy is to minimize interest rate risk by investing operating funds in primarily shorter-term securities, money market funds or similar investment pools and limiting the average maturity in accordance with the County's cash requirements.

Concentration of Credit Risk. This is the risk of loss attributable to the magnitude of the County's investment in a single issuer. The County's policy is to minimize the concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized, although there is no formal limit on the amount the County may invest in any one issuer.

Custodial Credit Risk – Investments. This is the risk that, in the event of a failure of the counterparty, the County may not be able to recover the value of investments, or collateral securities that are in possession of an outside party. The County's policy is to minimize custodial credit risk by limiting investments to the types of securities allowed by law.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES AND PROPERTY TAXES

Property taxes are assessed on the value of real and personal property, excluding automobiles, as of January 1 preceding the fiscal year. Taxes are levied the following September, due January 15 and become delinquent March 15. Liens attach to the property at the time taxes are levied. The levy date for automobiles is the first day of the month in which the vehicle license expires and the tax is due by the end of the same month.

Property tax revenues are recognized when due or past due and collectible within the current period or soon enough thereafter (defined as 60 days) to pay liabilities of the current period. The County bills and collects its own property taxes, and also collects taxes for the Lancaster County School District, the City of Lancaster, and the Town of Kershaw. Collections of the County taxes and remittance of them to these entities are accounted for in the agency funds. Unavailable property tax revenue represents that portion of property taxes which is deemed not available to pay current expenditures.

Receivables as of June 30, 2021, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects Sales Tax 2	Debt Service
Taxes receivable	\$ 1,564,620	\$ -	\$ 165,192
Accounts receivable	10,534,322	-	103
Due from other governments	2,053,081	3,979,248	-
Less: allowance	(5,316,999)	-	(8,260)
Net receivables	\$ 8,835,024	\$ 3,979,248	\$ 157,035
	Nonmajor Governmental	Airport	Total
Taxes receivable	\$ 181,482	\$ -	\$ 1,911,294
Accounts receivable	289,476	1,337	10,825,238
Due from other governments	1,227,253	595,206	7,854,788
Less: allowance	(9,072)	-	(5,334,331)
Net receivables	\$ 1,689,139	\$ 596,543	\$ 15,256,989

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the County's governmental activities for the year ended June 30, 2021, was as follows:

Governmental activities	Balance June 30, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital assets not being depreciated					
Land	\$ 8,171,865	\$ 2,403,527	\$ (46,333)	\$ 39,696	\$ 10,568,755
Construction in progress	9,925,090	2,862,041	-	(8,750,541)	4,036,590
Total capital assets not being depreciated	<u>18,096,955</u>	<u>5,265,568</u>	<u>(46,333)</u>	<u>(8,710,845)</u>	<u>14,605,345</u>
Capital assets being depreciated					
Buildings and improvements	70,137,617	12,068,756	(249,102)	8,710,845	90,668,116
Vehicles	34,142,995	1,895,011	(2,450,120)	-	33,587,886
Furniture and equipment	27,323,330	2,516,436	(153,158)	-	29,686,608
Infrastructure	24,431,305	95,900	-	-	24,527,205
Total capital assets being depreciated	<u>156,035,247</u>	<u>16,576,103</u>	<u>(2,852,380)</u>	<u>8,710,845</u>	<u>178,469,815</u>
Less accumulated depreciation					
Buildings and improvements	(22,501,337)	(2,253,585)	130,945	-	(24,623,977)
Vehicles	(22,503,289)	(2,603,134)	2,134,765	-	(22,971,658)
Furniture and equipment	(18,433,428)	(2,318,290)	153,158	-	(20,598,560)
Infrastructure	(12,121,873)	(946,928)	-	-	(13,068,801)
Total accumulated depreciation	<u>(75,559,927)</u>	<u>(8,121,937)</u>	<u>2,418,868</u>	<u>-</u>	<u>(81,262,996)</u>
Total capital assets being depreciated, net	<u>80,475,320</u>	<u>8,454,166</u>	<u>(433,512)</u>	<u>8,710,845</u>	<u>97,206,819</u>
Governmental activities capital assets, net	<u>\$ 98,572,275</u>	<u>\$ 13,719,734</u>	<u>\$ (479,845)</u>	<u>\$ -</u>	<u>\$ 111,812,164</u>

Depreciation expense was charged to functions as follows:

General government	\$ 820,532
Administration of justice	953,528
Public safety	3,421,997
Public works, including depreciation of infrastructure assets	1,594,024
Public health and welfare	813,328
Culture and recreation	409,622
Economic development	<u>108,906</u>
Total governmental activities depreciation expense	<u>\$ 8,121,937</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the County's business-type activities for the year ended June 30, 2021, was as follows:

Business-type activities	Balance June 30, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital assets not being depreciated					
Land	\$ 598,607	\$ -	\$ -	\$ -	\$ 598,607
Construction in progress	126,954	853,634	-	-	980,588
Total capital assets not being depreciated	<u>725,561</u>	<u>853,634</u>	<u>-</u>	<u>-</u>	<u>1,579,195</u>
Capital assets being depreciated					
Buildings and improvements	13,683,860	-	-	-	13,683,860
Vehicles	-	23,230	-	-	23,230
Furniture and equipment	89,459	-	-	7,480	96,939
Total capital assets being depreciated	<u>13,773,319</u>	<u>23,230</u>	<u>-</u>	<u>7,480</u>	<u>13,804,029</u>
Less accumulated depreciation					
Buildings and improvements	(7,868,853)	(379,588)	-	-	(8,248,441)
Vehicles	-	(774)	-	-	(774)
Furniture and equipment	(19,099)	(17,131)	-	(7,480)	(43,710)
Total accumulated depreciation	<u>(7,887,952)</u>	<u>(397,493)</u>	<u>-</u>	<u>(7,480)</u>	<u>(8,292,925)</u>
Total capital assets being depreciated, net	<u>5,885,367</u>	<u>(374,263)</u>	<u>-</u>	<u>-</u>	<u>5,511,104</u>
Business-type activities capital assets, net	<u>\$ 6,610,928</u>	<u>\$ 479,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,090,299</u>

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

Airport	<u>\$ 397,493</u>
Total business-type activities depreciation expense	<u>\$ 397,493</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES

The following is a summary of long-term debt activity for the primary government for the fiscal year ended June 30, 2021:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Governmental activities					
General obligation bonds	\$ 34,123,712	\$ 700,000	\$ (6,906,066)	\$ 27,917,646	\$ 7,962,269
Capital lease obligations	620,000	-	(50,000)	570,000	50,000
Special source revenue bonds	6,110,057	-	(297,764)	5,812,293	955,557
Post-closure care costs	1,086,215	-	(75,418)	1,010,797	57,010
Compensated absences	1,606,138	1,299,036	(1,295,179)	1,609,995	1,295,179
Total postemployment benefit liability	4,070,482	503,281	317,927	4,891,690	-
Net pension liability - SCRS	31,868,328	3,963,331	-	35,831,659	-
Net pension liability - PORS	19,470,007	3,752,945	-	23,222,952	-
Deferred amounts:					
Unamortized premium	2,924,721	-	(657,507)	2,267,214	-
	<u>\$ 101,879,660</u>	<u>\$ 10,218,593</u>	<u>\$ (8,964,007)</u>	<u>\$ 103,134,246</u>	<u>\$ 10,320,015</u>
Business-type activities					
Net pension liability - SCRS	\$ 118,351	\$ 14,719	\$ -	\$ 133,070	\$ -
	<u>\$ 118,351</u>	<u>\$ 14,719</u>	<u>\$ -</u>	<u>\$ 133,070</u>	<u>\$ -</u>

Compensated absences, total post-employment benefit liability, the net pension liabilities, and post-closure care costs are ordinarily liquidated by the General Fund.

General Obligation Bonds

The County issues general obligation debt to provide funds for acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. During 2015, the County issued 2015A, 2015B and 2015C general obligation bonds for the purposes of defraying the cost of capital projects approved in a referendum held in the County on November 4, 2014, as well as to refund the 2010B and 2010C bonds. The current refunding of the 2010B and 2010C bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$31,145 and \$101,786, respectively. The differences reported in the Statement of Net Position as a deferred outflow of resources are being charged to increase expenses through the year 2030 for the 2010B bonds and the year 2025 for the 2010C bonds using the straight-line method. The refunding transactions resulted in an economic gain of \$54,667 and \$214,875 for the 2010B and 2010C bonds, respectively. The 2010B and 2010C refunding transactions decreased the total debt service payments over the next 14 years by \$60,689 and \$229,436, respectively.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

During 2016, the County issued 2016A general obligation bonds for the purposes of funding the acquisition of fire trucks and such other lawful purposes, as the County Council shall determine. During 2017, the County issued 2017 general obligation bonds for the purpose of improvements to the Brookchase district. During 2019, the County issued 2019 general obligation bonds for the purposes of defraying the cost of capital projects approved in a referendum held in the County on November 4, 2014, as well as to refund the 2009 bonds. The current refunding of the 2009 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$41,589. The difference reported in the Statement of Net Position as a deferred outflow of resources are being charged to increase expenses through the year 2024 for the 2009 bonds using the straight-line method. The refunding transaction resulted in an economic gain of \$85,292 and decreased the total debt service payments over the next 5 years by \$86,910. During 2020, the County issued 2020 general obligation bonds for the Reid Pointe project.

General obligation bonds currently outstanding are as follows:

Description	Amount Issued	Interest Rate	Final Maturity	Annual Principal Payments	Amount Outstanding
General obligation bonds, series 2015A	16,500,000	4% to 5%	2022	\$100,000 to \$3,600,000	\$ 3,600,000
General obligation refunding bonds, series 2015B	1,935,000	3% to 3.25%	2030	\$115,000 to \$165,000	1,335,000
General obligation refunding bonds, series 2015C	6,110,000	3% to 5%	2025	\$120,000 to \$1,475,000	4,495,000
General obligation bonds, series 2016A	6,750,000	2% to 5%	2023	\$800,000 to \$1,335,000	1,970,000
General obligation bonds, series 2017 (Brookchase)	650,000	2.61%	2030	\$40,000 to \$60,000	472,646
General obligation refunding & improvement bonds, series 2019	19,905,000	5.00%	2039	\$595,000 to \$890,000	15,345,000
General obligation bonds, bonds, series 2020	700,000	0.88%	2021	\$700,000	700,000
					<u>\$ 27,917,646</u>

The annual requirements to amortize all general obligation bonds as of June 30, 2021, including interest payments, are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2022	\$ 7,962,269	\$ 1,185,358	\$ 9,147,627
2023	3,833,503	829,515	4,663,018
2024	2,984,768	671,698	3,656,466
2025	2,941,067	526,450	3,467,517
2026	1,532,400	383,517	1,915,917
2027-2031	3,423,639	1,249,680	4,673,319
2032-2036	3,125,000	610,350	3,735,350
2037-2039	2,115,000	128,100	2,243,100
	<u>\$ 27,917,646</u>	<u>\$ 5,584,668</u>	<u>\$ 33,502,314</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

Debt service funds of \$1,517,117 are available to service the general obligation bonds.

The general obligation bonds are secured by a pledge of the full faith, credit and taxing power of the County. In the event of default, the sole remedy of any bondholder or beneficial owner of the bonds shall be an action to compel performance by the County.

There are a number of limitations and restrictions contained in the various debt instruments. The County is in compliance with all significant limitations and restrictions including the legal debt limit imposed by Article X, Section 15 of the Constitution of the State of South Carolina, 1895, as amended.

Advanced Refunding

On June 1, 2009, the County issued \$4,630,000 General Obligation Refunding Bonds, Series 2009. The County issued the bonds to advance refund \$525,000 of outstanding General Obligation Bonds, Series 1996, \$3,790,000 of outstanding General Obligation Bonds, Series 1999, and to pay certain issuance costs. The proceeds of the Series 2009 were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments related to the Series 1996 and Series 1999 bonds being refunded. The advance refunding met the requirements of an in-substance defeasance and the refunded bonds were removed from the County's Statement of Net Position.

On May 23, 2019, the County issued \$19,905,000 General Obligation Refunding and Improvement Bonds, Series 2019. These bonds were issued and the proceeds were used to refund \$1,615,000 of outstanding General Obligation Refunding Bonds, Series 2009, and to pay certain issuance costs. In connection with the issuance of the bonds, a premium of \$2,116,323 was recorded and is being amortized over the life of the bonds. As of June 30, 2021, the unamortized premium was \$1,614,061.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Advanced Refunding (Continued)

In current and prior years, advance refunding transactions resulted in book losses that are being amortized over the original remaining life of the old bonds that were defeased. The unamortized losses at June 30, 2021, are classified as a deferred outflow of resources on the Statement of Net Position. Amortization of \$41,496 has been included in interest expense for the year ended June 30, 2021. As of June 30, 2021, the County's outstanding in-substance defeased general obligation bond debt totaled \$2,025,000.

Capital Leases

The County has entered into lease agreements as lessee for financing the acquisition of sanitation vehicles, ambulances, and office equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The following is an analysis of assets leased under capital leases as of June 30, 2021:

Assets under capital lease	\$ 1,024,541
Less: accumulated depreciation	<u>(195,150)</u>
	<u>\$ 829,391</u>

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2021:

Fiscal Year Ending June 30,	Governmental Funds
2022	\$ 50,000
2023	50,000
2024	50,000
2025	50,000
2026	50,000
2027-2031	250,000
2032-2033	<u>70,000</u>
Total Minimum Lease Payments	570,000
Less: Amount Representing Interest	<u>-</u>
	<u>\$ 570,000</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Special Source Revenue Bonds

During 2015, the County issued special source revenue bonds in the amount of \$7,504,000 to finance the construction of the Keer America Corporation/Affiliates project. These bonds are limited obligations of the County and are payable solely from the fee in lieu of tax revenues. The bonds are payable in annual installments through 2028 and have an annual interest rate of 4.0%. The revenue bonds contain an event of default that changes the timing of repayment of amounts to become immediately due if the County is unable to make payment.

Annual debt service requirements to maturity for the special source revenue bonds are as follows:

Year Ending June 30,	Special Source Revenue Bonds		
	Principal	Interest	Total
2022	\$ 955,577	\$ 232,492	\$ 1,188,069
2023	911,326	194,269	1,105,595
2024	865,305	157,816	1,023,121
2025	831,585	123,203	954,788
2026	817,239	89,940	907,179
2027-2028	1,431,261	82,252	1,513,513
	<u>\$ 5,812,293</u>	<u>\$ 879,972</u>	<u>\$ 6,692,265</u>

Landfill Closure and Post-closure Care Costs

The South Carolina Department of Health and Environmental Control (DHEC) requires landfill operators to provide for inspection and maintenance of the physical characteristics of the site, as well as monitoring and maintenance of the groundwater and gas monitoring systems and the leachate collection and treatment system, for a period of 30 years following the closing. DHEC also requires that operators cover the landfill with a minimum cover of a certain permeability. The County's liability for closure and post-closure care costs is based on landfill capacity used to date. Since the landfill was closed as of June 30, 1995, the County considers it to be at 100% of capacity.

During fiscal year 2021, the County expended \$75,418 in landfill closure costs. Remaining post-closure care costs are estimated at \$1,010,797 and included with the long-term liabilities in the Statement of Net Position. Post-closure care costs are reported in the General Fund and are based on engineering estimates that are subject to change due to inflation, deflation, technology and/or applicable laws and regulations.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Conduit Debt Obligations

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, nor the State of South Carolina, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021, there were no Industrial Revenue bonds outstanding.

Special Assessment Debt Obligations

In July 2003, the County issued \$13,760,000 of special assessment debt. This debt is applicable to the Edgewater Improvement District, which is located in the southern part of the County and will be used to improve the area's infrastructure. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021, the outstanding balance on this debt was \$3,047,000.

In June 2006, the County issued 2006A and 2006B special assessment debt in the amount of \$35,615,000. This debt is applicable to the Edenmoor Improvement District, which is located in the northern part of the County and will be used to improve the area's infrastructure and to construct a sheriff and EMS substation. In February 2016, the County issued Walnut Creek Improvement District 2016A-1 in the amount of \$8,510,000 and the Endemoor Assessment 2016 A Bonds in the amount of \$14,365,000. In December 2016, the County issued the Walnut Creek Improvement District 2016A-2 in the amount of \$3,380,000. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021, the outstanding balances on this debt was \$11,475,000, \$7,105,000, and \$2,735,000, respectively.

In March 2006, the County issued \$20,000,000 of special assessment debt. This debt is applicable to the Sun City Carolina Lakes Improvement District, which is located in the northern part of the County and will be used to improve the area's infrastructure and to construct a library branch. In December 2016, the County issued the Sun City Carolina Lakes Refunding Revenue Bonds 2016 in the amount of \$14,113,000 to refund the 2006 bonds. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021, the outstanding balance on this debt was \$11,591,000.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Special Assessment Debt Obligations (Continued)

In November 2007, the County issued \$28,880,000 of special assessment debt. This debt is applicable to the Edgewater II Improvement District, which is located in the southern part of the County and will be used to improve the area's infrastructure. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021, the outstanding balance on this debt was \$28,602,500.

In 2021, the County issued \$4,070,000 of special assessment debt. This debt is applicable to the Walnut Creek Improvement District and will be used to improve the area's infrastructure. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021, the outstanding balance on this debt was \$4,070,000.

NOTE 7. EMPLOYEE BENEFITS

Retirement Plan

Overview:

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Plan Description:

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

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

South Carolina Police Officers Retirement System - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; 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 THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (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 code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system is presented below.

South Carolina Retirement System - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least 8 or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

South Carolina Police Officers Retirement System - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Contributions:

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. 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, 2021, the County contributed \$2,556,434 to the SCRS plan and \$1,985,795 to the PORS plan.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Contributions (Continued):

Required employee contribution rates for the year ended June 30, 2021, 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, 2021, are as follows:

South Carolina Retirement System

Employee Class Two	15.41% of earnable compensation
Employee Class Three	15.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	17.84% of earnable compensation
Employee Class Three	17.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

Net Pension Liability:

The June 30, 2020, (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, 2019, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2020, 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, 2021, (measurement date of June 30, 2020), 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:

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability (Continued):

<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 Position as a Percentage of the Total Pension Liability</u>	<u>County's Proportionate Share of the Collective Net Pension Liability</u>
SCRS	\$ 72,971,731	\$ 37,007,002	\$ 35,964,729	50.7%	0.140752%
PORS	56,347,639	33,124,687	23,222,952	58.8%	0.700285%
Total	<u>\$ 129,319,370</u>	<u>\$ 70,131,689</u>	<u>\$ 59,187,681</u>		

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, for first use in the July 1, 2021 actuarial valuation.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2019 valuations for SCRS and PORS.

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

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

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Males multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Males multiplied by 111%

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 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued):

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global public equity	35.0%	7.81%	2.73%
Private equity	9.0%	8.91%	0.80%
Equity options strategies	7.0%	5.09%	0.36%
Real Assets	12.0%		
Real estate (Private)	8.0%	5.55%	0.44%
Real estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (Private)	2.0%	4.88%	0.10%
Infrastructure (Public)	1.0%	7.05%	0.07%
Opportunities	8.0%		
Global tactical asset allocation	7.0%	3.56%	0.25%
Other opportunistic strategies	1.0%	4.41%	0.04%
Credit	15.0%		
High Yield Bonds/Bank Loans	4.0%	4.21%	0.17%
Emerging markets debt	4.0%	3.44%	0.14%
Private debt	7.0%	5.79%	0.40%
Rate Sensitive	14.0%		
Core fixed income	13.0%	1.60%	0.21%
Cash and short duration (net)	1.0%	0.56%	0.01%
	100.0%		
		Total expected real return	5.80%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	8.05%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Discount Rate:

The discount rate used to measure the TPL was 7.25 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 of the Net Position Liability to Changes in the Discount Rate				
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)	
SCRS	\$ 44,573,872	\$ 35,964,729	\$ 28,775,992	
PORS	\$ 30,743,278	\$ 23,222,952	\$ 17,184,613	

Pension Expense:

For the year ended June 30, 2021, the County recognized its proportionate share of collective pension expense of \$4,024,088 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 \$451,679 for a total of \$4,475,767 for the SCRS plan. Additionally, for the year ended June 30, 2021, the County recognized its proportionate share of collective pension expense of \$3,345,199 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 \$482,153 for a total of \$3,827,352 for the PORS plan. Total pension expense for the County, for all plans, is \$8,303,119.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

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

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 414,985	\$ 135,999
Changes of assumptions	44,063	-
Net difference between projected and actual earnings on pension plan investments	2,645,507	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	869,380	5,605
Employer contributions subsequent to the measurement date	<u>2,556,434</u>	<u>-</u>
Total	<u>\$ 6,530,369</u>	<u>\$ 141,604</u>
PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 493,536	\$ 102,222
Changes of assumptions	283,396	-
Net difference between projected and actual earnings on pension plan investments	2,377,977	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	882,913	-
Employer contributions subsequent to the measurement date	<u>1,985,795</u>	<u>-</u>
Total	<u>\$ 6,023,617</u>	<u>\$ 102,222</u>
Total SCRS and PORS	<u>\$ 12,553,986</u>	<u>\$ 243,826</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued): County contributions subsequent to the measurement date of \$2,556,434 and \$1,985,795 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	SCRS	PORS
2022	\$ 986,222	\$ 1,308,305
2023	1,205,197	1,060,363
2024	965,837	929,128
2025	675,075	637,804

Pension Plan Fiduciary Net Position:

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

Deferred Compensation Plan

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Other Post Employment Healthcare Benefits (OPEB)

Plan Description. In addition to providing pension benefits through the South Carolina Retirement System, the County, authorized by its County Council, participates in a single employer plan to provide certain healthcare benefits for employees who retire from service or who terminate with at least 20 years of service who meet one or more of the eligibility requirements, such as age, length of service, and hire date. Generally, those who retire must have at least 10 years of retirement service credit under the South Carolina Retirement System to qualify for benefits. Benefits are effective at date of retirement or when the employee is eligible for retirement benefits.

Plan Membership. The Plan has 629 covered members for the year ended June 30, 2021; 88 members are retirees receiving benefits and 541 are active participants and dependents.

Funding Policy and Contributions. The County currently pays for other post-employment benefits on a pay-as-you-go basis. For the year ended June 30, 2021, the County paid \$271,018 toward the cost of retiree health insurance for eligible retired employees. The County's obligation to contribute to the Plan was established and may be amended by the County Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the plan.

Total OPEB Liability. The County's total OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2020, with the actuary using standard techniques to roll forward the liability to the measurement date.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Other Post Employment Healthcare Benefits (OPEB) (Continued)

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

Discount rate:	2.45% as of June 30, 2020
Healthcare cost trend rate:	6.00% - 4.00%, Ultimate Trend after 15 years
Inflation rate:	2.25%
Salary increase:	3.50% - 9.50% for PORS eligible employees and 3.00% - 7.00% for SCRS eligible employees per annum
Participation rate:	40.00% of all eligible employees and 25% for dental only coverage

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

Discount Rate. The discount rate used to measure the total OPEB liability was 2.45% as of June 30, 2020. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 2.45% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2020.

Changes in the Total OPEB Liability. The changes in the total OPEB liability of the County for the year ended June 30, 2021 (June 30, 2020 measurement date), were as follows:

	Total OPEB Liability
Balances beginning of year	\$ 4,070,482
Changes for the year:	
Service cost	178,804
Interest	126,571
Difference between actual and expected experience	404,976
Assumption changes	343,020
Benefit payments and implicit subsidy	(232,163)
Net changes	<u>821,208</u>
Balances end of year	<u>\$ 4,891,690</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Other Post Employment Healthcare Benefits (OPEB) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County as of June 30, 2021 (June 30, 2020 measurement date), as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45%) or 1-percentage-point higher (3.45%) than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate		
1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
\$ 5,446,470	\$ 4,891,690	\$ 4,420,550

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County as of June 30, 2021 (June 30, 2020 measurement date), as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00% decreasing to 3.00%) or 1-percentage-point higher (7.00% decreasing to 5.00%) than the current healthcare cost trend rates:

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate		
1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$ 4,362,037	\$ 4,891,690	\$ 5,557,442

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2021, and the current sharing pattern of costs between employer and inactive employees.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFITS (CONTINUED)

Other Post Employment Healthcare Benefits (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2021, the County recognized OPEB expense as follows:

Description		
Service cost (annual cost of current service)	\$	178,804
Interest on the total OPEB liability		126,571
Recognition of current year amortization - difference between expected and actual experience & assumption changes		84,722
Recognition of prior year amortization - difference between expected and actual experience & assumption changes		3,670
Total aggregate OPEB expense	\$	393,767

At June 30, 2021, the County reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 421,629	\$ 19,506
Changes of assumptions	460,742	132,273
Employer contributions subsequent to the measurement date	271,018	-
Total	\$ 1,153,389	\$ 151,779

County contributions subsequent to the measurement date of \$271,018 are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Retiree Health Insurance Plan		
Year ended June 30:		
2022	\$	88,392
2023		88,392
2024		88,392
2025		88,392
2026		97,467
Thereafter		279,557

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. RISK MANAGEMENT

The County participates in a self-funded program, the South Carolina Counties Workers' Compensation Trust, to provide workers' compensation insurance through the South Carolina Association of Counties. The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

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

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

NOTE 9. INTERFUND ASSETS AND LIABILITIES

Interfund receivable and payable balances at June 30, 2021, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Airport Fund	\$ 745,288
General Fund	Bond Projects Fund	399,787
General Fund	Nonmajor Governmental Fund	629,878
Capital Project Sales Tax 2 Fund	General Fund	18,012,264
Nonmajor Governmental Funds	General Fund	16,167,156
		\$ 35,954,373

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. INTERFUND ASSETS AND LIABILITIES (CONTINUED)

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds. Total transfers during the year ended June 30, 2021, consisted of the following individual amounts:

Transfer In Fund	Transfer Out Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 31,594
Bond Projects Fund	General Fund	933,836
Debt Service Fund	Capital Projects Sales Tax 2 Fund	3,776,250
Airport Fund	General Fund	78,930
		\$ 4,820,610

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

NOTE 10. COMMITMENTS AND CONTINGENT LIABILITIES

The County participates in a number of federal and state assisted grant programs. These programs are subject to audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2021, have not yet been conducted. Therefore, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures, which may be disallowed, cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Construction commitments at June 30, 2021, totaled approximately \$6,531,000.

NOTE 11. LITIGATION

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. TAX ABATEMENT PROGRAM

As of June 30, 2021, the County provides tax abatements through one program – the Economic Development Program.

The County, acting through its County Council, is authorized and empowered under and pursuant to the provisions of Chapter 44 of Title 12, Code of Laws of South Carolina 1976, as amended, to enter into agreements with any industry or business whereby the industry or business would pay fees in lieu of taxes with respect to certain properties which constitute “economic development properties” through which powers the industrial development of the State of South Carolina will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate or remain in the State and thus utilize and employ the manpower, products, and resources of the State and benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise provided locally.

Abatements are obtained through the program by application by a sponsor to County Council prior to commencing the improvements and are subject to approval by County Council by passage of an ordinance. Eligible abatement agreements are subject to a minimum investment as outlined in each individual agreement. The Code of Laws of South Carolina provides for a recapture of fees upon termination of approved agreements that did not meet the minimum investment criteria in the time frame provided for in each agreement. At the time of termination, the sponsor shall pay to the County an additional fee equal to the difference between the total amount of property taxes that would have been paid by the sponsor had the project been taxable, taking into account exemptions from property taxes that would have been available to the sponsor, and the amount of fee payments actually made by the sponsor.

Abatement agreements under the Economic Development Program equal a 100% reduction in property taxes during the exemption period as outlined in the agreement. A fee in lieu of tax (FILOT) is to be paid within the following parameters: the sponsor shall pay to the County an annual fee payment in connection with the economic development property which has been placed in service, in an amount not less than that the property taxes that would be due on the economic development property if it were taxable but using (1) an assessment ratio of not less than 4%; (2) a millage rate this is either fixed for the life of the fee or is allowed to increase or decrease every fifth year in step with the average cumulative actual millage rate applicable to the project based upon the preceding five-year period; or (3) a fair market value for the economic development property.

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

Taxes abated as a result of the agreements under the Economic Development Program totaled \$6,191,264 for the year ended June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. RESTATEMENT

Change in Accounting Principle

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, the County is required to reevaluate the accounting treatment of fiduciary activities. The new standard requires the County to determine if funds are still considered fiduciary, and if so, if they are considered custodial funds under the new definitions of GASB Statement No. 84. Therefore, in conjunction with the implementation of GASB Statement No. 84, the following restatement was required to the beginning net position of the Fiduciary Activities to properly report the custodial funds as of July 1, 2020.

	Custodial Funds
Fiduciary net position, as previously reported	\$ -
Recognition of the beginning net position of the former Agency Funds now reported as Custodial Funds	<u>2,401,473</u>
Fiduciary net position, as restated	<u><u>\$ 2,401,473</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$ 40,409,603	\$ 40,409,603	\$ 44,039,177	\$ 3,629,574
Other local taxes	2,775,475	2,775,475	3,154,315	378,840
Licenses and permits	5,036,977	5,036,977	9,199,118	4,162,141
Intergovernmental	5,361,295	5,361,295	5,754,340	393,045
Charges for services	4,303,200	4,303,200	4,174,242	(128,958)
Fines and forfeitures	802,250	802,250	687,475	(114,775)
Interest revenue	641,800	641,800	83,401	(558,399)
Contributions and donations	53,000	53,000	173,334	120,334
Other revenues	163,680	413,680	638,422	224,742
Total revenues	<u>59,547,280</u>	<u>59,797,280</u>	<u>67,903,824</u>	<u>8,106,544</u>
EXPENDITURES:				
Current:				
General government:				
Non-departmental expenditures	1,904,281	1,904,281	1,787,389	116,892
Direct assistance to other agencies	1,350,796	1,350,796	1,294,138	56,658
County council	4,920,812	4,955,812	3,443,930	1,511,882
Administrator	671,445	671,445	541,993	129,452
Legal team	279,000	279,000	433,304	(154,304)
Finance	657,245	657,245	577,176	80,069
Human resources	735,790	735,790	685,373	50,417
Risk management	114,725	114,725	111,260	3,465
Management information services	1,506,268	1,699,268	1,864,787	(165,519)
GIS	127,055	127,055	102,041	25,014
Building	1,427,160	1,427,160	1,167,715	259,445
Zoning	410,550	410,550	343,750	66,800
Planning	1,213,246	1,213,246	618,801	594,445
Assessor	1,058,545	1,058,545	840,795	217,750
Auditor	306,300	306,300	290,233	16,067
Treasurer	444,410	444,410	584,539	(140,129)
Delinquent tax collector	426,405	426,405	344,525	81,880
Voter registration and elections	556,447	556,447	402,918	153,529
Register of deeds	377,915	377,915	370,788	7,127
Procurement	206,475	206,475	199,434	7,041
Vehicle maintenance	685,185	685,185	667,714	17,471
Building maintenance	1,918,553	1,918,553	1,778,381	140,172
Total general government	<u>21,298,608</u>	<u>21,526,608</u>	<u>18,450,984</u>	<u>3,075,624</u>
Administration of justice:				
Circuit court	85,710	85,710	39,504	46,206
Clerk of court	556,230	556,230	447,165	109,065
Family court	383,897	383,897	347,518	36,379
Probate court	497,262	535,927	474,678	61,249
Magistrate court	1,066,830	1,066,830	992,792	74,038
Total administration of justice	<u>2,589,929</u>	<u>2,628,594</u>	<u>2,301,657</u>	<u>326,937</u>
Public safety:				
Coroner	661,405	695,025	892,279	(197,254)
Sheriff	11,067,206	10,994,921	10,376,751	618,170
Detention center	2,953,438	3,012,813	2,657,143	355,670
Communications	2,577,139	2,577,139	2,052,342	524,797
Emergency management	503,091	503,091	636,173	(133,082)
Fire commission	3,249,159	3,866,584	3,755,096	111,488
Total public safety	<u>21,011,438</u>	<u>21,649,573</u>	<u>20,369,784</u>	<u>1,279,789</u>

(Continued)

LANCASTER COUNTY, SOUTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES: (CONTINUED)				
Current: (Continued)				
Public works:				
Roads and bridges	\$ 3,796,113	\$ 3,796,113	\$ 3,401,299	\$ 394,814
Landfill	56,525	56,525	75,418	(18,893)
Solid waste	3,207,280	3,207,280	2,927,730	279,550
Total public works	<u>7,059,918</u>	<u>7,059,918</u>	<u>6,404,447</u>	<u>655,471</u>
Public health and welfare:				
EMS	7,453,996	7,453,996	7,516,673	(62,677)
Animal control	435,480	435,480	401,017	34,463
Health services	85,040	85,040	35,066	49,974
Social services and food stamps	79,589	79,589	55,898	23,691
DSS family independence	59,650	59,650	65,838	(6,188)
Veteran affairs	233,295	233,295	219,208	14,087
Total public health and welfare	<u>8,347,050</u>	<u>8,347,050</u>	<u>8,293,700</u>	<u>53,350</u>
Culture and recreation:				
Recreation	3,163,806	3,163,806	2,596,638	567,168
Library	1,272,945	1,272,945	1,171,458	101,487
Total culture and recreation	<u>4,436,751</u>	<u>4,436,751</u>	<u>3,768,096</u>	<u>668,655</u>
Economic development:				
Economic development	<u>503,850</u>	<u>503,850</u>	<u>449,153</u>	<u>54,697</u>
Debt service:				
Principal	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total debt service	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total expenditures	<u>65,297,544</u>	<u>66,202,344</u>	<u>60,087,821</u>	<u>6,114,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,750,264)</u>	<u>(6,405,064)</u>	<u>7,816,003</u>	<u>14,221,067</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	32,750	32,750	31,594	(1,156)
Transfers out	(1,012,766)	(1,012,766)	(1,012,766)	-
Proceeds from the sale of capital assets	-	-	177,960	177,960
Total other financing uses, net	<u>(980,016)</u>	<u>(980,016)</u>	<u>(803,212)</u>	<u>176,804</u>
Net change in fund balances	(6,730,280)	(7,385,080)	7,012,791	<u>\$ 14,397,871</u>
Fund balances, beginning of year	<u>43,862,048</u>	<u>43,862,048</u>	<u>43,862,048</u>	
Fund balances, end of year	<u>\$ 37,131,768</u>	<u>\$ 36,476,968</u>	<u>\$ 50,874,839</u>	

LANCASTER COUNTY, SOUTH CAROLINA

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

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 178,804	\$ 162,511	\$ 176,708	\$ 168,154
Interest on total OPEB liability	126,571	136,528	128,818	109,436
Assumption changes	343,020	204,242	(31,998)	(207,209)
Difference between actual and expected experience	404,976	(9,702)	96,201	(22,432)
Benefit payments and implicit subsidy	(232,163)	(226,649)	(192,635)	(170,414)
Net change in total OPEB liability	<u>821,208</u>	<u>266,930</u>	<u>177,094</u>	<u>(122,465)</u>
Total OPEB liability - beginning	4,070,482	3,803,552	3,626,458	3,748,923
Total OPEB liability - ending	<u>\$ 4,891,690</u>	<u>\$ 4,070,482</u>	<u>\$ 3,803,552</u>	<u>\$ 3,626,458</u>
Covered-employee payroll	\$ 24,039,547	\$ 21,838,377	\$ 20,344,803	\$ 19,252,683
Total OPEB liability as a percentage of covered-employee payroll	20.35%	18.64%	18.70%	18.84%

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

The County is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

The discount rate changed from 3.56% as of June 30, 2018, to 3.62% as of June 30, 2019, to 3.13% as of June 30, 2020, to 2.45% as of June 30, 2021.

The assumptions used in the preparation of the above schedule are disclosed in Note 7 to the financial statements.

LANCASTER COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30

South Carolina Retirement System

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.140752%	\$ 35,964,729	\$ 15,706,592	229.0%	50.7%
2019	0.140083%	31,986,679	14,807,814	216.0%	54.4%
2018	0.133931%	30,009,671	13,873,171	216.3%	54.1%
2017	0.132064%	29,729,731	13,176,119	225.6%	53.3%
2016	0.133662%	28,550,007	12,068,466	236.6%	52.9%
2015	0.119621%	22,686,700	10,331,540	219.6%	57.0%
2014	0.112016%	19,285,442	8,328,188	231.6%	59.9%

South Carolina Police Officers Retirement System

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.70029%	\$ 23,222,952	\$ 10,549,951	220.1%	58.8%
2019	0.67936%	19,470,007	9,750,660	199.7%	62.7%
2018	0.65684%	18,611,853	9,065,769	205.3%	61.7%
2017	0.63696%	17,449,878	8,363,722	208.6%	60.9%
2016	0.63075%	15,998,839	7,070,498	226.3%	60.4%
2015	0.60504%	13,186,911	6,953,011	189.7%	64.6%
2014	0.59357%	11,363,505	6,132,698	185.3%	67.5%

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

The assumptions used in the preparation of the above schedules are disclosed in Note 7 to the financial statements.

LANCASTER COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS FOR THE 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
2021	\$ 2,556,434	\$ 2,556,434	\$ -	\$ 16,493,795	15.50%
2020	2,443,945	2,443,945	-	15,706,592	15.56%
2019	2,156,017	2,156,017	-	14,807,814	14.56%
2018	1,881,203	1,881,203	-	13,873,171	13.56%
2017	1,519,493	1,519,493	-	13,176,119	11.53%
2016	1,411,809	1,411,809	-	12,068,466	11.70%
2015	1,211,053	1,211,053	-	10,331,540	11.72%

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
2021	\$ 1,985,795	\$ 1,985,795	\$ -	\$ 10,887,034	18.24%
2020	1,924,311	1,924,311	-	10,549,951	18.24%
2019	1,681,015	1,681,015	-	9,750,660	17.24%
2018	1,472,281	1,472,281	-	9,065,769	16.24%
2017	1,205,246	1,205,246	-	8,363,722	14.41%
2016	1,069,368	1,069,368	-	7,070,498	15.12%
2015	1,005,716	1,005,716	-	6,953,011	14.46%

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

LANCASTER COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30

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

System	SCRS	PORS
Calculation date	July 1, 2018	July 1, 2018
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	29 years maximum, closed	29 years maximum, closed
Investment return	7.25%	7.25%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service	3.50% plus step-rate increases for members with less than 15 years of service
Mortality	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Males rates multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators.	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Males rates multiplied by 125% and female rates are multiplied by 111%.

**COMBINING STATEMENTS
AND SCHEDULES**

LANCASTER COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

The **Local Accommodations Tax Fund** accounts for the local accommodations tax funds that are used to promote tourism in the County.

The **Indian Land Fire Protection District Fund** accounts for the revenues that are collected for use in the Indian Land Fire Special Tax Districts for fire protection. An annual fee is levied per each residential unit that is serviced by the fire department.

The **E-911 Fund** accounts for fees levied through telephone bills to support the emergency 911 system. Funds are restricted for improvements and expansion of the County's emergency 911 system.

The **Pleasant Valley Fire District Fund** accounts for the revenues that are collected for use in the Pleasant Valley Fire Special Tax Districts for fire protection.

The **Court Mandated Security Fund** accounts for the revenues that are collected to pay for court security expenditures for the Lancaster County court system.

The **Victim Services Fund** accounts for funds collected through the courts that are restricted to pay for victim services.

The **Transportation Fund** accounts for State "C" fund revenues that are used for road improvements in the County.

The **Sunday Alcohol Sales Fund** accounts for revenues that are used for specific purposes as outlined by state law.

The **Restricted Grants Fund** accounts for the intergovernmental funds received from the state and federal governments for various grants. This fund is also used to account for private contributions for various grants. The funds received are restricted for projects as outlined in each grant award.

The **Economic Development Fund** accounts for fee-in-lieu of tax revenues that are collected to pay for the promotion of economic development activities in the County.

The **Development Agreements Fund** accounts for the revenues collected through development agreements that are restricted for specific purposes as outlined in the individual development agreements.

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

LANCASTER COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

The **State Accommodations Tax Fund** accounts for the revenues collected through South Carolina Accommodations Tax Act and be used for advertising and promotion of tourism and related expenditures.

The **Stormwater Fund** accounts for the revenues collected through a stormwater fee billed and be used for all stormwater activities in the panhandle SMS4 service area.

CAPITAL PROJECTS FUNDS

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

The **Keer Special Sources Fund** accounts for the capital projects funded with special assessment debt that is restricted for improvements to the area's infrastructure.

The **Brookchase Special Tax District Fund** accounts for the fees levied in the district. These funds are restricted to fund improvements to the area's infrastructure.

The **Capital Improvement Fund** accounts for the capital projects and capital equipment replacement of the various County departments. Property taxes are levied specifically for this purpose.

The **Edgewater II Improvement District Fund** accounts for the capital projects funded with special assessment debt that is restricted for improvements to the area's infrastructure.

The **Sun City Special Assessments Fund** accounts for the capital projects funded with special assessment debt that is restricted for improvements to the area's infrastructure and a public library construction.

The **Reid Pointe Special Tax District Fund** accounts for the district's infrastructure improvements funded by special millage.

LANCASTER COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 14,719	\$ -	\$ 14,719
Investments	-	836	836
Taxes receivable, net	75,207	97,203	172,410
Accounts receivable, net	289,476	-	289,476
Due from other governments	1,227,253	-	1,227,253
Due from other funds	13,836,961	2,330,195	16,167,156
Total assets	<u>\$ 15,443,616</u>	<u>\$ 2,428,234</u>	<u>\$ 17,871,850</u>
LIABILITIES			
Accounts payable	\$ -	\$ 1,419	\$ 1,419
Due to other funds	629,878	-	629,878
Unearned revenues	228,035	-	228,035
Total liabilities	<u>857,913</u>	<u>1,419</u>	<u>859,332</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	69,930	90,252	160,182
Unavailable revenue - intergovernmental	425,716	-	425,716
Total deferred inflows of resources	<u>495,646</u>	<u>90,252</u>	<u>585,898</u>
FUND BALANCES			
Restricted for:			
Public safety	4,633,866	-	4,633,866
Public works	1,741,901	-	1,741,901
Culture and recreation	462,988	-	462,988
Economic development	5,642,580	-	5,642,580
Roads and bridges	1,255,599	-	1,255,599
Capital projects	-	1,655,569	1,655,569
Assigned:			
Subsequent year's budget	659,037	680,994	1,340,031
Unassigned	(305,914)	-	(305,914)
Total fund balances	<u>14,090,057</u>	<u>2,336,563</u>	<u>16,426,620</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,443,616</u>	<u>\$ 2,428,234</u>	<u>\$ 17,871,850</u>

LANCASTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Property taxes	\$ 1,818,179	\$ 2,903,538	\$ 4,721,717
Other taxes	2,402,394	-	2,402,394
Intergovernmental	5,252,376	-	5,252,376
Charges for services	3,059,629	62,568	3,122,197
Fines and forfeitures	61,777	-	61,777
Interest revenue	11,042	233	11,275
Contributions and donations	324,587	-	324,587
Other revenues	151	-	151
Total revenues	12,930,135	2,966,339	15,896,474
Expenditures:			
Current:			
General government	237,511	-	237,511
Administration of justice	113,937	-	113,937
Public safety	5,011,122	-	5,011,122
Public works	3,126,206	-	3,126,206
Public health and welfare	298,618	-	298,618
Culture and recreation	505,163	-	505,163
Economic development	1,153,813	-	1,153,813
Capital outlay	-	2,595,914	2,595,914
Debt service:			
Principal	125,000	343,830	468,830
Interest	44,413	257,940	302,353
Fees	-	10,000	10,000
Total expenditures	10,615,783	3,207,684	13,823,467
Excess (deficiency) of revenues over (under) expenditures	2,314,352	(241,345)	2,073,007
Other financing sources (uses):			
Transfers out	(31,594)	-	(31,594)
Issuance of bonds	-	700,000	700,000
Total other financing sources (uses), net	(31,594)	700,000	668,406
Net change in fund balances	2,282,758	458,655	2,741,413
Fund balances, beginning of year	11,807,299	1,877,908	13,685,207
Fund balances, end of year	\$ 14,090,057	\$ 2,336,563	\$ 16,426,620

LANCASTER COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021**

	Local Accommodations Tax Fund	Indian Land Fire Protection District Fund	E-911 Fund	Pleasant Valley Fire District Fund	Court Mandated Security Fund	Victim Services Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,933
Taxes receivable, net	-	-	-	-	75,207	-
Accounts receivable, net	8,674	-	87,005	-	-	-
Due from other governments	-	-	-	-	-	-
Due from other funds	454,314	551,124	1,543,556	698,167	1,708,103	-
Total assets	<u>\$ 462,988</u>	<u>\$ 551,124</u>	<u>\$ 1,630,561</u>	<u>\$ 698,167</u>	<u>\$ 1,783,310</u>	<u>\$ 2,933</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,269
Unearned revenues	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,269</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	-	-	-	-	69,930	-
Unavailable revenue - intergovernmental	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,930</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Restricted for:						
Public safety	-	464,363	1,630,561	684,225	1,675,224	-
Public works	-	-	-	-	-	-
Culture and recreation	462,988	-	-	-	-	-
Economic development	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	-
Assigned:						
Subsequent year's budget	-	86,761	-	13,942	38,156	-
Unassigned	-	-	-	-	-	(18,336)
Total fund balances (deficits)	<u>462,988</u>	<u>551,124</u>	<u>1,630,561</u>	<u>698,167</u>	<u>1,713,380</u>	<u>(18,336)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 462,988</u>	<u>\$ 551,124</u>	<u>\$ 1,630,561</u>	<u>\$ 698,167</u>	<u>\$ 1,783,310</u>	<u>\$ 2,933</u>

(Continued)

Transportation Fund	Sunday Alcohol Sales Fund	Restricted Grants Fund	Economic Development Fund	Development Agreements Fund	Hospitality Tax Fund	State Accommodations Tax Fund	Stormwater Fund	Totals
\$ -	\$ -	\$ 11,786	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,719
-	-	-	-	-	-	-	-	75,207
-	-	-	-	-	193,797	-	-	289,476
165,366	17,450	913,215	-	-	-	131,222	-	1,227,253
1,149,016	160,612	-	141,739	1,431	5,225,603	-	2,203,296	13,836,961
<u>\$ 1,314,382</u>	<u>\$ 178,062</u>	<u>\$ 925,001</u>	<u>\$ 141,739</u>	<u>\$ 1,431</u>	<u>\$ 5,419,400</u>	<u>\$ 131,222</u>	<u>\$ 2,203,296</u>	<u>\$ 15,443,616</u>
\$ -	\$ -	\$ 558,828	\$ -	\$ -	\$ -	\$ 49,781	\$ -	\$ 629,878
-	-	228,035	-	-	-	-	-	228,035
-	-	786,863	-	-	-	49,781	-	857,913
-	-	-	-	-	-	-	-	69,930
-	-	425,716	-	-	-	-	-	425,716
-	-	425,716	-	-	-	-	-	495,646
-	178,062	-	-	1,431	-	-	-	4,633,866
-	-	-	-	-	-	-	1,741,901	1,741,901
-	-	-	-	-	-	-	-	462,988
-	-	-	141,739	-	5,419,400	81,441	-	5,642,580
1,255,599	-	-	-	-	-	-	-	1,255,599
58,783	-	-	-	-	-	-	461,395	659,037
-	-	(287,578)	-	-	-	-	-	(305,914)
<u>1,314,382</u>	<u>178,062</u>	<u>(287,578)</u>	<u>141,739</u>	<u>1,431</u>	<u>5,419,400</u>	<u>81,441</u>	<u>2,203,296</u>	<u>14,090,057</u>
<u>\$ 1,314,382</u>	<u>\$ 178,062</u>	<u>\$ 925,001</u>	<u>\$ 141,739</u>	<u>\$ 1,431</u>	<u>\$ 5,419,400</u>	<u>\$ 131,222</u>	<u>\$ 2,203,296</u>	<u>\$ 15,443,616</u>

LANCASTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Local Accommodations Tax Fund	Indian Land Fire Protection District Fund	E-911 Fund	Pleasant Valley Fire District Fund	Court Mandated Security Fund	Victim Services Fund
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,736,617	\$ -
Other taxes	121,932	-	399,876	-	-	-
Intergovernmental	-	-	117,557	-	-	-
Charges for services	-	903,393	-	697,696	-	-
Fines and forfeitures	-	3,270	-	4,266	-	45,272
Interest revenue	462	665	1,524	774	-	-
Contributions and donations	-	300	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>122,394</u>	<u>907,628</u>	<u>518,957</u>	<u>702,736</u>	<u>1,736,617</u>	<u>45,272</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Administration of justice	-	-	-	-	-	-
Public safety	-	1,020,796	496,378	586,618	1,377,763	18,897
Public works	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-
Culture and recreation	110,405	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	125,000	-	-
Interest	-	-	-	44,413	-	-
Total expenditures	<u>110,405</u>	<u>1,020,796</u>	<u>496,378</u>	<u>756,031</u>	<u>1,377,763</u>	<u>18,897</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,989</u>	<u>(113,168)</u>	<u>22,579</u>	<u>(53,295)</u>	<u>358,854</u>	<u>26,375</u>
Other financing uses:						
Transfers out	-	-	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	11,989	(113,168)	22,579	(53,295)	358,854	26,375
Fund balances (deficits), beginning of year	<u>450,999</u>	<u>664,292</u>	<u>1,607,982</u>	<u>751,462</u>	<u>1,354,526</u>	<u>(44,711)</u>
Fund balances (deficits), end of year	<u>\$ 462,988</u>	<u>\$ 551,124</u>	<u>\$ 1,630,561</u>	<u>\$ 698,167</u>	<u>\$ 1,713,380</u>	<u>\$ (18,336)</u>

(Continued)

Transportation Fund	Sunday Alcohol Sales Fund	Restricted Grants Fund	Economic Development Fund	Development Agreements Fund	Hospitality Tax Fund	State Accommodations Tax Fund	Stormwater Fund	Totals
\$ -	\$ -	\$ -	\$ 81,562	\$ -	\$ -	\$ -	\$ -	\$ 1,818,179
-	-	-	-	-	1,880,586	-	-	2,402,394
2,054,639	44,425	2,878,875	-	-	-	156,880	-	5,252,376
-	-	-	-	-	-	-	1,458,540	3,059,629
-	-	-	-	-	-	-	8,969	61,777
1,130	-	-	-	-	4,363	121	2,003	11,042
-	-	324,287	-	-	-	-	-	324,587
-	151	-	-	-	-	-	-	151
<u>2,055,769</u>	<u>44,576</u>	<u>3,203,162</u>	<u>81,562</u>	<u>-</u>	<u>1,884,949</u>	<u>157,001</u>	<u>1,469,512</u>	<u>12,930,135</u>
-	-	199,082	-	-	38,429	-	-	237,511
-	-	113,937	-	-	-	-	-	113,937
-	672	1,509,998	-	-	-	-	-	5,011,122
2,193,743	-	74,052	-	-	-	-	858,411	3,126,206
-	-	240,366	-	58,252	-	-	-	298,618
-	-	61,850	-	-	-	332,908	-	505,163
-	-	1,153,813	-	-	-	-	-	1,153,813
-	-	-	-	-	-	-	-	125,000
-	-	-	-	-	-	-	-	44,413
<u>2,193,743</u>	<u>672</u>	<u>3,353,098</u>	<u>-</u>	<u>58,252</u>	<u>38,429</u>	<u>332,908</u>	<u>858,411</u>	<u>10,615,783</u>
<u>(137,974)</u>	<u>43,904</u>	<u>(149,936)</u>	<u>81,562</u>	<u>(58,252)</u>	<u>1,846,520</u>	<u>(175,907)</u>	<u>611,101</u>	<u>2,314,352</u>
-	-	-	-	-	-	(31,594)	-	(31,594)
-	-	-	-	-	-	(31,594)	-	(31,594)
<u>(137,974)</u>	<u>43,904</u>	<u>(149,936)</u>	<u>81,562</u>	<u>(58,252)</u>	<u>1,846,520</u>	<u>(207,501)</u>	<u>611,101</u>	<u>2,282,758</u>
<u>1,452,356</u>	<u>134,158</u>	<u>(137,642)</u>	<u>60,177</u>	<u>59,683</u>	<u>3,572,880</u>	<u>288,942</u>	<u>1,592,195</u>	<u>11,807,299</u>
<u>\$ 1,314,382</u>	<u>\$ 178,062</u>	<u>\$ (287,578)</u>	<u>\$ 141,739</u>	<u>\$ 1,431</u>	<u>\$ 5,419,400</u>	<u>\$ 81,441</u>	<u>\$ 2,203,296</u>	<u>\$ 14,090,057</u>

LANCASTER COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021**

	KEER Special Sources Fund	Brookchase Special Tax District Fund	Capital Improvement Fund	Edgewater II Improvement District Fund	Sun City Special Assessments Fund	Reid Pointe Special Tax District Fund	Totals
ASSETS							
Investments	\$ -	\$ -	\$ -	\$ 836	\$ -	\$ -	\$ 836
Taxes receivable, net	-	-	97,168	-	-	35	97,203
Due from other funds	-	94,457	2,099,793	-	1,419	134,526	2,330,195
Total assets	<u>\$ -</u>	<u>\$ 94,457</u>	<u>\$ 2,196,961</u>	<u>\$ 836</u>	<u>\$ 1,419</u>	<u>\$ 134,561</u>	<u>\$ 2,428,234</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,419	\$ -	\$ 1,419
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,419</u>	<u>-</u>	<u>1,419</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	90,217	-	-	35	90,252
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>90,217</u>	<u>-</u>	<u>-</u>	<u>35</u>	<u>90,252</u>
FUND BALANCES							
Restricted for:							
Capital projects	-	94,457	1,425,750	836	-	134,526	1,655,569
Assigned:							
Subsequent year's budget	-	-	680,994	-	-	-	680,994
Total fund balances	<u>-</u>	<u>94,457</u>	<u>2,106,744</u>	<u>836</u>	<u>-</u>	<u>134,526</u>	<u>2,336,563</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 94,457</u>	<u>\$ 2,196,961</u>	<u>\$ 836</u>	<u>\$ 1,419</u>	<u>\$ 134,561</u>	<u>\$ 2,428,234</u>

LANCASTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	KEER Special Sources Fund	Brookchase Special Tax District Fund	Capital Improvement Fund	Edgewater II Improvement District Fund	Sun City Special Assessments Fund	Reid Pointe Special Tax District Fund	Totals
Revenues:							
Property taxes	\$ 542,166	\$ -	\$ 2,293,091	\$ -	\$ -	\$ 68,281	\$ 2,903,538
Charges for services	-	62,568	-	-	-	-	62,568
Interest revenue	-	96	-	-	-	137	233
Total revenues	<u>542,166</u>	<u>62,664</u>	<u>2,293,091</u>	<u>-</u>	<u>-</u>	<u>68,418</u>	<u>2,966,339</u>
Expenditures:							
Capital outlay:							
General government	-	-	319,155	-	-	-	319,155
Public safety	-	-	717,648	-	-	-	717,648
Public works	-	-	239,114	-	-	690,000	929,114
Public health and welfare	-	-	629,997	-	-	-	629,997
Debt service:							
Principal	297,764	46,066	-	-	-	-	343,830
Interest	244,402	13,538	-	-	-	-	257,940
Fees	-	-	-	-	-	10,000	10,000
Total expenditures	<u>542,166</u>	<u>59,604</u>	<u>1,905,914</u>	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>3,207,684</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>3,060</u>	<u>387,177</u>	<u>-</u>	<u>-</u>	<u>(631,582)</u>	<u>(241,345)</u>
Other financing sources:							
Issuance of bonds	-	-	-	-	-	700,000	700,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>700,000</u>
Net change in fund balances	<u>-</u>	<u>3,060</u>	<u>387,177</u>	<u>-</u>	<u>-</u>	<u>68,418</u>	<u>458,655</u>
FUND BALANCES, beginning of year	<u>-</u>	<u>91,397</u>	<u>1,719,567</u>	<u>836</u>	<u>-</u>	<u>66,108</u>	<u>1,877,908</u>
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ 94,457</u>	<u>\$ 2,106,744</u>	<u>\$ 836</u>	<u>\$ -</u>	<u>\$ 134,526</u>	<u>\$ 2,336,563</u>

**LANCASTER COUNTY, SOUTH CAROLINA
LOCAL ACCOMMODATIONS TAX**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Other taxes	\$ 100,000	\$ 100,000	\$ 121,932	\$ 21,932
Interest revenue	-	-	462	462
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>122,394</u>	<u>22,394</u>
EXPENDITURES				
Current:				
Culture and recreation	100,000	140,000	110,405	29,595
Total expenditures	<u>100,000</u>	<u>140,000</u>	<u>110,405</u>	<u>29,595</u>
Net change in fund balance	-	(40,000)	11,989	<u>\$ 51,989</u>
FUND BALANCES, beginning of year	<u>450,999</u>	<u>450,999</u>	<u>450,999</u>	
FUND BALANCES, end of year	<u>\$ 450,999</u>	<u>\$ 410,999</u>	<u>\$ 462,988</u>	

LANCASTER COUNTY, SOUTH CAROLINA
INDIAN LAND FIRE PROTECTION DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 916,000	\$ 916,000	\$ 903,393	\$ (12,607)
Fines and forfeitures	-	-	3,270	3,270
Investment income	-	-	665	665
Contributions and donations	-	-	300	300
Total revenues	<u>916,000</u>	<u>916,000</u>	<u>907,628</u>	<u>(8,372)</u>
EXPENDITURES				
Current:				
Public safety	<u>979,000</u>	<u>979,000</u>	<u>1,020,796</u>	<u>(41,796)</u>
Total expenditures	<u>979,000</u>	<u>979,000</u>	<u>1,020,796</u>	<u>(41,796)</u>
Net change in fund balance	(63,000)	(63,000)	(113,168)	<u>\$ (50,168)</u>
FUND BALANCES, beginning of year	<u>664,292</u>	<u>664,292</u>	<u>664,292</u>	
FUND BALANCES, end of year	<u>\$ 601,292</u>	<u>\$ 601,292</u>	<u>\$ 551,124</u>	

**LANCASTER COUNTY, SOUTH CAROLINA
E-911 FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Other taxes	\$ 325,000	\$ 325,000	\$ 399,876	\$ 74,876
Intergovernmental	542,310	542,310	117,557	(424,753)
Interest revenue	-	-	1,524	1,524
Total revenues	<u>867,310</u>	<u>867,310</u>	<u>518,957</u>	<u>(348,353)</u>
EXPENDITURES				
Current:				
Public safety	<u>873,590</u>	<u>873,590</u>	<u>496,378</u>	<u>377,212</u>
Total expenditures	<u>873,590</u>	<u>873,590</u>	<u>496,378</u>	<u>377,212</u>
Net change in fund balance	(6,280)	(6,280)	22,579	<u>\$ 28,859</u>
FUND BALANCES, beginning of year	<u>1,607,982</u>	<u>1,607,982</u>	<u>1,607,982</u>	
FUND BALANCES, end of year	<u>\$ 1,601,702</u>	<u>\$ 1,601,702</u>	<u>\$ 1,630,561</u>	

LANCASTER COUNTY, SOUTH CAROLINA
PLEASANT VALLEY FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Charges for services	\$ 680,580	\$ 680,580	\$ 697,696	\$ 17,116
Fines and forfeitures	2,500	2,500	4,266	1,766
Interest revenue	-	-	774	774
Total revenues	<u>683,080</u>	<u>683,080</u>	<u>702,736</u>	<u>19,656</u>
EXPENDITURES				
Current:				
Public safety	670,822	670,822	586,618	84,204
Debt service:				
Principal	120,000	120,000	125,000	(5,000)
Interest	49,413	49,413	44,413	5,000
Total expenditures	<u>840,235</u>	<u>840,235</u>	<u>756,031</u>	<u>84,204</u>
Net change in fund balance	(157,155)	(157,155)	(53,295)	<u>\$ 103,860</u>
FUND BALANCES, beginning of year	<u>751,462</u>	<u>751,462</u>	<u>751,462</u>	
FUND BALANCES, end of year	<u>\$ 594,307</u>	<u>\$ 594,307</u>	<u>\$ 698,167</u>	

LANCASTER COUNTY, SOUTH CAROLINA
COURT MANDATED SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 1,579,140	\$ 1,579,140	\$ 1,736,617	\$ 157,477
Total revenues	<u>1,579,140</u>	<u>1,579,140</u>	<u>1,736,617</u>	<u>157,477</u>
EXPENDITURES				
Current:				
Public safety	1,579,140	1,579,140	1,377,763	201,377
Total expenditures	<u>1,579,140</u>	<u>1,579,140</u>	<u>1,377,763</u>	<u>201,377</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	358,854	<u>\$ 358,854</u>
FUND BALANCES, beginning of year			<u>1,354,526</u>	
FUND BALANCES, end of year			<u>\$ 1,713,380</u>	

**LANCASTER COUNTY, SOUTH CAROLINA
VICTIM SERVICES FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Fines and forfeitures	\$ 65,000	\$ 65,000	\$ 45,272	\$ (19,728)
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>45,272</u>	<u>(19,728)</u>
EXPENDITURES				
Current:				
Public safety	65,000	65,000	18,897	46,103
Total expenditures	<u>65,000</u>	<u>65,000</u>	<u>18,897</u>	<u>46,103</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	26,375	<u>\$ 26,375</u>
FUND BALANCES, beginning of year			<u>(44,711)</u>	
FUND BALANCES, end of year			<u>\$ (18,336)</u>	

**LANCASTER COUNTY, SOUTH CAROLINA
TRANSPORTATION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 1,400,000	\$ 1,400,000	\$ 2,054,639	\$ 654,639
Interest revenue	-	-	1,130	1,130
Total revenues	<u>1,400,000</u>	<u>1,400,000</u>	<u>2,055,769</u>	<u>655,769</u>
EXPENDITURES				
Current:				
Public works	1,400,000	1,400,000	2,193,743	(793,743)
Total expenditures	<u>1,400,000</u>	<u>1,400,000</u>	<u>2,193,743</u>	<u>(793,743)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(137,974)	<u>\$ (137,974)</u>
FUND BALANCES, beginning of year			<u>1,452,356</u>	
FUND BALANCES, end of year			<u>\$ 1,314,382</u>	

LANCASTER COUNTY, SOUTH CAROLINA
STATE ACCOMMODATIONS TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 180,000	\$ 180,000	\$ 156,880	\$ (23,120)
Interest revenue	-	-	121	121
Total revenues	<u>180,000</u>	<u>180,000</u>	<u>157,001</u>	<u>(22,999)</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>346,500</u>	<u>346,500</u>	<u>332,908</u>	<u>13,592</u>
Total expenditures	<u>346,500</u>	<u>346,500</u>	<u>332,908</u>	<u>13,592</u>
Deficiency of revenues under expenditures	(166,500)	(166,500)	(175,907)	(9,407)
Other financing uses				
Transfers out	<u>(32,750)</u>	<u>(32,750)</u>	<u>(31,594)</u>	<u>1,156</u>
Total other financing uses	<u>(32,750)</u>	<u>(32,750)</u>	<u>(31,594)</u>	<u>1,156</u>
Net change in fund balance	(199,250)	(199,250)	(207,501)	<u><u>\$ (8,251)</u></u>
FUND BALANCES, beginning of year	<u>288,942</u>	<u>288,942</u>	<u>288,942</u>	
FUND BALANCES, end of year	<u><u>\$ 89,692</u></u>	<u><u>\$ 89,692</u></u>	<u><u>\$ 81,441</u></u>	

**LANCASTER COUNTY, SOUTH CAROLINA
STORMWATER FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 1,373,280	\$ 1,373,280	\$ 1,458,540	\$ 85,260
Fines and forfeitures	-	-	8,969	8,969
Interest revenue	-	-	2,003	2,003
Total revenues	<u>1,373,280</u>	<u>1,373,280</u>	<u>1,469,512</u>	<u>96,232</u>
EXPENDITURES				
Current:				
Public works	<u>2,248,280</u>	<u>2,248,280</u>	<u>858,411</u>	<u>1,389,869</u>
Total expenditures	<u>2,248,280</u>	<u>2,248,280</u>	<u>858,411</u>	<u>1,389,869</u>
Net change in fund balance	(875,000)	(875,000)	611,101	<u>\$ 1,486,101</u>
FUND BALANCES, beginning of year	<u>1,592,195</u>	<u>1,592,195</u>	<u>1,592,195</u>	
FUND BALANCES, end of year	<u>\$ 717,195</u>	<u>\$ 717,195</u>	<u>\$ 2,203,296</u>	

**LANCASTER COUNTY, SOUTH CAROLINA
DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 4,425,143	\$ 4,425,143	\$ 3,616,145	\$ (808,998)
Interest revenue	1,557	1,557	2,172	615
Total revenues	<u>4,426,700</u>	<u>4,426,700</u>	<u>3,618,317</u>	<u>(808,383)</u>
EXPENDITURES				
Debt service:				
Principal	6,735,000	6,735,000	6,735,000	-
Interest	1,462,950	1,462,950	1,462,950	-
Fees	5,000	5,000	3,306	1,694
Total expenditures	<u>8,202,950</u>	<u>8,202,950</u>	<u>8,201,256</u>	<u>1,694</u>
Deficiency of revenues under expenditures	<u>(3,776,250)</u>	<u>(3,776,250)</u>	<u>(4,582,939)</u>	<u>(806,689)</u>
Other financing sources				
Transfers in	3,776,250	3,776,250	3,776,250	-
Total other financing sources	<u>3,776,250</u>	<u>3,776,250</u>	<u>3,776,250</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(806,689)	<u>\$ (806,689)</u>
FUND BALANCES, beginning of year			<u>2,334,738</u>	
FUND BALANCES, end of year			<u>\$ 1,528,049</u>	

**LANCASTER COUNTY, SOUTH CAROLINA
CAPITAL IMPROVEMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 2,054,960	\$ 2,054,960	\$ 2,293,091	\$ 238,131
Total revenues	<u>2,054,960</u>	<u>2,054,960</u>	<u>2,293,091</u>	<u>238,131</u>
EXPENDITURES				
Capital outlay:				
General government	373,204	373,204	319,155	54,049
Public safety	1,072,809	1,072,809	717,648	355,161
Public works	557,749	557,749	239,114	318,635
Public health and welfare	630,000	630,000	629,997	3
Total expenditures	<u>2,633,762</u>	<u>2,633,762</u>	<u>1,905,914</u>	<u>727,848</u>
Net change in fund balance	(578,802)	(578,802)	387,177	<u>\$ 965,979</u>
FUND BALANCES, beginning of year	<u>1,719,567</u>	<u>1,719,567</u>	<u>1,719,567</u>	
FUND BALANCES, end of year	<u>\$ 1,140,765</u>	<u>\$ 1,140,765</u>	<u>\$ 2,106,744</u>	

LANCASTER COUNTY, SOUTH CAROLINA
CAPITAL PROJECT SALES TAX 2 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Sales and other local taxes	\$ 8,500,000	\$ 8,500,000	\$ 13,987,334	\$ 5,487,334
Intergovernmental	-	-	437,777	437,777
Other revenues	-	-	43,479	43,479
Total revenues	<u>8,500,000</u>	<u>8,500,000</u>	<u>14,468,590</u>	<u>5,968,590</u>
EXPENDITURES				
Current:				
Public works	3,105,167	9,667,167	7,827,551	1,839,616
Culture and recreation	5,300,395	5,592,998	5,807,535	(214,537)
Capital outlay:				
Public safety	15,000	15,000	-	15,000
Total expenditures	<u>8,420,562</u>	<u>15,275,165</u>	<u>13,635,086</u>	<u>1,640,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>79,438</u>	<u>(6,775,165)</u>	<u>833,504</u>	<u>7,608,669</u>
Other financing uses				
Transfers out	<u>(3,776,250)</u>	<u>(3,776,250)</u>	<u>(3,776,250)</u>	-
Total other financing uses	<u>(3,776,250)</u>	<u>(3,776,250)</u>	<u>(3,776,250)</u>	-
Net change in fund balance	(3,696,812)	(10,551,415)	(2,942,746)	<u>\$ 7,608,669</u>
FUND BALANCES, beginning of year	<u>24,876,115</u>	<u>24,876,115</u>	<u>24,876,115</u>	
FUND BALANCES, end of year	<u>\$ 21,179,303</u>	<u>\$ 14,324,700</u>	<u>\$ 21,933,369</u>	

CUSTODIAL FUNDS

LANCASTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

ASSETS	Clerk of Court	Family Court	Probate Court	Magistrate Court	Detention Center Inmates	Employee Funds	Edenmoor & Walnut Creek 1 & 2 Improvement District	Edgewater II Improvement District
Cash and cash equivalents	\$ 685,255	\$ 142,482	\$ -	\$ 186,341	\$ 40,899	\$ 10,919	\$ -	\$ -
Investments	20,511	-	-	-	-	-	6,018,019	489,930
Taxes receivable	-	-	-	-	-	-	-	-
Receivables	-	-	2,150	-	-	-	1,420	-
Total assets	705,766	142,482	2,150	186,341	40,899	10,919	6,019,439	489,930
LIABILITIES								
Due to others	625,060	142,482	2,150	186,280	40,899	10,919	6,019,439	489,930
Uncollected taxes	-	-	-	-	-	-	-	-
Total liabilities	625,060	142,482	2,150	186,280	40,899	10,919	6,019,439	489,930
NET POSITION								
Restricted for individuals, organizations and other governments	80,706	-	-	61	-	-	-	-
Total net position	\$ 80,706	\$ -	\$ -	\$ 61	\$ -	\$ -	\$ -	\$ -

Edgewater Improvement District	Sun City Improvement District	Forfeit Land Commission	City of Lancaster	Town of Kershaw	Town of Chester	Chesterfield	Education Fund	Tax Collector	Total
\$ -	\$ -	\$ 521,304	\$ -	\$ -	\$ -	\$ -	\$ 27,388,459	\$ 2,239,864	\$ 31,215,523
678,935	834,332	-	-	-	-	-	13,231,281	-	21,273,008
-	-	-	340,461	25,047	-	-	5,725,914	-	6,091,422
-	-	-	109,576	5,410	6,136	1,756	-	-	126,448
<u>678,935</u>	<u>834,332</u>	<u>521,304</u>	<u>450,037</u>	<u>30,457</u>	<u>6,136</u>	<u>1,756</u>	<u>46,345,654</u>	<u>2,239,864</u>	<u>58,706,401</u>
678,935	834,332	-	109,576	5,410	6,136	1,756	40,619,740	-	49,773,044
-	-	-	340,461	25,047	-	-	5,725,914	-	6,091,422
<u>678,935</u>	<u>834,332</u>	<u>-</u>	<u>450,037</u>	<u>30,457</u>	<u>6,136</u>	<u>1,756</u>	<u>46,345,654</u>	<u>-</u>	<u>55,864,466</u>
-	-	521,304	-	-	-	-	-	2,239,864	2,841,935
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 521,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,239,864</u>	<u>\$ 2,841,935</u>

LANCASTER COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Clerk of Court	Family Court	Probate Court	Magistrate Court	Detention Center Inmates	Employee Funds	Edenmoor & Walnut Creek 1 & 2 Improvement District	Edgewater II Improvement District
ADDITIONS								
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,905,420	\$ 21,619
Fines and fees	264,879	529,490	713	658,924	-	-	-	-
Funds from state and participants	-	-	-	-	-	7,874	-	-
Inmate funds collected	-	-	-	-	443,992	-	-	-
Funds from foreclosure sales	-	-	-	-	-	-	-	-
Total additions	264,879	529,490	713	658,924	443,992	7,874	5,905,420	21,619
DEDUCTIONS								
Taxes and fees paid to other governments	318,516	529,490	-	658,924	-	-	5,905,420	21,619
Funds disbursed per court order	-	-	713	-	-	-	-	-
Inmate funds disbursed	-	-	-	-	443,992	-	-	-
Other custodial disbursements	-	-	-	-	-	7,874	-	-
Total deductions	318,516	529,490	713	658,924	443,992	7,874	5,905,420	21,619
Change in fiduciary net position	(53,637)	-	-	-	-	-	-	-
Net position, beginning of year, restated	134,343	-	-	61	-	-	-	-
Net position, end of year	\$ 80,706	\$ -	\$ -	\$ 61	\$ -	\$ -	\$ -	\$ -

Edgewater Improvement District	Sun City Improvement District	Forfeit Land Commission	City of Lancaster	Town of Kershaw	Town of Chester	Chesterfield	Education Fund	Tax Collector	Total
\$ 387,999	\$ 978,878	\$ -	\$ 3,754,483	\$ 220,482	\$ 69,054	\$ 25,738	\$ 86,819,704	\$ -	98,183,377
-	-	-	-	-	-	-	-	-	1,454,006
-	-	-	-	-	-	-	-	-	7,874
-	-	-	-	-	-	-	-	-	443,992
-	-	75,943	-	-	-	-	-	3,936,496	4,012,439
<u>387,999</u>	<u>978,878</u>	<u>75,943</u>	<u>3,754,483</u>	<u>220,482</u>	<u>69,054</u>	<u>25,738</u>	<u>86,819,704</u>	<u>3,936,496</u>	<u>104,101,688</u>
387,999	978,878	75,588	3,754,483	220,482	69,054	25,738	86,819,704	3,442,752	103,208,647
-	-	-	-	-	-	-	-	-	713
-	-	-	-	-	-	-	-	-	443,992
-	-	-	-	-	-	-	-	-	7,874
<u>387,999</u>	<u>978,878</u>	<u>75,588</u>	<u>3,754,483</u>	<u>220,482</u>	<u>69,054</u>	<u>25,738</u>	<u>86,819,704</u>	<u>3,442,752</u>	<u>103,661,226</u>
-	-	355	-	-	-	-	-	493,744	440,462
-	-	520,949	-	-	-	-	-	1,746,120	2,401,473
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 521,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,239,864</u>	<u>\$ 2,841,935</u>

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

LANCASTER COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2021

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	\$ 170,994	\$ 589,792	N/A	\$ 760,786
Court fines and assessments remitted to State Treasurer	116,246	313,941	N/A	430,187
Total Court Fines and Assessments retained	\$ 54,748	\$ 275,851	N/A	\$ 330,599
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	\$ 9,128	\$ 14,823	N/A	\$ 23,951
Assessments retained	1,949	19,372	N/A	21,321
Total Surcharges and Assessments retained for victim services	\$ 11,077	\$ 34,195	N/A	\$ 45,272

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	N/A	\$ (44,711)	\$ (44,711)
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	N/A	-	-
Victim Service Assessments Retained by City/County Treasurer	N/A	21,321	21,321
Victim Service Surcharges Retained by City/County Treasurer	N/A	23,951	23,951
Interest Earned	N/A	-	-
Grant Funds Received			
Grant from:	N/A	-	-
General Funds Transferred to Victim Service Fund	N/A	-	-
Contribution Received from Victim Service Contracts:			
(1) Town of Kershaw	N/A	-	-
(2) Town of	N/A	-	-
(3) City of	N/A	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	N/A	\$ 561	\$ 561

LANCASTER COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2021

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	N/A	\$ 17,567	\$ 17,567
Operating Expenditures	N/A	1,330	1,330
Victim Service Contract(s):			
(1) Entity's Name: Palmetto Citizens Against Sexual Assault	N/A	-	-
(2) Entity's Name	N/A	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	N/A	-	-
(2) Rape Crisis Center:	N/A	-	-
(3) Other local direct crime victims service agency:	N/A	-	-
Transferred to General Fund	N/A	-	-
Total Expenditures from Victim Service Fund/Program (B)	N/A	18,897	18,897
Total Victim Service Deficit Retained by Municipal/County Treasurer (A-B)	N/A	(18,336)	(18,336)
Less: Prior Year Fund Deficit Repayment	N/A	-	-
Carryforward Funds – End of Year	N/A	\$ (18,336)	\$ (18,336)

STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	103 - 111
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	112 - 116
<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
Debt Capacity	117 - 120
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	121 - 122
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
Operating Information	123 - 125
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the County's financial reports for the relevant year.

Note: During fiscal year 2014, it was determined that these functions no longer met the criteria for Special Revenue Funds and were therefore reclassified. The Library and Recreation functions were reclassified as departments within the General Fund and the Airport function was reclassified as a proprietary fund. Prior years have not been restated in the statistical section.

LANCASTER COUNTY, SOUTH CAROLINA

**NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014 ¹	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 33,996,194	\$ 36,831,933	\$ 40,435,476	\$ 28,252,587	\$ 41,708,030	\$ 49,292,814	\$ 54,081,125	\$ 57,524,123	\$ 73,911,732	\$ 90,773,584
Restricted	19,584,980	24,325,103	20,858,227	42,783,910	10,692,095	19,325,999	16,283,439	46,407,439	33,112,801	38,876,125
Unrestricted	13,884,941	16,314,803	22,458,160	(14,302,454)	6,095,091	(1,842,111)	372,744	(14,229,478)	1,401,381	(976,772)
Total governmental activities net position	<u>\$ 67,466,115</u>	<u>\$ 77,471,839</u>	<u>\$ 83,751,863</u>	<u>\$ 56,734,043</u>	<u>\$ 58,495,216</u>	<u>\$ 66,776,702</u>	<u>\$ 70,737,308</u>	<u>\$ 89,702,084</u>	<u>\$ 108,425,914</u>	<u>\$ 128,672,937</u>
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ 3,790,882	\$ 5,460,419	\$ 5,898,351	\$ 5,762,870	\$ 7,051,570	\$ 6,987,971	\$ 6,610,928	\$ 7,090,299
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	(124,719)	(165,515)	(147,558)	(181,902)	(191,628)	(208,237)	(193,847)	(300,395)
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,666,163</u>	<u>\$ 5,294,904</u>	<u>\$ 5,750,793</u>	<u>\$ 5,580,968</u>	<u>\$ 6,859,942</u>	<u>\$ 6,779,734</u>	<u>\$ 6,417,081</u>	<u>\$ 6,789,904</u>
Primary government										
Net investment in capital assets	\$ 33,996,194	\$ 36,831,933	\$ 44,226,358	\$ 33,713,006	\$ 47,606,381	\$ 55,055,684	\$ 61,132,695	\$ 64,512,094	\$ 80,522,660	\$ 97,863,883
Restricted	19,584,980	24,325,103	20,858,227	42,783,910	10,692,095	19,325,999	16,283,439	46,407,439	33,112,801	38,876,125
Unrestricted	13,884,941	16,314,803	22,333,441	(14,467,969)	5,947,533	(2,024,013)	181,116	(14,437,715)	1,207,534	(1,277,167)
Total primary government net position	<u>\$ 67,466,115</u>	<u>\$ 77,471,839</u>	<u>\$ 87,418,026</u>	<u>\$ 62,028,947</u>	<u>\$ 64,246,009</u>	<u>\$ 72,357,670</u>	<u>\$ 77,597,250</u>	<u>\$ 96,481,818</u>	<u>\$ 114,842,995</u>	<u>\$ 135,462,841</u>

(1) The Airport function was reclassified as a proprietary fund in fiscal year 2014 and, accordingly, the activity is now listed as business-type activity instead of governmental activities. Prior years have not been restated.

LANCASTER COUNTY, SOUTH CAROLINA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014 ²	2015	2016	2017	2018	2019	2020	2021
Expenses										
Primary government:										
Governmental activities:										
General government	\$ 13,494,007	\$ 14,274,314	\$ 11,299,133	\$ 13,556,703	\$ 15,201,832	\$ 16,903,372	\$ 17,494,736	\$ 17,460,461	\$ 20,570,980	\$ 20,581,760
Public safety	13,113,668	13,079,241	18,204,203	18,601,569	18,876,586	21,395,171	24,935,032	26,338,671	28,036,341	28,658,281
Public works	6,741,646	6,514,659	7,088,564	7,212,342	21,072,721	11,779,317	11,076,062	10,105,887	11,870,816	13,257,472
Other activities	17,490,004	15,897,654	19,076,859	22,736,802	17,617,220	15,798,155	18,305,309	16,869,293	17,563,018	20,143,858
Total governmental activities expenses	50,839,325	49,765,868	55,668,759	62,107,416	72,768,359	65,876,015	71,811,139	70,774,312	78,041,155	82,641,371
Business-type activities:										
Airport	-	-	437,607	404,801	433,400	406,115	570,727	576,261	655,519	665,304
Total business-type activities expenses	-	-	437,607	404,801	433,400	406,115	570,727	576,261	655,519	665,304
Total primary government expenses	50,839,325	49,765,868	56,106,366	62,512,217	73,201,759	66,282,130	72,381,866	71,350,573	78,696,674	83,306,675
Program revenues										
Primary government:										
Governmental activities:										
Charges for services										
General government	2,758,959	4,003,901	5,937,198	6,066,247	6,833,003	6,664,079	7,463,310	8,305,241	9,326,484	10,827,479
Administration of justice	1,069,362	1,067,263	1,027,217	1,017,176	972,856	1,004,613	1,138,355	1,002,973	893,735	868,196
Public health and welfare	3,066,640	2,883,399	2,748,514	2,589,560	1,675,770	3,135,621	2,216,563	2,907,450	2,752,845	4,185,335
Other activities	2,273,170	2,171,849	2,310,502	2,487,280	2,650,051	2,614,012	4,088,330	4,402,003	4,260,694	4,099,737
Operating grants and contributions	4,163,480	4,346,939	9,593,044	3,844,636	7,981,217	5,324,829	5,248,920	4,848,593	5,070,517	7,027,593
Capital grants and contributions	352,064	3,273,685	807,784	1,943,650	3,834,853	3,027,181	2,584,615	4,258,929	3,331,129	249,204
Total governmental activities program revenues	13,683,675	17,747,036	22,424,259	17,948,549	23,947,750	21,770,335	22,740,093	25,725,189	25,635,404	27,257,544
Business-type activities:										
Charges for services										
Airport	-	-	173,727	179,970	150,127	113,511	164,079	159,551	199,758	180,551
Capital grants and contributions	-	-	50,393	1,873,922	674,876	57,493	1,618,622	184,601	18,478	778,646
Total business-type activities program revenues	-	-	224,120	2,053,892	825,003	171,004	1,782,701	344,152	218,236	959,197
Total primary government program revenues	13,683,675	17,747,036	22,648,379	20,002,441	24,772,753	21,941,339	24,522,794	26,069,341	25,853,640	28,216,741

(Continued)

LANCASTER COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014 ²	2015	2016	2017	2018	2019	2020	2021
Net (expense) revenue										
Governmental activities	\$ (37,155,650)	\$ (32,018,832)	\$ (33,244,500)	\$ (44,158,867)	\$ (48,820,609)	\$ (44,105,680)	\$ (49,071,046)	\$ (45,049,123)	\$ (52,405,751)	\$ (55,383,827)
Business-type activities	-	-	(213,487)	1,649,091	391,603	(235,111)	1,211,974	(232,109)	(437,283)	293,893
Total primary government	<u>(37,155,650)</u>	<u>(32,018,832)</u>	<u>(33,457,987)</u>	<u>(42,509,776)</u>	<u>(48,429,006)</u>	<u>(44,340,791)</u>	<u>(47,859,072)</u>	<u>(45,281,232)</u>	<u>(52,843,034)</u>	<u>(55,089,934)</u>
General revenues and other changes in net position										
Primary government:										
Governmental activities:										
Property taxes	26,759,326	27,805,777	30,138,854	32,542,322	34,917,971	36,433,675	38,920,804	45,315,985	50,027,001	52,256,106
Other taxes	8,579,956	9,220,550	10,759,834	11,837,073	12,582,362	12,628,895	13,315,667	14,622,673	16,721,546	20,169,722
Unrestricted grants and contributions	3,511,437	4,029,881	3,060,980	3,080,863	2,981,903	3,117,955	3,081,986	2,954,940	3,113,058	3,119,897
Unrestricted investment earnings	54,753	31,753	57,446	62,046	163,832	271,927	553,374	1,272,202	1,342,606	164,055
Other	(813)	936,595	-	-	-	-	-	-	-	-
Prior period adjustment	(535,755)	-	-	-	-	-	(2,773,179)	-	-	-
Transfers	-	-	(40,000)	(50,000)	(64,286)	(65,286)	(67,000)	(151,901)	(74,630)	(78,930)
Total governmental activities general revenues and other changes in net position	<u>38,368,904</u>	<u>42,024,556</u>	<u>43,977,114</u>	<u>47,472,304</u>	<u>50,581,782</u>	<u>52,387,166</u>	<u>53,031,652</u>	<u>64,013,899</u>	<u>71,129,581</u>	<u>75,630,850</u>
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	40,000	50,000	64,286	65,286	67,000	151,901	74,630	78,930
Total business-type activities general revenues and other changes in net position	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>50,000</u>	<u>64,286</u>	<u>65,286</u>	<u>67,000</u>	<u>151,901</u>	<u>74,630</u>	<u>78,930</u>
Total primary government general revenues and other changes in net position	<u>38,368,904</u>	<u>42,024,556</u>	<u>44,017,114</u>	<u>47,522,304</u>	<u>50,646,068</u>	<u>52,452,452</u>	<u>53,098,652</u>	<u>64,165,800</u>	<u>71,204,211</u>	<u>75,709,780</u>
Change in net position										
Governmental activities	1,213,254	10,005,724	10,732,614	3,313,437	1,761,173	8,281,486	3,960,606	18,964,776	18,723,830	20,247,023
Business-type activities	-	-	(173,487)	1,699,091	455,889	(169,825)	1,278,974	(80,208)	(362,653)	372,823
Total primary government change in net position	<u>\$ 1,213,254</u>	<u>\$ 10,005,724</u>	<u>\$ 10,559,127</u>	<u>\$ 5,012,528</u>	<u>\$ 2,217,062</u>	<u>\$ 8,111,661</u>	<u>\$ 5,239,580</u>	<u>\$ 18,884,568</u>	<u>\$ 18,361,177</u>	<u>\$ 20,619,846</u>

(2) The Airport function was reclassified as a proprietary fund in fiscal year 2014 and, accordingly, the activity is now listed as business-type activity instead of governmental activities. Prior years have not been restated.

LANCASTER COUNTY, SOUTH CAROLINA

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS (ACCRUAL BASIS) LAST TEN FISCAL YEARS

Year	Real Property Tax (1)	Vehicle Tax	Local Option Sales Tax Property Tax	Local Option Sales Tax Capital Projects	Road Improvement Fee Tax	Other Taxes	Total
2012	\$ 20,202,783	\$ 2,032,440	\$ 4,524,103	\$ 6,924,788	\$ 1,176,367	\$ 478,801	\$ 35,339,282
2013	20,732,179	2,223,687	4,849,911	7,225,680	1,522,254	472,616	37,026,327
2014	22,249,229	2,586,810	5,302,815	7,871,762	1,940,220	947,852	40,898,688
2015	23,817,711	2,951,321	5,773,290	8,655,243	2,183,931	997,899	44,379,395
2016	25,395,538	3,356,927	6,165,506	9,264,782	2,286,114	1,031,466	47,500,333
2017	26,277,300	3,520,652	6,635,723	8,591,056	2,382,448	1,655,391	49,062,570
2018	28,840,615	3,446,079	6,634,110	8,596,418	2,411,954	2,307,295	52,236,471
2019	33,948,353	3,920,027	7,447,605	9,632,957	2,487,225	2,502,491	59,938,658
2020	36,868,463	4,539,885	8,618,653	11,199,016	2,813,201	2,709,329	66,748,547
2021	37,080,478	4,743,265	10,432,363	13,987,334	3,154,315	3,028,073	72,425,828

(1) Includes ad valorem, penalties, inventory tax, homestead, manufacturer exemption, and payments in-lieu-of tax

LANCASTER COUNTY, SOUTH CAROLINA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014 ¹	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 419,097	\$ 465,876	\$ 470,608	\$ 1,036,548	\$ 1,260,002	\$ 1,044,264	\$ 1,065,028	\$ 1,053,048	\$ 1,109,493	\$ 1,003,214
Restricted	1,925,029	1,949,398	1,757,465	1,664,659	1,994,639	1,936,721	1,443,333	2,403,626	3,117,080	3,361,858
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	131,705	216,329	1,238,174	1,662,673	4,922,022	4,335,491	2,925,044	6,868,557	8,203,048	6,892,272
Unassigned	13,905,577	14,812,691	16,940,776	17,842,835	19,251,333	23,275,511	27,087,195	29,249,962	31,432,427	39,617,495
Total General Fund	<u>\$ 16,381,408</u>	<u>\$ 17,444,294</u>	<u>\$ 20,407,023</u>	<u>\$ 22,206,715</u>	<u>\$ 27,427,996</u>	<u>\$ 30,591,987</u>	<u>\$ 32,520,600</u>	<u>\$ 39,575,193</u>	<u>\$ 43,862,048</u>	<u>\$ 50,874,839</u>
All Other Governmental Funds										
Nonspendable	\$ 52,900	\$ 623,943	\$ 561,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	21,344,104	18,472,163	19,338,480	41,372,751	8,697,456	17,389,278	15,325,706	44,927,922	43,003,611	35,514,267
Assigned	28,492	31,427	165,520	48,260	17,440,567	8,309,791	12,972,107	10,695,689	10,978,809	14,211,675
Unassigned, reported in:										
Special revenue funds	(224,815)	(150,303)	-	(187,507)	(130,854)	(436,343)	(179,847)	(109,409)	(182,353)	(305,914)
Capital projects funds	(812,889)	(774,799)	(723,233)	(668,806)	(617,768)	-	(59,899)	-	-	-
Total all other governmental funds	<u>\$ 20,387,792</u>	<u>\$ 18,202,431</u>	<u>\$ 19,341,894</u>	<u>\$ 40,564,698</u>	<u>\$ 25,389,401</u>	<u>\$ 25,262,726</u>	<u>\$ 28,058,067</u>	<u>\$ 55,514,202</u>	<u>\$ 53,800,067</u>	<u>\$ 49,420,028</u>
Total all governmental funds	<u>\$ 36,769,200</u>	<u>\$ 35,646,725</u>	<u>\$ 39,748,917</u>	<u>\$ 62,771,413</u>	<u>\$ 52,817,397</u>	<u>\$ 55,854,713</u>	<u>\$ 60,578,667</u>	<u>\$ 95,089,395</u>	<u>\$ 97,662,115</u>	<u>\$ 100,294,867</u>

(1) The Airport function was reclassified as a proprietary fund in fiscal year 2014 and, accordingly, the activity is now listed as business-type activity instead of governmental activities. Prior years have not been restated.

LANCASTER COUNTY, SOUTH CAROLINA

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 35,868,567	\$ 36,910,888	\$ 40,100,667	\$ 43,591,415	\$ 46,703,440	\$ 48,219,079	\$ 51,370,390	\$ 59,160,122	\$ 66,656,253	\$ 71,921,082
Licenses and permits	2,873,627	4,160,774	5,191,197	5,412,448	6,248,935	10,346,792	6,802,235	6,912,416	7,531,313	9,199,118
Intergovernmental	6,795,508	7,283,619	13,378,905	7,679,451	12,871,513	6,009,615	10,413,632	9,217,432	9,521,558	11,444,493
Charges for services	4,796,444	4,644,851	4,882,693	5,189,021	5,017,909	5,723,388	6,800,198	7,177,398	7,280,484	7,296,439
Fines, fees, and forfeitures	1,063,923	1,056,203	1,028,680	1,020,330	1,024,620	1,137,351	1,139,183	1,045,268	817,399	749,252
Interest income	52,522	29,211	57,446	62,046	163,832	1,177,037	553,374	1,272,202	1,342,606	164,055
Contributions and donations	361,223	525,936	351,666	344,344	2,831,040	271,928	450,436	526,931	258,776	497,921
Contributions from property owners	-	-	-	-	-	-	-	-	-	-
Other	163,279	486,396	230,863	247,254	247,577	202,836	205,132	264,277	656,354	638,573
Total revenues	<u>51,975,093</u>	<u>55,097,878</u>	<u>65,222,117</u>	<u>63,546,309</u>	<u>75,108,866</u>	<u>73,088,026</u>	<u>77,734,580</u>	<u>85,576,046</u>	<u>94,064,743</u>	<u>101,910,933</u>
Expenditures:										
General government	12,670,895	11,619,717	10,004,834	11,646,926	11,900,170	13,170,074	15,760,730	14,922,267	16,595,200	18,688,495
Administration of justice	2,765,385	1,709,906	1,823,021	1,982,265	2,123,474	2,067,748	2,112,988	2,168,732	2,351,776	2,415,594
Public safety and law enforcement	12,202,000	16,364,710	16,500,414	17,169,386	16,921,863	18,942,981	20,049,477	22,431,673	26,227,341	25,380,906
Public works	6,235,699	5,549,083	6,279,272	6,656,489	20,100,712	11,738,926	10,306,899	9,276,883	10,890,271	17,358,204
Public health and welfare	6,865,474	6,292,003	6,587,179	6,353,634	6,940,375	7,373,665	7,292,478	7,630,114	10,066,880	8,592,318
Culture and recreation	-	-	3,226,890	3,696,364	3,605,227	1,074,098	3,845,233	4,236,825	6,185,651	10,080,794
Economic development	3,422,632	1,954,572	5,517,505	659,185	2,244,723	3,844,142	2,816,911	1,195,172	949,374	1,602,966
Other	3,129,091	3,196,847	-	-	-	-	-	-	-	-
Capital outlay	819,921	133,297	3,101,804	9,575,828	8,919,489	7,452,924	3,565,409	2,086,336	6,775,685	6,925,495
Debt service										
Principal retirement	6,840,461	7,203,729	7,515,489	16,482,104	9,097,775	3,548,365	5,755,391	7,419,030	9,580,883	7,253,830
Interest	2,517,241	2,274,282	2,002,080	1,895,703	1,789,488	1,647,576	1,589,485	1,364,646	1,789,676	1,765,303
Fees	-	-	7,500	274,560	92,071	7,500	3,500	227,662	4,656	13,306
Total expenditures	<u>57,468,799</u>	<u>56,298,146</u>	<u>62,565,988</u>	<u>76,392,444</u>	<u>83,735,367</u>	<u>70,867,999</u>	<u>73,098,501</u>	<u>72,959,340</u>	<u>91,417,393</u>	<u>100,077,211</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,493,706)</u>	<u>(1,200,268)</u>	<u>2,656,129</u>	<u>(12,846,135)</u>	<u>(8,626,501)</u>	<u>2,220,027</u>	<u>4,636,079</u>	<u>12,616,706</u>	<u>2,647,350</u>	<u>1,833,722</u>
Other financing sources (uses):										
Transfer in	8,144,995	8,042,257	6,129,115	9,295,417	26,469,059	2,326,475	3,651,522	5,628,487	4,895,885	4,741,680
Transfer out	(8,144,995)	(8,042,257)	(6,169,115)	(9,345,417)	(26,533,345)	(2,391,761)	(3,718,522)	(5,780,388)	(4,970,515)	(4,820,610)
Issuance of debt - capital leases	1,020,000	-	226,000	445,000	-	-	-	-	-	-
Issuance of debt	-	-	950,000	35,384,119	6,750,000	650,000	-	19,905,000	-	700,000
Premium on bond	-	-	-	-	686,146	-	-	2,116,323	-	-
Payment to refunded debt escrow agent	-	-	-	-	(9,199,375)	-	-	-	-	-
Sale of capital assets	37,384	77,792	210,915	89,512	500,000	232,575	154,875	24,600	-	177,960
Special item - insurance recoveries	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,057,384</u>	<u>77,792</u>	<u>1,346,915</u>	<u>35,868,631</u>	<u>(1,327,515)</u>	<u>817,289</u>	<u>87,875</u>	<u>21,894,022</u>	<u>(74,630)</u>	<u>799,030</u>
Net change in fund balances	<u>\$ (4,436,322)</u>	<u>\$ (1,122,476)</u>	<u>\$ 4,003,044</u>	<u>\$ 23,022,496</u>	<u>\$ (9,954,016)</u>	<u>\$ 3,037,316</u>	<u>\$ 4,723,954</u>	<u>\$ 34,510,728</u>	<u>\$ 2,572,720</u>	<u>\$ 2,632,752</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>18.23%</u>	<u>18.85%</u>	<u>16.72%</u>	<u>25.93%</u>	<u>14.63%</u>	<u>8.58%</u>	<u>10.90%</u>	<u>13.61%</u>	<u>15.52%</u>	<u>11.53%</u>

LANCASTER COUNTY, SOUTH CAROLINA

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

Year	Real Property Tax (1)	Vehicle Tax	Local Option Sales Tax Property Tax Relief	Local Option Sales Tax Capital Projects	Road Improvement Fee Tax	Other Taxes	Total
2012	\$ 20,732,068	\$ 2,032,440	\$ 4,524,103	\$ 6,924,788	\$ 1,176,367	\$ 478,801	\$ 35,868,567
2013	20,616,739	2,223,687	4,849,911	7,225,680	1,522,254	472,617	36,910,888
2014	21,990,985	2,586,810	5,302,815	7,871,762	1,940,220	408,075	40,100,667
2015	23,648,295	2,951,321	5,773,290	8,655,243	2,183,931	379,335	43,591,415
2016	25,289,628	3,356,927	6,165,506	9,264,782	2,286,114	340,483	46,703,440
2017	26,173,979	3,520,652	6,635,723	8,591,056	2,382,448	915,221	48,219,079
2018	28,755,053	3,446,079	6,634,110	8,596,418	2,411,954	1,526,776	51,370,390
2019	33,689,494	3,920,027	7,447,605	9,632,957	2,487,225	1,982,814	59,160,122
2020	37,363,857	4,539,885	8,618,653	11,199,016	2,813,201	2,121,641	66,656,253
2021	37,201,411	4,743,265	10,432,363	13,987,334	3,154,315	2,402,395	71,921,083

(1) Includes ad valorem, penalties, inventory tax, homestead, manufacturer exemption, and payments in-lieu-of tax

LANCASTER COUNTY, SOUTH CAROLINA

GENERAL FUND REVENUES BY SOURCE (1) LAST TEN FISCAL YEARS (modified accrual basis of accounting)

Year	Property Taxes	Inter-governmental	Licenses and Permits	Charges for Services	Fines, Fees, and Forfeitures	Other	Total Revenues	Other Financing Sources	Grand Total Revenues Including Other Financing Sources
2012	\$ 22,224,415	\$ 2,843,967	\$ 2,873,627	\$ 3,008,911	\$ 906,290	\$ 1,470,680	\$ 33,327,890	\$ 1,079,031	\$ 34,406,921
2013	24,410,433	3,303,561	4,160,774	2,816,174	893,708	831,362	36,416,012	102,792	36,518,804
2014	24,653,264	4,226,086	5,191,197	3,999,763	937,975	2,359,029	41,367,314	235,915	41,603,229
2015	26,871,707	4,383,847	5,412,448	4,243,269	930,840	2,609,881	44,451,992	1,115,639	45,567,631
2016	32,394,019	4,541,474	6,248,935	3,977,933	935,942	1,442,395	49,540,698	7,190,762	56,731,460
2017	30,394,683	4,670,820	6,009,615	4,619,066	1,051,759	2,928,604	49,674,547	262,590	49,937,137
2018	32,519,908	4,913,937	6,802,235	4,263,883	1,045,120	3,059,927	52,605,010	233,590	52,838,600
2019	37,751,878	5,003,978	6,912,416	4,438,960	974,883	3,884,591	58,966,706	46,470	59,013,176
2020	41,435,302	5,230,588	7,531,313	4,186,195	744,088	4,240,153	63,367,639	30,828	63,398,467
2021	44,039,177	5,754,340	9,199,118	4,174,242	687,475	4,049,472	67,903,824	209,554	68,113,378

(1) During fiscal year 2014, it was determined that the Library and Recreation functions no longer met the criteria for Special Revenue Funds and, therefore, they were reclassified as General Funds. Prior years have not been restated.

LANCASTER COUNTY, SOUTH CAROLINA

GENERAL FUND EXPENDITURES BY FUNCTION (1) LAST TEN FISCAL YEARS (modified accrual basis of accounting)

Year	General Government	Administration of Justice	Public Safety & Law Enforcement	Public Works	Public Health & Welfare	Other	Debt Service	Total Expenditures	Other Financing Uses	Grand Total Expenditures Including Other Financing Uses
2012	\$ 11,380,053	\$ 1,527,651	\$ 9,465,049	\$ 4,231,933	\$ 6,418,803	\$ 245,509	\$ 429,059	\$ 33,698,057	\$ 2,015,259	\$ 35,713,316
2013	9,817,196	1,693,101	10,676,053	4,137,879	5,901,039	828,894	488,409	33,542,571	1,913,347	35,455,918
2014	9,943,242	1,823,021	12,229,972	4,328,763	6,168,796	3,734,954	492,823	38,721,571	40,000	38,761,571
2015	11,543,862	1,982,265	14,155,303	5,277,991	6,326,950	3,857,890	207,429	43,351,690	416,249	43,767,939
2016	11,827,178	2,108,384	14,145,424	4,805,405	6,919,809	3,787,090	450,489	44,043,779	7,466,400	51,510,179
2017	12,529,121	2,063,616	15,206,095	5,612,657	6,803,861	4,062,665	429,845	46,707,860	65,286	46,773,146
2018	14,745,595	2,112,988	16,510,580	5,528,950	7,280,243	4,127,179	222,087	50,527,622	382,365	50,909,987
2019	14,298,332	2,157,241	17,947,213	5,479,025	7,618,327	4,089,295	227,249	51,816,682	151,901	51,968,583
2020	16,167,367	2,256,109	21,675,582	5,733,934	8,054,393	3,986,590	50,000	57,923,975	1,187,637	59,111,612
2021	18,450,984	2,301,657	20,369,784	6,404,447	8,293,700	4,217,249	50,000	60,087,821	1,012,766	61,100,587

(1) During fiscal year 2014, it was determined that the Library and Recreation functions no longer met the criteria for Special Revenue Funds and, therefore, they were reclassified as General Funds. Prior years have not been restated.

LANCASTER COUNTY, SOUTH CAROLINA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1) LAST TEN FISCAL YEARS

Year	Levy Year	Real Property		Personal Property		Total		Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Assessed Value	Assessed Value	Estimated Actual Value		
2012	2011 ⁽²⁾	\$ 221,005,620	\$ 4,420,112,400	\$ 70,046,034	\$ 822,060,950	\$ 291,051,654	\$ 5,242,173,350	5.55 %	83.00 %
2013	2012	223,980,320	4,479,606,400	74,846,481	883,965,916	298,826,801	5,363,572,316	5.57	85.10
2014	2013	231,213,120	4,624,262,400	79,072,239	946,454,939	310,285,359	5,570,717,339	5.57	90.41
2015	2014	241,517,630	4,830,352,600	82,400,776	995,933,689	323,918,406	5,826,286,289	5.56	92.80
2016	2015	255,663,400	5,113,268,000	87,570,084	1,066,887,072	343,233,484	6,180,155,072	5.55	94.30
2017	2016 ⁽²⁾	272,287,050	5,445,741,000	96,647,049	1,166,052,922	368,934,099	6,611,793,922	5.58	91.20
2018	2017	288,360,810	5,767,216,200	101,725,024	1,211,912,052	390,085,834	6,979,128,252	5.59	95.60
2019	2018	302,285,440	6,045,708,800	109,715,204	1,301,444,272	412,000,644	7,347,153,072	5.61	101.20
2020	2019	325,248,500	6,504,970,000	109,997,560	1,319,960,975	435,246,060	7,824,930,975	5.56	108.75
2021	2020	341,045,420	6,820,908,400	116,572,389	1,401,840,457	457,617,809	8,222,748,857	5.57	105.10

(1) Source: Lancaster County Auditor: Includes all assessments including fee-in-lieu, joint industrial park, and reimbursement assessments.

(2) Real property was reassessed.

Note: Real property in Lancaster County is reassessed once every four years (unless an extension is granted by County Council) with a one year lag for implementation, unless there is a physical or legal change affecting the property. The County assesses real property at 4-6% (legal residency is 4%) of the appraised value. Personal property is assessed at 10.5% of market value, except railroads (9.5%), motor homes (6%) and non-business motor vehicles (6%).

LANCASTER COUNTY, SOUTH CAROLINA

PROPERTY TAX MILLAGE RATES OF DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

Levy Year Ended December 31	Fiscal Year Ended June 30	Lancaster County				Overlapping Rates (1)									Total Direct and Overlapping Rates
		County Operating	County Debt	County Capital Improvement and Court Security	Total County	Lancaster County School District			University of S.C. Lancaster	Town of Heath Springs	Town of Van Wyck (3)	Town of Kershaw	City of Lancaster		
2011	2012 ²	68.40	7.20	7.40	83.00	140.00	43.50	183.50	3.60	-		69.90	143.50	483.50	
2012	2013	71.40	6.10	7.60	85.10	140.00	47.00	187.00	3.80	-		72.10	149.70	497.70	
2013	2014	75.65	7.16	7.60	90.41	145.00	43.00	188.00	3.95	-		75.00	154.70	512.06	
2014	2015	78.00	7.00	7.80	92.80	149.50	43.00	192.50	4.10	-		75.00	156.90	521.30	
2015	2016	80.80	5.30	8.20	94.30	149.50	53.00	202.50	4.30	-		75.00	164.40	540.50	
2016	2017 ²	76.00	7.00	8.20	91.20	149.50	68.00	217.50	4.30	-		77.00	176.40	566.40	
2017	2018	80.10	7.10	8.40	95.60	149.50	68.00	217.50	4.50	-		82.00	178.50	578.10	
2018	2019	84.20	8.30	8.70	101.20	154.50	65.00	219.50	4.70	-	-	85.00	172.90	583.30	
2019	2020	88.70	11.25	8.80	108.75	159.50	65.00	224.50	4.90	-	-	85.00	172.90	596.05	
2020	2021	88.70	7.60	8.80	105.10	163.50	65.00	228.50	4.90	-	-	95.00	174.70	608.20	

Source: Lancaster County Auditor

(1) Overlapping rates are those of local governments that apply to property owners within Lancaster County. Not all overlapping rates apply to all Lancaster County property owners (ex. the rates for the City of Lancaster apply only to the proportion of property owners whose property is located within the geographic boundaries of the City of Lancaster).

(2) Real property was reassessed.

(3) Town of Van Wyck became municipality for tax year 2018.

LANCASTER COUNTY, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2021				2012			
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxes Paid (1)	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxes Paid (1)
Duke Energy	\$ 11,029,830	1	2.41%	\$ 3,769,316	\$ 7,480,070	1	2.57%	\$ 2,080,325
Lennar Carolina LLC	7,181,820	2	1.57%	2,250,933				
Haile Gold Mine Inc	6,688,161	3	1.46%	2,242,835	1,368,937	9	0.47%	364,181
Red Ventures	6,651,814	4	1.45%	2,251,639				
Keer America Corporation	1,291,665	5	0.28%	1,063,553				
Sharonview FCU	1,966,999	6	0.43%	662,591				
Hutton Indian Land LLC	1,981,230	7	0.43%	641,984				
Springland Associates	1,214,890	8	0.27%	530,139	2,217,580	4	0.76%	820,243
IMF13 LLC	1,389,240	9	0.30%	450,374				
Lynches River Electric	1,321,140	10	0.29%	436,284				
Duracell Manufactures Inc					5,002,145	2	1.72%	2,046,838
Lancaster Hospital Corp.					4,171,620	3	1.43%	1,560,338
Springs Global					2,895,751	5	0.99%	769,972
Pulte Home Corp.					2,763,690	6	0.95%	679,239
Lawson Bend LLC					1,667,660	7	0.57%	435,648
Lancaster Telephone Co.					1,310,660	8	0.45%	418,267
Wells Real Estate					1,321,166	10	0.45%	356,847
Total assessed value of ten largest taxpayers	\$ 40,716,789		8.90%	\$ 14,299,648	\$ 30,199,279		10.38%	\$ 9,531,898
Total assessed value of all taxpayers	\$ 475,617,809		100%		\$ 291,051,654		100%	

Source: Lancaster County Treasurer

(1) Taxes paid includes amounts paid to other taxing authorities within Lancaster County.

LANCASTER COUNTY, SOUTH CAROLINA
REAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>Levy Year</u>	<u>Original Levy</u>	<u>Adjustments</u>	<u>Total Adjusted Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2011	\$ 17,717,289	\$ 444,074	\$ 18,161,363	\$ 17,372,203	95.65%	\$ 698,948	\$ 18,071,151	99.50%
2012	18,086,112	(61,664)	18,024,448	17,297,322	95.97%	626,977	17,924,299	99.44%
2013	19,312,592	530,677	19,843,269	18,975,609	95.63%	756,639	19,732,248	99.44%
2014	20,736,283	435,654	21,171,937	20,418,390	96.44%	636,296	21,054,686	99.45%
2015	22,506,743	393,321	22,900,064	22,135,439	96.66%	643,372	22,778,811	99.47%
2016	23,702,386	128,901	23,831,287	23,149,210	97.14%	550,989	23,700,199	99.45%
2017	24,415,252	1,131,332	25,546,584	24,808,606	97.11%	579,685	25,388,291	99.38%
2018	29,214,057	1,814,650	31,028,707	30,259,717	97.52%	573,289	30,833,006	99.37%
2019	32,966,150	703,975	33,670,125	32,887,097	97.67%	467,054	33,354,151	99.06%
2020	32,623,017	1,019,568	33,642,585	33,021,251	98.15%	-	33,021,251	98.15%

Source: Lancaster County Treasurer
Includes County Ordinary, County Debt, County Capital Improvement, and County Court Security

LANCASTER COUNTY, SOUTH CAROLINA
VEHICLE PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Levy Year	Original Levy	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 1,718,915	\$ 256,716	\$ 1,975,631	\$ 1,903,400	96.34%	\$ 67,192	\$ 1,970,592	99.74%
2012	1,982,449	116,229	2,098,678	2,018,240	96.17%	77,715	2,095,955	99.87%
2013	2,212,716	175,945	2,388,661	2,275,933	95.28%	109,481	2,385,414	99.86%
2014	2,559,126	256,987	2,816,113	2,709,070	96.20%	102,130	2,811,200	99.83%
2015	2,846,803	419,698	3,266,501	3,030,026	92.76%	137,317	3,167,343	96.96%
2016	3,144,338	512,265	3,656,603	3,381,874	92.49%	158,298	3,540,172	96.82%
2017	3,061,408	434,695	3,496,103	3,221,298	92.14%	141,340	3,362,638	96.18%
2018	3,274,821	463,679	3,738,500	3,425,273	91.62%	162,884	3,588,157	95.98%
2019	3,856,161	625,681	4,481,842	4,106,769	91.63%	197,930	4,304,699	96.05%
2020	3,916,497	971,371	4,887,868	4,492,005	91.90%	-	4,492,005	91.90%

Source: Lancaster County Treasurer
Includes County Ordinary, County Debt, County Capital Improvement, and County Court Security

LANCASTER COUNTY, SOUTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities						Total Outstanding Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	SCAGO Public Facilities Installment Purchase Revenue Bonds	Capital Leases	Special Source Revenue Bonds	Mortgages Payable	Unamortized Discount/Premium on Debt			
2012	\$ 19,840,000	\$ 29,560,000	\$ 3,341,646	\$ 2,795,000	\$ -	\$ 475,205	\$ 56,011,851	3.72%	719
2013	18,325,000	24,710,000	2,797,416	2,510,000	-	341,199	48,683,615	3.06%	616
2014	17,506,450	19,675,000	2,611,477	2,210,000	-	374,768	42,377,695	2.52%	527
2015	31,300,178	14,445,000	2,875,644	9,394,000	-	3,530,280	61,545,102	3.52%	740
2016	36,736,205	-	2,451,843	7,504,000	-	3,627,628	50,319,676	2.67%	586
2017	34,589,492	-	2,038,778	7,154,382	-	2,929,225	46,711,877	2.31%	521
2018	29,372,360	-	1,826,483	6,782,076	-	2,158,137	40,139,056	1.77%	434
2019	42,398,607	-	1,602,396	6,433,649	-	3,654,075	54,088,727	1.82%	567
2020	34,123,712	-	620,000	6,110,057	-	2,924,721	43,778,490	1.43%	447
2021	27,917,646	-	570,000	5,812,293	-	2,267,214	36,567,153	0.68%	381

Notes:

Population data and personal income data can be found in the Schedule of Demographic and Economic Statistics.

LANCASTER COUNTY, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Unamortized Discount/Premium on Debt	Less: Amounts Available in Debt Service Fund	Net G.O. Bonds Outstanding	Percentage of Estimated Actual Taxable Value of Property (1)	Debt Per Capita (2)
2012	\$ 19,840,000	\$ 475,205	\$ 696,917	\$ 19,618,288	0.37%	252
2013	18,325,000	341,199	571,773	18,094,426	0.34%	229
2014	17,506,450	374,768	572,689	17,308,529	0.31%	215
2015	31,300,178	3,530,280	2,857,126	31,973,332	0.55%	384
2016	36,736,205	3,627,629	3,264,525	37,099,309	0.60%	432
2017	34,589,492	2,929,225	1,631,995	35,886,722	0.54%	401
2018	29,372,360	2,158,137	839,211	30,691,286	0.44%	332
2019	42,398,607	3,654,075	4,461,216	41,591,466	0.57%	436
2020	34,123,712	2,924,721	2,334,738	34,713,695	0.44%	354
2021	27,917,646	2,267,214	1,528,049	28,656,811	0.35%	298

Notes:

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

LANCASTER COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to County</u>	<u>Amount Applicable to County</u>
Direct debt:			
Lancaster County	\$ 36,567,153	100%	\$ 36,567,153
Overlapping debt:			
City of Lancaster	8,123,209	100%	8,123,209
Lancaster School District	194,051,000	100%	194,051,000
Total overlapping debt	<u>202,174,209</u>		<u>202,174,209</u>
Total direct and overlapping debt	<u>\$ 238,741,362</u>		<u>\$ 238,741,362</u>

SOURCES:

Lancaster County Treasurer, City of Lancaster, and Lancaster County School District

NOTE:

All of the overlapping debt is issued by either school districts or municipalities whose geographic boundaries are wholly contained within the geographic boundary of the County. Therefore, the County's share of the overlapping debt is 100%. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Lancaster County, South Carolina. This process recognizes that, when considering the government's ability to issue and repay debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping government.

LANCASTER COUNTY, SOUTH CAROLINA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 23,409,098	\$ 22,713,718	\$ 23,580,100	\$ 24,665,722	\$ 26,153,377	\$ 27,880,673	\$ 29,389,302	\$ 30,639,401	\$ 32,738,053	\$ 34,227,352
Total Net G.O. Debt Applicable to Limit	<u>16,828,083</u>	<u>15,538,227</u>	<u>14,818,761</u>	<u>12,147,161</u>	<u>16,740,199</u>	<u>14,737,497</u>	<u>12,795,789</u>	<u>13,993,784</u>	<u>12,635,261</u>	<u>11,176,952</u>
Legal Debt Margin	<u>\$ 6,581,015</u>	<u>\$ 7,175,491</u>	<u>\$ 8,761,339</u>	<u>\$ 12,518,561</u>	<u>\$ 9,413,178</u>	<u>\$ 13,143,176</u>	<u>\$ 16,593,513</u>	<u>\$ 16,645,617</u>	<u>\$ 20,102,792</u>	<u>\$ 23,050,400</u>
Total Net G.O. Debt Applicable to the to the Limit as a Percentage of Debt Limit	71.89%	68.41%	62.84%	49.25%	64.01%	52.86%	43.54%	45.67%	38.60%	32.66%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value (1)	\$ 427,569,639
Add back: exempt Merchant Inventory (2)	<u>272,266</u>
Total assessed value	427,841,905
Debt limit (8% of assessed value) (3)	34,227,352
Debt applicable to limit:	
Total general obligation bonds	27,917,646
Less amount set aside for repayment of G.O. debt (4)	(1,528,049)
Less G.O. bonds not applicable to 8% debt limit (5)	<u>(15,212,645)</u>
Net G.O. bonds applicable to limit	<u>11,176,952</u>
Legal debt margin without a referendum (6)	<u>\$ 23,050,400</u>

Notes:

- (1) Property value data can be found in the Assessed Value and Estimated Actual Value of Taxable Property schedule. Fee-in-lieu, joint industrial park, and reimbursement assessments are not included in the assessed value for debt limit calculation.
- (2) Business inventory is exempt from tax, but its 1987 assessed value is included in the computation of the legal debt margin.
- (3) The legal debt limit is 8 percent of total assessed value.
- (4) This is the amount available in the debt service funds for GO debt.
- (5) G.O. bonds for the Pleasant Valley Fire District and Brookchase District are not subject to the 8% debt limit. Special fees are assessed to pay these bonds as approved by the voters. Also, a \$16,500,000 referendum bond was issued in FY2015 and a \$11,500,000 referendum bond was issued in 2019 and these are not subject to the 8% debt limit.
- (6) The legal debt margin is the government's available borrowing under SC Code of Laws and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

LANCASTER COUNTY, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>County Population (1)</u>	<u>Total Personal Income (in thousands) (1)</u>	<u>Per Capita Personal Income *</u>	<u>School Enrollment (2)</u>	<u>County Unemployment Rate (3)</u>
2012	77,908	\$ 1,504,248	\$ 19,308	11,378	13.0%
2013	79,089	1,588,503	20,085	11,554	10.8%
2014	80,458	1,681,492	20,899	11,581	6.6%
2015	83,160	1,746,609	21,003	11,760	6.6%
2016	85,842	1,883,631	21,943	12,420	6.0%
2017	89,594	2,020,076	22,547	12,758	4.6%
2018	92,550	2,270,066	24,528	13,017	3.9%
2019	95,380	2,973,662	31,177	13,258	4.1%
2020	98,012	3,057,190	31,192	13,936	10.6%
2021	96,016	5,348,952	52,999	14,722	4.8%

Sources:

(1) Bureau of Census/SC Budget & Control Board Office of Research & Statistics/Bureau of Economic Analysis. All are estimates except fiscal year 2021 which is based on the 2020 census.

(2) Lancaster County School District.

(3) S.C. Department of Employment and Workforce

*Statistics are based on calendar year ending December 31 prior to the fiscal year ending date.

LANCASTER COUNTY, SOUTH CAROLINA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Lancaster County Schools	1,864	1	4.53%	1,600	1	5.14%
Red Ventures	1,758	2	4.27%	1250	2	4.02%
Movement Mortgage	825	3	2.00%			0.00%
MUSC (Springs Memorial Hospital)	725	4	1.76%	700	5	2.25%
Continental Tire	657	5	1.60%	400	7	1.29%
Lancaster County (1)	654	6	1.59%	743	3	2.39%
Nutramax Laboratories	620	7	1.51%			
Oceana Gold	501	8	1.22%			
KEER America	308	9	0.75%			
Founders Federal Credit Union	348	10	0.85%	300	10	0.96%
Cardinal Health				680	6	2.19%
Inspirations Ministries				310	9	0
Duracell (Gillette)				395	8	1.27%
Wal-Mart				700	4	2.25%
Total	<u><u>8,260</u></u>		<u><u>20.06%</u></u>	<u><u>7,078</u></u>		<u><u>22.74%</u></u>
 Total Labor Force	 41,169			 31,119		

Source: Lancaster County Economic Development Corporation and SC Department of Employment and Workforce
(1) 2021 survey does not include part-time

LANCASTER COUNTY, SOUTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government Administration	89.00	90.00	90.00	96.00	102.00	103.00	105.00	103.00	107.00	112.00
Administration of Justice	29.00	31.00	34.00	36.00	38.00	37.00	38.00	37.00	36.00	36.00
Culture & Recreation	55.00	56.00	58.00	62.00	71.00	69.00	69.00	69.00	64.00	62.00
Public Safety & Law Enforcement	172.00	187.00	210.00	226.00	240.00	243.00	250.00	263.00	269.00	273.00
Public Works	41.00	41.00	43.00	45.00	49.00	47.00	51.00	63.00	64.00	69.00
Public Health & Welfare	75.00	80.00	81.00	79.00	85.00	84.00	87.00	92.00	98.00	102.00
	<u>461.00</u>	<u>485.00</u>	<u>516.00</u>	<u>544.00</u>	<u>585.00</u>	<u>583.00</u>	<u>600.00</u>	<u>627.00</u>	<u>638.00</u>	<u>654.00</u>

Source: Lancaster County Human Resources Department

LANCASTER COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration of Justice										
Clerk of Court general sessions cases disposed	1,541	1,910	1,929	1,977	2,869	2,059	2,624	2,693	3,148	1,940
Clerk of Court common pleas cases disposed	1,870	2,210	2,172	2,533	1,715	1,654	1,565	1,914	2,737	1,659
Family Court cases disposed	907	820	735	1,034	818	994	988	853	726	778
Magistrate Court										
Criminal Docket total cases filed	2,570	2,562	2,493	2,300	2,551	2,671	3,224	3,921	2,427	N/A
Traffic Docket total cases filed	9,562	9,933	11,209	8,604	10,645	11,537	9,342	12,555	7,864	9,436
Civil Docket total cases filed	2,335	2,149	2,348	2,418	2,437	2,536	3,076	3,106	2,425	2,437
Culture and Recreation										
Library - Circulation	n/a	n/a	n/a	n/a	276,906	278,736	282,774	279,304	145,921	76,134
Recreation - total number of participants	n/a	n/a	n/a	n/a	217,415	223,476	224,157	11,257	11,837	3,411
General Government										
Assessor - number of parcels revised	n/a	n/a	n/a	n/a	14,102	46,875 (1)	17,626	15,369	55,530 (1)	10,600
Building - number of permits issued	n/a	n/a	n/a	n/a	2,738	2,847	2,847	3,386	4,113	4,362
Delinquent Tax - number of properties redeemed	n/a	n/a	n/a	n/a	224	270	273	269	211	208
Human Resources - number of applications taken	n/a	n/a	n/a	n/a	1,034	663	518	254	311	317
Planning - number of rezoning cases	n/a	n/a	n/a	n/a	19	27	38	32	26	32
Risk Management - number of inspections performed	n/a	n/a	n/a	n/a	68	60	60	60	65	60
Fleet Operations - number of work orders	n/a	n/a	n/a	n/a	2,919	2,228	2,846	3,250	3,249	3,167
Public Safety & Law Enforcement										
Coroner - total number of deaths	n/a	n/a	n/a	n/a	463	500	560	571	647	810
Communication E911 - total number of calls	n/a	n/a	n/a	n/a	122,164	152,695	104,218	181,987	148,717	181,804
Detention Center - total number incarcerated	2,938	3,477	3,366	3,261	2,997	3,351	3,486	3,355	3,376	2,640
Fire Service - total number of calls	3,612	3,644	3,533	4,543	5,948	6,368	6,496	7,215	7,620	6,911
Sheriff Department										
Calls for services	n/a	n/a	n/a	n/a	61,707	67,515	65,906	68,758	70,533	64,279
Total arrests	n/a	n/a	n/a	n/a	3,275	3,677	3,549	3,838	3,840	3,019
Litter complaints	n/a	n/a	n/a	n/a	95	117	160	395	378	-
Public Works										
Road maintenance - total work orders	n/a	n/a	n/a	n/a	3,946	3,645	2,089	2,996	2,647	2,760
Solid Waste										
Tons of refuse collected	n/a	n/a	n/a	n/a	6,156	6,811	6,090	7,760	8,514	18,157
Tons of comingled recyclables collected	n/a	n/a	n/a	n/a	771	709	536	624	457	37
Public Health & Welfare										
Animal Control										
Number of animals through shelter	4,896	4,338	3,611	3,992	3,433	3,387	3,069	2,659	1,868	2,148
EMS - total number of calls	12,313	12,497	12,530	14,891	14,880	15,144	17,380	17,108	17,937	19,830

Sources: Various county departments

Note: Statistics were not available for several departments until fiscal year 2016.

(1) Reassessment year - all parcels were revised

LANCASTER COUNTY, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety and law enforcement										
Number of police stations	1	1	1	1	1	1	1	1 (1)	1	1
Number of police sub-stations	4	4	3	3	3	3	2	2	2	2
Number of police vehicles	111	116	123	135	143	135	148	155	148	148
Number of fire stations	18	18	18	18	18	18	18	18	18	18
Number of fire sub-stations	3	3	3	3	3	3	3	2	2	2
Number of fire emergency vehicles	111	111	111	111	111	111	112	113	114	114
Public works										
Miles of unpaved roads maintained	n/a	n/a	214.84	215.84	215.84	215.84	215.84	215.84	215.84	215.84
Miles of paved roads maintained	n/a	n/a	164.81	168.76	168.76	200.81	223.76	234.41	302.21	302.21
Public health and welfare										
Number of EMS stations	8	8	8	8	8	8	8	8	8	8
Number of emergency vehicles*	23	25	25	33	37	31	31	31	30	30
Culture and recreation										
Number of parks	13	15	15	16	16	16	16	16	16	16
Number of recreation centers	4	4	4	4	4	4	4	4	4	4
Number of libraries	3	3	3	3	3	3	3	3	3	3

Source: Various County departments

Note: Capital asset indicators are not available for the general government function or the administration of justice function. Public works statistics were not available for FY2010 thru FY2013.

(1) - Item corrected in 2020.

*Beginning in FY2015, QRV vehicles are included.

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**

**Lancaster County Council
of Lancaster County
Lancaster, South Carolina**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Lancaster County, South Carolina** (the "County"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Lancaster County, South Carolina's basic financial statements and have issued our report thereon dated December 28, 2021.

Internal Control over Financial Reporting

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

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


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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lancaster County, South Carolina's financial statements are free of 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 of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Columbia, South Carolina
December 28, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**Lancaster County Council
of Lancaster County
Lancaster, South Carolina**

Report on Compliance for Each Major Federal Program

We have audited **Lancaster County, South Carolina's** (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2021. The County's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on the Major Federal Program

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 the major federal program for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 28, 2021

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Total Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Justice</u>				
(Passed through the SC Department of Public Safety)				
Edward Byrne Memorial Assistance Grant Program	16.738	1619005	\$ 16,994	\$ -
Edward Byrne Memorial Assistance Grant Program	16.738	1G20004	61,901	-
Edward Byrne Memorial Assistance Grant Program	16.738	1G19036	226,926	-
Edward Byrne Memorial Assistance Grant Program	16.738	2020-DJ-BX-0677	11,834	-
			317,655	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	1CF20085	16,478	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1156	59,931	-
			76,409	-
Victims Advocate	16.575	1V20020	63,498	-
Victims Advocate	16.575	1V19041	23,749	-
			87,247	-
Drug Court Discretion Grant Program	16.585	2018-DC-BX-0048	113,937	-
			113,937	-
Innovations in Community Based Crime Reduction	16.817	2019-BJ-BX-0012	169,178	-
			169,178	-
Comprehensive Opioid Abuse Site-based Program	16.838	2020-AR-BX-0036	4,524	-
Comprehensive Opioid Abuse Site-based Program	16.838	2019-AR-BX-K053	200,895	-
			205,419	-
Total U.S. Department of Justice			969,845	-
<u>U.S. Department of Homeland Security</u>				
(Passed through the SC Emergency Management Division)				
Emergency Management Performance Grants	97.042	20EMPG01	63,120	-
Emergency Management Performance Grants	97.042	20EMPG01 Supplement	18,245	-
			81,365	-
Total U.S. Department of Homeland Security			81,365	-
<u>U.S. Department of Health and Human Services</u>				
(Passed through the SC Department of Social Services)				
Child Support Enforcement	93.563	N/A	221,267	-
			221,267	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	6H79FG000350-01M001	132,493	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI082533-01	379,781	-
			512,274	-
477 Cluster				
Child Care Development Fund	93.575/93.596	N/A	89	-
			89	-
Temporary Assistance for Needy Families - TANF Block Grant	93.558	N/A	8,090	-
			8,090	-
Total 477 Cluster			8,179	-
Head Start Cluster				
Head Start	93.600	N/A	89,699	-
Total Head Start Cluster			89,699	-
Medicaid Cluster				
Medicaid Assistance Program	93.778	N/A	3,165	-
Total Medicaid Cluster			3,165	-
Social Services Block Grant Administration	93.667	N/A	1,554	-
Family Preservation (CWS Part II)	93.556	N/A	56	-
Foster Care	93.658	N/A	2,498	-
			4,108	-
Total U.S. Department of Health and Human Services			838,692	-

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Total Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
(Passed through the SC Department of Social Services)				
SNAP Cluster				
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	N/A	\$ 3,522	\$ -
			3,522	-
Total U.S. Department of Agriculture			<u>3,522</u>	<u>-</u>
<u>U.S. Department of the Interior</u>				
Partners for Fish and Wildlife	15.631	F17AC01174	3,672	-
			3,672	-
Total U.S. Department of the Interior			<u>3,672</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Airport Improvement Program	20.106	3-45-0034-020-2018	3,188	-
Airport Improvement Program	20.106	3-45-0034-021-2020	760,980	-
COVID-19 Airport Improvement Program	20.106	3-45-0034-022-2020	20,033	-
			784,201	-
(Passed through the SC Department of Public Safety)				
Highway Safety Cluster				
National Priority Safety Programs	20.616	M4HVE-2020-HS-49-20	19,709	-
National Priority Safety Programs	20.616	M4HVE-2021-HS-45-21	53,748	-
			73,457	-
Total Highway Safety Cluster			<u>73,457</u>	<u>-</u>
Total U.S. Department of Transportation			<u>857,658</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
(Passed through the SC Department of Commerce)				
Community Development Block Grant	14.228	4-CE-18-014	41,246	-
Community Development Block Grant	14.228	4-CE-19-007	56,482	-
Community Development Block Grant	14.228	4-RP-17-003	50,000	-
			147,728	-
Total U.S. Department of Housing and Urban Development			<u>147,728</u>	<u>-</u>
<u>U.S. Institute of Museum and Library Services</u>				
Library Services and Technology Program	45.310	IIID-18-108	1,000	-
			1,000	-
Total U.S. Institute of Museum and Library Services			<u>1,000</u>	<u>-</u>
<u>U.S. Department of Treasury</u>				
(Passed through the State of South Carolina)				
COVID -19 CARES Act Coronavirus Relief Fund	21.019	N/A	289,298	-
			289,298	-
Total U.S. Department of Treasury			<u>289,298</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 3,192,780</u>	<u>\$ -</u>

LANCASTER COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE I. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Lancaster County, South Carolina (the "County"), and is presented on the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for the proprietary fund types. The County reporting entity is defined in Note 1 to the County's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE II. DE MINIMIS INDIRECT COST RATE

The County chose not to use the ten percent de Minimis cost rate for the year ended June 30, 2021.

NOTE III. NONCASH ASSISTANCE AND LOANS

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

LANCASTER COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether
the financial statements audited were prepared
in accordance with GAAP.

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

___ Yes X No

Significant deficiencies identified?

___ Yes X None Reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal Control over major programs:
Material weaknesses identified?

___ Yes X No

Significant deficiencies?

___ Yes X None Reported

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 the Uniform Guidance?

___ Yes X No

Identification of major programs:

CFDA Number
20.106

Name of Federal Program or Cluster
U.S. Department of Transportation –
Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X Yes ___ No

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

None reported.