

Lancaster County

South Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2020

LANCASTER COUNTY, SOUTH CAROLINA

LANCASTER COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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LANCASTER COUNTY, SOUTH CAROLINA

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LANCASTER COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION



Lancaster County
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Lancaster, SC 29721

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December 4, 2020

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 Comprehensive Annual Financial Report (CAFR) of Lancaster County, South Carolina, for the fiscal year ended June 30, 2020. 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 goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2020, are free of material misstatements. 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, 2020. 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 (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 and work. 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 an estimated 2019 population of 98,012, Lancaster County was established in 1785 and has four incorporated municipalities: Lancaster, Kershaw, Heath Springs and Van Wyck. 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. In the northernmost part of the county is also Indian Land, a thriving 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, among other things, for adopting ordinances and the county budget, establishing fees, and appointing the County Administrator. The 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 residents of its unincorporated areas such as: law enforcement, fire protection, solid waste management, and roads & bridges. Stormwater management services are provided in areas north of Hwy 5 and is funded by a special fee. The County also provides a variety of administrative services for its residents which include: voter registration, tax assessment & collection, 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 statement 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

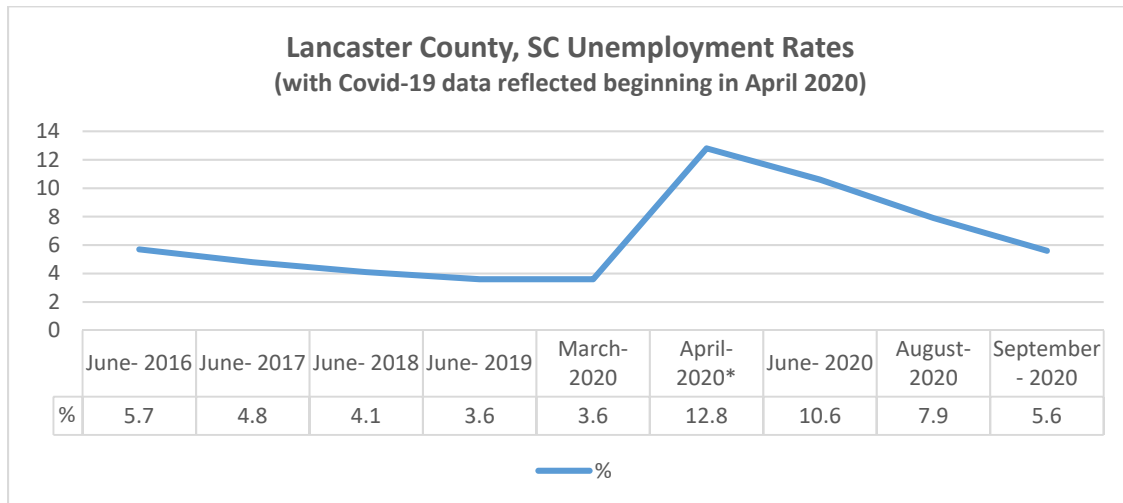
administrator’s recommendations, the budget staff prepares a draft budget. The draft budget is prepared by fund and department. The recommended budget is presented in a workshop for full Council to review. The Council then holds three readings, a public hearing and adopts the budget no later than June 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 72-73 as part of the required supplementary information. Special revenue & capital fund budget-to-actual comparisons are presented on pages 87-99. For the debt service fund, the comparison is presented on page 97.

Local Economy

Workforce and Industries

The effects of the Covid-19 pandemic adversely affected the County’s unemployment rates during the fourth quarter of the fiscal year, as did the state and national levels. The County’s unemployment rate was 10.6% in June 2020 and improved to 7.9% in August 2020. 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

According to the South Carolina Department of Employment and Workforce, employment in the retail trade was highest in the first quarter of calendar year 2020. Manufacturing was the second highest during this period and healthcare & social assistance the third highest.

The County, once dependent mostly upon manufacturing, has developed an industry portfolio that includes retail and headquarters of technical & professional industries.

Major employers include:

- ***Adornus Cabinetry***, a leading manufacturer and distributor of kitchen cabinets and bathroom vanities, is expected to invest more than \$10 million and create 210 new jobs;
- ***Cardinal Health***, a global healthcare products and services company, which its headquarters employs about 367;
- ***CompuCom Systems***, a leader in information technology managed services is expected to invest \$41 million and 1,500 jobs;
- ***Continental Tire headquarters***, one of the leading automotive tire suppliers worldwide, employs 609;
- ***Haile Gold Mine (OceanaGold Corporation)***, is located in the southern portion of the county and employs 501;
- ***Keer America***, a textile manufacturer, employs about 308;
- ***Medical University of South Carolina Lancaster Medical Center***, formerly Springs Memorial Hospital, a 225-bed hospital, employs 642;
- ***Movement Mortgage***, a mortgage financing corporation that employs about 745 employees. Its headquarters is 104,000 square-foot and the company recently expanded (\$18M);
- ***Nutramax Labs, Inc.***, a manufacturer of animal health supplements, employs 538 and announced an expansion with an additional 225 employees and \$20 million investment;
- ***Red Ventures***, an internet marketing and sales company, which employs an estimated 2,000 employees. The campus includes a sales center, 6-story office tower, and a learning & development center;
- ***ServiceMac***, a mortgage servicing company and is expected to hire 1,000 employees by 2022 with a total investment of \$24M;
- ***Synergy Steel***, a manufacturer and provider of steel framing panelization systems relocated from North Carolina to Lancaster;



RED VENTURES

New industry announcements include:

- ***Scientex Packaging Film***, a leading manufacturer of stretch film, is expected to begin operations by January 2021. With an investment of \$43 million, the company expects to create 69 new jobs;
- ***Rembe, Inc.***, an explosion protection safety company, will create 22 new jobs and invest at least \$3.4 million dollars;
- ***Don Construction Products (DCP)***, a company that specializes in developing, manufacturing, and marketing advanced technology products for the construction industry.

Housing and Commercial Markets

The County's proximity to the Charlotte region, along with favorable home prices and taxes has created a market for tremendous growth for over ten years. The value of permits was \$448,859,155

for residential and \$143,968,793 for commercial during fiscal year 2020. A total of 1,495 permits were issued. Most permits were issued in the Indian Land region and the increase was \$28,993,107 from the prior fiscal year. The County is carefully monitoring market conditions during the duration of the economic volatility caused by the pandemic.

The Promenade and RedStone were the two largest retail spaces developed in the past few years. The Promenade includes about 300,000 square-feet of retail space for Phase I, with additional phases in the near future. RedStone is adjacent to the Red Ventures campus and 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.

Higher Education

The University of South Carolina Lancaster is an accredited two year public university, which also provides for the completion of selected Bachelor's degrees on campus. The college, established in 1959, is a regional campus of the University of South Carolina. USCL's enrollment is estimated to be 1,700 students. The University occupies a 150-acre campus and also a satellite site in Indian Land.

Long-term Financial Planning

The County implemented a facilities study during fiscal year 2020 to be completed in fiscal year 2021. The study will provide a road map to updating the Capital Improvement Plan (CIP). The updated CIP is expected to be completed by the end of fiscal year 2021. In the future, the CIP will be updated at regular intervals and will correspond with the annual budget process.

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

An impact fee study to address public safety and recreational needs is currently underway and is expected to be completed by fiscal year 2021. An impact fee is enforced by local governments on new construction in a designated area and is used to defray the cost of providing public facilities caused by growth.

The County will hold referendum in November 2020 to approve the re-imposition of the Capital Project Sales Tax (CPST). The CPST is a one percent sales tax allowed by state code and the collection time is seven years. This will be the third CPST, effective May 2022, if approved. A CPST committee was created with members appointed by the county and local municipalities. The committee held meetings in the spring of 2020. The public did get an opportunity to engage and presentations were held. The committee approved projects totaling \$68,092,276 for a number of projects including partially funding a detention center.

Awards and Acknowledgements

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 Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. This is the twenty-first 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 CAFR. 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 CAFR 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 County received its sixth Distinguished Budget Presentation Award for the annual budget for fiscal year beginning July 1, 2019. 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, 2020 budget for award consideration.

The preparation of the CAFR would not have been possible without the valuable teamwork and dedication of the Lancaster County Finance Department 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,



Steve Willis
County Administrator



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

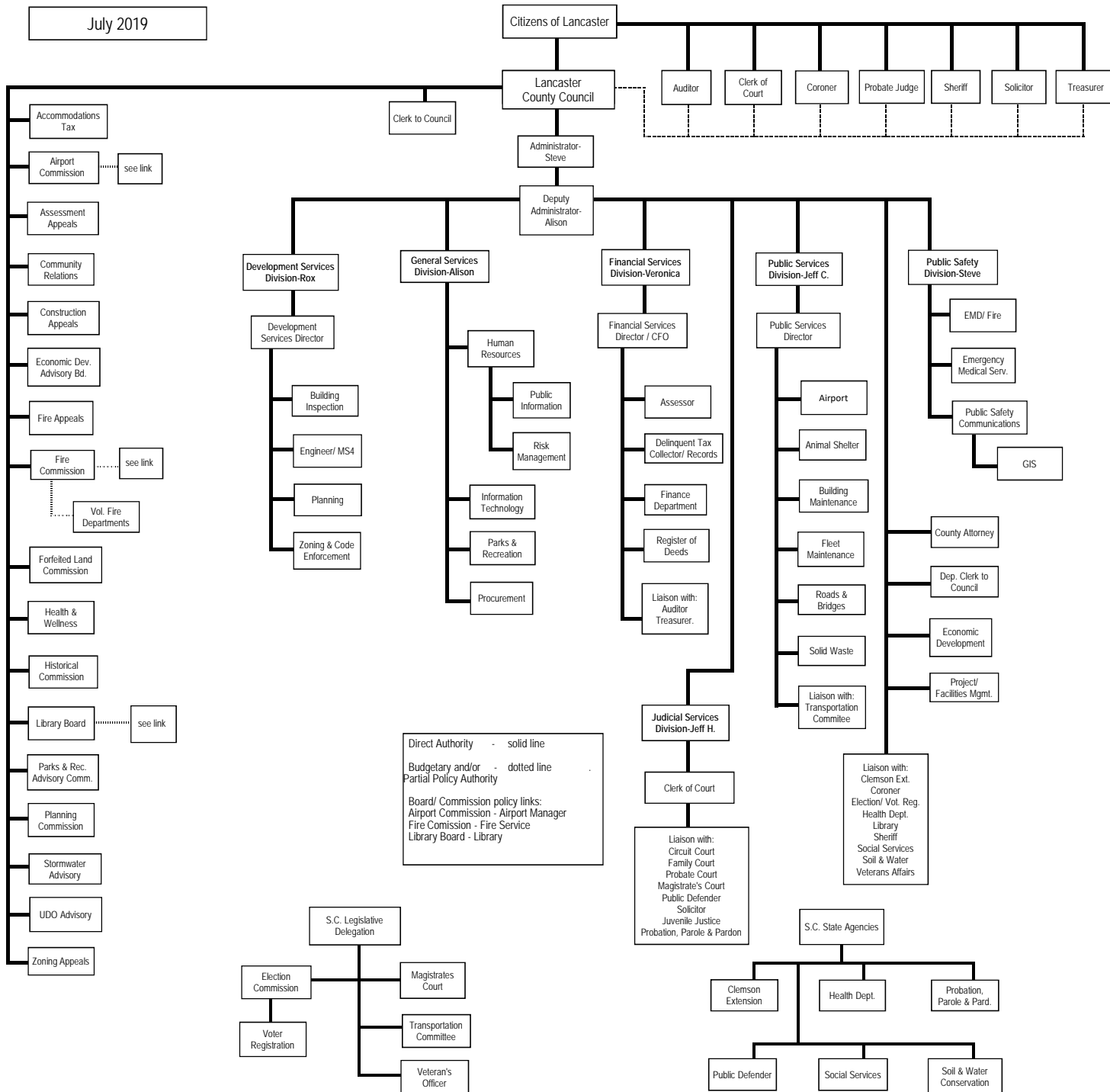
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

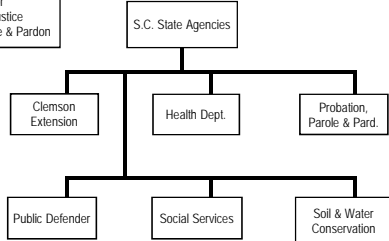
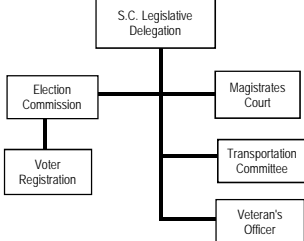
Executive Director/CEO

July 2019



Direct Authority - solid line
 Budgetary and/or - dotted line
 Partial Policy Authority

Board/ Commission policy links:
 Airport Commission - Airport Manager
 Fire Commission - Fire Service
 Library Board - Library



LANCASTER COUNTY, SOUTH CAROLINA

PRINCIPAL COUNTY OFFICIALS JUNE 30, 2020

MEMBERS OF COUNTY COUNCIL



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

Seated: *Honeycutt, Harper, McGriff*

Standing: Blackmon, Carnes, Mosteller, Graham

ELECTED OFFICIALS

Susan Wallace, 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
Alison Alexander, 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, 2020, 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, 2020, 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.

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 69 and 70), the Schedule of Changes in the County's Total OPEB Liability and Related Ratios (on page 71), the Schedules of the Proportionate Share of the Net Pension Liability (on page 72), and the Schedules of Contributions (on pages 73 and 74) 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 4, 2020, 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 4, 2020

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2020

As management of Lancaster County, South Carolina, 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, 2020. 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, 2020 by \$114,842,995 for governmental and business-type activities as reflected in the Statement of Net Position.
- A positive increase in net position of \$18,723,830 was reported.
- At the close of the fiscal year, the County's combined governmental funds reported ending fund balances of \$97,662,115, an increase of \$2,572,720 from the prior year.
- Total Unassigned Fund Balance for the Governmental Funds was \$31,250,074.

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, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental, proprietary, and fiduciary.

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2020

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 2019. 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.

Lancaster County annually adopts an appropriated budget for its general, debt service and special revenue funds, other than the restricted grant fund. 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 in a trustee capacity or as an agent on behalf of others. The resources of fiduciary funds are not available to support the County's programs and are therefore excluded from the government-wide financial statements.

The statement of fiduciary funds can be found on page 24 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 25.

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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 69.

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 \$114,842,995 at June 30, 2020.

The following table presents a summary of the statement of net position at June 30, 2020:

Lancaster County's Net position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Current and other assets	\$111,114,612	\$108,421,767	(74,420)	(91,283)	\$111,040,192	\$108,330,484
Capital assets	98,572,275	88,305,701	6,610,928	6,987,971	\$105,183,203	\$95,293,672
Total assets	\$209,686,887	\$196,727,468	\$6,536,508	\$6,896,688	\$216,223,395	\$203,624,156
Total Deferred Outflows of Resources	9,414,377	9,947,366	17,179	18,224	9,431,556	9,965,590
Long-term liabilities outstanding	\$101,879,660	\$108,842,378	118,351	111,036	\$101,998,011	\$108,953,414
Other liabilities	8,157,606	7,590,995	17,100	22,900	8,174,706	7,613,895
Total liabilities	\$110,037,266	\$116,433,373	\$135,451	\$133,936	\$110,172,717	\$116,567,309
Total Deferred Inflows of Resources	638,084	539,377	1,155	1,242	639,239	540,619
Net position:						
Net investment in capital assets	73,911,732	\$57,524,123	6,610,928	6,987,971	80,522,660	64,512,094
Restricted	33,112,801	46,407,439	-	-	33,112,801	46,407,439
Unrestricted	1,401,381	(14,229,478)	(193,847)	(208,237)	1,207,534	(14,437,715)
Total net position	\$108,425,914	\$89,702,084	\$6,417,081	\$6,779,734	\$114,842,995	\$96,481,818

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The largest portion (68%) of Lancaster County's **net position** reflects **net investment in capital assets** less any outstanding debt used to acquire those assets. These assets are used to provide 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 decrease in restricted net position is attributed to recategorizing debt proceeds from the prior year which also affected the unrestricted net position compared to the prior year. The increase in the **current and other assets** includes the Hospitality Tax assets which increased due to accumulation of funding to prepare for future debt. The assets of the Local Accommodation and Court Security Funds also increased. The **capital assets** of the government increased due to a number of construction projects, such as the library and animal shelter, which are expected to be completed in the subsequent fiscal year. **Long-Term liabilities** decreased due to a reduction in the 2015A bond which will mature in two years. **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 \$18,723,830.

Governmental Activities. As stated before, the County's activities increased the net position \$18,723,830 from the prior year. Key elements of the change include:

- **Total revenues** increased for all of the government's activities by \$6,948,626 for the fiscal year. General revenue sources such as property taxes attributed to the increase. The County's population continues to grow and the Council approved a 4.5 millage increase in the General Fund and a small increase for the Capital Improvement Fund to help provide services to address the growth. This along with growing sales tax revenue, led to an increase in *Property Tax* revenues compared to the last fiscal year. Other taxes & licenses increased due to the growth in road fee collections and a \$1.6M increase in capital projects sales tax revenue. *Charges for Services* grew mainly via building permit revenue and register of deeds collections which were driven by growth and the economy. The County's revenues were stable even though the pandemic affected the fourth quarter of the fiscal year. The stormwater management program increased revenue by \$200K, while recreation program revenue declined by \$300K. The Debt Service revenues also increased to prepare for the increase in debt service payments due the fiscal year.
- **Total expenses** increased by \$7,266,843 for all governmental activities compared to the prior year. There were significant increases general government, public safety, and public works. *General government* increased due to county-wide salary adjustments, building renovations, several new positions to compensate for growth, \$1.6M improvements for recreation projects, and additional funding for voter's registration. *Public safety and law enforcement* increased due to the following:
 1. The purchase of self-contained breathing apparatus, \$2,649,823;
 2. Detention Center improvements in the amount of \$204,063;
 3. Covid-19 supply expenses in the amount of \$196,172;
 4. Increases in full-time fire personnel in the Pleasant Valley and Indian Land fire districts;
 5. Motorola monthly services for the County's most recent updated radio system, \$185,088- E-911 Fund.*Public Works* expense increased from prior year mainly due to road projects in the capital projects sales tax fund, an increase of \$1,588,394.

Business-Type Activities. Business-type activities (Airport) net position decreased by \$362,653 compared to the prior year. Capital grants decreased during the period and depreciation expense increased.

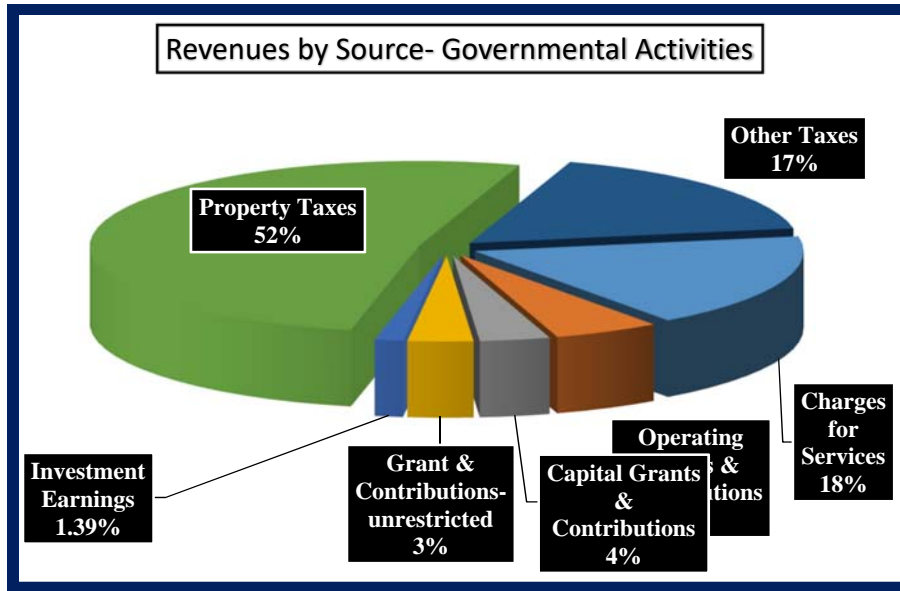
LANCASTER COUNTY, SOUTH CAROLINA
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The table below summarizes the changes in net position for the County for the year ended June 30, 2020:

Lancaster County's Changes in Net Position						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Revenues:						
Program Revenues:						
Charges for services	\$17,233,758	\$16,617,667	199,758	159,551	17,433,516	16,777,218
Operating grants & contributions	5,070,517	4,848,593	-	-	5,070,517	4,848,593
Capital grants & contributions	3,331,129	4,258,929	18,478	184,601	3,349,607	4,443,530
General Revenues:						
Property taxes	50,027,001	45,315,985	-	-	50,027,001	45,315,985
Other taxes & licenses	16,721,546	14,622,673	-	-	16,721,546	14,622,673
Unrestricted grants & contributions	3,113,058	2,954,940	-	-	3,113,058	2,954,940
Unrestricted investment earnings	1,342,606	1,272,202	-	-	1,342,606	1,272,202
Other	-	-	-	-	-	-
Total revenues	96,839,615	89,890,989	218,236	344,152	97,057,851	90,235,141
Expenses:						
General government	20,570,980	17,460,461	-	-	20,570,980	17,460,461
Administration of justice	3,276,767	3,132,517	-	-	3,276,767	3,132,517
Public safety and law enforcement	30,033,078	26,338,671	-	-	30,033,078	26,338,671
Public works	11,870,816	10,105,887	-	-	11,870,816	10,105,887
Public health & welfare	6,557,657	7,939,548	-	-	6,557,657	7,939,548
Economic development	1,052,336	1,311,724	-	-	1,052,336	1,311,724
Culture & recreation	3,571,010	3,680,459	-	-	3,571,010	3,680,459
Interest on long-term debt	1,108,511	805,045	-	-	1,108,511	805,045
Airport	-	-	655,519	576,261	655,519	576,261
Total expenses	78,041,155	70,774,312	655,519	576,261	78,696,674	71,350,573
Increase (Decrease) in net position before Transfers	18,798,460	19,116,677	(437,283)	(232,109)	18,361,177	18,884,568
Transfers	(74,630)	(151,901)	74,630	151,901	-	-
Increase (Decrease) in net position	18,723,830	18,964,776	(362,653)	(80,208)	18,361,177	18,884,568
Net position- beginning of year (restated)	89,702,084	70,737,308	6,779,734	6,859,942	96,481,818	77,597,250
Net position- end of year	\$108,425,914	\$89,702,084	\$6,417,081	\$6,779,734	\$114,842,995	\$96,481,818

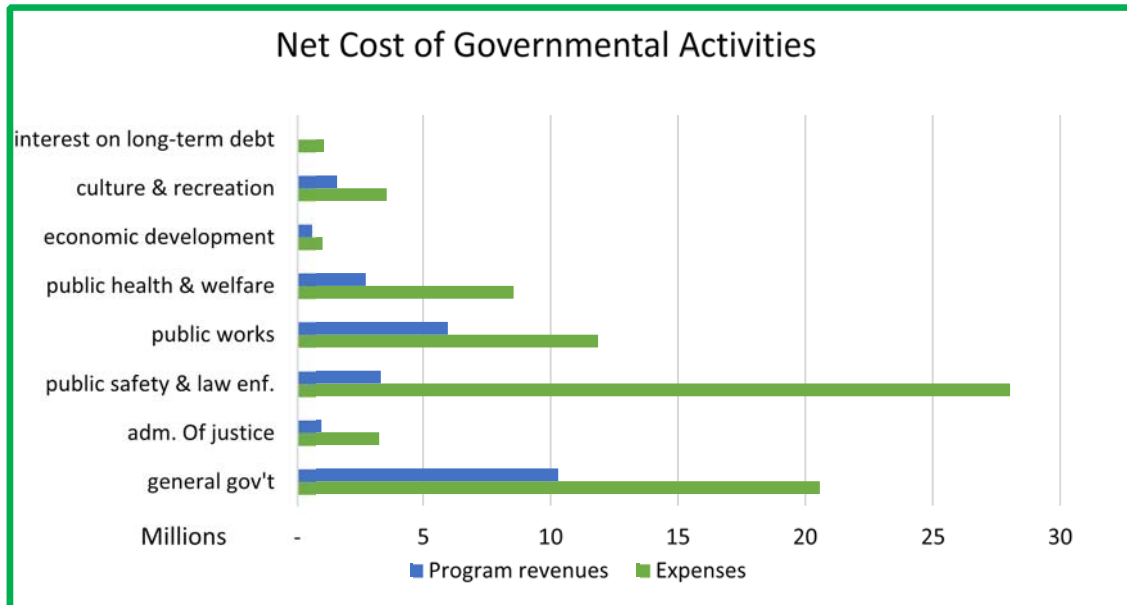
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The pie chart below depicts the percentages of revenues by source for the County's governmental activities:



As illustrated in the pie chart above, **Property Taxes (52%)** are the government's main source of revenue. This category includes general fund, debt service, court security, and capital improvement. **Charges for services**, another major source (18%), include: Stormwater management, EMS charges, & building permit fees. **Investment earnings** represent the least source of general revenue. **Other taxes** (17%) 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. This category includes the Indian Land & Pleasant Valley Fire Districts which are funded by fire fees (\$1,534,395). **General Government** expense was the second largest net expense after receiving \$9,326,484 in charges for services which include: deed fees (\$1,592,449), building permits (\$4,824,395), and franchise fees (\$571,775). **Public Works** activity is the third largest net expense for the government. The stormwater management special revenue fund is included in this category.

Financial Analysis of the County's Funds

As noted earlier, Lancaster County's fund accounting is used to ensure and demonstrate 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, 2020, the sum of all the County's governmental funds fund balances totaled \$97,662,115 with \$31,250,074 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 \$31,432,427 compared to \$29,249,962 the prior year. Taxes account for 65% of the general fund revenues. Property taxes increased by \$3,683,424 from the prior year, due to a combination of tax millage increase (84.2 mils to 88.7 mils), assessed value growth, and increase in local option sales tax revenue. The County was able to collect the majority of tax revenue before the pandemic affected the economy. 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 \$4,286,855. 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 2019. The fund balance increased by \$2,011,815 mainly due to the increase in collections from the prior year. In FY20, the funds were used for road improvements, library system improvements (\$2,547,172), and a \$3,752,060 transfer 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 \$2,126,478. A large debt principal payment of \$3,752,050 was made for the 2015A GO Bonds which are close to maturity. The **Bond Projects Fund** accounts for the \$19,905,000 General Obligation bonds issued May 23, 2019. The decrease in fund balance of \$3,969,494, 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 \$2,370,022 mainly due to special revenue funds such as the E-911, Court Mandated Security, Transportation, Hospitality, and Stormwater. The Hospitality Tax fund mainly contributed to the increase, as the County accumulates funds to issue debt for future recreation capital projects.

General Fund Budgetary Highlights

A budgetary comparison schedule is included for the general fund on pages 69-70. After accounting for other financing sources and uses, the net change in fund balance was an increase of \$4,286,855. Actual revenues were below budgetary estimates by \$4,533,812, which included the appropriation of fund balance. Actual expenditures were below budgetary appropriations by \$8,882,589 due to reasons explained below. Transfers were made for the following: \$74,630 to assist the airport operations, \$730,063 for EMS 4/9 building, and \$382,944 for the animal shelter. The EMS and animal shelter transfers were one time transfers.

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

- Property Taxes- Revenues were more than anticipated in the following categories: Rollback taxes (\$388K), fee-in-lieu of taxes (\$403,885), local option sales tax rollback (\$1,102,193), and local option sales tax revenue (\$504,372). All reflect the ongoing residential and commercial growth of the County;
- Other Taxes- Includes road fees of \$35 per vehicle and increase is due to population growth, which collected \$237,000 more than anticipated;
- Licenses & permits- Total Collections were \$2,907,569 above revenue estimates in this category due to very conservative budgeting since it is driven by the market and economy. Building permits collected were \$1,908,765 above estimates and register of deeds fees, county portion, were \$439,193 above estimates.
- Intergovernmental Revenue- Reflected a favorable variance attributed to a \$214,273 pension contribution reimbursement from the state;

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- Interest Revenue- \$544,567 above estimates attributed to pooling cash accounts and investing in the South Carolina Local Government Pool.

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 (\$71,459);
- Treasurer (\$72,609)- County Council agreed to waive credit card fees paid by the taxpayers for two months at the onset of Covid-19;
- Emergency management (\$186,641) – Covid-19 expenditures for supplies and equipment. The County has been partially reimbursed through CARES funding;
- Coroner (\$97,219) - Increase in the number of autopsies and forensic expertise attributed by an increase in deaths.

Below were the significant positive variances, partially due to budget freezes in response to Covid-19 and the uncertainty of the financial market:

- Non-departmental \$160,088- Unemployment and contract worker's compensation expenditure lower than expected, retiree insurance match lower than budget;
- County Council \$2,978,289- \$2.3M land acquisition delayed and savings in grant match;
- Administrator \$161,257- Savings in personnel line items for the Development Services Director and savings in Welcome Center line items;
- Finance \$71,082- Savings in personnel line items due to new employee hired near fourth quarter of the fiscal year;
- Management information services \$189,682- Carry forward on software maintenance;
- Zoning \$88,662- savings in personnel & fringe due to a vacancy;
- Planning \$309,854- Multiple vacancies, UDO revision & impact fee study incomplete;
- Assessor \$75,001- Delayed reassessment;
- Building Maintenance \$287,174- Utilities savings due to incomplete construction on facilities, savings in personnel;
- Family Court \$81,086- vacancy;
- Probate Court \$78,524- computer software project incomplete;
- Sheriff \$704,127- savings from vacancies in full-time and part-time, fringe benefits savings, and gasoline savings;
- Detention center \$233,581- savings in health insurance after vacancies & carry forward for surveillance equipment;
- Communications \$371,358- vacancies throughout the year & radio tower HVAC incomplete;
- Fire Commission \$385,325- Recruitment retention funding of \$274,530 not used due to grant extension, savings in wages & fringe;
- Roads and Bridges \$379,089- \$277,625K road project incomplete and vacancy;
- Solid Waste \$590,708- Convenient site paving incomplete (\$155K), delayed the purchase of land for future site (\$75K), Keep America Beautiful coordinator hired in February 2020 ;
- EMS \$758,067- Upgrade & design building for headquarters incomplete;
- Recreation \$794,227- After school childcare and programs halted during the fourth quarter of the fiscal year due to COVID;
- Library \$110,178- Facilities were closed during the fourth quarter of the fiscal year due to COVID.

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The County amended its budget on December 9, 2019. For most of the items, fund balance was a source for all items with the exception of a \$100,000 grant expected from the Department of Natural Resources. *Below are changes that affected the original and final budgets:*

- Springs Park boat landing improvements, \$465,860
- Land Acquisition, \$2,360,000
- EMS, \$700,000
- \$730,063, Transfer to Public Safety Fund for EMS 4/9
- \$85,241, direct assistance to public defender's office

Capital Assets

Lancaster County's net investment in capital assets for its governmental activities at June 30, 2020, totaled \$98,572,275, 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 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Land	\$8,171,865	\$8,011,465	\$ 598,607	\$ 598,607	\$ 8,770,472	\$ 8,610,072
Buildings & Improvements	47,636,280	48,781,320	5,815,007	6,201,328	53,451,287	54,982,648
Vehicles	11,639,706	12,056,213	-	-	11,639,706	12,056,213
Furniture & Equipment	8,889,902	7,483,859	70,360	79,122	8,960,262	7,562,981
Infrastructure	12,309,432	10,269,432	-	-	12,309,432	10,269,432
Construction in Progress	9,925,090	1,703,412	126,954	108,914	10,052,044	1,812,326
Total	\$98,572,275	\$88,305,701	\$6,610,928	\$6,987,971	\$105,183,203	\$95,293,672

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

- Detention Center shower improvements- \$203,758;
- Building & land in Kershaw for the library- \$655,600, mostly donated;
- Construction in progress includes:
 - Main library improvements- \$2,433,812
 - EMS 4/9 new construction- \$1,937,736
 - Animal Shelter new construction- \$2,834,023
 - Barnette building improvements- \$608,694
 - IL soccer complex- \$109,462
 - Heath Springs soccer complex- \$203,511
- SCBAs in the amount of \$2,609,823;
- Audio & visual improvements, \$110,961;
- Motorgrader \$133,220- public works;
- Buford recreation parking lot improvements, \$354,000;
- Four ambulances for \$1,190,524;
- Mack truck, \$156,500- public works;
- Ford F550, \$131,195- public work;
- Stewart Place road improvement (\$342,200) paid with capital project sales tax.

Additional information on the County's capital assets can be found in note 5 beginning on page 43.

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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 \$20,102,792 without a referendum. At the end of the current fiscal year, the County had total long-term liabilities outstanding of \$101,879,660. General obligation bonds make up 33% (\$34,123,712) 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 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
General Obligation Bonds	\$34,123,712	\$42,398,607	-	-	\$34,123,712	\$42,398,607
Special Source Revenue Bonds	6,110,057	6,433,649	-	-	6,110,057	6,433,649
Total	\$40,233,769	\$48,832,256	-	-	\$40,233,769	\$48,832,256

The County's general obligation debt decreased by \$8,274,895 partially due a large principal payment for a 2015A bond which will mature in two subsequent fiscal years.

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 45 through 51 of this report.

Economic Factors and Next Year's Budgets and Tax Rates

The unemployment rate for Lancaster County was 10.6% at June 2020 which reflected the pandemic. Statewide unemployment was 8.7%, while the national rate was 11.1% the same period. Preliminary results show a decline to 5.6% in September 2020 for the County.

The fiscal year 2020-2021 budget included deferring certain budget requests due to the uncertainty of the long-term economic effects of the pandemic. The goal of the budget was to:

1. Maintain service levels; and
2. Protect our fund balance; and
3. Protect our bond rating

The County will continue to monitor its economy and may make certain mid-year changes if feasible. The budget did not include a General Fund tax increase. The County approved the following budgets which total \$94,152,206:

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Lancaster County, South Carolina Original Adopted Budgets Fiscal Year Ended June 30, 2021		
General Funds		
General Fund		65,410,435
Capital Project Sales Tax Special Revenue Fund		
		8,500,000
Other Special Revenue Funds		
Court Security	\$ 1,579,140	
Victims Services	65,000	
E-911	867,310	
Stormwater	2,248,280	
Transportation	1,400,000	
Indian Land Fire District	991,000	
Local Accommodations Tax	100,000	
Lancaster County Airport Commission	244,163	
Pleasant Valley Fire District	829,718	
Hospitality Tax Fund	1,280,000	
State Accommodations Tax Fund	379,250	
	\$ 9,983,861	9,983,861
Debt Service Funds		
Debt Service		8,202,950
Capital Project Fund		
Capital Improvement		2,054,960
Total All Budgeted Funds		<u>\$ 94,152,206</u>

The fiscal year 2021 budget includes the following:

- Property and Liability insurance increase of 21%;
- The use of fund balance for one-time items such as comprehensive & strategic plan updates and voting machine equipment;
- Reassessment costs;
- Increases in hospital security and detention center contracts;
- Christmas bonus.

The Budget also addresses personnel needs which include:

- Add 5 new positions to address operational needs. Funded from revenue generated by the department;
- The compensation plan has been put on hold and will be revisited at a later date.

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 2021 which includes 88.7 mils. County Council also adopted 5.0 mils for capital replacement needs, 7.6 mils for debt service, and 3.8 mils for Court Security. The Budget in its entirety can be found on the County's website at:

<https://www.mylancaster.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, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 25,551,870	\$ 100	\$ 25,551,970
Investments	71,239,905	-	71,239,905
Receivables:			
Taxes	1,998,176	-	1,998,176
Accounts	4,371,000	2,693	4,373,693
Due from other governments	6,713,778	20,324	6,734,102
Internal balances	130,390	(130,390)	-
Inventories	137,069	32,652	169,721
Prepaid expenses	83,996	201	84,197
Assets held for resale	888,428	-	888,428
Capital assets:			
Nondepreciable	18,096,955	725,561	18,822,516
Depreciable, net	80,475,320	5,885,367	86,360,687
Total assets	<u>209,686,887</u>	<u>6,536,508</u>	<u>216,223,395</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	153,797	-	153,797
Pension - South Carolina Retirement System	4,625,625	17,179	4,642,804
Pension - South Carolina Police Officers Retirement System	4,148,635	-	4,148,635
Other postemployment benefits	486,320	-	486,320
Total deferred outflows of resources	<u>9,414,377</u>	<u>17,179</u>	<u>9,431,556</u>
LIABILITIES			
Accounts payable	4,686,348	-	4,686,348
Accrued liabilities	2,360,475	-	2,360,475
Unearned revenues	727,683	17,100	744,783
Accrued interest payable	383,100	-	383,100
Noncurrent liabilities:			
Due within one year	8,352,440	-	8,352,440
Due in more than one year	38,118,403	-	38,118,403
Total other postemployment benefits liability	4,070,482	-	4,070,482
Net pension liability:			
South Carolina Retirement System	31,868,328	118,351	31,986,679
South Carolina Police Officers Retirement System	19,470,007	-	19,470,007
Total liabilities	<u>110,037,266</u>	<u>135,451</u>	<u>110,172,717</u>
DEFERRED INFLOWS OF RESOURCES			
Pension - South Carolina Retirement System	311,017	1,155	312,172
Pension - South Carolina Police Officers Retirement System	143,898	-	143,898
Other postemployment benefits	183,169	-	183,169
Total deferred inflows of resources	<u>638,084</u>	<u>1,155</u>	<u>639,239</u>
NET POSITION			
Net investment in capital assets	73,911,732	6,610,928	80,522,660
Restricted for:			
Property tax reduction	2,784,135	-	2,784,135
Capital projects	18,287,604	-	18,287,604
Public safety	4,408,952	-	4,408,952
Public works	2,169,551	-	2,169,551
Public health and welfare	197,978	-	197,978
Cultural and recreation	450,999	-	450,999
Economic development	3,722,749	-	3,722,749
Debt service	1,090,833	-	1,090,833
Unrestricted	1,401,381	(193,847)	1,207,534
Total net position	<u>\$ 108,425,914</u>	<u>\$ 6,417,081</u>	<u>\$ 114,842,995</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, 2020**

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	\$ 20,570,980	\$ 9,326,484	\$ 938,865	\$ 37,385	\$ (10,268,246)	\$ -	\$ (10,268,246)
Administration of justice	3,276,767	893,735	115,330	-	(2,267,702)	-	(2,267,702)
Public safety	28,036,341	1,701,553	1,638,594	-	(24,696,194)	-	(24,696,194)
Public works	11,870,816	1,645,837	1,776,810	2,547,840	(5,900,329)	-	(5,900,329)
Public health and welfare	8,554,394	2,752,845	63,468	-	(5,738,081)	-	(5,738,081)
Culture and recreation	3,571,010	850,995	28,548	745,904	(1,945,563)	-	(1,945,563)
Economic development	1,052,336	62,309	508,902	-	(481,125)	-	(481,125)
Interest on long-term debt	1,108,511	-	-	-	(1,108,511)	-	(1,108,511)
Total governmental activities	78,041,155	17,233,758	5,070,517	3,331,129	(52,405,751)	-	(52,405,751)
Business-type activities:							
Airport	655,519	199,758	-	18,478	-	(437,283)	(437,283)
Total business-type activities	655,519	199,758	-	18,478	-	(437,283)	(437,283)
Total primary government	\$ 78,696,674	\$ 17,433,516	\$ 5,070,517	\$ 3,349,607	(52,405,751)	(437,283)	(52,843,034)
General revenues:							
Property taxes levied for:							
General purposes					40,939,908	-	40,939,908
Public safety					1,643,732	-	1,643,732
Debt service					4,778,208	-	4,778,208
Capital projects					2,665,153	-	2,665,153
Other taxes and licenses					16,721,546	-	16,721,546
Grants and contributions not restricted for a specific purpose					3,113,058	-	3,113,058
Unrestricted investment earnings					1,342,606	-	1,342,606
Transfers					(74,630)	74,630	-
Total general revenues and transfers					71,129,581	74,630	71,204,211
Change in net position					18,723,830	(362,653)	18,361,177
Net position, beginning of year					89,702,084	6,779,734	96,481,818
Net position, end of year					\$ 108,425,914	\$ 6,417,081	\$ 114,842,995

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

LANCASTER COUNTY, SOUTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	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	\$ 23,191,518	\$ -	\$ -	\$ 2,313,216	\$ 47,136	\$ 25,551,870
Investments	58,398,580	-	12,840,489	-	836	71,239,905
Taxes receivable, net	1,620,403	-	-	191,723	186,050	1,998,176
Accounts receivable, net	4,131,558	-	-	860	238,582	4,371,000
Due from other governments	2,960,576	2,650,919	-	-	1,102,283	6,713,778
Due from other funds	382,684	22,345,666	167,401	-	13,051,689	35,947,440
Prepaid expenditures	83,996	-	-	-	-	83,996
Inventories	137,069	-	-	-	-	137,069
Land held for resale	888,428	-	-	-	-	888,428
Total assets	<u>\$ 91,794,812</u>	<u>\$ 24,996,585</u>	<u>\$ 13,007,890</u>	<u>\$ 2,505,799</u>	<u>\$ 14,626,576</u>	<u>\$ 146,931,662</u>
LIABILITIES						
Accounts payable	\$ 4,394,488	\$ 120,470	\$ 103,883	\$ -	\$ 67,507	\$ 4,686,348
Accrued liabilities	2,360,475	-	-	-	-	2,360,475
Due to other funds	35,564,756	-	-	-	252,294	35,817,050
Unearned revenues	413,282	-	-	-	314,401	727,683
Total liabilities	<u>42,733,001</u>	<u>120,470</u>	<u>103,883</u>	<u>-</u>	<u>634,202</u>	<u>43,591,556</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,470,960	-	-	171,061	169,537	1,811,558
Unavailable revenue - emergency medical services	3,519,508	-	-	-	-	3,519,508
Unavailable revenue - intergovernmental	209,295	-	-	-	137,630	346,925
Total deferred inflows of resources	<u>5,199,763</u>	<u>-</u>	<u>-</u>	<u>171,061</u>	<u>307,167</u>	<u>5,677,991</u>
FUND BALANCES						
Nonspendable:						
Prepaid expenditures	83,996	-	-	-	-	83,996
Inventories	137,069	-	-	-	-	137,069
Land held for resale	888,428	-	-	-	-	888,428
Restricted for:						
Property tax reduction	2,784,135	-	-	-	-	2,784,135
DSS IV-D Incentive	197,978	-	-	-	-	197,978
Drug task force	134,967	-	-	-	-	134,967
Capital projects	-	16,988,498	-	-	1,299,106	18,287,604
Public safety	-	-	-	-	4,273,985	4,273,985
Public works	-	-	-	-	717,195	717,195
Culture and recreation	-	-	-	-	450,999	450,999
Economic development	-	-	-	-	3,722,749	3,722,749
Roads and bridges	-	-	-	-	1,452,356	1,452,356
Debt service	-	-	11,763,985	2,334,738	-	14,098,723
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	6,730,280	7,887,617	1,140,022	-	1,951,170	17,709,089
Unassigned	31,432,427	-	-	-	(182,353)	31,250,074
Total fund balances	<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>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 91,794,812</u>	<u>\$ 24,996,585</u>	<u>\$ 13,007,890</u>	<u>\$ 2,505,799</u>	<u>\$ 14,626,576</u>	<u>\$ 146,931,662</u>

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

LANCASTER COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total fund balances for governmental funds:		\$ 97,662,115
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.		98,572,275
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		5,677,991
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	\$ (34,123,712)	
Unamortized refunding deferral amount on general obligation bonds	153,797	
Unamortized bond premium	(2,924,721)	
Capital lease obligations	(620,000)	
Special source revenue bonds	(6,110,057)	
Post-closure care liabilities	(1,086,215)	
Compensated absences payable	(1,606,138)	
Total other postemployment benefits liability, net of related outflows and inflows of resources	(3,767,331)	
Net pension liability, net of related outflows and inflows of resources	<u>(43,018,990)</u>	
Total long-term liabilities		(93,103,367)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		<u>(383,100)</u>
Net position of governmental activities		<u><u>\$ 108,425,914</u></u>

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

LANCASTER COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Capital Projects Sales Tax 2 Fund	Bond Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 41,435,302	\$ -	\$ -	\$ 4,778,208	\$ 4,308,885	\$ 50,522,395
Sales and other local taxes	2,813,201	11,199,016	-	-	2,121,641	16,133,858
Licenses and permits	7,531,313	-	-	-	-	7,531,313
Intergovernmental	5,230,588	-	-	-	4,290,970	9,521,558
Charges for services	4,186,195	-	-	-	3,094,289	7,280,484
Fines and forfeitures	744,088	-	-	-	73,311	817,399
Interest revenue	655,698	412,401	263,020	2,872	8,615	1,342,606
Contributions and donations	115,007	-	-	-	143,769	258,776
Other revenues	656,247	-	-	-	107	656,354
Total revenues	<u>63,367,639</u>	<u>11,611,417</u>	<u>263,020</u>	<u>4,781,080</u>	<u>14,041,587</u>	<u>94,064,743</u>
EXPENDITURES						
Current:						
General government	16,167,367	-	-	-	427,833	16,595,200
Administration of justice	2,256,109	-	-	-	95,667	2,351,776
Public safety	21,675,582	-	-	-	4,551,759	26,227,341
Public works	5,733,934	3,297,069	-	-	1,859,268	10,890,271
Public health and welfare	8,054,393	-	-	-	2,012,487	10,066,880
Culture and recreation	3,491,866	2,547,172	-	-	146,613	6,185,651
Economic development	494,724	-	-	-	454,650	949,374
Capital outlay	-	3,311	4,615,458	-	2,156,916	6,775,685
Debt service:						
Principal	50,000	-	-	9,037,395	493,488	9,580,883
Interest	-	-	-	1,618,444	171,232	1,789,676
Fees	-	-	-	3,769	887	4,656
Total expenditures	<u>57,923,975</u>	<u>5,847,552</u>	<u>4,615,458</u>	<u>10,659,608</u>	<u>12,370,800</u>	<u>91,417,393</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,443,664</u>	<u>5,763,865</u>	<u>(4,352,438)</u>	<u>(5,878,528)</u>	<u>1,670,787</u>	<u>2,647,350</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	30,828	-	382,944	3,752,050	730,063	4,895,885
Transfers out	(1,187,637)	(3,752,050)	-	-	(30,828)	(4,970,515)
Total other financing sources (uses), net	<u>(1,156,809)</u>	<u>(3,752,050)</u>	<u>382,944</u>	<u>3,752,050</u>	<u>699,235</u>	<u>(74,630)</u>
Net change in fund balances	4,286,855	2,011,815	(3,969,494)	(2,126,478)	2,370,022	2,572,720
Fund balances, beginning of year	<u>39,575,193</u>	<u>22,864,300</u>	<u>16,873,501</u>	<u>4,461,216</u>	<u>11,315,185</u>	<u>95,089,395</u>
Fund balances, end 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>

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, 2020

Net change in fund balances - total governmental funds \$ 2,572,720

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	\$ 18,139,865	
Depreciation expense	<u>(7,755,272)</u>	10,384,593

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position. (118,019)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (402,953)

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	\$ 9,580,883	
Amortization of premium/discount on long-term debt	729,354	
Amortization of the refunding deferral amount on the refunding general obligation bonds	<u>(51,542)</u>	10,258,695

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	\$ (3,604,385)	
Landfill post-closure liability	23,849	
Compensated absences	(276,591)	
Accrued interest on long-term debt	(43,533)	
Other postemployment benefits liability	<u>(70,546)</u>	<u>(3,971,206)</u>
		<u>\$ 18,723,830</u>

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

LANCASTER COUNTY, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2020**

	<u>Major Enterprise Fund Airport Fund</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 100
Accounts receivable	2,693
Due from other governments	20,324
Prepaid expenses	201
Inventory	32,652
Total current assets	<u>55,970</u>
NONCURRENT ASSETS	
Capital assets:	
Nondepreciable	725,561
Depreciable, net of accumulated depreciation	5,885,367
Total noncurrent assets	<u>6,610,928</u>
Total assets	<u>6,666,898</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	17,179
Total deferred outflows of resources	<u>17,179</u>
LIABILITIES	
CURRENT LIABILITIES	
Due to other funds	130,390
Unearned revenues	17,100
Total current liabilities	<u>147,490</u>
NONCURRENT LIABILITIES	
Net pension liability	118,351
Total noncurrent liabilities	<u>118,351</u>
Total liabilities	<u>265,841</u>
DEFERRED INFLOWS OF RESOURCES	
Pension	1,155
Total deferred inflows of resources	<u>1,155</u>
NET POSITION	
Investment in capital assets	6,610,928
Unrestricted	(193,847)
Total net position	<u>\$ 6,417,081</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, 2020**

	Major Enterprise Fund Airport Fund
OPERATING REVENUES	
Charges for services:	
Sale of fuel	\$ 145,281
Rental income	54,477
Total operating revenues	199,758
OPERATING EXPENSES	
Salaries and fringe benefits	72,473
Costs of services	180,355
Depreciation	402,691
Total operating expenses	655,519
Operating loss	(455,761)
CAPITAL CONTRIBUTIONS	18,478
TRANSFERS	
Transfers in	74,630
Total transfers	74,630
Change in net position	(362,653)
Net position, beginning of year	6,779,734
Net position, end of year	\$ 6,417,081

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, 2020

	Major Enterprise Fund Airport Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 160,839
Payments to suppliers	(164,099)
Payments to employees	(64,200)
Net cash used in operating activities	(67,460)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	74,630
Net cash provided by noncapital financing activities	74,630
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(25,648)
Intergovernmental revenues	18,478
Net cash used in capital and related financing activities	(7,170)
Net change in cash and cash equivalents	-
Cash and cash equivalents:	
Beginning of year	100
End of year	\$ 100
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (455,761)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	402,691
Changes in assets and liabilities:	
Increase in accounts receivable	(2,693)
Decrease in due from other governments	2,864
Increase in prepaid expenses	(201)
Decrease in inventory	16,457
Decrease in deferred outflows of resources	1,045
Decrease in due to other funds	(33,290)
Decrease in unearned revenues	(5,800)
Increase in net pension liability	7,315
Decrease in deferred inflows of resources	(87)
Net cash used in operating activities	\$ (67,460)

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

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2020

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 19,790,107
Investments	49,008,862
Taxes receivable	5,250,480
Accounts receivable	17,525
Total assets	\$ 74,066,974
LIABILITIES	
Due to other taxing districts and agencies	\$ 66,451,993
Due to others	7,614,981
Total liabilities	\$ 74,066,974

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, 2020

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 ***Agency 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.

Agency funds have no measurement focus, but rather are custodial in nature (assets equal liabilities).

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 2020 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 \$899,875, \$7,887,617, and \$1,951,170 in the General Fund, the Capital Projects Sales Tax 2 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 \$5,830,405 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, and Economic Development 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, 2020, the Restricted Grants Fund and the Victim Services Fund reported deficit fund balances of \$137,642, and \$44,711, respectively. These deficits will be eliminated through the recognition of unearned 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, 2020, expenditures exceeded budget, as follows:

<u>Fund</u>	<u>Excess</u>
Development Agreements Fund	
Public safety	\$ 668,880
Debt Service Fund	2,425,965

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2020, are summarized below:

As reported in the Statement of Net Position:

Primary government	
Cash and cash equivalents	\$ 25,551,970
Investments	71,239,905
Agency Fund - cash and cash equivalents	19,790,107
Agency Fund - investments	49,008,862
	<u>\$ 165,590,844</u>
Cash deposited with financial institutions	\$ 45,342,077
State Treasurer's Investment Pool	114,395,033
U.S. Government Treasuries	1,177,929
U.S. Government Agencies	489,190
Money market accounts	4,145,142
Mutual funds	21,001
Certificates of deposit	20,472
	<u>\$ 165,590,844</u>

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, 2020, the carrying amount of the County's deposits was \$45,330,439 and the bank balance was \$46,445,267. 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, 2020, 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	\$ 114,395,033	\$ 114,395,033	\$ -	\$ -
Money market accounts	4,145,142	4,145,142	-	-
Mutual funds	21,001	21,001	-	-
U.S. Government Treasuries	1,177,929	454,222	723,707	-
U.S. Government Agencies	489,190	-	489,190	-
Certificates of deposit	20,472	20,472	-	-
	<u>\$ 120,248,767</u>	<u>\$ 119,035,870</u>	<u>\$ 1,212,897</u>	<u>\$ -</u>

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, 2020:

Investment	Level 1	Level 2	Level 3	Fair Value
Investments by Fair Value Level				
Debt securities:				
U.S. Treasuries	\$ 1,177,929	\$ -	\$ -	\$ 1,177,929
U.S. Agencies	489,190	-	-	489,190
Total debt securities	<u>1,667,119</u>	<u>-</u>	<u>-</u>	<u>1,667,119</u>
Mutual funds:				
Mutual fund taxable fixed income	21,001	-	-	21,001
Total mutual funds	<u>21,001</u>	<u>-</u>	<u>-</u>	<u>21,001</u>
Total investments by fair value level	<u>\$ 1,688,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,688,120</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued). The County has no investments classified in Level 2 or 3 of the fair value hierarchy. The South Carolina Local Government Investment Pool (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.

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, 2020, the County owned \$489,190 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, 2020, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects Sales Tax 2	Debt Service
Taxes receivable	\$ 1,705,688	\$ -	\$ 201,814
Accounts receivable	9,258,769	-	860
Due from other governments	2,960,576	2,650,919	-
Less: Allowance	(5,212,496)	-	(10,091)
Net receivables	\$ 8,712,537	\$ 2,650,919	\$ 192,583
	Nonmajor Governmental	Airport	Total
Taxes receivable	\$ 194,742	\$ -	\$ 2,102,244
Accounts receivable	238,582	2,693	9,500,904
Due from other governments	1,102,283	20,324	6,734,102
Less: Allowance	(8,692)	-	(5,231,279)
Net receivables	\$ 1,526,915	\$ 23,017	\$ 13,105,971

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the County's governmental activities for the year ended June 30, 2020, was as follows:

Governmental activities	Balance June 30, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Capital assets not being depreciated					
Land	\$ 8,011,465	\$ 163,400	\$ (3,000)	\$ -	\$ 8,171,865
Construction in progress	1,703,412	8,401,132	-	(179,454)	9,925,090
Total capital assets not being depreciated	<u>9,714,877</u>	<u>8,564,532</u>	<u>(3,000)</u>	<u>(179,454)</u>	<u>18,096,955</u>
Capital assets being depreciated					
Buildings and improvements	69,396,724	1,087,293	(346,400)	-	70,137,617
Vehicles	32,382,954	2,091,115	(331,074)	-	34,142,995
Furniture and equipment	24,721,836	3,524,685	(1,102,645)	179,454	27,323,330
Infrastructure	21,559,065	2,872,240	-	-	24,431,305
Total capital assets being depreciated	<u>148,060,579</u>	<u>9,575,333</u>	<u>(1,780,119)</u>	<u>179,454</u>	<u>156,035,247</u>
Less accumulated depreciation					
Buildings and improvements	(20,615,404)	(2,232,333)	346,400	-	(22,501,337)
Vehicles	(20,326,741)	(2,455,486)	278,938	-	(22,503,289)
Furniture and equipment	(17,237,977)	(2,235,213)	1,039,762	-	(18,433,428)
Infrastructure	(11,289,633)	(832,240)	-	-	(12,121,873)
Total accumulated depreciation	<u>(69,469,755)</u>	<u>(7,755,272)</u>	<u>1,665,100</u>	<u>-</u>	<u>(75,559,927)</u>
Total capital assets being depreciated, net	<u>78,590,824</u>	<u>1,820,061</u>	<u>(115,019)</u>	<u>179,454</u>	<u>80,475,320</u>
Governmental activities capital assets, net	<u>\$ 88,305,701</u>	<u>\$ 10,384,593</u>	<u>\$ (118,019)</u>	<u>\$ -</u>	<u>\$ 98,572,275</u>

Depreciation expense was charged to functions as follows:

General government	\$ 694,232
Administration of justice	969,622
Public safety	3,459,902
Public works, including depreciation of infrastructure assets	1,459,258
Public health and welfare	674,181
Culture and recreation	388,365
Economic development	<u>109,712</u>
Total governmental activities depreciation expense	<u>\$ 7,755,272</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, 2020, was as follows:

Business-type activities	Balance June 30, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Capital assets not being depreciated					
Land	\$ 598,607	\$ -	\$ -	\$ -	\$ 598,607
Construction in progress	108,914	18,040	-	-	126,954
Total capital assets not being depreciated	<u>707,521</u>	<u>18,040</u>	<u>-</u>	<u>-</u>	<u>725,561</u>
Capital assets being depreciated					
Buildings and improvements	13,683,860	-	-	-	13,683,860
Furniture and equipment	81,851	7,608	-	-	89,459
Total capital assets being depreciated	<u>13,765,711</u>	<u>7,608</u>	<u>-</u>	<u>-</u>	<u>13,773,319</u>
Less accumulated depreciation					
Buildings and improvements	(7,482,532)	(386,321)	-	-	(7,868,853)
Furniture and equipment	(2,729)	(16,370)	-	-	(19,099)
Total accumulated depreciation	<u>(7,485,261)</u>	<u>(402,691)</u>	<u>-</u>	<u>-</u>	<u>(7,887,952)</u>
Total capital assets being depreciated, net	<u>6,280,450</u>	<u>(395,083)</u>	<u>-</u>	<u>-</u>	<u>5,885,367</u>
Business-type activities capital assets, net	<u>\$ 6,987,971</u>	<u>\$ (377,043)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,610,928</u>

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

Airport	<u>\$ 402,691</u>
Total business-type activities depreciation expense	<u>\$ 402,691</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, 2020:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Governmental activities					
General obligation bonds	\$ 42,398,607	\$ -	\$ (8,274,895)	\$ 34,123,712	\$ 6,906,066
Capital lease obligations	1,602,396	-	(982,396)	620,000	50,000
Special source revenue bonds	6,433,649	-	(323,592)	6,110,057	297,764
Post-closure care costs	1,110,064	-	(23,849)	1,086,215	56,525
Compensated absences	1,329,547	1,318,676	(1,042,085)	1,606,138	1,042,085
Total postemployment benefit liability	3,803,552	503,281	(236,351)	4,070,482	-
Net pension liability - SCRS	29,898,635	4,937,362	(2,967,669)	31,868,328	-
Net pension liability - PORS	18,611,853	3,454,381	(2,596,227)	19,470,007	-
Deferred amounts:					
Unamortized premium	3,654,075	-	(729,354)	2,924,721	-
	<u>\$ 108,842,378</u>	<u>\$ 10,213,700</u>	<u>\$ (17,176,418)</u>	<u>\$ 101,879,660</u>	<u>\$ 8,352,440</u>
Business-type activities					
Net pension liability - SCRS	\$ 111,036	\$ 18,337	\$ (11,022)	\$ 118,351	\$ -
	<u>\$ 111,036</u>	<u>\$ 18,337</u>	<u>\$ (11,022)</u>	<u>\$ 118,351</u>	<u>\$ -</u>

Compensated absences, net post-employment benefit obligation, 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.

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	\$ 7,025,000
General obligation refunding bonds, series 2015B	1,935,000	3% to 3.25%	2030	\$115,000 to \$165,000	1,460,000
General obligation refunding bonds, series 2015C	6,110,000	3% to 5%	2025	\$120,000 to \$1,475,000	5,405,000
General obligation bonds, series 2016A	6,750,000	2% to 5%	2023	\$800,000 to \$1,335,000	2,895,000
General obligation bonds, series 2017 (Brookchase)	650,000	2.61%	2030	\$40,000 to \$60,000	518,712
General obligation refunding & improvement bonds, series 2019	19,905,000	5.00%	2039	\$595,000 to \$890,000	16,820,000
					<u>\$ 34,123,712</u>

The annual requirements to amortize all general obligation bonds as of June 30, 2020, including interest payments, are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2021	\$ 6,906,066	\$ 1,520,901	\$ 8,426,967
2022	7,262,269	1,179,198	8,441,467
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
2026-2030	4,391,039	1,447,547	5,838,586
2031-2035	3,025,000	712,600	3,737,600
2036-2039	2,780,000	211,500	2,991,500
	<u>\$ 34,123,712</u>	<u>\$ 7,099,409</u>	<u>\$ 41,223,121</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

Debt service funds of \$2,313,216 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, 2020, the unamortized premium was \$1,881,706.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Advanced Refunding (Continued)

In current and prior years, advance refunding 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, 2020, are classified as a deferred outflow of resources on the Statement of Net Position. Amortization of \$51,542 has been included in interest expense for the year ended June 30, 2020. As of June 30, 2020, the County's outstanding in-substance defeased general obligation bond debt totaled \$2,660,000.

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, 2020:

Assets under capital lease	\$	1,024,541
Less: accumulated depreciation		<u>(174,787)</u>
	\$	<u><u>849,754</u></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, 2020:

Fiscal Year Ending June 30,	Governmental Funds
2021	\$ 50,000
2022	50,000
2023	50,000
2024	50,000
2025	50,000
2026-2030	250,000
2031-2033	<u>120,000</u>
Total Minimum Lease Payments	620,000
Less: Amount Representing Interest	<u>-</u>
	<u><u>\$ 620,000</u></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
2021	\$ 297,764	\$ 244,402	\$ 542,166
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
2026-2028	2,248,500	172,192	2,420,692
	\$ 6,110,057	\$ 1,124,374	\$ 7,234,431

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 2020, the County expended \$23,849 in landfill closure costs. Remaining post-closure costs are estimated at \$1,086,215 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, 2020, there 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, 2020, the outstanding balance on this debt was \$3,187,000.

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, 2020, the outstanding balances on this debt was \$11,660,000, \$7,385,000, and \$2,825,000, 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, 2020, the outstanding balance on this debt was \$12,116,000.

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, 2020, the outstanding balance on this debt was \$28,602,500.

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

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 through July 1, 2022. 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 first, 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 first, 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, 2020, the County contributed \$2,443,945 to the SCRS plan and \$1,924,311 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, 2020, 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, 2020, 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, 2019, (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, 2018, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2019, 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, 2020, (measurement date of June 30, 2019), 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	\$ 70,143,845	\$ 38,157,166	\$ 31,986,679	54.4%	0.140083%
PORS	52,186,582	32,716,575	19,470,007	62.7%	0.679358%
Total	<u>\$ 122,330,427</u>	<u>\$ 70,873,741</u>	<u>\$ 51,456,686</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, 2015.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2018 valuations for SCRS and PORS.

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry Age	Entry Age
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 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the 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%	7.29%	2.55%
Private equity	9.0%	7.67%	0.69%
Equity options strategies	7.0%	5.23%	0.37%
Real Assets	12.0%		
Real estate (Private)	8.0%	5.59%	0.45%
Real estate (REITs)	1.0%	8.16%	0.08%
Infrastructure (Private)	2.0%	5.03%	0.10%
Infrastructure (Public)	1.0%	6.12%	0.06%
Opportunities	8.0%		
GTAA	7.0%	3.09%	0.22%
Other opportunistic strategies	1.0%	3.82%	0.04%
Credit	15.0%		
High Yield Bonds/Bank Loans	4.0%	3.14%	0.13%
Emerging markets debt	4.0%	3.31%	0.13%
Private debt	7.0%	5.49%	0.38%
Alternatives	14.0%		
Core fixed income	13.0%	1.62%	0.21%
Cash and short duration (net)	1.0%	0.31%	0.00%
	100.0%		
		Total expected real return	5.41%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	7.66%

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	\$ 40,296,617	\$ 31,986,679	\$ 25,051,692	
PORS	\$ 26,386,468	\$ 19,470,007	\$ 13,803,668	

Pension Expense:

For the year ended June 30, 2020, the County recognized its proportionate share of collective pension expense of \$3,650,391 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 \$1,027,264 for a total of \$4,677,655 for the SCRS plan. Additionally, for the year ended June 30, 2020, the County recognized its proportionate share of collective pension expense of \$2,892,400 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 \$426,392 for a total of \$3,318,792 for the PORS plan. Total pension expense for the County, for all plans, is \$7,981,447.

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, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,988	\$ 229,787
Changes of assumptions	644,578	-
Net difference between projected and actual earnings on pension plan investments	283,189	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	1,249,104	82,385
Employer contributions subsequent to the measurement date	<u>2,443,945</u>	-
Total	<u>\$ 4,642,804</u>	<u>\$ 312,172</u>
PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 400,344	\$ 143,898
Changes of assumptions	772,084	-
Net difference between projected and actual earnings on pension plan investments	246,865	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	805,031	-
Employer contributions subsequent to the measurement date	<u>1,924,311</u>	-
Total	<u>\$ 4,148,635</u>	<u>\$ 143,898</u>
Total SCRS and PORS	<u>\$ 8,791,439</u>	<u>\$ 456,070</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 \$2,443,945 and \$1,924,311 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, 2021. 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
2021	\$ 1,278,978	\$ 1,246,123
2022	136,522	484,033
2023	354,072	240,911
2024	117,115	109,359

Pension Plan Fiduciary Net Position:

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS. The CAFR 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 576 covered members for the year ended June 30, 2020; 85 members are retirees receiving benefits and 491 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, 2020, the County paid \$226,649 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, 2019, and was determined by an actuarial valuation as of June 30, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	3.13% as of June 30, 2019
Healthcare cost trend rate:	6.40% - 4.15%, 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 3.13% as of June 30, 2019. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.13% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2019.

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

	Total OPEB Liability
Balances beginning of year	\$ 3,803,552
Changes for the year:	
Service cost	162,511
Interest	136,528
Difference between actual and expected experience	(9,702)
Assumption changes	204,242
Benefit payments and implicit subsidy	(226,649)
Net changes	266,930
Balances end of year	\$ 4,070,482

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, 2020 (June 30, 2019 measurement date), as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13%) or 1-percentage-point higher (4.13%) than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate		
1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
\$ 4,230,344	\$ 4,070,482	\$ 3,670,740

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, 2020 (June 30, 2019 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 (5.40% decreasing to 3.15%) or 1-percentage-point higher (7.40% decreasing to 5.15%) 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
\$ 3,626,483	\$ 4,070,482	\$ 4,640,343

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, 2020, 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, 2020, the County recognized OPEB expense as follows:

Description		
Service cost (annual cost of current service)	\$	162,511
Interest on the total OPEB liability		136,528
Recognition of current year amortization - difference between expected and actual experience & assumption changes		22,702
Recognition of prior year amortization - difference between expected and actual experience & assumption changes		(19,032)
Total aggregate OPEB expense	\$	302,709

At June 30, 2020, 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	\$ 73,749	\$ 23,229
Changes of assumptions	180,408	159,940
Employer contributions subsequent to the measurement date	232,163	-
Total	\$ 486,320	\$ 183,169

County contributions subsequent to the measurement date of \$232,163 are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. 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:		
2021	\$	3,670
2022		3,670
2023		3,670
2024		3,670
2025		3,670
Thereafter		52,638

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, 2020, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Airport Fund	\$ 130,390
General Fund	Nonmajor Governmental Fund	252,294
Capital Project Sales Tax 2 Fund	General Fund	22,345,666
Bond Projects Fund	General Fund	167,401
Nonmajor Governmental Funds	General Fund	13,051,689
		\$ 35,947,440

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, 2020, consisted of the following individual amounts:

Transfer In Fund	Transfer Out Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 30,828
Bond Projects Fund	General Fund	382,944
Debt Service	Capital Projects Sales Tax 2 Fund	3,752,050
Nonmajor Governmental Funds	General Fund	730,063
Airport Fund	General Fund	74,630
		\$ 4,970,515

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, 2020, 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, 2020, totaled approximately \$4,671,908.

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, 2020, 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 \$6,408,325 for the year ended June 30, 2020.

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$ 38,384,701	\$ 38,384,701	\$ 41,435,302	\$ 3,050,601
Other local taxes	2,575,473	2,575,473	2,813,201	237,728
Licenses and permits	4,623,744	4,623,744	7,531,313	2,907,569
Intergovernmental	4,966,855	5,066,855	5,230,588	163,733
Charges for services	4,245,600	4,245,600	4,186,195	(59,405)
Fines and forfeitures	814,750	814,750	744,088	(70,662)
Interest revenue	519,500	519,500	655,698	136,198
Contributions and donations	53,000	53,000	115,007	62,007
Other revenues	111,680	111,680	656,247	544,567
Budgeted fund balance	4,230,536	11,506,148	-	(11,506,148)
Total revenues	<u>60,525,839</u>	<u>67,901,451</u>	<u>63,367,639</u>	<u>(4,533,812)</u>
EXPENDITURES:				
Current:				
General government:				
Non-departmental expenditures	1,710,821	1,710,821	1,550,733	160,088
Direct assistance to other agencies	1,211,745	1,296,986	1,271,040	25,946
County council	2,359,379	5,194,004	2,215,715	2,978,289
Administrator	733,930	733,930	572,673	161,257
Legal team	279,000	279,000	350,459	(71,459)
Finance	644,570	644,570	573,488	71,082
Human resources	701,630	701,630	645,841	55,789
Risk management	109,590	109,590	111,645	(2,055)
Management information services	1,414,310	1,414,310	1,224,628	189,682
GIS	122,205	122,205	84,870	37,335
Building	1,139,065	1,139,065	1,082,988	56,077
Zoning	454,049	454,049	365,387	88,662
Planning	768,477	768,477	458,623	309,854
Assessor	1,001,965	1,001,965	926,964	75,001
Auditor	299,960	299,960	292,608	7,352
Treasurer	420,155	420,155	492,764	(72,609)
Delinquent tax collector	361,985	361,985	339,249	22,736
Voter registration and elections	471,525	471,525	423,896	47,629
Register of deeds	371,608	371,608	344,150	27,458
Procurement	208,425	208,425	185,202	23,223
Vehicle maintenance	663,075	663,075	659,739	3,336
Building maintenance	2,281,879	2,281,879	1,994,705	287,174
Total general government	<u>17,729,348</u>	<u>20,649,214</u>	<u>16,167,367</u>	<u>4,481,847</u>
Administration of justice:				
Circuit court	85,710	85,710	56,623	29,087
Clerk of court	367,380	367,380	363,034	4,346
Family court	404,497	404,497	323,411	81,086
Probate court	506,193	506,193	427,669	78,524
Magistrate court	1,101,535	1,101,535	1,085,372	16,163
Total administration of justice	<u>2,465,315</u>	<u>2,465,315</u>	<u>2,256,109</u>	<u>209,206</u>
Public safety:				
Coroner	585,470	585,470	682,689	(97,219)
Sheriff	10,672,523	10,672,523	9,968,396	704,127
Detention center	3,041,028	3,041,028	2,807,447	233,581
Communications	2,524,285	2,524,285	2,152,927	371,358
Emergency management	386,560	386,560	573,201	(186,641)
Fire commission	5,876,247	5,876,247	5,490,922	385,325
Total public safety	<u>23,086,113</u>	<u>23,086,113</u>	<u>21,675,582</u>	<u>1,410,531</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES: (CONTINUED)				
Current: (Continued)				
Public works:				
Roads and bridges	\$ 3,395,757	\$ 3,395,757	\$ 3,016,668	\$ 379,089
Landfill	56,503	56,503	23,849	32,654
Solid waste	3,284,125	3,284,125	2,693,417	590,708
Total public works	<u>6,736,385</u>	<u>6,736,385</u>	<u>5,733,934</u>	<u>1,002,451</u>
Public health and welfare:				
EMS	7,241,734	7,941,734	7,183,667	758,067
Animal control	483,090	483,090	460,183	22,907
Health services	85,040	85,040	68,422	16,618
Social services and food stamps	86,589	86,589	61,754	24,835
DSS family independence	59,650	59,650	63,713	(4,063)
Veteran affairs	228,975	228,975	216,654	12,321
Total public health and welfare	<u>8,185,078</u>	<u>8,885,078</u>	<u>8,054,393</u>	<u>830,685</u>
Culture and recreation:				
Recreation	2,644,521	3,110,381	2,316,154	794,227
Library	1,285,890	1,285,890	1,175,712	110,178
Total culture and recreation	<u>3,930,411</u>	<u>4,396,271</u>	<u>3,491,866</u>	<u>904,405</u>
Economic development:				
Economic development	478,188	478,188	494,724	(16,536)
Debt service:				
Principal	50,000	50,000	50,000	-
Total debt service	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total expenditures	<u>62,660,838</u>	<u>66,746,564</u>	<u>57,923,975</u>	<u>8,822,589</u>
Excess of revenues over expenditures	<u>(2,134,999)</u>	<u>1,154,887</u>	<u>5,443,664</u>	<u>4,288,777</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	32,750	32,750	30,828	(1,922)
Transfers out	(457,574)	(1,187,637)	(1,187,637)	-
Total other financing uses, net	<u>(424,824)</u>	<u>(1,154,887)</u>	<u>(1,156,809)</u>	<u>(1,922)</u>
Net change in fund balances	<u>\$ (2,559,823)</u>	<u>\$ -</u>	<u>4,286,855</u>	<u>\$ 4,286,855</u>
Fund balances, beginning of year			39,575,193	
Fund balances, end of year			<u>\$ 43,862,048</u>	

LANCASTER COUNTY, SOUTH CAROLINA

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

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 162,511	\$ 176,708	\$ 168,154
Interest on total OPEB liability	136,528	128,818	109,436
Assumption changes	204,242	(31,998)	(207,209)
Difference between actual and expected experience	(9,702)	96,201	(22,432)
Benefit payments and implicit subsidy	(226,649)	(192,635)	(170,414)
Net change in total OPEB liability	266,930	177,094	(122,465)
Total OPEB liability - beginning	3,803,552	3,626,458	3,748,923
Total OPEB liability - ending	\$ 4,070,482	\$ 3,803,552	\$ 3,626,458
Covered-employee payroll	\$21,838,377	\$ 20,344,803	\$ 19,252,683
Total OPEB liability as a percentage of covered-employee payroll	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, and to 3.13% as of June 30, 2020.

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
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
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
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
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, 2017	July 1, 2017
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	30 years maximum, closed	30 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 of Lancaster.

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 as a percentage of sales for restaurants in the County 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, 2020

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 47,136	\$ -	\$ 47,136
Investments	-	836	836
Taxes receivable, net	80,998	105,052	186,050
Accounts receivable, net	238,200	382	238,582
Due from other governments	1,102,283	-	1,102,283
Due from other funds	11,183,378	1,868,311	13,051,689
Total assets	<u>\$ 12,651,995</u>	<u>\$ 1,974,581</u>	<u>\$ 14,626,576</u>
LIABILITIES			
Accounts payable	\$ 66,501	\$ 1,006	\$ 67,507
Due to other funds	252,294	-	252,294
Unearned revenues	314,401	-	314,401
Total liabilities	<u>633,196</u>	<u>1,006</u>	<u>634,202</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	73,870	95,667	169,537
Unavailable revenue - intergovernmental	137,630	-	137,630
Total deferred inflows of resources	<u>211,500</u>	<u>95,667</u>	<u>307,167</u>
FUND BALANCES			
Restricted for:			
Public safety	4,273,985	-	4,273,985
Public works	717,195	-	717,195
Culture and recreation	450,999	-	450,999
Economic development	3,722,749	-	3,722,749
Roads and bridges	1,452,356	-	1,452,356
Capital projects	-	1,299,106	1,299,106
Assigned:			
Subsequent year's budget	1,372,368	578,802	1,951,170
Unassigned	(182,353)	-	(182,353)
Total fund balances	<u>11,807,299</u>	<u>1,877,908</u>	<u>13,685,207</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,651,995</u>	<u>\$ 1,974,581</u>	<u>\$ 14,626,576</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, 2020

	Special Revenue Funds	Capital Projects Funds	Totals
Revenues:			
Property taxes	\$ 1,643,732	\$ 2,665,153	\$ 4,308,885
Other taxes	2,121,641	-	2,121,641
Intergovernmental	4,290,970	-	4,290,970
Charges for services	3,031,980	62,309	3,094,289
Fines and forfeitures	73,311	-	73,311
Interest revenue	8,463	152	8,615
Contributions and donations	143,769	-	143,769
Other revenues	107	-	107
Total revenues	11,313,973	2,727,614	14,041,587
Expenditures:			
Current:			
General government	427,833	-	427,833
Administration of justice	95,667	-	95,667
Public safety	4,551,759	-	4,551,759
Public works	1,859,268	-	1,859,268
Public health and welfare	2,012,487	-	2,012,487
Culture and recreation	146,613	-	146,613
Economic development	454,650	-	454,650
Capital outlay	-	2,156,916	2,156,916
Debt service:			
Principal	125,000	368,488	493,488
Interest	48,162	123,070	171,232
Fees	887	-	887
Total expenditures	9,722,326	2,648,474	12,370,800
Excess of revenues over expenditures	1,591,647	79,140	1,670,787
Other financing sources (uses):			
Transfers in	730,063	-	730,063
Transfers out	(30,828)	-	(30,828)
Total other financing sources, net	699,235	-	699,235
Net change in fund balances	2,290,882	79,140	2,370,022
Fund balances, beginning of year	9,516,417	1,798,768	11,315,185
Fund balances, end of year	\$ 11,807,299	\$ 1,877,908	\$ 13,685,207

LANCASTER COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,255
Taxes receivable, net	-	-	-	-	80,998	-
Accounts receivable, net	11,657	-	77,134	-	291	-
Due from other governments	-	-	225,794	-	-	-
Due from other funds	439,342	664,292	1,305,054	751,462	1,347,107	-
Total assets	<u>\$ 450,999</u>	<u>\$ 664,292</u>	<u>\$ 1,607,982</u>	<u>\$ 751,462</u>	<u>\$ 1,428,396</u>	<u>\$ 3,255</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	47,966
Unearned revenues	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,966</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	-	-	-	-	73,870	-
Unavailable revenue - intergovernmental	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,870</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Restricted for:						
Victim services	-	-	-	-	-	-
Public safety	-	589,292	1,601,702	594,307	1,354,526	-
Public works	-	-	-	-	-	-
Culture and recreation	450,999	-	-	-	-	-
Economic development	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	-
Assigned:						
Subsequent year's budget	-	75,000	6,280	157,155	-	-
Unassigned	-	-	-	-	-	(44,711)
Total fund balances (deficits)	<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>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 450,999</u>	<u>\$ 664,292</u>	<u>\$ 1,607,982</u>	<u>\$ 751,462</u>	<u>\$ 1,428,396</u>	<u>\$ 3,255</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
\$ -	\$ -	\$ 43,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,136
-	-	-	-	-	-	-	-	80,998
-	-	-	-	-	149,118	-	-	238,200
293,469	18,150	474,836	-	-	-	90,034	-	1,102,283
1,158,887	116,008	-	60,177	126,184	3,423,762	198,908	1,592,195	11,183,378
<u>\$ 1,452,356</u>	<u>\$ 134,158</u>	<u>\$ 518,717</u>	<u>\$ 60,177</u>	<u>\$ 126,184</u>	<u>\$ 3,572,880</u>	<u>\$ 288,942</u>	<u>\$ 1,592,195</u>	<u>\$ 12,651,995</u>
\$ -	\$ -	\$ -	\$ -	\$ 66,501	\$ -	\$ -	\$ -	\$ 66,501
-	-	204,328	-	-	-	-	-	252,294
-	-	314,401	-	-	-	-	-	314,401
-	-	518,729	-	66,501	-	-	-	633,196
-	-	-	-	-	-	-	-	73,870
-	-	137,630	-	-	-	-	-	137,630
-	-	137,630	-	-	-	-	-	211,500
-	-	-	-	-	-	-	-	-
-	134,158	-	-	-	-	-	-	4,273,985
-	-	-	-	-	-	-	717,195	717,195
-	-	-	60,177	-	3,572,880	89,692	-	450,999
1,452,356	-	-	-	-	-	-	-	3,722,749
-	-	-	-	59,683	-	199,250	875,000	1,372,368
-	-	(137,642)	-	-	-	-	-	(182,353)
<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>\$ 1,452,356</u>	<u>\$ 134,158</u>	<u>\$ 518,717</u>	<u>\$ 60,177</u>	<u>\$ 126,184</u>	<u>\$ 3,572,880</u>	<u>\$ 288,942</u>	<u>\$ 1,592,195</u>	<u>\$ 12,651,995</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, 2020

	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	\$ -	\$ -	\$ -	\$ -	\$ 1,643,732	\$ -
Other taxes	170,891	-	361,287	-	-	-
Intergovernmental	-	-	580,632	-	-	-
Charges for services	-	871,950	-	662,445	-	-
Fines and forfeitures	-	3,990	-	3,803	-	56,589
Interest revenue	365	752	1,249	800	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>171,256</u>	<u>876,692</u>	<u>943,168</u>	<u>667,048</u>	<u>1,643,732</u>	<u>56,589</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Administration of justice	-	-	-	-	-	-
Public safety	-	865,385	746,086	506,023	1,377,913	73,014
Public works	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-
Culture and recreation	6,025	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	125,000	-	-
Interest	-	-	-	48,162	-	-
Fees	-	-	-	887	-	-
Total expenditures	<u>6,025</u>	<u>865,385</u>	<u>746,086</u>	<u>680,072</u>	<u>1,377,913</u>	<u>73,014</u>
Excess (deficiency) of revenues over (under) expenditures	<u>165,231</u>	<u>11,307</u>	<u>197,082</u>	<u>(13,024)</u>	<u>265,819</u>	<u>(16,425)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	165,231	11,307	197,082	(13,024)	265,819	(16,425)
Fund balances (deficits), beginning of year	<u>285,768</u>	<u>652,985</u>	<u>1,410,900</u>	<u>764,486</u>	<u>1,088,707</u>	<u>(28,286)</u>
Fund balances (deficits), end 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>

(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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,643,732
-	-	-	-	-	1,589,463	-	-	2,121,641
1,747,128	38,150	1,783,498	-	-	-	141,562	-	4,290,970
-	-	-	-	-	-	-	1,497,585	3,031,980
-	-	-	-	-	-	-	8,929	73,311
927	-	-	-	-	2,499	523	1,348	8,463
-	-	143,769	-	-	-	-	-	143,769
-	107	-	-	-	-	-	-	107
<u>1,748,055</u>	<u>38,257</u>	<u>1,927,267</u>	<u>-</u>	<u>-</u>	<u>1,591,962</u>	<u>142,085</u>	<u>1,507,862</u>	<u>11,313,973</u>
-	-	346,744	-	-	81,089	-	-	427,833
-	-	95,667	-	-	-	-	-	95,667
-	-	983,338	-	-	-	-	-	4,551,759
917,783	-	61,399	-	-	-	-	880,086	1,859,268
-	-	15,750	-	1,996,737	-	-	-	2,012,487
-	-	26,238	-	-	-	114,350	-	146,613
-	-	454,650	-	-	-	-	-	454,650
-	-	-	-	-	-	-	-	125,000
-	-	-	-	-	-	-	-	48,162
-	-	-	-	-	-	-	-	887
<u>917,783</u>	<u>-</u>	<u>1,983,786</u>	<u>-</u>	<u>1,996,737</u>	<u>81,089</u>	<u>114,350</u>	<u>880,086</u>	<u>9,722,326</u>
<u>830,272</u>	<u>38,257</u>	<u>(56,519)</u>	<u>-</u>	<u>(1,996,737)</u>	<u>1,510,873</u>	<u>27,735</u>	<u>627,776</u>	<u>1,591,647</u>
-	-	-	-	730,063	-	-	-	730,063
-	-	-	-	-	-	(30,828)	-	(30,828)
-	-	-	-	<u>730,063</u>	<u>-</u>	<u>(30,828)</u>	<u>-</u>	<u>699,235</u>
830,272	38,257	(56,519)	-	(1,266,674)	1,510,873	(3,093)	627,776	2,290,882
622,084	95,901	(81,123)	60,177	1,326,357	2,062,007	292,035	964,419	9,516,417
<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>

LANCASTER COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2020**

	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	-	-	105,052	-	-	-	105,052
Accounts receivable, net	-	-	382	-	-	-	382
Due from other funds	-	91,397	1,709,800	-	1,006	66,108	1,868,311
Total assets	<u>\$ -</u>	<u>\$ 91,397</u>	<u>\$ 1,815,234</u>	<u>\$ 836</u>	<u>\$ 1,006</u>	<u>\$ 66,108</u>	<u>\$ 1,974,581</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,006	\$ -	\$ 1,006
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,006</u>	<u>-</u>	<u>1,006</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	95,667	-	-	-	95,667
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>95,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,667</u>
FUND BALANCES							
Restricted for:							
Capital projects	-	91,397	1,140,765	836	-	66,108	1,299,106
Assigned:							
Subsequent year's budget	-	-	578,802	-	-	-	578,802
Total fund balances	<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>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 91,397</u>	<u>\$ 1,815,234</u>	<u>\$ 836</u>	<u>\$ 1,006</u>	<u>\$ 66,108</u>	<u>\$ 1,974,581</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, 2020

	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	\$ 431,953	\$ -	\$ 2,167,136	\$ -	\$ -	\$ 66,064	\$ 2,665,153
Charges for services	-	62,309	-	-	-	-	62,309
Interest revenue	-	96	-	12	-	44	152
Total revenues	<u>431,953</u>	<u>62,405</u>	<u>2,167,136</u>	<u>12</u>	<u>-</u>	<u>66,108</u>	<u>2,727,614</u>
Expenditures:							
Capital outlay:							
General government	-	-	383,588	-	-	-	383,588
Public safety	-	-	74,718	-	-	-	74,718
Public works	-	-	482,185	-	-	-	482,185
Public health and welfare	-	-	1,216,425	-	-	-	1,216,425
Debt service:							
Principal	323,593	44,895	-	-	-	-	368,488
Interest	108,360	14,710	-	-	-	-	123,070
Total expenditures	<u>431,953</u>	<u>59,605</u>	<u>2,156,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,648,474</u>
Net change in fund balances	-	2,800	10,220	12	-	66,108	79,140
FUND BALANCES, beginning of year	<u>-</u>	<u>88,597</u>	<u>1,709,347</u>	<u>824</u>	<u>-</u>	<u>-</u>	<u>1,798,768</u>
FUND BALANCES, end 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>

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, 2020

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Other taxes	\$ 100,000	\$ 100,000	\$ 170,891	\$ 70,891
Interest revenue	-	-	365	365
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>171,256</u>	<u>71,256</u>
EXPENDITURES				
Current:				
Culture and recreation	100,000	100,000	6,025	93,975
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>6,025</u>	<u>93,975</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	165,231	<u>\$ 165,231</u>
FUND BALANCES, beginning of year			<u>285,768</u>	
FUND BALANCES, end of year			<u>\$ 450,999</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Charges for services	\$ 850,000	\$ 850,000	\$ 871,950	\$ 21,950
Fines and forfeitures	-	-	3,990	3,990
Investment income	-	-	752	752
Budgeted fund balance	-	121,380	-	(121,380)
Total revenues	<u>850,000</u>	<u>971,380</u>	<u>876,692</u>	<u>(94,688)</u>
EXPENDITURES				
Current:				
Public safety	809,960	971,380	865,385	105,995
Appropriated fund balance	40,040	-	-	-
Total expenditures	<u>850,000</u>	<u>971,380</u>	<u>865,385</u>	<u>105,995</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	11,307	<u>\$ 11,307</u>
FUND BALANCES, beginning of year			<u>652,985</u>	
FUND BALANCES, end of year			<u>\$ 664,292</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, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Other taxes	\$ 325,000	\$ 325,000	\$ 361,287	\$ 36,287
Intergovernmental	409,013	409,013	580,632	171,619
Interest revenue	-	-	1,249	1,249
Budgeted fund balance	138,376	138,376	-	(138,376)
Total revenues	<u>872,389</u>	<u>872,389</u>	<u>943,168</u>	<u>70,779</u>
EXPENDITURES				
Current:				
Public safety	872,389	872,389	746,086	126,303
Total expenditures	<u>872,389</u>	<u>872,389</u>	<u>746,086</u>	<u>126,303</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	197,082	<u>\$ 197,082</u>
FUND BALANCES, beginning of year			<u>1,410,900</u>	
FUND BALANCES, end of year			<u>\$ 1,607,982</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Charges for services	\$ 680,580	\$ 680,580	\$ 662,445	\$ (18,135)
Fines and forfeitures	2,500	2,500	3,803	1,303
Interest revenue	-	-	800	800
Budgeted fund balance	103,853	103,853	-	(103,853)
Total revenues	<u>786,933</u>	<u>786,933</u>	<u>667,048</u>	<u>(119,885)</u>
EXPENDITURES				
Current:				
Public safety	613,770	613,770	506,023	107,747
Debt service:				
Principal	120,000	120,000	125,000	(5,000)
Interest	53,163	53,163	48,162	5,001
Fees	-	-	887	(887)
Total expenditures	<u>786,933</u>	<u>786,933</u>	<u>680,072</u>	<u>106,861</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(13,024)	<u>\$ (13,024)</u>
FUND BALANCES, beginning of year			<u>764,486</u>	
FUND BALANCES, end of year			<u>\$ 751,462</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,504,706	\$ 1,504,706	\$ 1,643,732	\$ 139,026
Budgeted fund balance	19,266	19,266	-	(19,266)
Total revenues	<u>1,523,972</u>	<u>1,523,972</u>	<u>1,643,732</u>	<u>119,760</u>
EXPENDITURES				
Current:				
Public safety	1,523,972	1,523,972	1,377,913	146,059
Total expenditures	<u>1,523,972</u>	<u>1,523,972</u>	<u>1,377,913</u>	<u>146,059</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	265,819	<u>\$ 265,819</u>
FUND BALANCES, beginning of year			<u>1,088,707</u>	
FUND BALANCES, end of year			<u>\$ 1,354,526</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, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Fines and forfeitures	\$ 76,500	\$ 76,500	\$ 56,589	\$ (19,911)
Total revenues	<u>76,500</u>	<u>76,500</u>	<u>56,589</u>	<u>(19,911)</u>
EXPENDITURES				
Current:				
Public safety	76,500	76,500	73,014	3,486
Total expenditures	<u>76,500</u>	<u>76,500</u>	<u>73,014</u>	<u>3,486</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(16,425)	<u>\$ (16,425)</u>
FUND BALANCES, beginning of year			<u>(28,286)</u>	
FUND BALANCES, end of year			<u>\$ (44,711)</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, 2020**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 1,800,000	\$ 1,800,000	\$ 1,747,128	\$ (52,872)
Interest revenue	-	-	927	927
Budgeted fund balance	73,708	73,708	-	(73,708)
Total revenues	<u>1,873,708</u>	<u>1,873,708</u>	<u>1,748,055</u>	<u>(125,653)</u>
EXPENDITURES				
Current:				
Public works	1,873,708	1,873,708	917,783	955,925
Total expenditures	<u>1,873,708</u>	<u>1,873,708</u>	<u>917,783</u>	<u>955,925</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	830,272	<u>\$ 830,272</u>
FUND BALANCES, beginning of year			<u>622,084</u>	
FUND BALANCES, end of year			<u>\$ 1,452,356</u>	

**LANCASTER COUNTY, SOUTH CAROLINA
DEVELOPMENT AGREEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Budgeted fund balance	\$ 1,327,857	\$ 1,327,857	\$ -	\$ (1,327,857)
Total revenues	<u>1,327,857</u>	<u>1,327,857</u>	<u>-</u>	<u>(1,327,857)</u>
EXPENDITURES				
Current:				
Public health and welfare	<u>1,327,857</u>	<u>1,327,857</u>	<u>1,996,737</u>	<u>(668,880)</u>
Total expenditures	<u>1,327,857</u>	<u>1,327,857</u>	<u>1,996,737</u>	<u>(668,880)</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>-</u>	<u>(1,996,737)</u>	<u>(1,996,737)</u>
Other financing sources				
Transfers in	<u>-</u>	<u>-</u>	<u>730,063</u>	<u>730,063</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>730,063</u>	<u>730,063</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,266,674)</u>	<u>\$ (1,266,674)</u>
FUND BALANCES, beginning of year			<u>1,326,357</u>	
FUND BALANCES, end of year			<u>\$ 59,683</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, 2020

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 180,000	\$ 180,000	\$ 141,562	\$ (38,438)
Interest revenue	-	-	523	523
Budgeted fund balance	100,800	100,800	-	(100,800)
Total revenues	<u>280,800</u>	<u>280,800</u>	<u>142,085</u>	<u>(138,715)</u>
EXPENDITURES				
Current:				
Culture and recreation	248,050	248,050	114,350	133,700
Total expenditures	<u>248,050</u>	<u>248,050</u>	<u>114,350</u>	<u>133,700</u>
Excess of revenues over expenditures	32,750	32,750	27,735	(5,015)
Other financing uses				
Transfers out	<u>(32,750)</u>	<u>(32,750)</u>	<u>(30,828)</u>	<u>1,922</u>
Total other financing uses	<u>(32,750)</u>	<u>(32,750)</u>	<u>(30,828)</u>	<u>1,922</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(3,093)</u>	<u>\$ (3,093)</u>
FUND BALANCES, beginning of year			<u>292,035</u>	
FUND BALANCES, end of year			<u>\$ 288,942</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, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 1,316,505	\$ 1,316,505	\$ 1,497,585	\$ 181,080
Fines and forfeitures	-	-	8,929	8,929
Interest revenue	-	-	1,348	1,348
Budgeted fund balance	40,310	40,310	-	(40,310)
Total revenues	<u>1,356,815</u>	<u>1,356,815</u>	<u>1,507,862</u>	<u>151,047</u>
EXPENDITURES				
Current:				
Public works	<u>1,356,815</u>	<u>1,356,815</u>	<u>880,086</u>	<u>476,729</u>
Total expenditures	<u>1,356,815</u>	<u>1,356,815</u>	<u>880,086</u>	<u>476,729</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	627,776	<u>\$ 627,776</u>
FUND BALANCES, beginning of year			<u>964,419</u>	
FUND BALANCES, end of year			<u>\$ 1,592,195</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, 2020**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 4,480,036	\$ 4,480,036	\$ 4,778,208	\$ 298,172
Interest revenue	1,557	1,557	2,872	1,315
Total revenues	<u>4,481,593</u>	<u>4,481,593</u>	<u>4,781,080</u>	<u>299,487</u>
EXPENDITURES				
Debt service:				
Principal	7,086,450	7,086,450	9,037,395	(1,950,945)
Interest	1,142,193	1,142,193	1,618,444	(476,251)
Fees	5,000	5,000	3,769	1,231
Total expenditures	<u>8,233,643</u>	<u>8,233,643</u>	<u>10,659,608</u>	<u>(2,425,965)</u>
Deficiency of revenues under expenditures	<u>(3,752,050)</u>	<u>(3,752,050)</u>	<u>(5,878,528)</u>	<u>(2,126,478)</u>
Other financing sources				
Transfers in	3,752,050	3,752,050	3,752,050	-
Total other financing sources	<u>3,752,050</u>	<u>3,752,050</u>	<u>3,752,050</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(2,126,478)	<u>\$ (2,126,478)</u>
FUND BALANCES, beginning of year			<u>4,461,216</u>	
FUND BALANCES, end of year			<u>\$ 2,334,738</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, 2020

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 1,990,000	\$ 1,990,000	\$ 2,167,136	\$ 177,136
Budgeted fund balance	<u>777,348</u>	<u>777,348</u>	-	<u>(777,348)</u>
Total revenues	<u>2,767,348</u>	<u>2,767,348</u>	<u>2,167,136</u>	<u>(600,212)</u>
EXPENDITURES				
Capital outlay:				
General government	443,348	443,348	383,588	59,760
Public safety	574,000	574,000	74,718	499,282
Public works	530,000	530,000	482,185	47,815
Public health and welfare	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,216,425</u>	<u>3,575</u>
Total expenditures	<u>2,767,348</u>	<u>2,767,348</u>	<u>2,156,916</u>	<u>610,432</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	10,220	<u>\$ 10,220</u>
FUND BALANCES, beginning of year			<u>1,709,347</u>	
FUND BALANCES, end of year			<u>\$ 1,719,567</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, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Sales and other local taxes	\$ 8,500,000	\$ 8,500,000	\$ 11,199,016	\$ 2,699,016
Other revenues	-	-	412,401	412,401
Budgeted fund balance	5,195,278	5,695,278	-	(5,695,278)
Total revenues	<u>13,695,278</u>	<u>14,195,278</u>	<u>11,611,417</u>	<u>(2,583,861)</u>
EXPENDITURES				
Current:				
Public works	11,436,940	11,436,940	3,297,069	8,139,871
Culture and recreation	7,521,450	8,021,450	2,547,172	5,474,278
Capital outlay:				
Public safety	15,000	15,000	3,311	11,689
Total expenditures	<u>18,973,390</u>	<u>19,473,390</u>	<u>5,847,552</u>	<u>13,625,838</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,278,112)</u>	<u>(5,278,112)</u>	<u>5,763,865</u>	<u>11,041,977</u>
Other financing sources (uses)				
Transfers in	9,030,162	9,030,162	-	(9,030,162)
Transfers out	<u>(3,752,050)</u>	<u>(3,752,050)</u>	<u>(3,752,050)</u>	<u>-</u>
Total other financing sources (uses), net	<u>5,278,112</u>	<u>5,278,112</u>	<u>(3,752,050)</u>	<u>(9,030,162)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2,011,815	<u>\$ 2,011,815</u>
FUND BALANCES, beginning of year			<u>22,864,300</u>	
FUND BALANCES, end of year			<u>\$ 24,876,115</u>	

AGENCY FUNDS

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>June 30,</u> <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30,</u> <u>2020</u>
Education Fund				
ASSETS				
Cash and cash equivalents	\$ 17,301,023	\$ 92,381,888	\$ (93,411,200)	\$ 16,271,711
Investments	98,475,249	10,597,334	(64,220,883)	44,851,700
Taxes receivable	5,908,122	-	(1,073,147)	4,834,975
Accounts receivable	4,050	17,525	(4,050)	17,525
Due from other governments	12,703	-	(12,703)	-
Total assets	<u>\$ 121,701,147</u>	<u>\$ 102,996,747</u>	<u>\$ (158,721,983)</u>	<u>\$ 65,975,911</u>
LIABILITIES				
Due to school district	\$ 121,551,553	\$ 100,854,079	\$ (156,760,562)	\$ 65,645,070
Due to USC-L	149,594	2,142,668	(1,961,421)	330,841
Total liabilities	<u>\$ 121,701,147</u>	<u>\$ 102,996,747</u>	<u>\$ (158,721,983)</u>	<u>\$ 65,975,911</u>
Clerk of Court				
ASSETS				
Cash and cash equivalents	\$ 737,224	\$ 392,349	\$ (272,694)	\$ 856,879
Investments	20,472	-	-	20,472
Total assets	<u>\$ 757,696</u>	<u>\$ 392,349</u>	<u>\$ (272,694)</u>	<u>\$ 877,351</u>
LIABILITIES				
Due to others	\$ 757,696	\$ 392,349	\$ (272,694)	\$ 877,351
Total liabilities	<u>\$ 757,696</u>	<u>\$ 392,349</u>	<u>\$ (272,694)</u>	<u>\$ 877,351</u>
Family Court				
ASSETS				
Cash and cash equivalents	\$ 145,316	\$ 598,565	\$ (640,099)	\$ 103,782
Total assets	<u>\$ 145,316</u>	<u>\$ 598,565</u>	<u>\$ (640,099)</u>	<u>\$ 103,782</u>
LIABILITIES				
Due to others	\$ 145,316	\$ 598,565	\$ (640,099)	\$ 103,782
Total liabilities	<u>\$ 145,316</u>	<u>\$ 598,565</u>	<u>\$ (640,099)</u>	<u>\$ 103,782</u>
Probate Court				
ASSETS				
Cash and cash equivalents	\$ 429	\$ 149,975	\$ (150,060)	\$ 344
Total assets	<u>\$ 429</u>	<u>\$ 149,975</u>	<u>\$ (150,060)</u>	<u>\$ 344</u>
LIABILITIES				
Due to others	\$ 429	\$ 149,975	\$ (150,060)	\$ 344
Total liabilities	<u>\$ 429</u>	<u>\$ 149,975</u>	<u>\$ (150,060)</u>	<u>\$ 344</u>

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>
Tax Collector Property Sold				
ASSETS				
Cash and cash equivalents	\$ 2,125,124	\$ 4,578,260	\$ (5,479,814)	\$ 1,223,570
Total assets	<u>\$ 2,125,124</u>	<u>\$ 4,578,260</u>	<u>\$ (5,479,814)</u>	<u>\$ 1,223,570</u>
LIABILITIES				
Due to others	\$ 2,125,124	\$ 4,578,260	\$ (5,479,814)	\$ 1,223,570
Total liabilities	<u>\$ 2,125,124</u>	<u>\$ 4,578,260</u>	<u>\$ (5,479,814)</u>	<u>\$ 1,223,570</u>
 Tax Collector Trust Account				
ASSETS				
Cash and cash equivalents	\$ 372,128	\$ 354,715	\$ (204,293)	\$ 522,550
Total assets	<u>\$ 372,128</u>	<u>\$ 354,715</u>	<u>\$ (204,293)</u>	<u>\$ 522,550</u>
LIABILITIES				
Due to others	\$ 372,128	\$ 354,715	\$ (204,293)	\$ 522,550
Total liabilities	<u>\$ 372,128</u>	<u>\$ 354,715</u>	<u>\$ (204,293)</u>	<u>\$ 522,550</u>
 Forfeit Land Commission				
ASSETS				
Cash and cash equivalents	\$ 523,053	\$ 48,577	\$ (50,681)	\$ 520,949
Total assets	<u>\$ 523,053</u>	<u>\$ 48,577</u>	<u>\$ (50,681)</u>	<u>\$ 520,949</u>
LIABILITIES				
Due to others	\$ 523,053	\$ 48,577	\$ (50,681)	\$ 520,949
Total liabilities	<u>\$ 523,053</u>	<u>\$ 48,577</u>	<u>\$ (50,681)</u>	<u>\$ 520,949</u>
 Magistrates				
ASSETS				
Cash and cash equivalents	\$ 168,961	\$ 717,603	\$ (693,897)	\$ 192,667
Total assets	<u>\$ 168,961</u>	<u>\$ 717,603</u>	<u>\$ (693,897)</u>	<u>\$ 192,667</u>
LIABILITIES				
Due to others	\$ 168,961	\$ 717,603	\$ (693,897)	\$ 192,667
Total liabilities	<u>\$ 168,961</u>	<u>\$ 717,603</u>	<u>\$ (693,897)</u>	<u>\$ 192,667</u>

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>
City of Lancaster				
ASSETS				
Cash and cash equivalents	\$ 30,647	\$ 3,385,462	\$ (3,360,229)	\$ 55,880
Taxes receivable	298,407	383,552	(298,407)	383,552
Total assets	<u>\$ 329,054</u>	<u>\$ 3,769,014</u>	<u>\$ (3,658,636)</u>	<u>\$ 439,432</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 329,054	\$ 3,769,014	\$ (3,658,636)	\$ 439,432
Total liabilities	<u>\$ 329,054</u>	<u>\$ 3,769,014</u>	<u>\$ (3,658,636)</u>	<u>\$ 439,432</u>
Town of Kershaw				
ASSETS				
Cash and cash equivalents	\$ 2,443	\$ 151,381	\$ (149,127)	\$ 4,697
Taxes receivable	27,071	28,841	(27,071)	28,841
Total assets	<u>\$ 29,514</u>	<u>\$ 180,222</u>	<u>\$ (176,198)</u>	<u>\$ 33,538</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 29,514	\$ 180,222	\$ (176,198)	\$ 33,538
Total liabilities	<u>\$ 29,514</u>	<u>\$ 180,222</u>	<u>\$ (176,198)</u>	<u>\$ 33,538</u>
Edgewater Improvement District				
ASSETS				
Investments	\$ 661,077	\$ 445,609	\$ (433,445)	\$ 673,241
Total assets	<u>\$ 661,077</u>	<u>\$ 445,609</u>	<u>\$ (433,445)</u>	<u>\$ 673,241</u>
LIABILITIES				
Due to others	\$ 661,077	\$ 445,609	\$ (433,445)	\$ 673,241
Total liabilities	<u>\$ 661,077</u>	<u>\$ 445,609</u>	<u>\$ (433,445)</u>	<u>\$ 673,241</u>
Edgewater II Improvement District				
ASSETS				
Investments	\$ 530,151	\$ 8,951	\$ (27,554)	\$ 511,548
Total assets	<u>\$ 530,151</u>	<u>\$ 8,951</u>	<u>\$ (27,554)</u>	<u>\$ 511,548</u>
LIABILITIES				
Due to others	\$ 530,151	\$ 8,951	\$ (27,554)	\$ 511,548
Total liabilities	<u>\$ 530,151</u>	<u>\$ 8,951</u>	<u>\$ (27,554)</u>	<u>\$ 511,548</u>

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	June 30, 2019	Increases	Decreases	June 30, 2020
Sun City Improvement District				
ASSETS				
Investments	\$ 869,456	\$ 977,413	\$ (993,919)	\$ 852,950
Total assets	<u>\$ 869,456</u>	<u>\$ 977,413</u>	<u>\$ (993,919)</u>	<u>\$ 852,950</u>
LIABILITIES				
Due to others	\$ 869,456	\$ 977,413	\$ (993,919)	\$ 852,950
Total liabilities	<u>\$ 869,456</u>	<u>\$ 977,413</u>	<u>\$ (993,919)</u>	<u>\$ 852,950</u>
Edenmoor/Walnut Creek Improvement District				
ASSETS				
Investments	\$ 2,039,407	\$ 1,838,332	\$ (1,778,788)	\$ 2,098,951
Total assets	<u>\$ 2,039,407</u>	<u>\$ 1,838,332</u>	<u>\$ (1,778,788)</u>	<u>\$ 2,098,951</u>
LIABILITIES				
Due to others	\$ 2,039,407	\$ 1,838,332	\$ (1,778,788)	\$ 2,098,951
Total liabilities	<u>\$ 2,039,407</u>	<u>\$ 1,838,332</u>	<u>\$ (1,778,788)</u>	<u>\$ 2,098,951</u>
Walnut Creek Improvement District 2				
ASSETS				
Cash and cash equivalents	\$ 2,027	\$ 362,498	\$ (356,909)	\$ 7,616
Total assets	<u>\$ 2,027</u>	<u>\$ 362,498</u>	<u>\$ (356,909)</u>	<u>\$ 7,616</u>
LIABILITIES				
Due to others	\$ 2,027	\$ 362,498	\$ (356,909)	\$ 7,616
Total liabilities	<u>\$ 2,027</u>	<u>\$ 362,498</u>	<u>\$ (356,909)</u>	<u>\$ 7,616</u>
Detention Center Inmates				
ASSETS				
Cash and cash equivalents	\$ 25,946	\$ 419,585	\$ (421,779)	\$ 23,752
Total assets	<u>\$ 25,946</u>	<u>\$ 419,585</u>	<u>\$ (421,779)</u>	<u>\$ 23,752</u>
LIABILITIES				
Due to others	\$ 25,946	\$ 419,585	\$ (421,779)	\$ 23,752
Total liabilities	<u>\$ 25,946</u>	<u>\$ 419,585</u>	<u>\$ (421,779)</u>	<u>\$ 23,752</u>
Employee Funds				
ASSETS				
Cash and cash equivalents	\$ 7,511	\$ 3,578	\$ (5,379)	\$ 5,710
Total assets	<u>\$ 7,511</u>	<u>\$ 3,578</u>	<u>\$ (5,379)</u>	<u>\$ 5,710</u>
LIABILITIES				
Due to others	\$ 7,511	\$ 3,578	\$ (5,379)	\$ 5,710
Total liabilities	<u>\$ 7,511</u>	<u>\$ 3,578</u>	<u>\$ (5,379)</u>	<u>\$ 5,710</u>

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	June 30, 2019	Increases	Decreases	June 30, 2020
Town of Chester				
ASSETS				
Cash and cash equivalents	\$ -	\$ 56,018	\$ (56,018)	\$ -
Taxes receivable	-	2,677	-	2,677
Total assets	<u>\$ -</u>	<u>\$ 58,695</u>	<u>\$ (56,018)</u>	<u>\$ 2,677</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ -	\$ 58,695	\$ (56,018)	\$ 2,677
Total liabilities	<u>\$ -</u>	<u>\$ 58,695</u>	<u>\$ (56,018)</u>	<u>\$ 2,677</u>
Chesterfield				
ASSETS				
Cash and cash equivalents	\$ 138	\$ 25,793	\$ (25,931)	\$ -
Taxes receivable	2,202	690	(2,457)	435
Total assets	<u>\$ 2,340</u>	<u>\$ 26,483</u>	<u>\$ (28,388)</u>	<u>\$ 435</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 2,340	\$ 26,483	\$ (28,388)	\$ 435
Total liabilities	<u>\$ 2,340</u>	<u>\$ 26,483</u>	<u>\$ (28,388)</u>	<u>\$ 435</u>
Totals				
ASSETS				
Cash and cash equivalents	\$ 21,441,970	\$ 103,626,247	\$ (105,278,110)	\$ 19,790,107
Investments	102,595,812	13,867,639	(67,454,589)	49,008,862
Taxes receivable	6,235,802	415,760	(1,401,082)	5,250,480
Accounts receivable	4,050	17,525	(4,050)	17,525
Due from other governments	12,703	-	(12,703)	-
Total assets	<u>\$ 130,290,337</u>	<u>\$ 117,927,171</u>	<u>\$ (174,150,534)</u>	<u>\$ 74,066,974</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 122,062,055	\$ 107,031,161	\$ (162,641,223)	\$ 66,451,993
Due to others	8,228,282	10,896,010	(11,509,311)	7,614,981
Total liabilities	<u>\$ 130,290,337</u>	<u>\$ 117,927,171</u>	<u>\$ (174,150,534)</u>	<u>\$ 74,066,974</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, 2020

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	\$ 191,998	\$ 580,949	N/A	\$ 772,947
Court fines and assessments remitted to State Treasurer	132,564	300,425	N/A	432,989
Total Court Fines and Assessments retained	\$ 59,434	\$ 280,524	N/A	\$ 339,958
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	\$ 16,507	\$ 10,435	N/A	\$ 26,942
Assessments retained	2,411	17,358	N/A	19,769
Total Surcharges and Assessments retained for victim services	\$ 18,918	\$ 27,793	N/A	\$ 46,711

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	\$ (28,286)	\$ (28,286)
<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	19,769	19,769
Victim Service Surcharges Retained by City/County Treasurer	N/A	26,942	26,942
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	9,878	9,878
(2) Town of	N/A	-	-
(3) City of	N/A	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	N/A	\$ 28,303	\$ 28,303

LANCASTER COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2020

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	N/A	\$ 71,013	\$ 71,013
Operating Expenditures	N/A	2,001	2,001
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	73,014	73,014
Total Victim Service Deficit Retained by Municipal/County Treasurer (A-B)	N/A	(44,711)	(44,711)
Less: Prior Year Fund Deficit Repayment	N/A	-	-
Carryforward Funds – End of Year	N/A	\$ (44,711)	\$ (44,711)

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.

Contents

Page

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									
	2011	2012	2013	2014 ³	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 37,890,060	\$ 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
Restricted	13,025,845	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
Unrestricted	15,336,956	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
Total governmental activities net position	<u>\$ 66,252,861</u>	<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>
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
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	(124,719)	(165,515)	(147,558)	(181,902)	(191,628)	(208,237)	(193,847)
Total business-type activities net position	<u>\$ -</u>	<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>
Primary government										
Net investment in capital assets	\$ 33,996,194	\$ 36,831,933	\$ 40,435,476	\$ 44,226,358	\$ 33,713,006	\$ 47,606,381	\$ 55,055,684	\$ 61,132,695	\$ 64,512,094	\$ 80,522,660
Restricted	19,584,980	24,325,103	20,858,227	20,858,227	42,783,910	10,692,095	19,325,999	16,283,439	46,407,439	33,112,801
Unrestricted	13,884,941	16,314,803	22,458,160	22,333,441	(14,467,969)	5,947,533	(2,024,013)	181,116	(14,437,715)	1,207,534
Total primary government net position	<u>\$ 67,466,115</u>	<u>\$ 77,471,839</u>	<u>\$ 83,751,863</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>

(3) 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									
	2011	2012	2013	2014 ²	2015	2016	2017	2018	2019	2020
Expenses										
Primary government:										
Governmental activities:										
General government	\$ 10,983,933	\$ 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
Public safety	11,351,803	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
Public works	5,880,894	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
Other activities	17,543,807	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
Total governmental activities expenses	45,760,437	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
Business-type activities:										
Airport	-	-	-	437,607	404,801	433,400	406,115	570,727	576,261	655,519
Total business-type activities expenses	-	-	-	437,607	404,801	433,400	406,115	570,727	576,261	655,519
Total primary government expenses	45,760,437	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
Program revenues										
Primary government:										
Governmental activities:										
Charges for services										
General government	2,715,439	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
Administration of justice	1,100,988	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
Public health and welfare	2,513,973	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
Other activities	1,866,566	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
Operating grants and contributions	4,556,750	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
Capital grants and contributions	2,123,502	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
Total governmental activities program revenues	14,877,218	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
Business-type activities:										
Charges for services										
Airport	-	-	-	173,727	179,970	150,127	113,511	164,079	159,551	199,758
Capital grants and contributions	-	-	-	50,393	1,873,922	674,876	57,493	1,618,622	184,601	18,478
Total business-type activities program revenues	-	-	-	224,120	2,053,892	825,003	171,004	1,782,701	344,152	218,236
Total primary government program revenues	14,877,218	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

(Continued)

LANCASTER COUNTY, SOUTH CAROLINA

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

	Fiscal Year									
	2011	2012	2013	2014 ²	2015	2016	2017	2018	2019	2020
Net (expense) revenue										
Governmental activities	\$ (30,883,219)	\$ (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)
Business-type activities	-	-	-	(213,487)	1,649,091	391,603	(235,111)	1,211,974	(232,109)	(437,283)
Total primary government	<u>(30,883,219)</u>	<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>
General revenues and other changes in net position										
Primary government:										
Governmental activities:										
Property taxes	26,039,328	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
Other taxes	7,798,566	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
Unrestricted grants and contributions	3,720,738	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
Unrestricted investment earnings	106,003	54,753	31,753	57,446	62,046	163,832	271,927	553,374	1,272,202	1,342,606
Other	931,804	(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)
Total governmental activities general revenues and other changes in net position	<u>38,596,439</u>	<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>
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	40,000	50,000	64,286	65,286	67,000	151,901	74,630
Total business-type activities general revenues and other changes in net position	<u>-</u>	<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>
Total primary government general revenues and other changes in net position	<u>38,596,439</u>	<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>
Change in net position										
Governmental activities	7,713,220	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
Business-type activities	-	-	-	(173,487)	1,699,091	455,889	(169,825)	1,278,974	(80,208)	(362,653)
Total primary government change in net position	<u>\$ 7,713,220</u>	<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>

(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
2011	\$ 19,991,538	\$ 1,810,435	\$ 4,237,355	\$ 6,385,293	\$ 996,417	\$ 416,856	\$ 33,837,894
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

(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									
	2011	2012	2013	2014 ¹	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 446,265	\$ 419,097	\$ 465,876	\$ 470,608	\$ 1,036,548	\$ 1,260,002	\$ 1,044,264	\$ 1,065,028	\$ 1,053,048	\$ 1,109,493
Restricted	1,425,506	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
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	88,054	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
Unassigned	15,727,979	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
Total General Fund	<u>\$ 17,687,804</u>	<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>
All Other Governmental Funds										
Nonspendable	\$ 55,293	\$ 52,900	\$ 623,943	\$ 561,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	24,983,673	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
Assigned	1,950	28,492	31,427	165,520	48,260	17,440,567	8,309,791	12,972,107	10,695,689	10,978,809
Unassigned, reported in:										
Special revenue funds	(648,198)	(224,815)	(150,303)	-	(187,507)	(130,854)	(436,343)	(179,847)	(109,409)	(182,353)
Capital projects funds	(875,000)	(812,889)	(774,799)	(723,233)	(668,806)	(617,768)	-	(59,899)	-	-
Total all other governmental funds	<u>\$ 23,517,718</u>	<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>
Total all governmental funds	<u>\$ 41,205,522</u>	<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>

(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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	\$ 33,496,235	\$ 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
Licenses and permits	2,872,281	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
Intergovernmental	10,056,718	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
Charges for services	4,227,841	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
Fines, fees, and forfeitures	978,975	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
Interest income	103,219	52,522	29,211	57,446	62,046	163,832	1,177,037	553,374	1,272,202	1,342,606
Contributions and donations	364,502	361,223	525,936	351,666	344,344	2,831,040	271,928	450,436	526,931	258,776
Contributions from property owners	-	-	-	-	-	-	-	-	-	-
Other	279,484	163,279	486,396	230,863	247,254	247,577	202,836	205,132	264,277	656,354
Total revenues	<u>52,379,255</u>	<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>
Expenditures:										
General government	9,846,699	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
Administration of justice	18,559,715	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
Public safety and law enforcement	12,691,671	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
Public works	5,315,801	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
Public health and welfare	5,627,899	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
Culture and recreation	-	-	-	3,226,890	3,696,364	3,605,223	1,074,098	3,845,233	4,236,825	6,185,651
Economic development	3,186,407	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
Other	2,952,393	3,129,091	3,196,847	-	-	-	-	-	-	-
Capital outlay	1,858,927	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
Debt service										
Principal retirement	6,623,744	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
Interest	2,534,252	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
Fees	48,081	-	-	7,500	274,560	92,071	7,500	3,500	227,662	4,656
Total expenditures	<u>69,245,589</u>	<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>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,866,334)</u>	<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>
Other financing sources (uses):										
Transfer in	8,115,647	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
Transfer out	(8,115,647)	(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)
Issuance of debt - capital leases	-	1,020,000	-	226,000	445,000	-	-	-	-	-
Issuance of debt	10,660,000	-	-	950,000	35,384,119	6,750,000	650,000	-	19,905,000	-
Premium on bond	50,387	-	-	-	-	686,146	-	-	2,116,323	-
Payment to refunded debt escrow agent	(3,658,895)	-	-	-	-	(9,199,375)	-	-	-	-
Sale of capital assets	33,029	37,384	77,792	210,915	89,512	500,000	232,575	154,875	24,600	-
Special item - insurance recoveries	1,251,553	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>8,336,074</u>	<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>
Net change in fund balances	<u>\$ (8,530,260)</u>	<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>
Debt Service as a Percentage of Noncapital Expenditures	<u>19.25%</u>	<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>

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
2011	\$ 19,649,879	\$ 1,810,435	\$ 4,237,355	\$ 6,385,293	\$ 996,417	\$ 416,856	\$ 33,496,235
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

(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
2011	\$ 20,838,835	\$ 3,046,929	\$ 2,872,281	\$ 2,746,015	\$ 908,198	\$ 1,242,945	\$ 31,655,203	\$ 564,670	\$ 32,219,873
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

(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
2011	\$ 8,987,853	\$ 1,524,894	\$ 8,448,119	\$ 3,676,752	\$ 5,281,791	\$ 547,684	\$ 583,152	\$ 29,050,245	\$ 1,874,638	\$ 30,924,883
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

(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		
2011	2010	\$ 215,604,040	\$ 4,312,080,800	\$ 66,175,793	\$ 770,986,505	\$ 281,779,833	\$ 5,083,067,305	5.54 %	83.60 %
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

(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
		Lancaster County				Lancaster County School District				University of S.C. Lancaster	Town of Heath Springs	Town of Kershaw	City of Lancaster	
		County Operating	County Debt	County Capital Improvement and Court Security	Total County	School Operating	School Debt	Total School District						
2010	2011	68.40	7.60	7.60	83.60	136.75	38.50	175.25	3.40	-	70.90	143.50	476.65	
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	

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.

LANCASTER COUNTY, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2020				2011			
	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	\$ 8,409,330	1	1.93%	\$ 2,859,805	\$ 7,291,790	1	2.59%	\$ 1,979,923
Haile Gold Mine Inc	5,605,095	2	1.29%	1,878,789				
Red Ventures	5,230,149	3	1.20%	1,768,575				
Keer America Corporation	2,196,834	4	0.50%	742,301				
Hutton Indian Land LLC	1,924,190	5	0.44%	627,478				
Crossridge Center LLC	1,840,660	6	0.42%	564,681				
Springland Associates	1,215,280	7	0.28%	531,062	2,167,900	4	0.77%	793,527
Lennar Carolina LLC	1,550,120	8	0.36%	448,299				
Duracell Manufactures Inc	955,350	9	0.22%	447,779	4,338,057	2	1.54%	1,711,294
IMF13 LLC	1,371,200	10	0.32%	447,234				
Lancaster Hospital Corp.					4,235,400	3	1.50%	1,557,527
Springs Global					2,981,728	5	1.06%	757,667
Pulte Home Corp.					2,939,280	6	1.04%	732,344
Craft Development					1,970,830	7	0.70%	501,805
Lawson Ben LLC					1,809,750	8	0.64%	460,792
Lancaster Telephone Co.					1,227,770	9	0.44%	381,588
Wells Real Estate					1,360,454	10	0.48%	356,847
Total assessed value of ten largest taxpayers	<u>\$ 30,298,208</u>		6.96%	<u>\$ 10,316,003</u>	<u>\$ 30,322,959</u>		10.76%	<u>\$ 9,233,314</u>
Total assessed value of all taxpayers	\$ 435,246,060		100%		\$ 281,779,833		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>
2010	\$ 18,177,916	\$ (62,293)	\$ 18,115,623	\$ 16,954,909	93.59%	\$ 1,005,085	\$ 17,959,994	99.14%
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%	-	32,887,097	97.67%

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

<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>
2010	\$ 1,609,746	\$ 91,330	\$ 1,701,076	\$ 1,630,457	95.85%	\$ 68,146	\$ 1,698,603	99.85%
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%	-	4,106,769	91.63%

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			
2011	\$ 21,278,707	\$ 34,225,000	\$ 2,793,399	\$ 2,524,245	\$ -	\$ 135,590	\$ 60,956,941	4.20%	795.24
2012	19,840,000	29,560,000	3,341,646	2,795,000	-	475,205	56,011,851	3.72%	718.95
2013	18,325,000	24,710,000	2,797,416	2,510,000	-	341,199	48,683,615	3.06%	615.55
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

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)
2011	\$ 21,278,707	\$ 135,590	\$ 488,649	\$ 20,925,648	0.41%	273
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

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, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to County</u>	<u>Amount Applicable to County</u>
Direct debt:			
Lancaster County	\$ 43,778,490	100%	\$ 43,778,490
Overlapping debt:			
City of Lancaster	8,903,154	100%	8,903,154
Lancaster School District	258,435,616	100%	258,435,616
Total overlapping debt	<u>267,338,770</u>		<u>267,338,770</u>
Total direct and overlapping debt	<u>\$ 311,117,260</u>		<u>\$ 311,117,260</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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 21,508,152	\$ 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
Total Net G.O. Debt Applicable to Limit	<u>18,380,058</u>	<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>
Legal Debt Margin	<u>\$ 3,128,094</u>	<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>
Total Net G.O. Debt Applicable to the to the Limit as a Percentage of Debt Limit	85.46%	71.89%	68.41%	62.84%	49.25%	64.01%	52.86%	43.54%	45.67%	38.60%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value (1)	\$ 408,341,999
Add back: exempt Merchant Inventory (2)	883,665
Total assessed value	<u>409,225,664</u>
Debt limit (8% of assessed value) (3)	32,738,053
Debt applicable to limit:	
Total general obligation bonds	34,123,712
Less amount set aside for repayment of G.O. debt (4)	(2,334,738)
Less G.O. bonds not applicable to 8% debt limit (5)	<u>(19,153,713)</u>
Net G.O. bonds applicable to limit	<u>12,635,261</u>
Legal debt margin without a referendum (6)	<u>\$ 20,102,792</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>
2011	76,652	\$ 1,450,946	\$ 18,929	11,401	15.3%
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%

Sources:

(1) Bureau of Census/SC Budget & Control Board Office of Research & Statistics/Bureau of Economic Analysis. All are estimates except fiscal year 2011 which is based on the 2010 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>2020</u>			<u>2011</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>
Red Ventures	1,925	1	4.52%	813	2	2.64%
Lancaster County Schools	1,800	2	4.23%	1521	1	4.94%
Movement Mortgage	725	3	1.70%			
MUSC (Springs Memorial Hospital)	642	4	1.51%	584	6	
Continental Tire	609	5	1.43%	400	8	1.30%
Lancaster County (1)	535	6	1.26%	767	3	2.49%
Nutramax Laboratories	483	7	1.13%			
Cardinal Health	440	8	1.03%	600	5	1.95%
KEER America	401	9	0.94%			
Oceana Gold	396	10	0.93%			
Founders Federal Credit Union				275	9	0.89%
Inspirations Ministries						-
Duracell (Gillette)				405	7	1.31%
Wal-Mart				670	4	2.17%
Springs Industries						
Kershaw Correctional Institution				262	10	0.85%
Total	<u>7,956</u>		<u>18.68%</u>	<u>6,297</u>		<u>18.54%</u>
 Total Labor Force	 42,601			 30,819		

Source: Lancaster County Economic Development Corporation and SC Department of Employment and Workforce
(1) 2020 survey does not include part-time

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government Administration	91.00	89.00	90.00	90.00	96.00	102.00	103.00	105.00	103.00	107.00
Administration of Justice	29.00	29.00	31.00	34.00	36.00	38.00	37.00	38.00	37.00	36.00
Culture & Recreation	55.00	55.00	56.00	58.00	62.00	71.00	69.00	69.00	69.00	64.00
Public Safety & Law Enforcement	166.00	172.00	187.00	210.00	226.00	240.00	243.00	250.00	263.00	269.00
Public Works	41.00	41.00	41.00	43.00	45.00	49.00	47.00	51.00	63.00	64.00
Public Health & Welfare	73.00	75.00	80.00	81.00	79.00	85.00	84.00	87.00	92.00	98.00
	<u>455.00</u>	<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>

Source: Lancaster County Human Resources Department

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration of Justice										
Clerk of Court general sessions cases disposed	1,654	1,541	1,910	1,929	1,977	2,869	2,059	2,624	2,693	3,148
Clerk of Court common pleas cases disposed	1,811	1,870	2,210	2,172	2,533	1,715	1,654	1,565	1,914	2,737
Family Court cases disposed	765	907	820	735	1,034	818	994	988	853	726
Magistrate Court										
Criminal Docket total cases filed	2,379	2,570	2,562	2,493	2,300	2,551	2,671	3,224	3,921	2,427
Traffic Docket total cases filed	8,402	9,562	9,933	11,209	8,604	10,645	11,537	9,342	12,555	7,864
Civil Docket total cases filed	2,181	2,335	2,149	2,348	2,418	2,437	2,536	3,076	3,106	2,425
Culture and Recreation										
Library - Circulation	n/a	n/a	n/a	n/a	n/a	276,906	278,736	282,774	279,304	145,921
Recreation - total number of participants	n/a	n/a	n/a	n/a	n/a	217,415	223,476	224,157	11,257	11,837
General Government										
Assessor - number of parcels revised	n/a	n/a	n/a	n/a	n/a	14,102	46,875 (1)	17,626	15,369	55,530 (1)
Building - number of permits issued	n/a	n/a	n/a	n/a	n/a	2,738	2,847	2,847	3,386	4,113
Delinquent Tax - number of properties redeemed	n/a	n/a	n/a	n/a	n/a	224	270	273	269	211
Human Resources - number of applications taken	n/a	n/a	n/a	n/a	n/a	1,034	663	518	254	311
Planning - number of rezoning cases	n/a	n/a	n/a	n/a	n/a	19	27	38	32	26
Risk Management - number of inspections performed	n/a	n/a	n/a	n/a	n/a	68	60	60	60	65
Fleet Operations - number of work orders	n/a	n/a	n/a	n/a	n/a	2,919	2,228	2,846	3,250	3,249
Public Safety & Law Enforcement										
Coroner - total number of deaths	n/a	n/a	n/a	n/a	n/a	463	500	560	571	647
Communication E911 - total number of calls	n/a	n/a	n/a	n/a	n/a	122,164	152,695	104,218	181,987	148,717
Detention Center - total number incarcerated	3,427	2,938	3,477	3,366	3,261	2,997	3,351	3,486	3,355	3,376
Fire Service - total number of calls	3,600	3,612	3,644	3,533	4,543	5,948	6,368	6,496	7,215	7,620
Sheriff Department										
Calls for services	n/a	n/a	n/a	n/a	n/a	61,707	67,515	65,906	68,758	70,533
Total arrests	n/a	n/a	n/a	n/a	n/a	3,275	3,677	3,549	3,838	3,840
Litter complaints	n/a	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	n/a	3,946	3,645	2,089	2,996	2,647
Solid Waste										
Tons of refuse collected	n/a	n/a	n/a	n/a	n/a	6,156	6,811	6,090	7,760	8,514
Tons of comingled recyclables collected	n/a	n/a	n/a	n/a	n/a	771	709	536	624	457
Public Health & Welfare										
Animal Control										
Number of animals through shelter	4,462	4,896	4,338	3,611	3,992	3,433	3,387	3,069	2,659	1,868
EMS - total number of calls	13,334	12,313	12,497	12,530	14,891	14,880	15,144	17,380	17,108	17,937

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	3	4	4	3	3	3	3	2	2	2
Number of police vehicles	116	111	116	123	135	143	135	148	155	148
Number of fire stations	18	18	18	18	18	18	18	18	18	18
Number of fire sub-stations	2	3	3	3	3	3	3	3	2	2
Number of fire emergency vehicles	110	111	111	111	111	111	111	112	113	114
Public works										
Miles of unpaved roads maintained	n/a	n/a	n/a	214.84	215.84	215.84	215.84	215.84	215.84	215.84
Miles of paved roads maintained	n/a	n/a	n/a	164.81	168.76	168.76	200.81	223.76	234.41	302.21
Public health and welfare										
Number of EMS stations	7	8	8	8	8	8	8	8	8	8
Number of emergency vehicles*	23	23	25	25	33	37	31	31	31	30
Culture and recreation										
Number of parks	13	13	15	15	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, 2020, 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 4, 2020.

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 4, 2020



**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, 2020. 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, 2020.

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 4, 2020

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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)				
SCDPS Domestic Violence	16.738	1G18003	\$ 17,136	\$ -
SCDPS Domestic Violence	16.738	1G18028	20,277	-
SCDPS Domestic Violence	16.738	1619005	60,797	-
Edward Byrne Memorial Assistance Grant Program	16.738	2017-DJ-BX-0901	18,751	-
Edward Byrne Memorial Assistance Grant Program	16.738	2018-DJ-BX-0270	9,895	-
Edward Byrne Memorial Assistance Grant Program	16.738	2019-DJ-BX-0116	10,881	-
			<u>137,737</u>	<u>-</u>
Bulletproof Vest Partnership Program	16.607	N/A	3,825	-
			<u>3,825</u>	<u>-</u>
Violence Against Women	16.590	2016-WE-AX-0024	27,238	19,357
			<u>27,238</u>	<u>19,357</u>
Victims Advocate	16.575	1V18065	15,261	-
Victims Advocate	16.575	1V19041	68,972	-
			<u>84,233</u>	<u>-</u>
Drug Court Discretion Grant Program	16.585	2018-DC-BX-0048	95,667	95,667
			<u>95,667</u>	<u>95,667</u>
Innovations in Community Based Crime Reduction	16.817	2019-BJ-BX-0012	16,563	-
			<u>16,563</u>	<u>-</u>
Comprehensive Opioid Abuse Site-Based Program	16.838	2019-AR-BX-K053	168,436	-
			<u>168,436</u>	<u>-</u>
Total U.S. Department of Justice			<u>533,699</u>	<u>115,024</u>
<u>U.S. Department of Homeland Security</u>				
(Passed through the SC Emergency Management Division)				
Emergency Management Performance Grants	97.042	17EMPG01-Supplemental	5,933	-
Emergency Management Performance Grants	97.042	17EMPG01	61,933	-
			<u>67,866</u>	<u>-</u>
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2014-FF-00085	205,480	-
			<u>205,480</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>273,346</u>	<u>-</u>
<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	228,245	-
			<u>228,245</u>	<u>-</u>
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI082533-01	134,549	-
			<u>134,549</u>	<u>-</u>
477 Cluster				
Child Care Development Fund	93.575/93.596	N/A	121	-
			<u>121</u>	<u>-</u>
Temporary Assistance for Needy Families - TANF Block Grant	93.558	N/A	10,948	-
			<u>10,948</u>	<u>-</u>
Total 477 Cluster			<u>11,069</u>	<u>-</u>
Medicaid Cluster				
Medicaid Assistance Program	93.778	N/A	4,283	-
			<u>4,283</u>	<u>-</u>
Social Services Block Grant Administration	93.667	N/A	2,104	-
Family Preservation (CWS Part II)	93.556	N/A	75	-
Foster Care	93.658	N/A	3,381	-
			<u>5,560</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>383,706</u>	<u>-</u>
<u>Centers for Disease Control and Prevention</u>				
The Affordable Care Act	93.521	EQ-8-163	314	-
			<u>314</u>	<u>-</u>
Total Centers for Disease Control and Prevention			<u>314</u>	<u>-</u>

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	\$ 4,767	\$ -
			4,767	-
Total U.S. Department of Agriculture			<u>4,767</u>	<u>-</u>
<u>U.S. Department of the Interior</u>				
Battlefield Land Acquisition Grant	15.928	P17AS00825	161,027	161,027
			161,027	161,027
Total U.S. Department of the Interior			<u>161,027</u>	<u>161,027</u>
<u>U.S. Department of Transportation</u>				
Airport Improvement Program	20.106	3-45-0034-020-2018	13,977	-
			13,977	-
(Passed through the SC Department of Public Safety)				
Highway Safety Cluster				
National Priority Safety Programs	20.616	M4HVE-2019-HS-49-19	21,551	-
National Priority Safety Programs	20.616	M4HVE-2020-HS-49-20	54,338	-
			75,889	-
Total Highway Safety Cluster			<u>75,889</u>	<u>-</u>
Total U.S. Department of Transportation			<u>89,866</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	60,584	-
Community Development Block Grant	14.228	4-RP-17-003	52,500	-
			113,084	-
Total U.S. Department of Housing and Urban Development			<u>113,084</u>	<u>-</u>
<u>U.S. Institute of Museum and Library Services</u>				
Library Services and Technology Program	45.310	IIID-18-108	225	-
			225	-
Total U.S. Institute of Museum and Library Services			<u>225</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	209,295	-
			209,295	-
Total U.S. Department of Treasury			<u>209,295</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,769,329</u>	<u>\$ 276,051</u>

LANCASTER COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE I. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards 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, 2020.

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, 2020

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:
Material weaknesses identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes 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 No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
15.928	U.S. Department of the Interior – Battlefield Land Acquisition Grant
97.083	U.S. Department of Homeland Security (Passed through the SC Emergency Management Division) – Staffing for Adequate Fire and Emergency Response

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

Auditee qualified as low-risk auditee? Yes No

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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.