

# Comprehensive Annual **FINANCIAL REPORT**

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**For the Fiscal Year Ended June 30, 2015**



**Lancaster County, South Carolina**

# LANCASTER COUNTY, SOUTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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# LANCASTER COUNTY, SOUTH CAROLINA

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## **INTRODUCTORY SECTION**



## Lancaster County

P.O. Box 1809  
101 N. Main St.  
Lancaster, SC 29721

Telephone:  
803-285-1565

November 13, 2015

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

The South Carolina Code of Laws requires an annual audit of the financial records and transactions of the County by independent certified public accountants. In compliance with that requirement, we herewith issue the Comprehensive Annual Financial Report (CAFR) of Lancaster County, South Carolina, for the year ended June 30, 2015.

The CAFR consists of management's representations concerning the County's finances. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented herein. To provide a reasonable basis for making these assertions, management, including County Council, 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). Because the cost of internal controls should not outweigh their benefits, 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 accounting firm of Mauldin & Jenkins, LLC was selected by the County Council to conduct an audit of the accompanying financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Lancaster County for the fiscal year ended June 30, 2015, are free of material misstatements. The independent audit involved examining, on a test basis, 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, based upon the audit, that there was reasonable basis for rendering an unmodified opinion on the County's financial statement for the year ended June 30, 2015. The independent auditor's report is included at the beginning of the financial section of this report.

In addition to meeting the South Carolina 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 the U.S. Office of Management and Budget's Circular A-133. 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.

Generally Accepted Accounting Principles (GAAP) require that management provide Management's Discussion and Analysis (MD&A), which is a narrative introduction, overview, and analysis of the accompanying basic financial statements. This letter of transmittal is designed to complement the MD&A which immediately follows the report of the independent auditor in the financial sections.

### ***Profile of the Government***



***Lancaster County, South Carolina*** is located in the north central section 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. Lancaster County's quality of life, low taxes, close proximity to the Mecklenburg County, the Charlotte Douglas International Airport and Interstate 485 makes it an ideal place to work and live. The County is the fastest growing county in South Carolina. With an estimated 2014 population of 83,160, the County was established in 1785 and includes three incorporated municipalities: Lancaster, Kershaw, and Heath Springs. 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. 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.

Lancaster County operates under the Council-Administrator form of government. The County Council is comprised of seven single member districts. The Council bi-annually elects one member to serve as Chairman, one member to serve as Vice-Chairman, and one member to serve as Secretary. County Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing the Administrator. Council members, who are elected on a partisan basis, serve four-year terms.

The County provides a number of services such as law enforcement, fire protection, solid waste management, and roads & bridges primarily to



residents of its unincorporated areas. The County also provides a variety of administrative services for its residents which include: voter registration, tax assessment & collection, and health & welfare. In addition, the County is fiscally accountable for a legally separate Lancaster Economic Development Corporation which is reported as a Component Unit in the financial statements.

Lancaster County government strives to maintain financial integrity and accountability in budgetary 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.

Budgeting is an essential element of the financial planning, control, and evaluation process of the County. The annual budget process begins with the Budget Analyst receiving requests for appropriations from all County Departments and Agencies. On the basis of the Administrator's recommendations, the Budget Analyst prepares a draft budget. The appropriated budget is prepared by fund and department. The recommended budget is presented to the County Council for review and approval. The Council holds three readings, a public hearing and adopts the budget no later than June 30.

County department heads may make certain transfers of appropriations within their own departmental budgets without approval of Council, and the County Administrator may make certain transfers between departments without approval of Council. 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 73 - 74 as part of the required supplementary information. Special revenue & capital funds budget-to-actual comparisons are presented on pages 81 - 87. For the debt service fund, the comparison is presented on page 96.

### ***Local Economy***

The County's unemployment rate was 7.2% in June 2015 and improved to 6.1% at September 2015. According to the SC Department of Revenue, retail sales for the County totaled \$1,184,178,818 in calendar year 2014 compared to \$1,163,467,409 in calendar year 2013. The County continues to experience an increase in permitting activity for housing and commercial. We expect this trend to continue as long as market conditions remain positive. The 2014 value of single family home permits was \$304,734,427, an increase from \$294,223,917 in 2013. Commercial permits values reflected \$53,803,260 during 2014. Most permits (69%) were issued for the "panhandle" area of the County, which is one of the fastest growing areas in the Charlotte region.

Major employers include:

- Red Ventures, an internet marketing and sales company, which employs 1,600 employees. The company recently announced an additional investment of \$90 million to construct a new facility and expects its workforce to increase by 1,500;
- Cardinal Health, a global healthcare products and services company, which employs about 800;
- Springs Memorial Hospital, a 231-bed hospital, employs 700;
- Continental Tire, one of the leading automotive tire suppliers worldwide, employs 430;
- Procter & Gamble-Duracell USA, a leading energy company and one of the world's leading manufacturers of high-performance alkaline batteries that employs 405. The company has been producing batteries in Lancaster County for over 35 years now and has recently announced a \$69 million expansion over a period of five years. Procter & Gamble is one of the largest taxpayers in the County.

Other major companies include:

- Keer America, a Chinese textile manufacturer, with a \$218 million investment that will create 500 jobs. A 230,000-square-foot manufacturing facility was completed in 2015. The County received a \$4 million Rural Infrastructure Fund grant from the South Carolina Department of Commerce for this project;
- Romarco Minerals, recently acquired by OceanaGold Corporation, is investing \$353 million to develop the Haile Gold Mine and is expected to create 270 new jobs. The project is currently in its construction and development stage. Production is estimated to begin in late 2016.

The University of South Carolina at Lancaster is an accredited two year public university located in the County. The college is a regional campus of the University of South Carolina located in Columbia, South Carolina. USC-L's enrollment is estimated to be 1,800 students. The University occupies a 150-acre campus and also offers Bachelor's degree programs through Palmetto College.

### ***Long-term Financial Planning***

County Council utilizes its Strategic Plan & CIP (Capital Improvement Plan) as a mechanism for budgetary and operational planning. Council plans to update the strategic plan in the fall of 2015. The County's CIP is also expected to be updated in the fall of 2015.

### ***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 at least three months of the general fund operating budget.
- The County's cash flow shall be managed to maximize the cash available to invest.
- The County Treasurer or designee shall minimize market risk while maintaining the highest possible yield.
- Conserve and protect the County's resources from accidents and loss exposures.

### ***Major Initiatives***

The County recently completed its Comprehensive Plan which is a tool used to set goals and objectives for elements of natural resources, transportation, housing, land use, population, etc. Updating the Unified Development Ordinance, which will create the regulations to implement the goals set by the Comp Plan, began this fiscal year and will be completed in FY16.

The County voters approved in November 2014 to re-impose a Capital Projects Sales Tax. This is the County's second CPST and collections are expected to begin in FY16. The maximum collection of \$41,738,000 will be used to fund:

- \$26 million- Road improvements & resurfacing for roads owned by the County & State;
- \$7.5 million- Acquisition & construction of public safety & emergency services communications system;
- \$8 million- Constructing & equipping improvements to the library system;
- \$238,000- Constructing & equipping a forensics crime laboratory facility for the County Sheriff's department.

Some of the projects are to begin before collections due to the issuance of \$16.5 million General Obligation bonds. The CPST funds are pledged to pay the debt.

### ***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, 2014. This is the sixteenth 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 we are submitting it to the GFOA to determine its eligibility for another certificate.

The County received its third Distinguished Budget Presentation Award for the annual budget for fiscal year beginning July 1, 2014. 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 2016 budget for award consideration.



The preparation of the CAFR would not have been possible without the assistance of the Finance Department staff. The hard work and dedication of these individuals significantly contributed to the completion of this document. 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 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

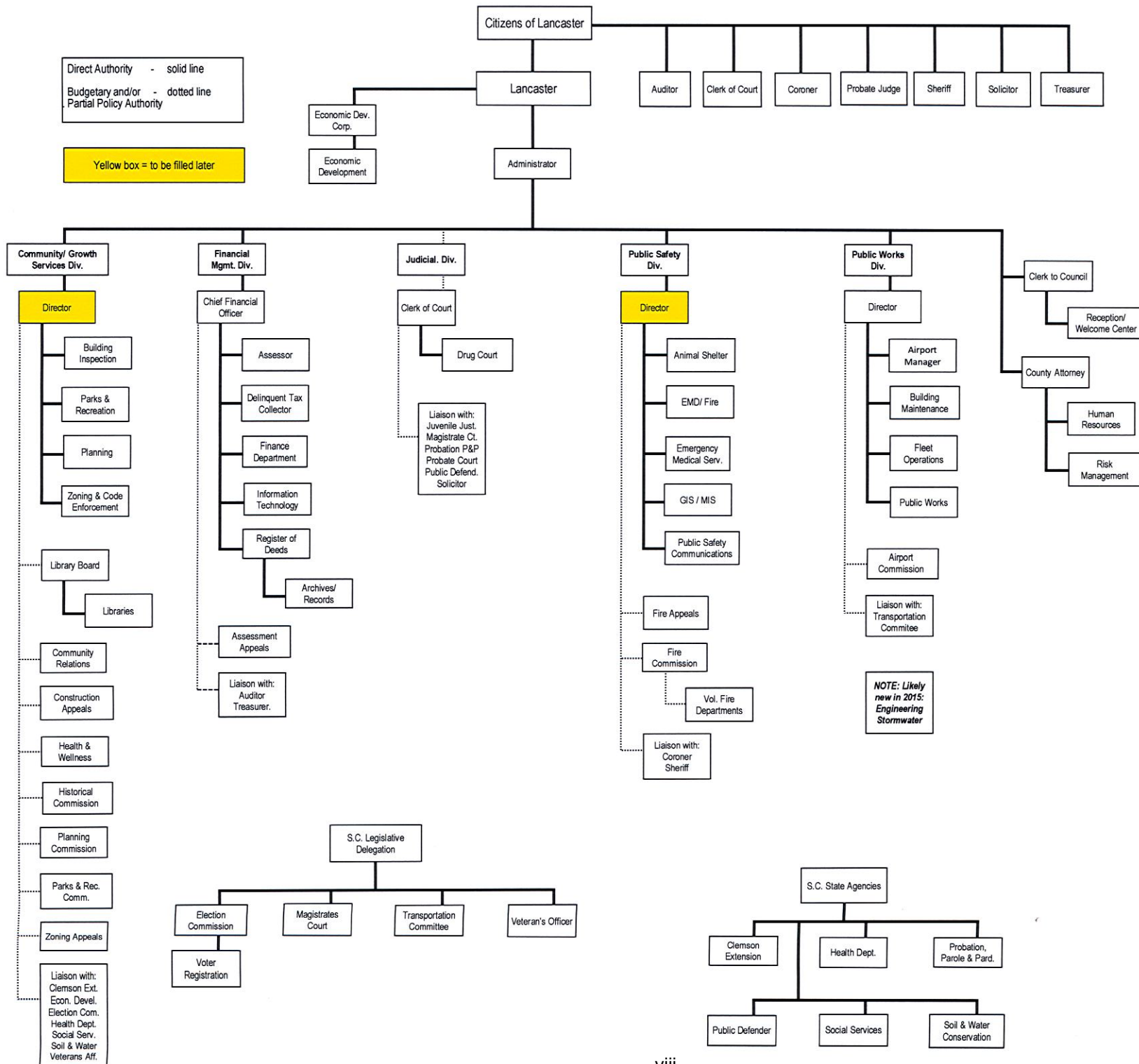
**County of Lancaster  
South Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**



Executive Director/CEO



# LANCASTER COUNTY, SOUTH CAROLINA

## PRINCIPAL COUNTY OFFICIALS JUNE 30, 2015

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### MEMBERS OF COUNTY COUNCIL

Bob Bundy	District III - Chairman
Brian Carnes	District VII - Vice Chairman
Steve Harper	District V - Secretary
Larry McCullough	District I - Member
Charlene McGriff	District II - Member
Larry Honeycutt	District IV- Member
Jack Estridge	District VI - Member

### ELECTED OFFICIALS

Barry Faile	Sheriff
Sandra Estridge	Probate Judge
Jeff Hammond	Clerk of Court
Cheryl Morgan	Auditor
Michael Morris	Coroner
Carrie Helms	Treasurer

### ADMINISTRATIVE OFFICIALS

Steve Willis	County Administrator
Veronica Thompson	Finance Director
Debbie Hardin	Clerk to Council

## **FINANCIAL SECTION**





## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Lancaster County, South Carolina** (the "County"), as of and for the year ended June 30, 2015, 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 did not audit the financial statements of the Lancaster County Economic Development Corporation, which represents 100% of the assets, net position and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lancaster County Economic Development Corporation, is based solely on the report of the other auditors. 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.

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## **Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lancaster County, South Carolina as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 13, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 15), the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund (on page 73 and 74), the Schedule of Funding Progress (on page 75), and the pension information for the Retirement Plans for the employees of Lancaster County, South Carolina (on pages 76 and 77) 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 summary schedule of court fines, assessments and surcharges 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 by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, summary schedule of court fines, assessments and surcharges, 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, summary schedule of court fines, assessments and surcharges, 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 November 13, 2015, 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 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 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*

Macon, Georgia  
November 13, 2015

## LANCASTER COUNTY, SOUTH CAROLINA

### Management's Discussion and Analysis

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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, 2015. 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 exceeded its liabilities at the close of the most recent fiscal year by \$62,028,947 for governmental and business-type activities as reflected in the Statement of Net Position. Due to the implementation of GASB 68- Accounting & Financial Reporting for Pensions, a restatement to decrease beginning net position was recorded, which resulted in a negative unrestricted net position as of year end. Total net position increased by \$5,012,528 from the prior fiscal year;
- The County's combined governmental funds reported ending fund balances of \$62,771,413, an increase of \$23,022,496 from the prior year;
- Total Unrestricted Fund Balance for the Governmental Funds was \$18,697,455 which included \$19,505,508 for the General Fund. Unassigned fund balance for the General Fund was \$17,842,835, which is 41 percent of the amended General Fund budget.

#### *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 information on all the County's assets and liabilities, with the difference between the two reported as net position. The County's net position is a way to measure its' 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 not only information about the County itself (known as the primary government), but also one blended component unit, the SCAGO Public Facilities Corporation for Lancaster County. A discretely presented component unit (Lancaster County Economic Development Corporation) and the County Airport (Enterprise Fund) are also

## LANCASTER COUNTY, SOUTH CAROLINA

### Management's Discussion and Analysis

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reflected. The government-wide financial statements can be found on pages 16 and 17 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 that is used to maintain control over resources that 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 two categories: governmental funds and fiduciary funds.

#### *Governmental funds*

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

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

The County maintains twenty individual governmental funds. The General Fund, which is considered to be a major fund, accounts for all financial resources except those required to be accounted for in another fund. Other Major Funds include:

- The Capital Projects Sales Tax Fund, used to account for a 1 cent sales tax approved in November 2008;
- The Capital Projects Sales Tax 2 Fund, used to account for a 1 cent sales tax approved in November 2014. Current activity in the fund includes General Obligation Bonds;
- The SCAGO Public Facilities Corporation Debt Service Fund, used to account for installment purchase debt;
- The Debt Service Fund.

The County's remaining fifteen funds: (6) capital projects funds and (9) special revenue funds are presented as non-major funds.

Lancaster County adopts an annual appropriated budget for its general, debt service and special revenue funds. Project length budgets are adopted for the capital projects fund. Budgetary comparison statements have been provided for the general fund and the special revenue funds as required supplementary information. Budgetary comparisons for the debt service and capital projects funds, specifically the Capital Improvement Fund, are included as other supplementary information. The governmental fund financial statements can be found on pages 18 - 23 of this report.

## LANCASTER COUNTY, SOUTH CAROLINA

### Management's Discussion and Analysis

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#### *Proprietary Funds*

The County maintains one proprietary fund that is used to account for the Airport operations. The enterprise fund financials can be found on pages 24-26 of this report. Enterprise funds are reflected as business-type activities in the government-wide financial statements.

#### *Fiduciary funds*

Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. The resources of 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 fund financials can be found on page 27 of this report.

#### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and government fund financial statements. The notes to the financial statements begin on page 28.

#### **Other information**

To facilitate analysis, in addition to the basic financial statements and accompanying notes, this report presents the previously mentioned budgetary comparisons for the debt service and capital projects funds, a combining schedule of changes in agency fund net position, information about the County's capital assets, and a schedule required by state law applicable to expenditures on behalf of victims of crime. This supplementary information begins on page 73.

#### *Government-wide Financial Analysis*

As noted earlier, the statement of net position presents the difference between the County's assets and liabilities and over time may serve as an indicator of its financial position. In the case of Lancaster County, assets exceeded liabilities by \$62,028,947 at the close of the most recent fiscal year.

# LANCASTER COUNTY, SOUTH CAROLINA

## Management's Discussion and Analysis

The following table presents a summary of the statement of net position as of June 30, 2015:

### Lancaster County's Net position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Current and other assets	\$76,845,084	\$52,622,454	43,850	(115,719)	\$76,888,934	\$52,506,735
Capital assets	82,293,689	82,813,171	5,460,419	3,790,882	\$87,754,108	\$86,604,053
<b>Total assets</b>	<b>\$159,138,773</b>	<b>\$135,435,625</b>	<b>\$5,504,269</b>	<b>\$3,675,163</b>	<b>\$164,643,042</b>	<b>\$139,110,788</b>
Total Deferred Outflows of Resources	3,387,268	224,809	6,503	-	3,393,771	224,809
Long-term liabilities outstanding	\$95,195,730	\$45,179,650	71,356	-	\$95,267,086	\$45,179,650
Other liabilities	7,661,540	6,728,921	138,496	9,000	7,800,036	6,737,921
<b>Total liabilities</b>	<b>\$102,857,270</b>	<b>\$51,908,571</b>	<b>\$209,852</b>	<b>\$9,000</b>	<b>\$103,067,122</b>	<b>\$51,917,571</b>
Total Deferred Inflows of Resources	2,934,728	-	6,016	-	2,940,744	-
Net position:						
Net investment in capital assets	\$28,252,587	\$40,435,476	5,460,419	3,790,882	33,713,006	44,226,358
Restricted	42,783,910	20,858,227	-	-	42,783,910	20,858,227
Unrestricted	(14,302,454)	22,458,160	(165,515)	(124,719)	(14,467,969)	22,333,441
<b>Total net position</b>	<b>\$56,734,043</b>	<b>\$83,751,863</b>	<b>\$5,294,904</b>	<b>\$3,666,163</b>	<b>\$62,028,947</b>	<b>\$87,418,026</b>

The largest portion (76%) of Lancaster County's **net position** reflects **restricted net position**. The **restricted** portion represents resources that are subject to external restrictions on their use such as funds for property tax reduction and gasoline tax revenue. The major portion of the restricted net position is \$16.5 million for General Obligation bond proceeds for which the Capital Projects Sales Tax 2 funds are pledged to pay off the debt. The bonds were issued in June 2015 and the tax revenue is expected to begin in the fall of 2015. **Unrestricted net position** decreased due to the implementation of GASB 68. **Net investment in capital assets** decreased compared to last fiscal year due to principal payments. **Current and other assets** increased in cash and cash equivalents. The County pools cash to maximize earnings which included \$16.3M in bond proceeds mentioned above. **Long-term liabilities outstanding** increased compared to the prior year due to the issuance additional debt which will be used to fund road improvements and improve the County's communications system. The category also increased for the reporting of net pension liability in the amount of \$30,577,591. For the fiscal year, the County is able to report a positive total net position.

At the close of fiscal year, the government's net position increased by \$5,012,528. Total revenues decreased by \$970,520 and total expenses increased by \$6,438,657 for all governmental activities compared to the prior year. **Charges for Services** remained static during the fiscal year. **Operating grants and contributions** decreased due to recording a \$4 million state grant for Economic Development incentives in the prior year. **Capital grants & contributions** increased significantly for accepting \$919,770 of roads from established housing developments into the County road system.

# LANCASTER COUNTY, SOUTH CAROLINA

## Management's Discussion and Analysis

**Property taxes** collections increased compared to the prior year due to a combination of the following: a small millage increase for the general fund & capital replacement fund, an increase in vehicle tax revenue related to growth, an increase in homestead exemptions for a growing aging population, a 9% increase in local option rollback revenue and a 12% increase in local option revenue. Local option sales tax levied for capital projects and road fees are included in **Other Taxes & licenses**. The increase is attributed to an overall increase in 1 cent sales tax collections throughout the County and a full year increase in the road fees from \$25 to \$30 per vehicle.

The table below summarizes the changes in net position for the County for the year ended June 30, 2015:

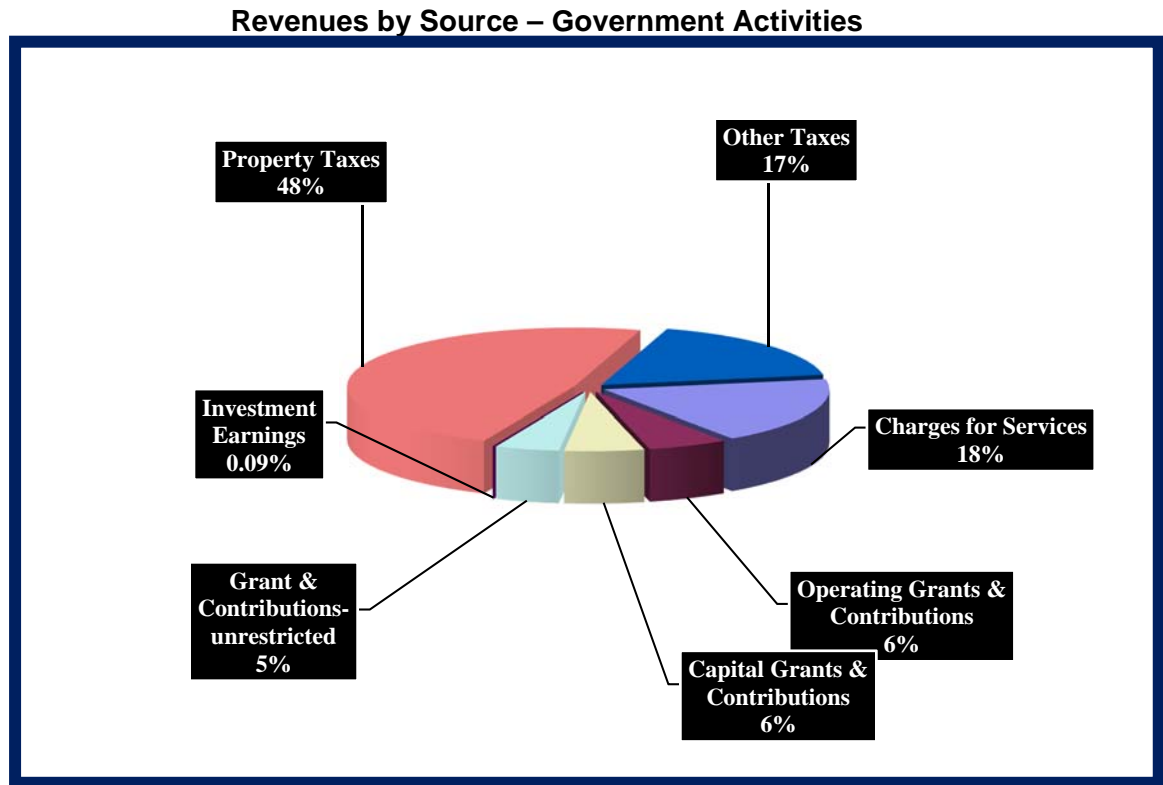
<b>Lancaster County's Changes in Net Position</b>						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$12,160,263	\$12,023,431	\$179,970	\$173,727	\$12,340,233	\$12,197,158
Operating grants & contributions	3,844,636	9,593,044	-	-	3,844,636	9,593,044
Capital grants & contributions	1,943,650	807,784	1,873,922	50,393	3,817,572	858,177
<b>General Revenues:</b>						
Property taxes	32,542,322	30,138,854	-	-	32,542,322	30,138,854
Other taxes & licenses	11,837,073	10,759,834	-	-	11,837,073	10,759,834
Unrestricted grants & contributions	3,080,863	3,060,980	-	-	3,080,863	3,060,980
Unrestricted investment earnings	62,046	57,446	-	-	62,046	57,446
Other	0	0	-	-	0	0
<b>Total revenues</b>	<b>65,470,853</b>	<b>66,441,373</b>	<b>2,053,892</b>	<b>224,120</b>	<b>67,524,745</b>	<b>66,665,493</b>
<b>Expenses:</b>						
General government	13,556,703	11,299,133	-	-	13,556,703	11,299,133
Administration of justice	2,323,898	2,079,575	-	-	2,323,898	2,079,575
Public safety and law enforcement	18,601,569	18,204,203	-	-	18,601,569	18,204,203
Public works	7,212,342	7,088,564	-	-	7,212,342	7,088,564
Public health & welfare	6,572,904	6,351,517	-	-	6,572,904	6,351,517
Economic development	8,232,370	5,434,387	-	-	8,232,370	5,434,387
Culture & recreation	3,925,747	3,438,846	-	-	3,925,747	3,438,846
Interest on long-term debt	1,681,883	1,772,534	-	-	1,681,883	1,772,534
Airport	-	-	404,801	437,607	404,801	437,607
<b>Total expenses</b>	<b>62,107,416</b>	<b>55,668,759</b>	<b>404,801</b>	<b>437,607</b>	<b>62,512,217</b>	<b>56,106,366</b>
Increase (Decrease) in net position before Transfers	3,363,437	10,772,614	1,649,091	(213,487)	5,012,528	10,559,127
Transfers	(50,000)	(40,000)	50,000	40,000	-	-
Increase (Decrease) in net position	3,313,437	10,732,614	1,699,091	(173,487)	5,012,528	10,559,127
Net position- beginning of year (restated)	53,420,606	73,019,249	3,595,813	3,839,650	57,016,419	76,858,899
<b>Net position- end of year</b>	<b>\$56,734,043</b>	<b>\$83,751,863</b>	<b>\$5,294,904</b>	<b>\$3,666,163</b>	<b>\$62,028,947</b>	<b>\$87,418,026</b>



**LANCASTER COUNTY, SOUTH CAROLINA**  
**Management's Discussion and Analysis**

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The pie chart below depicts the percentages of revenues by source:

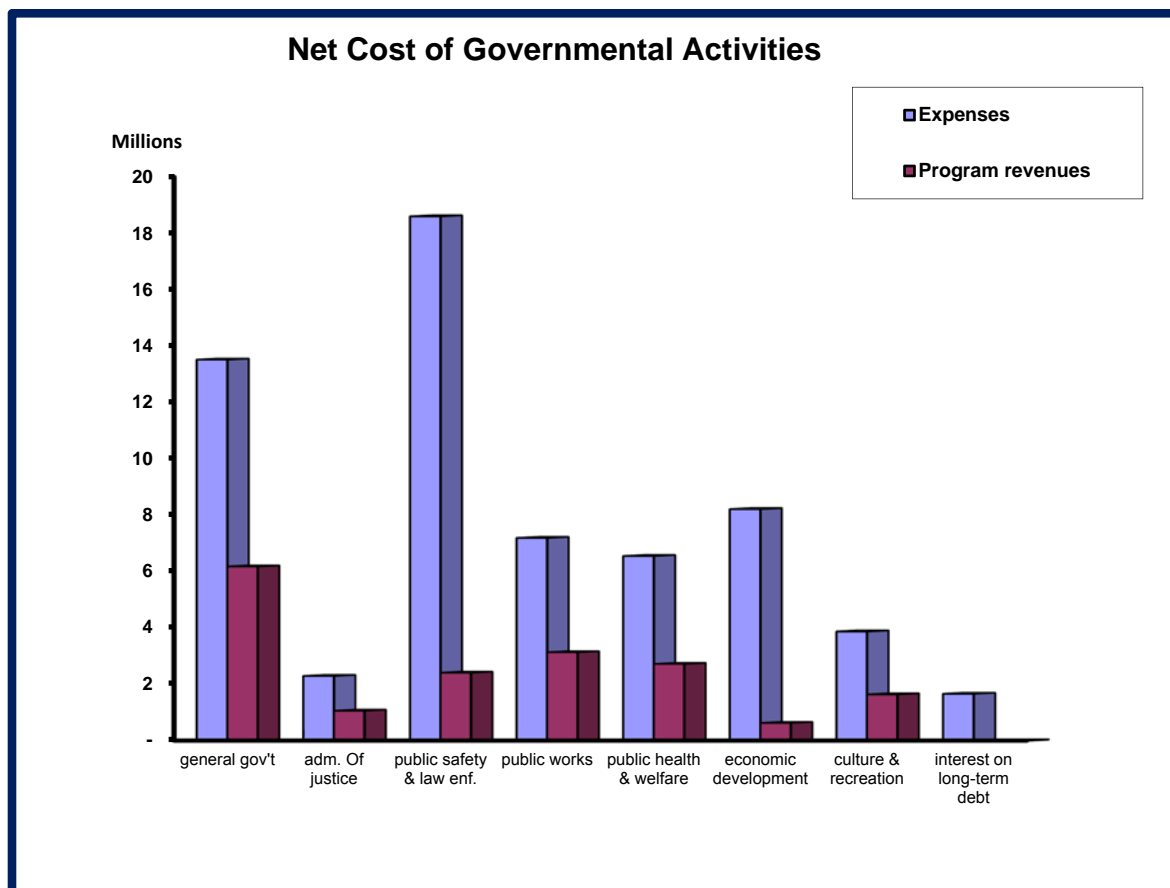


Property taxes are the government's main source of revenue at 48%. Charges for services are the next greatest source of revenue at 18%. Investment earnings represent the least source of revenue.

## LANCASTER COUNTY, SOUTH CAROLINA

### Management's Discussion and Analysis

The chart below represents the net cost of the County's governmental activities:



The total cost of all governmental expense activities for the County increased since FY14. As stated earlier, total expenses increased by \$6,438,657. While many expense groups remained relatively unchanged, there were a few groups that either increased or decreased. **General Government** activity is the second largest expense for the government at 22%.

Providing activities for **Public safety and law enforcement** expenses was the largest expense (30%). During the year the Sheriff's department was fully staffed whereas in prior years it was not. The County agreed to assist the department by implementing a salary ladder a couple of years ago which attributed to the increase in staff levels. Expenses for **Economic Development** increased due to accounting for activity for a Special Source Revenue Bond issued for Keer Corporation in July 2014.

#### *Financial Analysis of the County's Funds*

As noted earlier, Lancaster County uses fund accounting 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.

The total of all the County's governmental funds fund balances reached \$62,771,413 with \$16,986,522 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 \$17,842,835 compared to \$16,940,776 the prior year. As stated earlier, the County approved a

## LANCASTER COUNTY, SOUTH CAROLINA

### Management's Discussion and Analysis

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small millage increase to maintain appropriate level of services. Also in response to the population growth and the increase in commercial growth, the local option sales tax (**Taxes**) and the vehicle tax collections continue to rise. Vehicle taxes increased by \$299,356 while local option sales increased by \$470,476. The County continues to maintain a healthy fund balance due to conservatively estimating revenues and controlled spending.

The **Capital Projects Sales Tax Fund**, reported as a major fund, increased its fund balance by \$2,570,600. This special revenue fund accounts for 1 cent sales tax approved by voters in November 2008 and funds debt for the Justice Center. Sales Tax revenue collections have increased since last fiscal year which led to the increase. Also, the funds accumulate to ensure there are sufficient monies to meet debt service obligations. The **Capital Projects Sales Tax 2 Fund**, also reported as a major fund, is a new fund created to account for the County's second CPST and general obligation debt approved by the voters in November 2014. The funds will be used for road improvements, acquisition and construction of public safety & emergency services communications system, constructing and equipping improvement to the library system, and finally, constructing and equipping a forensics crime laboratory facility for the Sheriff's department. Two **Debt Service Funds** are also major funds this year. **Other Governmental Funds** include capital projects and other special revenue funds which most of their fund balances are restricted. The negative unassigned fund balance (\$856,313) is mainly attributed to the issue of a bond anticipation note for a development.

#### *General Fund Budgetary Highlights*

A budgetary comparison schedule is included for the general fund on pages 73 and 74. After accounting for other financing sources and uses, the net change in fund balance was an increase of \$1,799,692. Actual revenues were above budgetary estimates by \$799,478 and actual expenditures were below budgetary appropriations by \$239,812 due to reasons explained further in the significant positive or negative variances by department section below. The County also transferred \$279,749 from the General Fund to provide funding for the renovation of the Veterans Affairs/Economic Development building. A transfer of \$86,500 was also made to assist a new company with the cost of issuing a Special Source Revenue Bond.

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

- **Charges for Services-** Collections were favorable (\$323,226). EMS charges exceeded estimates by \$307,396 due to an increase in calls and improved billing procedures;
- **Fund Balance-** The County's original budget included appropriating fund balance for non-recurring items discussed in a section below;
- **Intergovernmental-** Favorable variance mainly due to conservatively budgeting for non-recurring State Aid;
- **Licenses & permits-** Collections were \$1,122,873 above estimates which is an indicator of the County's strong housing market and economy. Building permits collected were \$420,164 above estimates and Register of deeds fees, county portion, were \$290,919 above estimates. The two sources of revenue, the County conservatively budgets for;
- **Property Taxes-** Reflected a favorable variance which was attributed to \$181,897 in vehicle taxes and local option sales tax above estimates.

## LANCASTER COUNTY, SOUTH CAROLINA

### Management's Discussion and Analysis

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The County reported some 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:*

- County Council (\$342,210) – Contractual services for hospital mental health security exceeded the budget due to delayed billing;
- Emergency Management (\$47,089)- Emergency supplies for potential Ebola outbreak;
- Roads & Bridges (\$82,958)- Emergency road repairs (\$144K) due to floods in September, December, and January of the fiscal year;
- Sheriff (\$80,807)- The recording of School Resource officer wages & fringe which was reimbursed by the School District;
- Solid Waste (\$133,394)- Unexpected cost increase from a municipality and a delay in constructing a new convenience site which caused residents to use the nearest trash facility.

*Below were the significant **positive** variances:*

- Administrator (\$135,017)- Savings due to the delay in hiring a Paralegal and nurse practitioner costs came in under budget;
- Building (\$125,096)- Savings in wages & fringes due to vacancies;
- Clerk of Court (\$46,587)- Employee vacancy partially during the year & savings in contractual services;
- Detention Center (\$108,861) – Turnover and understaffing caused this department to have a positive variance;
- Magistrate Court- (52,303)- Delay in hiring bond court clerk;
- Management Information Services- (\$84,250) The budget was amended as a precaution for security related items;
- Planning (\$51,165)– First phase of the UDO not completed until July/August of the subsequent fiscal year & also some savings in health insurance;
- Transfer In (\$561,127) - Closed a bond fund and transferred an asset to the General Fund.

There were some significant differences between the original and final budgets for some departments/categories due to the following:

*Revenues:*

- Property Taxes- Supplemental revenue of \$200K for growth in vehicle taxes;
- Fund Balance– Grant Match (\$225K), Legal Settlement (\$230K), updating the Unified Development Ordinance (\$50K), and construction (\$400K) of an Indian Land Convenience Site. The budget was later amended to appropriate fund balance for items such as Public Works heavy equipment (\$167K), public safety radio repairs (\$50,800), EMS vehicle & ambulance (\$253,000), and other miscellaneous items. Encumbrances of \$136,977 were also brought forward from the prior year.

*Expenditures:*

- Sheriff (\$155,197)- Council Approved a LASO officer for IT security & amended budget for the Indian Land Substation;
- Roads & Bridges (\$196,403)- to purchase heavy equipment;
- Communications (\$80,152)- Encumbrance brought forward and for Public Safety radio repairs;
- Fire Commission (\$449,043)- Purchase extrication equipment in the amount of \$712K which was partially funded with lease purchase proceeds;
- EMS (\$253K)- Purchased an ambulance & a QRV;

# LANCASTER COUNTY, SOUTH CAROLINA

## Management's Discussion and Analysis

- Recreation (\$73,030)- Installed ballfield lights and small encumbrance brought forward from prior year.

*Other Financing Sources (Uses):*

- Transfers Out (\$280K)- Transfer to a bond fund to complete acquisition and renovation of a building;
- Proceeds from sale of capital asset (\$71K)- Appropriated supplemental revenue and used funds to install ballfields lights mentioned above;
- Proceeds from capital lease (\$445K)- Used to partially fund extrication equipment mentioned above.

### *Capital Assets*

Lancaster County's net investment in capital assets for its governmental activities as of June 30, 2015, totaled \$82,293,689, net of accumulated depreciation. This investment in capital assets includes land, buildings and building improvements, vehicles, furniture and equipment. The roads, highways and bridges (i.e., infrastructure assets) added during the fiscal year are also included.

### Lancaster County's Capital Assets (net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Land	\$ 6,979,668	\$ 6,283,499	\$ 598,607	\$ 598,607	\$ 7,578,275	\$ 6,882,106
Buildings & Improvements	51,226,046	51,475,278	3,207,652	3,046,956	54,433,698	54,522,234
Vehicles	7,077,921	7,345,504	-	-	7,077,921	7,345,504
Furniture & Equipment	7,593,082	8,487,446	-	-	7,593,082	8,487,446
Infrastructure	8,988,587	8,784,015	-	-	8,988,587	8,784,015
Construction in Progress	428,385	437,429	1,654,160	145,319	2,082,545	582,748
<b>Total</b>	<b>\$82,293,689</b>	<b>\$82,813,171</b>	<b>\$5,460,419</b>	<b>\$3,790,882</b>	<b>\$87,754,108</b>	<b>\$86,604,053</b>

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

- \$438,446- Two ambulances;
- \$97,941- Auto Lift for Fleet Maintenance dept.;
- \$303,843- Purchased land for Indian Land convenience site;
- \$919,470- Subdivision roads accepted by the County from various subdivisions;
- \$110,460- Lighting system for recreation paid for with PARD grant;
- \$83,182- Phase II of the Carolina Thread Trail funded by grant;
- The Sheriff department purchased vehicles in the amount of \$385,435;
- Extrication equipment- \$556,285;
- VA/Economic Development-Land, building, & renovations in the amount of \$759,344.

Additional information on the County's capital assets can be found in note 5 beginning on page 45.

# LANCASTER COUNTY, SOUTH CAROLINA

## Management's Discussion and Analysis

### *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 \$12,518,561 without a referendum. At the end of the current fiscal year, the County had total long-term liabilities outstanding of \$64,618,139. General obligation bonds make up 48% (\$31,300,178) of long-term debt and are backed by the full faith and credit of the government.

### **Lancaster County's Outstanding Debt General Obligation and Revenue Bonds**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
General Obligation Bonds	\$31,300,178	\$17,506,450	-	-	\$31,300,178	\$17,506,450
Special Source Revenue Bonds	9,394,000	2,210,000	-	-	9,394,000	2,210,000
SCAGO PFC IPRB	14,445,000	19,675,000	-	-	14,445,000	19,675,000
<b>Total</b>	<b>\$55,139,178</b>	<b>\$39,391,450</b>	<b>-</b>	<b>-</b>	<b>\$55,139,178</b>	<b>\$39,391,450</b>

The County's long term obligations include four general obligation bonds and three refunding bonds. The County's debt increased due to the issuance of general obligation bonds in the amount of \$16.5M in June 2015. Capital Projects Sales Tax is pledged to pay the debt. The sharp decline in the SCAGO Revenue bond balance was due to a large debt service principal payment of \$5,230,000 made during the fiscal year. The County issued a Special Source Revenue Bond on behalf of Keer Corporation, a textile company. Fee In Lieu of Taxes will pay the debt.

The County currently has ratings of AA- and Aa2 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 notes 6 on pages 48 through 56 of this report.

### *Economic Factors and Next Year's Budgets and Tax Rates*

- The unemployment rate for Lancaster County was at a level of 7.2% in June 2015. Statewide unemployment was 6.6%, while the national rate was 5.3% during the same period;
- Local option sales tax revenue was 9% percent higher than fiscal year 2014 for the unincorporated areas of the County;
- There was a \$192,247 increase in health insurance premiums and a \$65,288 increase in worker's comp premiums;
- Additional staff in the amount of \$1,099,199 were added which include: Full year funding for three positions (LASO Officer, IT Technician, & Budget Analyst), four deputies, one chemist, one expungement clerk, prison rape elimination coordinator, two telecommunications officers, mapping clerk, fleet operations technician, solid waste equipment operator, and zoning code enforcement officer. Also, full year funding for ten grant ended positions: eight firefighters and two deputies;
- Wage adjustments in the amount of \$581,500 which includes a market rate increase for employees with at least ten years of service. Other employees received ½% adjustments and ½% salary bonus with a floor of \$450;

**LANCASTER COUNTY, SOUTH CAROLINA**  
**Management's Discussion and Analysis**

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- Assistance in the amount of \$150K to the Solicitor and Public Defender to hire attorneys to help manage the docket;
- County Council approved a modest millage rate increase of 2.8 mils to maintain services and comply with state mandates.

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 2016 which includes 80.8 mils. County Council also adopted 4.6 mils for capital replacement needs, 5.3 mils for debt service, and 3.6 mils for Court Security. The FY16 Budget incorporated a number of Council's strategic priorities and reflects Council's desire to maintain quality services without substantial tax and fee increases for the citizens. The Budget in its entirety can be found on the County's website at:

<http://www.mylancastersc.org>.

*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, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Lancaster County Economic Development Corporation
<b>ASSETS</b>				
Cash and cash equivalents	\$ 40,046,155	\$ 100	\$ 40,046,255	\$ 520,123
Investments	21,884,281	-	21,884,281	-
Receivables:				
Taxes	1,825,198	-	1,825,198	-
Accounts	5,639,687	433	5,640,120	10,598
Due from other governments	4,937,548	1,475,801	6,413,349	-
Internal balances	1,475,667	(1,475,667)	-	-
Inventories	91,124	43,183	134,307	-
Prepaid expenses	56,996	-	56,996	5,734
Assets held for resale	888,428	-	888,428	-
Capital assets:				
Nondepreciable	7,408,053	2,252,767	9,660,820	-
Depreciable, net	74,885,636	3,207,652	78,093,288	40,991
Other	-	-	-	-
Total assets	<u>159,138,773</u>	<u>5,504,269</u>	<u>164,643,042</u>	<u>577,446</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	327,293	-	327,293	-
Pension - South Carolina Retirement System	1,751,018	6,503	1,757,521	-
Pension - South Carolina Police Officers Retirement System	1,308,957	-	1,308,957	-
Total deferred outflows of resources	<u>3,387,268</u>	<u>6,503</u>	<u>3,393,771</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	4,813,396	138,496	4,951,892	40,861
Accrued liabilities	1,478,161	-	1,478,161	-
Bond anticipation note payable	750,500	-	750,500	-
Unearned revenues	449,719	-	449,719	-
Accrued interest payable	169,764	-	169,764	-
Noncurrent liabilities:				
Due within one year	8,522,386	-	8,522,386	8,147
Due in more than one year	56,095,753	-	56,095,753	1,372
Net pension liability:				
South Carolina Retirement System	19,214,086	71,356	19,285,442	-
South Carolina Police Officers Retirement System	11,363,505	-	11,363,505	-
Total liabilities	<u>102,857,270</u>	<u>209,852</u>	<u>103,067,122</u>	<u>50,380</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension - South Carolina Retirement System	1,619,887	6,016	1,625,903	-
Pension - South Carolina Police Officers Retirement System	1,314,841	-	1,314,841	-
Total deferred inflows of resources	<u>2,934,728</u>	<u>6,016</u>	<u>2,940,744</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	28,252,587	5,460,419	33,713,006	31,472
Restricted for:				
Property tax reduction	1,191,452	-	1,191,452	-
Capital projects	30,910,137	-	30,910,137	-
Public safety	2,041,473	-	2,041,473	-
Public works	1,543,111	-	1,543,111	-
Public health and welfare	219,707	-	219,707	-
Cultural and recreation	59,553	-	59,553	-
Debt service	6,818,477	-	6,818,477	-
Economic development	-	-	-	436,792
Unrestricted	(14,302,454)	(165,515)	(14,467,969)	58,802
Total net position	<u>\$ 56,734,043</u>	<u>\$ 5,294,904</u>	<u>\$ 62,028,947</u>	<u>\$ 527,066</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, 2015

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			Component Unit
					Governmental Activities	Business-type Activities	Total	Lancaster County Economic Development Corporation
Primary government:								
Governmental activities:								
General government	\$ 13,556,703	\$ 6,066,247	\$ 137,381	\$ -	\$ (7,353,075)	\$ -	\$ (7,353,075)	\$ -
Administration of justice	2,323,898	1,017,176	54,709	-	(1,252,013)	-	(1,252,013)	-
Public safety	18,601,569	1,074,516	1,367,965	-	(16,159,088)	-	(16,159,088)	-
Public works	7,212,342	158,798	1,759,043	1,262,870	(4,031,631)	-	(4,031,631)	-
Public health and welfare	6,572,904	2,589,560	167,307	-	(3,816,037)	-	(3,816,037)	-
Culture and recreation	3,925,747	1,191,189	358,231	110,780	(2,265,547)	-	(2,265,547)	-
Economic development	8,232,370	62,777	-	570,000	(7,599,593)	-	(7,599,593)	-
Interest on long-term debt	1,681,883	-	-	-	(1,681,883)	-	(1,681,883)	-
Total governmental activities	62,107,416	12,160,263	3,844,636	1,943,650	(44,158,867)	-	(44,158,867)	-
Business-type activities:								
Airport	404,801	179,970	-	1,873,922	-	1,649,091	1,649,091	-
Total business-type activities	404,801	179,970	-	1,873,922	-	1,649,091	1,649,091	-
Total primary government	\$ 62,512,217	\$ 12,340,233	\$ 3,844,636	\$ 3,817,572	(44,158,867)	1,649,091	(42,509,776)	-
Component unit:								
Lancaster County Economic Development Corporation	\$ 781,303	\$ 3,600	\$ 167,478	\$ -	-	-	-	(610,225)
General revenues:								
Property taxes levied for:								
General purposes					27,041,123	-	27,041,123	-
Public safety					1,091,458	-	1,091,458	-
Debt service					2,269,768	-	2,269,768	-
Capital projects					2,139,973	-	2,139,973	-
Other taxes and licenses					11,837,073	-	11,837,073	-
Grants and contributions not restricted for a specific purpose					3,080,863	-	3,080,863	736,810
Unrestricted investment earnings					62,046	-	62,046	950
Transfers					(50,000)	50,000	-	-
Total general revenues and transfers					47,472,304	50,000	47,522,304	737,760
Change in net position					3,313,437	1,699,091	5,012,528	127,535
Net position, beginning of year, as restated					53,420,606	3,595,813	57,016,419	399,531
Net position, end of year					\$ 56,734,043	\$ 5,294,904	\$ 62,028,947	\$ 527,066

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

# LANCASTER COUNTY, SOUTH CAROLINA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2015

	General Fund	Capital Projects Sales Tax Fund	Capital Projects Sales Tax 2 Fund	Debt Service Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 37,162,939	\$ 21,538	\$ -	\$ 2,857,126
Investments	15,197,165	-	-	-
Taxes receivable, net	1,493,046	-	-	159,524
Accounts receivable, net	5,597,549	-	-	-
Due from other governments	2,097,745	2,336,232	-	3
Due from other funds	1,758,167	9,115,967	16,377,409	-
Prepaid expenditures	56,996	-	-	-
Inventories	91,124	-	-	-
Land held for resale	888,428	-	-	-
Total assets	<u>\$ 64,343,159</u>	<u>\$ 11,473,737</u>	<u>\$ 16,377,409</u>	<u>\$ 3,016,653</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 4,796,116	\$ -	\$ -	\$ -
Accrued liabilities	1,478,161	-	-	-
Bond anticipation note payable	-	-	-	-
Due to other funds	29,344,246	-	-	-
Unearned revenues	254,430	-	-	-
Total liabilities	<u>35,872,953</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	1,434,895	-	-	153,030
Unavailable revenue - emergency medical services	4,828,596	-	-	-
Total deferred inflows of resources	<u>6,263,491</u>	<u>-</u>	<u>-</u>	<u>153,030</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid expenditures	56,996	-	-	-
Inventories	91,124	-	-	-
Land held for resale	888,428	-	-	-
Restricted for:				
Property tax reduction	1,191,452	-	-	-
DSS IV-D Incentive	219,707	-	-	-
Inmate commissary	49,465	-	-	-
Victim services	-	-	-	-
Drug task force	204,035	-	-	-
Capital projects	-	11,473,737	16,377,409	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Roads and bridges	-	-	-	-
Debt service	-	-	-	2,863,623
Assigned:				
General government	100,000	-	-	-
Culture and recreation	132,324	-	-	-
Subsequent year's budget	1,430,349	-	-	-
Unassigned	17,842,835	-	-	-
Total fund balances	<u>22,206,715</u>	<u>11,473,737</u>	<u>16,377,409</u>	<u>2,863,623</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 64,343,159</u>	<u>\$ 11,473,737</u>	<u>\$ 16,377,409</u>	<u>\$ 3,016,653</u>

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

<b>SCAGO Public Facilities Corporation Debt Service Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 4,552	\$ 40,046,155
3,954,854	2,732,262	21,884,281
-	172,628	1,825,198
-	42,138	5,639,687
-	503,568	4,937,548
-	3,850,870	31,102,413
-	-	56,996
-	-	91,124
-	-	888,428
<u>\$ 3,954,854</u>	<u>\$ 7,306,018</u>	<u>\$ 106,471,830</u>
\$ -	\$ 17,280	\$ 4,813,396
-	-	1,478,161
-	750,500	750,500
-	282,500	29,626,746
-	195,289	449,719
<u>-</u>	<u>1,245,569</u>	<u>37,118,522</u>
-	165,374	1,753,299
-	-	4,828,596
<u>-</u>	<u>165,374</u>	<u>6,581,895</u>
-	-	56,996
-	-	91,124
-	-	888,428
-	-	1,191,452
-	-	219,707
-	-	49,465
-	15,612	15,612
-	-	204,035
-	3,058,991	30,910,137
-	2,025,861	2,025,861
-	59,553	59,553
-	1,543,111	1,543,111
3,954,854	-	6,818,477
-	-	100,000
-	-	132,324
-	48,260	1,478,609
-	(856,313)	16,986,522
<u>3,954,854</u>	<u>5,895,075</u>	<u>62,771,413</u>
<u>\$ 3,954,854</u>	<u>\$ 7,306,018</u>	<u>\$ 106,471,830</u>

**LANCASTER COUNTY, SOUTH CAROLINA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

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Total fund balances for governmental funds:	\$	62,771,413
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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.		82,293,689
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		6,581,895
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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	\$	(31,300,178)	
Unamortized refunding deferral amount on general obligation bonds		327,293	
Unamortized bond premium/discount		(3,530,280)	
Capital lease obligations		(2,875,644)	
Special source revenue bonds		(9,394,000)	
Installment purchase revenue bonds		(14,445,000)	
Other post-employment benefits		(554,302)	
Post-closure care liabilities		(1,210,457)	
Compensated absences payable		(1,308,278)	
Net Pension Liability		(30,452,344)	
Total long-term liabilities		(94,743,190)	

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(169,764)
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Net position of governmental activities	\$	56,734,043
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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, 2015**

	General Fund	Capital Projects Sales Tax Fund	Capital Projects Sales Tax 2 Fund	Debt Service Fund
<b>REVENUES</b>				
Property taxes	\$ 26,871,707	\$ -	\$ -	\$ 2,269,768
Sales and other local taxes	2,183,931	8,655,243	-	-
Licenses and permits	5,412,448	-	-	-
Intergovernmental	4,383,847	-	-	104,784
Charges for services	4,243,269	-	-	-
Fines and forfeitures	930,840	-	-	-
Interest revenue	54,199	4,889	-	765
Contributions and donations	124,497	-	-	-
Other revenues	247,254	-	-	-
Total revenues	<u>44,451,992</u>	<u>8,660,132</u>	<u>-</u>	<u>2,375,317</u>
<b>EXPENDITURES</b>				
Current:				
General government	11,543,862	15,600	-	-
Administration of justice	1,982,265	-	-	-
Public safety	14,155,303	-	-	-
Public works	5,277,991	-	-	-
Public health and welfare	6,326,950	-	-	-
Culture and recreation	3,438,110	-	-	-
Economic development	419,780	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	137,012	-	-	8,741,272
Interest	70,417	-	-	700,472
Fees	-	-	122,591	62,969
Total expenditures	<u>43,351,690</u>	<u>15,600</u>	<u>122,591</u>	<u>9,504,713</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,100,302</u>	<u>8,644,532</u>	<u>(122,591)</u>	<u>(7,129,396)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	581,127	15,000	-	2,244,109
Transfers out	(416,249)	(6,088,932)	(2,244,109)	-
Proceeds from capital leases	445,000	-	-	-
Proceeds from the issuance of bonds	-	-	18,744,109	7,166,994
Proceeds from the sale of capital assets	89,512	-	-	-
Total other financing sources (uses)	<u>699,390</u>	<u>(6,073,932)</u>	<u>16,500,000</u>	<u>9,411,103</u>
Net change in fund balances	1,799,692	2,570,600	16,377,409	2,281,707
<b>Fund balances, beginning of year</b>	<u>20,407,023</u>	<u>8,903,137</u>	<u>-</u>	<u>581,916</u>
<b>Fund balances, end of year</b>	<u>\$ 22,206,715</u>	<u>\$ 11,473,737</u>	<u>\$ 16,377,409</u>	<u>\$ 2,863,623</u>

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

<b>SCAGO Public</b>		
<b>Facilities</b>		
<b>Corporation</b>		
<b>Debt Service</b>		
<b>Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 3,231,431	\$ 32,372,906
-	379,335	11,218,509
-	-	5,412,448
-	3,190,820	7,679,451
-	945,752	5,189,021
-	89,490	1,020,330
422	1,771	62,046
-	219,847	344,344
-	-	247,254
<u>422</u>	<u>8,058,446</u>	<u>63,546,309</u>
-	87,464	11,646,926
-	-	1,982,265
-	3,014,083	17,169,386
-	1,378,498	6,656,489
-	26,684	6,353,634
-	258,254	3,696,364
-	239,405	659,185
-	9,575,828	9,575,828
5,230,000	2,373,820	16,482,104
812,575	312,239	1,895,703
-	89,000	274,560
<u>6,042,575</u>	<u>17,355,275</u>	<u>76,392,444</u>
<u>(6,042,153)</u>	<u>(9,296,829)</u>	<u>(12,846,135)</u>
6,088,932	366,249	9,295,417
(15,000)	(581,127)	(9,345,417)
-	-	445,000
-	9,473,016	35,384,119
-	-	89,512
<u>6,073,932</u>	<u>9,258,138</u>	<u>35,868,631</u>
31,779	(38,691)	23,022,496
<u>3,923,075</u>	<u>5,933,766</u>	<u>39,748,917</u>
<u>\$ 3,954,854</u>	<u>\$ 5,895,075</u>	<u>\$ 62,771,413</u>

# 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, 2015

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Net change in fund balances - total governmental funds	\$	23,022,496
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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	\$	5,530,624	
Depreciation expense		(5,942,253)	(411,629)

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position.	(107,853)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	91,674
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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	\$	16,482,104	
Issuance of general obligation bonds		(27,880,119)	
Issuance of special source revenue bonds		(7,504,000)	
Issuance of capital leases		(445,000)	
Amortization of premium/discount on long-term debt		179,608	
Amortization of the refunding deferral amount on the refunding general obligation bonds		102,484	(19,064,923)

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	\$	(121,086)	
Landfill postclosure liability		55,578	
Compensated absences		(269,192)	
Accrued interest on long-term debt		175,841	
OPEB liability		(57,469)	(216,328)
			\$ 3,313,437

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

# LANCASTER COUNTY, SOUTH CAROLINA

## STATEMENT OF NET POSITION PROPRIETARY FUND JUNE 30, 2015

	Major Enterprise Fund Airport Fund
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 100
Accounts receivable	433
Due from other governments	1,475,801
Inventory	43,183
Total current assets	<u>1,519,517</u>
<b>NONCURRENT ASSETS</b>	
Capital assets:	
Nondepreciable	2,252,767
Depreciable, net of accumulated depreciation	3,207,652
Total noncurrent assets	<u>5,460,419</u>
Total assets	<u>6,979,936</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension	6,503
Total deferred outflows of resources	<u>6,503</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	138,496
Due to other funds	1,475,667
Total current liabilities	<u>1,614,163</u>
<b>NONCURRENT LIABILITIES</b>	
Net pension liability	71,356
Total noncurrent liabilities	<u>71,356</u>
Total liabilities	<u>1,685,519</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension	6,016
Total deferred inflows of resources	<u>6,016</u>
<b>NET POSITION</b>	
Investment in capital assets	5,460,419
Unrestricted (deficit)	(165,515)
Total net position	<u>\$ 5,294,904</u>

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



# LANCASTER COUNTY, SOUTH CAROLINA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Major Enterprise Fund Airport Fund
<b>OPERATING REVENUES</b>	
Charges for services:	
Sale of fuel	\$ 136,144
Rental income	43,826
Total operating revenues	<u>179,970</u>
<b>OPERATING EXPENSES</b>	
Salaries and fringe benefits	50,446
Costs of services	156,046
Depreciation	198,309
Total operating expenses	<u>404,801</u>
Operating loss	<u>(224,831)</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>1,873,922</u>
<b>TRANSFERS</b>	
Transfers in	50,000
Total transfers	<u>50,000</u>
Change in net position	1,699,091
<b>Net position, beginning of year, as restated</b>	<u>3,595,813</u>
<b>Net position, end of year</b>	<u><u>\$ 5,294,904</u></u>

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

# LANCASTER COUNTY, SOUTH CAROLINA

## STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Major Enterprise Fund Airport Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 10,395
Payments to suppliers	(16,543)
Payments to employees	(49,928)
Net cash used in operating activities	(56,076)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	50,000
Net cash provided by noncapital financing activities	50,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(1,867,846)
Intergovernmental revenues	1,873,922
Net cash provided by capital and related financing activities	6,076
Net change in cash and cash equivalents	-
<b>Cash and cash equivalents:</b>	
Beginning of year	100
End of year	\$ 100
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (224,831)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	198,309
Changes in assets and liabilities:	
Increase in accounts receivable	(433)
Increase in due from other governments	(1,445,904)
Decrease in inventory	1,007
Increase in deferred outflows of resources	(2,515)
Increase in accounts payable	138,496
Increase in due to other funds	1,285,762
Decrease in unearned revenues	(9,000)
Decrease in net pension liability	(2,983)
Increase in deferred inflows of resources	6,016
Net cash used in operating activities	\$ (56,076)

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, 2015**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 10,070,413
Investments	4,659,945
Taxes receivable	4,564,845
Due from other governments	<u>1,461</u>
Total assets	<u>19,296,664</u>
<b>LIABILITIES</b>	
Due to other taxing districts and agencies	11,997,268
Due to others	<u>7,299,396</u>
Total liabilities	<u><u>\$ 19,296,664</u></u>

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, 2015

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### 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 - the primary government - 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 component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County.

The Lancaster County Economic Development Corporation (the "Corporation") is a discretely presented component unit incorporated under the laws of the State of South Carolina on February 20, 1986 for the purpose of encouraging and promoting the economic growth and development of Lancaster County. A Board of Directors composed of 17 individuals, each serving a term of three years, governs the Corporation. The Corporation is fiscally dependent upon the County as it receives over 50% of its budgetary funding from the County. In addition, a financial burden exists to the County as the County has assumed the obligation to finance deficits of and provide financial support to the Corporation. Separate financial statements for the Corporation can be obtained by contacting the administrative office at 1057 Red Ventures Drive, Suite 135, Indian Land, South Carolina 29707.

The County has one blended component unit, the South Carolina Association of Governmental Organizations Public Facilities Corporation for Lancaster County (SCAGO), which is a not-for-profit 501(c)(3) organization incorporated for the specific charitable purpose of serving as a "support organization" for the capital projects of the County. Because SCAGO exclusively benefits the County, SCAGO's financial information is blended with that of the County in these basic financial statements. Separate financial information for SCAGO is included in the individual columns throughout the financial statements. SCAGO does not issue separate financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Basis of Presentation**

The County's basic financial statements consist of government-wide statements, including a statement of net position and 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Presentation (Continued)

##### Fund financial statements (Continued)

The **Capital Projects Sales Tax Fund** is used to account for the local one cent sales and use tax revenues that are restricted to pay for the new County Judicial Center.

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 **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.

The **SCAGO Public Facilities Corporation Debt Service Fund** is used to account for and report financial resources that are restricted for the payment of the SCAGO Public Facilities Corporation Installment Purchase Revenue Bonds.

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.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

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.



## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Measurement Focus and Basis of Accounting (Continued)

##### Fund financial statements (Continued)

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.

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 or 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.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Measurement Focus and Basis of Accounting (Continued)

##### 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Measurement Focus and Basis of Accounting (Continued)

##### Unavailable revenue (Continued)

Property taxes for which there is an enforceable legal claim as of year end, but which were levied to finance fiscal year 2015 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.

##### 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 \$140,801 for outstanding encumbrances and \$1,337,808 for appropriation of existing unassigned fund balance at year-end to eliminate a deficit in next year's budget.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Assets, Liabilities and Net Position or Equity (Continued)**

##### **Cash and investments (Continued)**

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 Investment Pool. The State Treasurer's Investment Pool is a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC), but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. There is no regulatory oversight of the pool. Investments are carried at fair value determined annually based upon quoted market prices. 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 are stated at fair value which approximates cost.

##### **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

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### 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 estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend 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

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### 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 will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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 three 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 two items relate to the County's Retirement Plan and are reported in the government-wide and proprietary fund Statements of Net Position. Experience gains or losses result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. Additionally, 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.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three types of items that qualify for reporting in this category, two 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 property taxes and emergency medical services and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other item relates to the County's Retirement Plan and is reported in the government-wide and proprietary fund Statements of Net Position. 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, resulting in recognition as deferred inflows of resources.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Assets, Liabilities and Net Position or Equity (Continued)**

##### **Interfund transactions**

Transactions among 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.

##### **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:

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Assets, Liabilities and Net Position or Equity (Continued)

##### Fund equity (Continued)

**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.

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.



## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Assets, Liabilities and Net Position or Equity (Continued)**

##### **Fund equity (Continued)**

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 three months of the General Fund operating budget. If the year-end unassigned fund balances exceeds three months 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 three months 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 three month 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, then unrestricted resources as needed, but Council reserves the right to selectively spend unrestricted resources first and to defer the use of the restricted funds.

##### **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.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### 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 Restricted Grants Fund), Debt Service funds, Capital Projects Sales Tax Fund, and 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 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 Council, and the County Administrator may make certain transfers between departments without approval of Council. The legal level of budgetary control is the fund level.

### NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2015, are summarized below:

As reported in the Statement of Net Position:

Primary government	
Cash and cash equivalents	\$ 40,046,255
Investments	21,884,281
Agency Fund - cash and cash equivalents	10,070,413
Agency Fund - investments	4,659,945
Component Unit - cash and cash equivalents	520,123
	<u>\$ 77,181,017</u>
Cash deposited with financial institutions	\$ 61,964,824
SC State Investment Pool	13,696,957
US Government Treasuries	300,260
US Government Agencies	1,198,578
Certificates of deposit	20,398
	<u>\$ 77,181,017</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 3. CASH AND INVESTMENTS (CONTINUED)

#### *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, 2015, the carrying amount of the County's deposits was \$76,652,050 and the bank balance was \$76,971,623. 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 \$8,845 are reflected as cash.

The Lancaster County Economic Development Corporation, a discretely presented component unit, does not have a deposit policy for custodial credit risk. The carrying amount of deposits for the Corporation was \$520,123 at June 30, 2015. All of the Corporation's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the Corporation's name.

As of June 30, 2015, 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	\$ 13,696,957	\$ 13,696,957	\$ -	\$ -
Money market accounts	11,328,033	11,328,033	-	-
US Government Treasuries	300,260	-	101,414	198,846
US Government Agencies	1,198,578	100,476	949,035	149,067
Certificates of deposit	20,398	20,398	-	-
	<u>\$ 26,544,226</u>	<u>\$ 25,145,864</u>	<u>\$ 1,050,449</u>	<u>\$ 347,913</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 3. CASH AND INVESTMENTS (CONTINUED)

#### *Credit Risk*

This is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's policy is to invest in only those securities allowed by state statutes and that are highly rated. The County's investments in the U.S. Government Agencies, including the Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), and Federal National Mortgage Association (FNMA) were rated AA+ by Standard & Poor's and Aaa by Moody's Investor Services. As of June 30, 2015, the County owned \$1,198,578 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 South Carolina Local Government Investment Pool 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, 2015, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects Sales Tax	Debt Service
Taxes receivable	\$ 1,571,627	\$ -	\$ 167,920
Accounts receivable	9,134,782	-	-
Due from other governments	2,097,745	2,336,232	3
Less: Allowance	(3,615,814)	-	(8,396)
Net receivables	<u>\$ 9,188,340</u>	<u>\$ 2,336,232</u>	<u>\$ 159,527</u>

	Nonmajor Governmental	Airport	Total
Taxes receivable	\$ 181,714	\$ -	\$ 1,921,261
Accounts receivable	42,138	433	9,177,353
Due from other governments	503,568	1,475,801	6,413,349
Less: Allowance	(9,086)	-	(3,633,296)
Net receivables	<u>\$ 718,334</u>	<u>\$ 1,476,234</u>	<u>\$ 13,878,667</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS

#### A. Primary Government

Capital asset activity for the County's governmental activities for the year ended June 30, 2015 was as follows:

<b>Governmental Activities</b>	<b>Balance June 30, 2014</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance June 30, 2015</b>
Capital assets not being depreciated					
Land	\$ 6,283,499	\$ 713,644	\$ (17,475)	\$ -	\$ 6,979,668
Construction in progress	437,429	46,699	-	(55,743)	428,385
Total capital assets not being depreciated	<u>6,720,928</u>	<u>760,343</u>	<u>(17,475)</u>	<u>(55,743)</u>	<u>7,408,053</u>
Capital assets being depreciated					
Buildings and improvements	62,928,105	1,526,569	-	-	64,454,674
Vehicles	21,187,259	1,218,625	(196,287)	-	22,209,597
Furniture and equipment	17,959,993	1,105,618	(502,968)	55,743	18,618,386
Infrastructure	16,488,935	919,470	-	-	17,408,405
Total capital assets being depreciated	<u>118,564,292</u>	<u>4,770,282</u>	<u>(699,255)</u>	<u>55,743</u>	<u>122,691,062</u>
Less accumulated depreciation					
Buildings and improvements	(11,452,827)	(1,775,801)	-	-	(13,228,628)
Vehicles	(13,841,755)	(1,482,604)	192,683	-	(15,131,676)
Furniture and equipment	(9,472,547)	(1,968,950)	416,193	-	(11,025,304)
Infrastructure	(7,704,920)	(714,898)	-	-	(8,419,818)
Total accumulated depreciation	<u>(42,472,049)</u>	<u>(5,942,253)</u>	<u>608,876</u>	<u>-</u>	<u>(47,805,426)</u>
Total capital assets being depreciated, net	<u>76,092,243</u>	<u>(1,171,971)</u>	<u>(90,379)</u>	<u>55,743</u>	<u>74,885,636</u>
Governmental activities capital assets, net	<u>\$ 82,813,171</u>	<u>\$ (411,628)</u>	<u>\$ (107,854)</u>	<u>\$ -</u>	<u>\$ 82,293,689</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

Depreciation expense was charged to functions as follows:

General government	\$ 1,667,454
Administration of justice	315,212
Public safety	1,943,439
Public works, including depreciation of infrastructure assets	1,112,973
Public health and welfare	424,680
Culture and recreation	395,878
Economic development	82,617
	<u>          </u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 5,942,253</u></u>

Capital asset activity for the County's business-type activities for the year ended June 30, 2015 was as follows:

Business-Type Activities	Balance June 30, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Capital assets not being depreciated					
Land	\$ 598,607	\$ -	\$ -	\$ -	\$ 598,607
Construction in progress	145,319	1,536,461	-	(27,620)	1,654,160
Total capital assets not being depreciated	<u>743,926</u>	<u>1,536,461</u>	<u>-</u>	<u>(27,620)</u>	<u>2,252,767</u>
Capital assets being depreciated					
Buildings and improvements	9,244,893	331,385	-	27,620	9,603,898
Furniture and equipment	43,950	-	-	-	43,950
Total capital assets being depreciated	<u>9,288,843</u>	<u>331,385</u>	<u>-</u>	<u>27,620</u>	<u>9,647,848</u>
Less accumulated depreciation					
Buildings and improvements	(6,197,937)	(198,309)	-	-	(6,396,246)
Furniture and equipment	(43,950)	-	-	-	(43,950)
Total accumulated depreciation	<u>(6,241,887)</u>	<u>(198,309)</u>	<u>-</u>	<u>-</u>	<u>(6,440,196)</u>
Total capital assets being depreciated, net	<u>3,046,956</u>	<u>133,076</u>	<u>-</u>	<u>27,620</u>	<u>3,207,652</u>
Business-type activities capital assets, net	<u><u>\$ 3,790,882</u></u>	<u><u>\$ 1,669,537</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,460,419</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

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

Airport	\$ 198,309
Total Business-Type Activities Depreciation Expense	<u>\$ 198,309</u>

#### B. Component Unit

Capital asset activity for the Lancaster County Economic Development Corporation for the year ended June 30, 2015 was as follows:

	<b>Balance June 30, 2014</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance June 30, 2015</b>
Capital assets being depreciated					
Vehicles	\$ 68,589	\$ -	\$ -	\$ -	\$ 68,589
Furniture and equipment	59,609	-	-	-	59,609
Office equipment	4,728	2,317	-	-	7,045
Total capital assets being depreciated	<u>132,926</u>	<u>2,317</u>	<u>-</u>	<u>-</u>	<u>135,243</u>
Less accumulated depreciation					
depreciation	<u>(77,000)</u>	<u>(17,252)</u>	<u>-</u>	<u>-</u>	<u>(94,252)</u>
Total accumulated depreciation	<u>(77,000)</u>	<u>(17,252)</u>	<u>-</u>	<u>-</u>	<u>(94,252)</u>
Total capital assets being depreciated, net	<u>\$ 55,926</u>	<u>\$ (14,935)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,991</u>



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM LIABILITIES

#### A. Primary Government

The following is a summary of long-term debt activity for the primary government for the fiscal year ended June 30, 2015:

Governmental Activities	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
General obligation bonds	\$ 17,506,450	\$ 24,545,000	\$ (10,751,272)	\$ 31,300,178	\$ 1,313,973
Capital lease obligations	2,611,477	445,000	(180,833)	2,875,644	412,158
SCAGO PFC installment purchase revenue bonds	19,675,000	-	(5,230,000)	14,445,000	5,470,000
Special source revenue bonds	2,210,000	7,504,000	(320,000)	9,394,000	335,000
Post-closure care costs	1,266,035	-	(55,578)	1,210,457	57,000
Compensated absences	1,039,087	1,203,446	(934,255)	1,308,278	934,255
Net post employment benefit obligation	496,833	57,469	-	554,302	-
Deferred amounts:					
Unamortized discount	(18,164)	-	4,953	(13,211)	-
Unamortized premium	392,932	3,335,119	(184,560)	3,543,491	-
	<u>\$ 45,179,650</u>	<u>\$ 37,090,034</u>	<u>\$ (17,651,545)</u>	<u>\$ 64,618,139</u>	<u>\$ 8,522,386</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 2013, the County issued general obligation bonds for the acquisition of a records management system for the Sheriff's office and for emergency communications equipment. 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 2010B and 2010C bonds were called as a result of the issuance of the 2015B and 2015C bonds in a current refunding transaction. 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)

#### A. Primary Government (Continued)

##### General Obligation Bonds (Continued)

General obligation bonds currently outstanding are as follows:

Description	Amount Issued	Interest Rate	Final Maturity	Annual Principal Payments	Amount Outstanding
General obligation refunding bonds, Series 2009	4,630,000	3% to 4%	2024	\$240,000 to \$350,000	2,830,000
General obligation bonds, series 2010A	595,000	3.00%	2016	\$100,000 to \$105,000	105,000
General obligation refunding bonds, taxable series 2010D (Build America Bonds)	3,660,000	2% to 3.5%	2020	\$115,000 to \$690,000	3,245,000
General obligation bonds, taxable series 2013A	950,000	1.45%	2018	\$186,272 to \$194,493	575,178
General obligation bonds, series 2015A	16,500,000	4% to 5%	2022	\$100,000 to \$3,600,000	16,500,000
General obligation refunding, bonds series 2015B	1,935,000	3% to 3.25%	2030	\$115,000 to \$165,000	1,935,000
General obligation refunding, bonds series 2015C	6,110,000	3% to 5%	2025	\$120,000 to \$1,475,000	6,110,000
					\$ 31,300,178

The annual requirements to amortize all general obligation bonds as of June 30, 2015, including interest payments, are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2016	\$ 1,313,973	\$ 1,098,783	\$ 2,412,756
2017	1,461,712	1,329,160	2,790,872
2018	4,374,493	1,284,355	5,658,848
2019	4,380,000	1,093,073	5,473,073
2020	4,565,000	895,142	5,460,142
2021-2025	14,420,000	1,718,303	16,138,303
2026-2030	785,000	74,562	859,562
	\$ 31,300,178	\$ 7,493,378	\$ 38,793,556

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

#### A. Primary Government (Continued)

##### General Obligation Bonds (continued)

Debt service funds of \$2,857,126 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.

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. In connection with the issuance of the bonds, a premium of \$29,301 was recorded and is amortized over the life of the bonds. As of June 30, 2015, the unamortized premium was \$18,175. 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 December 14, 2010, the County issued \$3,660,000 General Obligation Refunding Bonds, Series 2010D. These bonds were issued and the proceeds were used to refund \$3,535,000 of outstanding General Obligation Bonds, Series 2001, and to pay certain issuance costs. In connection with the issuance of the bonds, a premium of \$46,977 was recorded and is being amortized over the life of the bonds. As of June 30, 2015, the unamortized premium was \$28,085.

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, 2015 are classified as a deferred outflow of resources on the Statement of Net Position. Amortization of \$30,447 has been included in interest expense for the year ended June 30, 2015. As of June 30, 2015, the County's outstanding in-substance defeased debt totaled \$4,875,000.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

#### A. Primary Government (Continued)

##### 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 equipment leased under capital leases as of June 30, 2015:

Machinery and Equipment and Construction in Progress	\$ 2,878,150
Less: Accumulated Depreciation	<u>(478,962)</u>
	<u><u>\$ 2,399,188</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, 2015:

<u>Fiscal Year Ending</u> <u>June 30,</u>	<u>Governmental</u> <u>Funds</u>
2016	\$ 485,055
2017	489,975
2018	269,413
2019	274,573
2020	232,567
2021 to 2025	1,140,964
2026 to 2030	250,000
2031 to 2033	<u>120,000</u>
Total Minimum Lease Payments	3,262,547
Less: Amount Representing Interest	<u>(386,903)</u>
	<u><u>\$ 2,875,644</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

#### A. Primary Government (Continued)

##### Installment Purchase Revenue Bonds

The South Carolina Association of Governmental Organizations Public Facilities Corporation (SCAGO PFC) for Lancaster County Installment Purchase Revenue Bonds were issued pursuant to an Installment Purchase and Use Agreement and evidence proportionate interest of owners in certain rental payments to be made by the County under the terms of a Base Lease and Conveyance Agreement between the County and the SCAGO PFC dated January 28, 2009. The County leased certain real property and conveyed the improvements to the SCAGO PFC so that the SCAGO PFC may finance the cost of acquiring, constructing, and equipping a new County Courthouse and renovating, improving and equipping the County Detention Center/Sheriff's Office, which together with certain improvements (including the conveyed improvements), fixtures and personal property located on the real property to be sold to the County pursuant to a Purchase and Use Agreement dated January 28, 2009. The Purchase and Use Agreement, which will obligate the County to make semiannual installment payments of the purchase price to the SCAGO PFC in amounts calculated to be sufficient to enable the SCAGO PFC to pay the principal and interest on the outstanding bonds; amounts budgeted as reserves for the repair and replacement of the 2009 facilities and the program administrator fees. The financial obligations of the County under the Purchase and Use Agreement do not constitute general obligations of the County to which its full faith and credit or taxing power are pledged, but are subject to and dependent upon lawful appropriations of funds being made from available sources, including but not limited to general fund monies, net collections from the Capital Project Sales Tax Fund and proceeds from general obligation bonds by the County Council to pay the installment payments due in each fiscal year. The County's obligations under the Purchase and Use Agreement are from year to year only and do not constitute a mandatory payment obligation by the County in any fiscal year in which funds are not appropriated by the County to pay the installment payments due in such fiscal year. The County has no continuing obligation to appropriate funds to pay the installment payments under the Purchase and Use Agreement and may terminate its obligations under the Purchase and Use Agreement on an annual basis without penalty. However, the County would forfeit possession of the facilities for the remainder of the lease term.

On January 28, 2009, the SCAGO PFC issued \$38,410,000 Installment Purchase Revenue Bonds Series 2009 to finance the cost of acquiring, constructing, and equipping a new County Courthouse; renovating, improving and equipping the County Detention Center/Sheriff's Office; and constructing a parking facility. The bonds are due in annual installments ranging from \$4,185,000 to \$8,975,000 beginning December 1, 2010 through December 1, 2016 with interest rates ranging from 3.0% to 5.0%. In connection with the SCAGO PFC's 2009 bond issue, a premium of \$1,273,606 was recorded and is being amortized over the life of the bonds. The unamortized premium at June 30, 2015 was \$169,536.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

#### A. Primary Government (Continued)

##### Installment Purchase Revenue Bonds (Continued)

Arbitrage is the difference between the yield on the issuer's tax exempt bonds and the investment income earned on the proceeds. Arbitrage restrictions imposed by the federal government prohibit an issuer from retaining arbitrage profits when investing bond proceeds at a yield that exceeds the yield on the bonds. Any excess arbitrage must be relayed to the U.S. Treasury. The SCAGO Public Facilities Corporation for Lancaster County Installment Purchase Revenue Bonds are subject to an arbitrage calculation. As of June 30, 2015, no arbitrage liability exists.

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

Annual debt service requirements for the SCAGO Installment Purchase Revenue Bonds are as follows:

Year Ending June 30,	Installment Purchase Revenue Bonds		
	Principal	Interest	Total
2016	\$ 5,470,000	\$ 571,825	\$ 6,041,825
2017	8,975,000	224,375	9,199,375
	<u>\$ 14,445,000</u>	<u>\$ 796,200</u>	<u>\$ 15,241,200</u>

##### Special Source Revenue Bonds

During 2006, the County issued special source revenue bonds in the amount of \$2,973,658 to finance the infrastructure improvements for the Bailes Ridge 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 2020 and have an annual interest rate of 5.75 percent.

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 percent.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

#### A. Primary Government (Continued)

##### Special Source Revenue Bonds (Continued)

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
2016	\$ 335,000	\$ 108,675	\$ 443,675
2017	704,618	89,413	794,031
2018	747,306	355,175	1,102,481
2019	748,427	318,721	1,067,148
2020	748,592	281,784	1,030,376
2021 - 2025	3,861,557	952,182	4,813,739
2026 - 2028	2,248,500	172,192	2,420,692
	<u>\$ 9,394,000</u>	<u>\$ 2,278,142</u>	<u>\$ 11,672,142</u>

#### Landfill Closure and Post Closure Care Costs

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

During fiscal year 2015, the County expended \$55,578 in landfill closure costs. Remaining post-closure costs are estimated at \$1,210,457 and included with the long-term liabilities in the Statement of Net Position. Postclosure 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

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### NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

#### A. Primary Government (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, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2015, there is one series of Industrial Revenue bonds outstanding with an aggregate principal amount payable of \$12,000,000.

##### 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, 2015, the outstanding balance on this debt was \$5,962,000.

In June 2006, the County issued \$35,615,000 of special assessment debt. 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. 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, 2015, the outstanding balance on this debt was \$24,336,572.

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. 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, 2015, the outstanding balance on this debt was \$15,340,000.

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, 2015, the outstanding balance on this debt was \$28,602,500.



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

#### Component Unit

Long-term liabilities for the Lancaster County Economic Development Corporation at June 30, 2015 were as follows:

Lancaster County Economic Development Corporation	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Capital lease obligations	\$ 17,453	\$ -	\$ (7,934)	\$ 9,519	\$ 8,147
	<u>\$ 17,453</u>	<u>\$ -</u>	<u>\$ (7,934)</u>	<u>\$ 9,519</u>	<u>\$ 8,147</u>

### NOTE 7. SHORT-TERM LIABILITIES

The County issued General Obligation Bond Anticipation Note, Series 2014 with an interest rate of .72% for \$818,000 and it matured on January 23, 2015. On January 23, 2015, the County issued General Obligation Bond Anticipation Note, Series 2015 for \$750,500. This note has an interest rate of .78% and matures January 22, 2016. The proceeds were used for the retirement of existing debt.

The following is a schedule of changes in short-term liabilities:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
Bond anticipation notes	<u>\$ 818,000</u>	<u>\$ 750,500</u>	<u>\$ (818,000)</u>	<u>\$ 750,500</u>
	<u>\$ 818,000</u>	<u>\$ 750,500</u>	<u>\$ (818,000)</u>	<u>\$ 750,500</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 8. EMPLOYEE BENEFITS

#### A. Primary Government

##### Retirement Plan

###### *Overview:*

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. 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.

###### *Plan Description:*

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

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

###### *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.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

#### A. Primary Government (Continued)

##### Retirement Plan (Continued)

###### *Membership (Continued):*

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.

**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.

###### *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 eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

#### A. Primary Government (Continued)

##### Retirement Plan (Continued)

###### *Benefits (Continued):*

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

**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.

###### *Contributions:*

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

#### A. Primary Government (Continued)

##### Retirement Plan (Continued)

###### *Contributions (Continued):*

Required employee contribution rates for the year ended June 30, 2015 are as follows:

##### **South Carolina Retirement System**

Employee class two	8.00% of earnable compensation
Employee class three	8.00% of earnable compensation

##### **South Carolina Police Officers Retirement System**

Employee class one	\$21 per month
Employee class two	8.41% of earnable compensation
Employee class three	8.41% of earnable compensation

Required employer contribution rates for the year ended June 30, 2015 are as follows:

##### **South Carolina Retirement System**

Employer class two	10.75% of earnable compensation
Employer class three	10.75% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

##### **South Carolina Police Officers Retirement System**

Employer class one	7.80% of earnable compensation
Employer class two	13.01% of earnable compensation
Employer class three	13.01% 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 most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2013. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2013 actuarial valuations, using membership data as of July 1, 2013, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by the systems' consulting actuary, Gabriel, Roeder, Smith and Company.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

#### A. Primary Government (Continued)

##### Retirement Plan (Continued)

##### *Net Pension Liability (Continued):*

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GSAB No. 67, less that system's fiduciary net position. As of June 30, 2014, the net pension liability amounts for SCRS and PORS are as follows:

<b>System</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Employers' Net Pension Liability</b>	<b>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</b>
SCRS	\$ 48,116,703	\$ 28,831,262	\$ 19,285,442	59.9%
PORS	\$ 35,017,837	\$ 23,654,332	\$ 11,363,505	67.5%

As of June 30, 2014 the change in the net pension liability for the SCRS Plan is calculated as follows:

##### **Total pension liability**

Service cost	\$ 827,822
Interest	3,384,007
Difference between actual and expected experience	715,496
Benefit payments	<u>(2,879,986)</u>
<b>Net change in total pension liability</b>	<b>2,047,340</b>
<b>Total pension liability - beginning June 30, 2013</b>	<b>46,069,363</b>
<b>Total pension liability - ending June 30, 2014</b>	<b>48,116,703</b>

##### **Plan fiduciary net position**

Contributions - employer	1,078,488
Contributions - member	731,051
Refunds of contributions to members	(101,095)
Retirement benefits	(2,757,339)
Death benefits	(21,552)
Net investment income	3,939,966
Administrative expense	(13,179)
Net transfers to affiliated systems	<u>(2,767)</u>
<b>Net change in Plan fiduciary net position</b>	<b>2,853,573</b>
<b>Plan fiduciary net position - beginning June 30, 2013</b>	<b>25,977,689</b>
<b>Plan fiduciary net position - ending June 30, 2014</b>	<b>28,831,262</b>

<b>Net pension liability</b>	<b>\$ 19,285,442</b>
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## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

#### A. Primary Government (Continued)

##### Retirement Plan (Continued)

##### *Net Pension Liability (Continued):*

As of June 30, 2014 the change in the net pension liability for the PORS Plan is calculated as follows:

<b>Total pension liability</b>	
Service cost	\$ 888,015
Interest	2,480,826
Difference between actual and expected experience	381,882
Benefit payments	(1,969,366)
<b>Net change in total pension liability</b>	<u>1,781,356</u>
<b>Total pension liability - beginning June 30, 2013</b>	<u>33,236,480</u>
<b>Total pension liability - ending June 30, 2014</b>	<u><u>35,017,837</u></u>
 <b>Plan fiduciary net position</b>	
Contributions - employer	923,643
Contributions - member	569,852
Refunds of contributions to members	(96,060)
Retirement benefits	(1,849,524)
Death benefits	(23,783)
Net investment income	3,195,694
Administrative expense	(10,844)
Net transfers to affiliated systems	13,416
<b>Net change in Plan fiduciary net position</b>	<u>2,722,394</u>
<b>Plan fiduciary net position - beginning June 30, 2013</b>	<u>20,931,937</u>
<b>Plan fiduciary net position - ending June 30, 2014</b>	<u><u>23,654,332</u></u>
 <b>Net pension liability</b>	 <u><u>\$ 11,363,505</u></u>

##### *Actuarial Assumptions and Methods*

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

#### A. Primary Government (Continued)

##### Retirement Plan (Continued)

###### *Actuarial Assumptions and Methods (Continued):*

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2013 valuations for SCRS and PORS.

	<b>SCRS</b>	<b>PORS</b>
Actuarial cost method	Entry Age	Entry Age
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	levels off at 3.5%	levels off at 4.0%
Includes inflation at	2.75%	2.75%
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table on the following page. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

#### A. Primary Government (Continued)

##### Retirement Plan (Continued)

*Actuarial Assumptions and Methods (Continued):*

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long Term Expected Portfolio Real Rate of Return</b>
Short Term	5.0%		
Cash	2.0%	0.3	0.01
Short duration	3.0%	0.6	0.02
Domestic Fixed Income	13.0%		
Core fixed income	7.0%	1.1	0.08
High yield	2.0%	3.5	0.07
Bank loans	4.0%	2.8	0.11
Global Fixed Income	9.0%		
Global fixed income	3.0%	0.8	0.02
Emerging markets debt	6.0%	4.1	0.25
Global Public Equity	31.0%	7.8	2.42
Global Tactical Asset Allocation	10.0%	5.1	0.51
Alternatives	32.0%		
Hedge funds (low beta)	8.0%	4	0.32
Private debt	7.0%	10.2	0.71
Private equity	9.0%	10.2	0.92
Real estate (broad market)	5.0%	5.9	0.29
Commodities	3.0%	5.1	0.15
			5.88
			Inflation for actuarial purposes
			2.75
			Total expected nominal return
			8.63

##### *Discount Rate:*

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

#### A. Primary Government (Continued)

##### Retirement Plan (Continued)

*Discount Rate (Continued):*

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

<b>Sensitivity of the Net Position Liability to Changes in the Discount Rate</b>			
	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
SCRS	\$24,956,555	\$ 19,285,442	\$ 14,554,106
PORS	\$15,880,150	\$ 11,363,505	\$ 7,626,287

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

For the year ended June 30, 2015, the County recognized pension expense of \$1,351,183 for the SCRS plan and \$987,190 for the PORS plan.

At June 30, 2015 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:

<b>SCRS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 546,468	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,625,903
Employer contributions subsequent to the measurement date	1,211,053	-
Total	<u>\$ 1,757,521</u>	<u>\$ 1,625,903</u>
<b>PORS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 303,241	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,314,841
Employer contributions subsequent to the measurement date	1,005,716	-
Total	<u>\$ 1,308,957</u>	<u>\$ 1,314,841</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

#### A. Primary Government (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 \$1,211,053 and \$1,005,716 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, 2016. 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
2016	\$ 237,448	\$ 250,069
2017	237,448	250,069
2018	237,448	250,069
2019	367,091	261,393

##### *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](http://www.retirement.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO 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

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### NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

#### A. Primary Government (Continued)

##### Other Post Employment Healthcare Benefits (OPEB)

###### Plan description

In addition to providing pension benefits through the South Carolina Retirement System, the County provides 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.

The County does not issue separate audited financial statements for this plan.

###### Funding Policy and Annual OPEB Costs

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB costs for the year, the amount actuarially contributed to the plan, and changes in the County's net OPEB obligation for the post-employment health insurance benefits:

	2015
Annual Required Contribution	\$ 310,055
Interest on OPEB Obligation	22,357
Adjustment to Annual Required Contribution	(29,030)
Annual OPEB Costs	303,382
Contributions Made	(245,913)
Increase in Net OPEB Obligation	57,469
Net OPEB Obligation - Beginning of Year	496,833
Net OPEB Obligation - End of Year	<u>\$ 554,302</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

#### A. Primary Government (Continued)

##### Other Post Employment Healthcare Benefits (OPEB) (Continued)

##### Funding policy and annual OPEB costs (Continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

For the Year Ended June 30	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 303,382	\$ 245,913	\$ 81.06%	\$ 554,302
2014	369,509	320,405	86.71%	496,833
2013	358,584	296,112	82.58%	447,729
2012	346,668	262,910	81.77%	385,257

##### Funding Status and Progress

As of June 30, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$3,354,383. The covered payroll (annual payroll of active employees covered by the plan) was \$17,232,907; the ratio of the UAAL to the covered payroll was 19.46 percent.

Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

#### A. Primary Government (Continued)

##### Other Post Employment Healthcare Benefits (OPEB) (Continued)

##### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based upon the substantive plan (the plan as understood by the County and plan members) and include the types of benefits provided at the time of each valuation and historical pattern of sharing benefit costs between the County and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 2014 actuarial valuation, the projected unit credit actuarial method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is consistent with the investment return earned on the County's general assets and an annual medical cost trend decrease of 6.0 percent to 4.5 percent per year over nine years. General inflation is assumed to be 3.0 percent per year. The actuarial value of assets was set equal to the reported market value of assets. The UAAL is being amortized as a level percent of payroll required to fully amortize the UAAL over an open 30-year period.

### NOTE 9. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries insurance through the State Budget and Control Board Office of Insurance Reserve Fund. The County pays premiums to the Fund for its general insurance coverage. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event. Additionally, the County participates in a self-funded program to provide workers' compensation insurance through the South Carolina Association of Counties, which works in a similar way as the Insurance Reserve Fund. The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 9. RISK MANAGEMENT (CONTINUED)

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 Fund for its employee health and accident insurance. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event.

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 10. INTERFUND ASSETS AND LIABILITIES

Interfund receivable and payable balances at June 30, 2015 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Airport Fund	\$ 1,475,667
General Fund	Nonmajor Governmental Funds	282,500
Capital Project Sales Tax Fund	General Fund	9,115,967
Capital Project Sales Tax 2 Fund	General Fund	16,377,409
Nonmajor Governmental Funds	General Fund	3,850,870
		<u>\$ 31,102,413</u>

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 10. 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, 2015 consisted of the following individual amounts:

Transfer in Fund	Transfer Out Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 581,127
Capital Projects Sales	SCAGO Public Facilities Corporation	
Tax Fund	Debt Service Fund	15,000
Debt Service Fund	Capital Projects Sales Tax 2 Fund	2,244,109
SCAGO Public Facilities Corporation	Capital Projects Sales	
Debt Service Fund	Tax Fund	6,088,932
Nonmajor Governmental Funds	General Fund	366,249
Airport Fund	General Fund	50,000
		<u>\$ 9,345,417</u>

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 11. 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, 2015, 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, 2015 totaled approximately \$1,816,146.

### NOTE 12. 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 13. PRIOR PERIOD ADJUSTMENT

#### Component Unit

The Lancaster County Economic Development Corporation has determined that a restatement to its beginning net position is required to reflect corrections of errors in the June 30, 2014 financial report. This restatement is as follows:

Beginning net position, July 1, 2014, as previously reported	\$ 363,049
Prior period adjustment to record capital assets not previously recorded	36,482
Beginning net position, July 1, 2014, as restated	<u><u>\$ 399,531</u></u>

### NOTE 14. CHANGE IN ACCOUNTING PRINCIPLE

#### Primary Government

The County has determined that a restatement to the July 1, 2014 beginning net position was required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, through which accounting for pension plans and the related disclosure requirements were modified. This adjustment resulted in a change to the beginning net position of the County as follows:

	Governmental Activities	Business-type Activities	Airport Fund
Beginning net position, July 1, 2014, as previously reported	\$ 83,751,863	\$ 3,666,163	\$ 3,666,163
Change in accounting principle due to the implementation of GASB Statement No. 68	<u>(30,331,257)</u>	<u>(70,350)</u>	<u>(70,350)</u>
Beginning net position, July 1, 2014, as restated	<u><u>\$ 53,420,606</u></u>	<u><u>\$ 3,595,813</u></u>	<u><u>\$ 3,595,813</u></u>

### NOTE 15. SUBSEQUENT EVENTS

Subsequent to June 30, 2015, the Lancaster County Council voted to amend the County budget and discontinue the quarterly funding to the Lancaster County Economic Development Corporation (LCEDC). All future County funding to the LCEDC has been discontinued resulting in the LCEDC losing a significant portion of its annual funding. As a result, the LCEDC has eliminated its entire staff effective October 1, 2015. The LCEDC plans to continue its operations in a very limited capacity; however, its component unit relationship with the County is likely to terminate.

## **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, 2015**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES:</b>				
Property taxes	\$ 26,171,355	\$ 26,371,355	\$ 26,871,707	\$ 500,352
Other local taxes	2,100,000	2,100,000	2,183,931	83,931
Licenses and permits	4,289,575	4,289,575	5,412,448	1,122,873
Intergovernmental	3,874,231	3,874,231	4,383,847	509,616
Charges for services	3,920,043	3,920,043	4,243,269	323,226
Fines and forfeitures	925,250	925,250	930,840	5,590
Interest revenue	20,500	20,500	54,199	33,699
Contributions and donations	43,000	97,115	124,497	27,382
Other revenues	63,500	63,500	247,254	183,754
Budgeted fund balance	1,084,000	1,990,945	-	(1,990,945)
Total revenues	42,491,454	43,652,514	44,451,992	799,478
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>General government:</b>				
Non-departmental expenditures	1,310,013	1,310,013	1,280,746	29,267
Direct assistance to other agencies	695,258	695,258	689,108	6,150
County council	1,180,200	1,258,915	1,601,125	(342,210)
Administrator	706,465	706,465	571,448	135,017
Finance	513,379	513,379	518,984	(5,605)
Human resources	249,383	249,383	182,139	67,244
Risk management	98,807	98,807	100,144	(1,337)
Management information services	716,325	777,484	693,234	84,250
GIS	202,392	202,392	177,197	25,195
Building	884,193	884,193	759,097	125,096
Zoning	272,933	272,933	279,064	(6,131)
Planning	497,263	540,089	488,924	51,165
Assessor	715,926	715,926	726,265	(10,339)
Auditor	370,344	370,344	356,288	14,056
Treasurer	370,800	370,800	360,158	10,642
Delinquent tax collector	302,277	302,277	279,439	22,838
Voter registration and elections	263,775	263,775	219,947	43,828
Register of deeds	321,090	321,090	305,041	16,049
Vehicle maintenance	493,744	493,744	480,946	12,798
Building maintenance	1,486,240	1,488,318	1,474,568	13,750
Total general government	11,650,807	11,835,585	11,543,862	291,723
<b>Administration of justice:</b>				
Circuit court	69,387	70,892	41,379	29,513
Clerk of court	454,616	454,616	408,029	46,587
Family court	366,650	366,650	358,209	8,441
Probate court	419,269	419,269	388,627	30,642
Magistrate court	838,324	838,324	786,021	52,303
Total administration of justice	2,148,246	2,149,751	1,982,265	167,486
<b>Public safety:</b>				
Coroner	396,338	396,338	407,153	(10,815)
Sheriff	7,320,471	7,475,668	7,556,475	(80,807)
Detention center	1,977,380	1,981,332	1,872,471	108,861
Communications	1,403,779	1,483,931	1,456,323	27,608
Emergency management	353,748	353,748	400,837	(47,089)
Fire commission	2,004,301	2,453,344	2,462,044	(8,700)
Total public safety	13,456,017	14,144,361	14,155,303	(10,942)

(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, 2015**

	Budgeted Amounts			Variance
	Original	Final	Actual	with Final Budget
<b>EXPENDITURES: (CONTINUED)</b>				
<b>Current: (Continued)</b>				
<b>Public works:</b>				
Roads and bridges	\$ 2,262,293	\$ 2,458,696	\$ 2,541,654	\$ (82,958)
Landfill	57,000	57,000	55,578	1,422
Solid waste	2,547,365	2,547,365	2,680,759	(133,394)
Total public works	4,866,658	5,063,061	5,277,991	(214,930)
<b>Public health and welfare:</b>				
EMS	5,563,280	5,816,280	5,815,492	788
Animal control	142,050	142,050	155,313	(13,263)
Health services	82,600	82,600	81,259	1,341
Social services and food stamps	64,210	64,210	61,125	3,085
DSS Family Independence	58,330	58,330	58,439	(109)
Veteran affairs	157,383	157,383	155,322	2,061
Total public health and welfare	6,067,853	6,320,853	6,326,950	(6,097)
<b>Culture and recreation:</b>				
Recreation	2,231,168	2,304,198	2,255,274	48,924
Library	1,238,839	1,238,839	1,182,836	56,003
Total culture and recreation	3,470,007	3,543,037	3,438,110	104,927
<b>Economic development:</b>				
Economic development commission	432,351	432,351	419,780	12,571
<b>Debt service:</b>				
Principal	137,013	137,013	137,012	1
Interest and other charges	70,417	70,417	70,417	-
Total debt service	207,430	207,430	207,429	1
Total expenditures	42,299,369	43,696,429	43,351,690	344,739
Excess (deficiency) of revenues over (under) expenditures	192,085	(43,915)	1,100,302	1,144,217
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	20,000	20,000	581,127	561,127
Transfers out	(212,085)	(492,085)	(416,249)	75,836
Proceeds from the sale of capital assets	-	71,000	89,512	18,512
Proceeds from capital lease	-	445,000	445,000	-
Total other financing sources (uses)	(192,085)	43,915	699,390	655,475
Net change in fund balances	-	-	1,799,692	1,799,692
Fund balances, beginning of year			20,407,023	
Fund balances, end of year			\$ 22,206,715	

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

# LANCASTER COUNTY, SOUTH CAROLINA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF FUNDING PROGRESS OTHER POST-EMPLOYMENT BENEFITS

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Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2007	\$ -	\$ 3,843,902	\$ 3,843,902	- %	\$ 14,239,968	27.0%
6/30/2010	-	3,886,078	3,886,078	-	15,313,936	25.4%
6/30/2012	-	4,735,113	4,735,113	-	15,419,474	30.7%
6/30/2014	-	3,354,383	3,354,383	-	17,232,907	19.5%

The assumptions used in the preparation of the above schedule are disclosed in Note 8 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

<b>South Carolina Retirement System</b>	<b>2015</b>
County's proportion of the net pension liability	0.112016%
County's proportionate share of the net pension liability	\$ 19,285,442
County's covered-employee payroll	\$ 10,331,540
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	186.7%
Plan fiduciary net position as a percentage of the total pension liability	59.9%
<b>South Carolina Police Officers Retirement System</b>	<b>2015</b>
County's proportion of the net pension liability	0.59357%
County's proportionate share of the net pension liability	\$ 11,363,505
County's covered-employee payroll	\$ 6,953,011
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	163.4%
Plan fiduciary net position as a percentage of the total pension liability	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 8 to the financial statements.

# LANCASTER COUNTY, SOUTH CAROLINA

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

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<b>South Carolina Retirement System</b>	<b>2015</b>
Actuarially determined contribution	\$ 1,077,980
Contributions in relation to the actuarially determined contribution	<u>1,077,980</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	10,331,540
Contributions as a percentage of covered-employee payroll	10.43%

<b>South Carolina Police Officers Retirement System</b>	<b>2015</b>
Actuarially determined contribution	\$ 916,669
Contributions in relation to the actuarially determined contribution	<u>916,669</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	6,953,011
Contributions as a percentage of covered-employee payroll	13.18%

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 8 to the financial statements.

## **COMBINING STATEMENTS AND SCHEDULES**



# LANCASTER COUNTY, SOUTH CAROLINA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,552	\$ -	\$ 4,552
Investments	-	2,732,262	2,732,262
Taxes receivable	74,653	97,975	172,628
Accounts receivable, net	42,138	-	42,138
Due from other governments	503,568	-	503,568
Due from other funds	3,387,497	463,373	3,850,870
Total assets	<u>\$ 4,012,408</u>	<u>\$ 3,293,610</u>	<u>\$ 7,306,018</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 16,335	\$ 945	\$ 17,280
Bond anticipation note payable	-	750,500	750,500
Due to other funds	268,607	13,893	282,500
Unearned revenues	195,289	-	195,289
Total liabilities	<u>480,231</u>	<u>765,338</u>	<u>1,245,569</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	71,495	93,879	165,374
Total deferred inflows of resources	<u>71,495</u>	<u>93,879</u>	<u>165,374</u>
<b>FUND BALANCES</b>			
Restricted for:			
Victim services	15,612	-	15,612
Public safety	2,025,861	-	2,025,861
Culture and recreation	59,553	-	59,553
Roads and bridges	1,543,111	-	1,543,111
Capital projects	-	3,058,991	3,058,991
Assigned:			
Subsequent year's budget	4,052	44,208	48,260
Unassigned	(187,507)	(668,806)	(856,313)
Total fund balances	<u>3,460,682</u>	<u>2,434,393</u>	<u>5,895,075</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,012,408</u>	<u>\$ 3,293,610</u>	<u>\$ 7,306,018</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, 2015**

	Special Revenue Funds	Capital Projects Funds	Totals
<b>Revenues:</b>			
Property taxes	\$ 1,091,458	\$ 2,139,973	\$ 3,231,431
Other taxes	379,335	-	379,335
Intergovernmental	3,190,820	-	3,190,820
Charges for services	882,975	62,777	945,752
Fines and forfeitures	89,490	-	89,490
Interest revenue	1,428	343	1,771
Contributions and donations	219,847	-	219,847
Total revenues	<u>5,855,353</u>	<u>2,203,093</u>	<u>8,058,446</u>
<b>Expenditures:</b>			
Current:			
General government	87,464	-	87,464
Public safety	3,014,083	-	3,014,083
Public works	1,378,498	-	1,378,498
Public health and welfare	26,684	-	26,684
Culture and recreation	258,254	-	258,254
Economic development	239,405	-	239,405
Capital outlay	-	9,575,828	9,575,828
Debt service:			
Principal	2,053,820	320,000	2,373,820
Interest	171,317	140,922	312,239
Fees	-	89,000	89,000
Total expenditures	<u>7,229,525</u>	<u>10,125,750</u>	<u>17,355,275</u>
Deficiency of revenues under expenditures	<u>(1,374,172)</u>	<u>(7,922,657)</u>	<u>(9,296,829)</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	366,249	366,249
Transfers out	(20,000)	(561,127)	(581,127)
Proceeds from issuance of bonds	1,969,016	7,504,000	9,473,016
Total other financing sources (uses)	<u>1,949,016</u>	<u>7,309,122</u>	<u>9,258,138</u>
Net change in fund balances	574,844	(613,535)	(38,691)
<b>Fund balances, beginning of year</b>	<u>2,885,838</u>	<u>3,047,928</u>	<u>5,933,766</u>
<b>Fund balances, end of year</b>	<u><u>\$ 3,460,682</u></u>	<u><u>\$ 2,434,393</u></u>	<u><u>\$ 5,895,075</u></u>

# LANCASTER COUNTY, SOUTH CAROLINA

## NONMAJOR GOVERNMENTAL FUNDS

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### 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

# LANCASTER COUNTY, SOUTH CAROLINA

## COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2015

	Local Accommodations Tax Fund	Indian Land Fire Protection District Fund	E-911 Fund	Pleasant Valley Fire District Fund	Court Mandated Security Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes receivable	-	-	-	-	74,653
Accounts receivable, net	6,109	-	32,760	-	-
Due from other governments	-	-	103,519	-	-
Due from other funds	53,444	265,193	914,631	406,986	280,986
Total assets	<u>\$ 59,553</u>	<u>\$ 265,193</u>	<u>\$ 1,050,910</u>	<u>\$ 406,986</u>	<u>\$ 355,639</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	\$ -	\$ -	\$ -	\$ -	\$ 71,495
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,495</u>
<b>FUND BALANCES</b>					
Restricted for:					
Victim services	-	-	-	-	-
Public safety	-	265,106	1,048,030	406,986	283,059
Culture and recreation	59,553	-	-	-	-
Roads and bridges	-	-	-	-	-
Assigned:					
Subsequent year's budget	-	87	2,880	-	1,085
Unassigned	-	-	-	-	-
Total fund balances	<u>59,553</u>	<u>265,193</u>	<u>1,050,910</u>	<u>406,986</u>	<u>284,144</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 59,553</u>	<u>\$ 265,193</u>	<u>\$ 1,050,910</u>	<u>\$ 406,986</u>	<u>\$ 355,639</u>

<b>Victim Services Fund</b>	<b>Transportation Fund</b>	<b>Sunday Alcohol Sales Fund</b>	<b>Restricted Grants Fund</b>	<b>Totals</b>
\$ 4,552	\$ -	\$ -	\$ -	\$ 4,552
-	-	-	-	74,653
2,634	-	-	635	42,138
-	118,395	5,900	275,754	503,568
8,426	1,441,051	16,780	-	3,387,497
<u>\$ 15,612</u>	<u>\$ 1,559,446</u>	<u>\$ 22,680</u>	<u>\$ 276,389</u>	<u>\$ 4,012,408</u>
\$ -	\$ 16,335	\$ -	\$ -	\$ 16,335
-	-	-	268,607	268,607
-	-	-	195,289	195,289
<u>-</u>	<u>16,335</u>	<u>-</u>	<u>463,896</u>	<u>480,231</u>
\$ -	\$ -	\$ -	\$ -	\$ 71,495
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,495</u>
15,612	-	-	-	15,612
-	-	22,680	-	2,025,861
-	-	-	-	59,553
-	1,543,111	-	-	1,543,111
-	-	-	-	4,052
-	-	-	(187,507)	(187,507)
<u>15,612</u>	<u>1,543,111</u>	<u>22,680</u>	<u>(187,507)</u>	<u>3,460,682</u>
<u>\$ 15,612</u>	<u>\$ 1,559,446</u>	<u>\$ 22,680</u>	<u>\$ 276,389</u>	<u>\$ 4,012,408</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, 2015**

	Local Accommodations Tax Fund	Indian Land Fire Protection District Fund	E-911 Fund	Pleasant Valley Fire District Fund	Court Mandated Security Fund
<b>Revenues:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,091,458
Other taxes	59,760	-	319,575	-	-
Intergovernmental	-	-	360,832	31,650	-
Charges for services	-	488,925	-	394,050	-
Fines and forfeitures	-	2,772	-	2,690	-
Interest revenue	8	83	236	123	-
Contributions and donations	-	-	-	-	-
Total revenues	<u>59,768</u>	<u>491,780</u>	<u>680,643</u>	<u>428,513</u>	<u>1,091,458</u>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	390,767	430,028	189,132	956,262
Public works	-	-	-	-	-
Public health and welfare	-	-	-	-	-
Culture and recreation	16,896	-	-	-	-
Economic development	-	-	-	-	-
Debt service:					
Principal	-	43,820	-	2,010,000	-
Interest	-	3,503	-	167,814	-
Total expenditures	<u>16,896</u>	<u>438,090</u>	<u>430,028</u>	<u>2,366,946</u>	<u>956,262</u>
Excess (deficiency) of revenues over (under) expenditures	<u>42,872</u>	<u>53,690</u>	<u>250,615</u>	<u>(1,938,433)</u>	<u>135,196</u>
<b>Other financing sources (uses):</b>					
Transfers out	-	-	-	(20,000)	-
Proceeds from issuance of bonds	-	-	-	1,969,016	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,949,016</u>	<u>-</u>
Net change in fund balances	42,872	53,690	250,615	10,583	135,196
<b>Fund balances, beginning of year</b>	<u>16,681</u>	<u>211,503</u>	<u>800,295</u>	<u>396,403</u>	<u>148,948</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ 59,553</u>	<u>\$ 265,193</u>	<u>\$ 1,050,910</u>	<u>\$ 406,986</u>	<u>\$ 284,144</u>

<b>Victim Services Fund</b>	<b>Transportation Fund</b>	<b>Sunday Alcohol Sales Fund</b>	<b>Restricted Grants Fund</b>	<b>Totals</b>
\$ -	\$ -	\$ -	\$ -	\$ 1,091,458
-	-	-	-	379,335
-	1,618,846	9,080	1,170,412	3,190,820
-	-	-	-	882,975
84,028	-	-	-	89,490
-	978	-	-	1,428
-	-	-	219,847	219,847
<u>84,028</u>	<u>1,619,824</u>	<u>9,080</u>	<u>1,390,259</u>	<u>5,855,353</u>
-	-	-	87,464	87,464
80,480	-	-	967,414	3,014,083
-	1,363,057	-	15,441	1,378,498
-	-	-	26,684	26,684
-	-	-	241,358	258,254
-	-	-	239,405	239,405
-	-	-	-	2,053,820
-	-	-	-	171,317
<u>80,480</u>	<u>1,363,057</u>	<u>-</u>	<u>1,577,766</u>	<u>7,229,525</u>
<u>3,548</u>	<u>256,767</u>	<u>9,080</u>	<u>(187,507)</u>	<u>(1,374,172)</u>
-	-	-	-	(20,000)
-	-	-	-	1,969,016
-	-	-	-	1,949,016
3,548	256,767	9,080	(187,507)	574,844
<u>12,064</u>	<u>1,286,344</u>	<u>13,600</u>	<u>-</u>	<u>2,885,838</u>
<u>\$ 15,612</u>	<u>\$ 1,543,111</u>	<u>\$ 22,680</u>	<u>\$ (187,507)</u>	<u>\$ 3,460,682</u>

# LANCASTER COUNTY, SOUTH CAROLINA

## NONMAJOR GOVERNMENTAL FUNDS

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### 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 **Bailes Ridge Projects Fund** accounts for improvements to the area's infrastructure that is funded by the fee-in-lieu taxes levied specifically for this purpose.

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

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

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 **SCAGO Public Facilities Corporation Fund** accounts for the capital projects funded with the installment purchase revenue bonds issued by the corporation.

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 **KEER Special Sources Fund** accounts for the capital projects funded with special source debt that is restricted for economic development improvements for the KEER America Corporation.



# LANCASTER COUNTY, SOUTH CAROLINA

## COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS JUNE 30, 2015

	Bailes Ridge Projects Fund	Bond Projects Fund	Brookchase Special Tax District Fund	Capital Improvement Fund	Edgewater Improvement District Fund	Edgewater II Improvement District Fund
<b>ASSETS</b>						
Investments	\$ 2,168,388	\$ -	\$ -	\$ -	\$ -	\$ 800
Taxes receivable	-	-	-	97,975	-	-
Due from other funds	-	73,281	81,694	307,453	505	-
Total assets	<u>\$ 2,168,388</u>	<u>\$ 73,281</u>	<u>\$ 81,694</u>	<u>\$ 405,428</u>	<u>\$ 505</u>	<u>\$ 800</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 505	\$ -
Bond anticipation note payable	-	-	750,500	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>750,500</u>	<u>-</u>	<u>505</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	-	-	-	93,879	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,879</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>						
Restricted for:						
Capital projects	2,168,388	29,073	-	311,549	-	800
Assigned:						
Subsequent year's budget	-	44,208	-	-	-	-
Unassigned	-	-	(668,806)	-	-	-
Total fund balances (deficit)	<u>2,168,388</u>	<u>73,281</u>	<u>(668,806)</u>	<u>311,549</u>	<u>-</u>	<u>800</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,168,388</u>	<u>\$ 73,281</u>	<u>\$ 81,694</u>	<u>\$ 405,428</u>	<u>\$ 505</u>	<u>\$ 800</u>

<b>SCAGO Public Facilities Corporation Fund</b>	<b>Sun City Special Assessments Fund</b>	<b>KEER Special Sources Fund</b>	<b>Totals</b>
\$ 283,203	\$ 279,871	\$ -	\$ 2,732,262
-	-	-	97,975
-	440	-	463,373
<u>\$ 283,203</u>	<u>\$ 280,311</u>	<u>\$ -</u>	<u>\$ 3,293,610</u>
\$ -	\$ 440	\$ -	\$ 945
-	-	-	750,500
13,893	-	-	13,893
<u>13,893</u>	<u>440</u>	<u>-</u>	<u>765,338</u>
-	-	-	93,879
-	-	-	93,879
269,310	279,871	-	3,058,991
-	-	-	44,208
-	-	-	(668,806)
<u>269,310</u>	<u>279,871</u>	<u>-</u>	<u>2,434,393</u>
<u>\$ 283,203</u>	<u>\$ 280,311</u>	<u>\$ -</u>	<u>\$ 3,293,610</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, 2015**

	<b>Bailes Ridge Projects Fund</b>	<b>Bond Projects Fund</b>	<b>Brookchase Special Tax District Fund</b>	<b>Capital Improvement Fund</b>	<b>Edgewater Improvement District Fund</b>	<b>Edgewater II Improvement District Fund</b>
<b>Revenues:</b>						
Property taxes	\$ 726,221	\$ -	\$ -	\$ 1,413,752	\$ -	\$ -
Charges for services	-	-	62,777	-	-	-
Interest revenue	207	58	23	-	-	-
Total revenues	<u>726,428</u>	<u>58</u>	<u>62,800</u>	<u>1,413,752</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>						
Capital outlay:						
General government	-	8,500	-	214,646	-	-
Administration of justice	-	-	-	25,155	-	-
Public safety	-	49,199	-	566,587	-	-
Public works	-	-	-	78,868	-	-
Public health and welfare	-	-	-	251,879	-	-
Culture and recreation	-	-	-	111,827	-	-
Economic development	-	751,274	-	-	-	-
Debt service:						
Principal	320,000	-	-	-	-	-
Interest	135,049	-	5,873	-	-	-
Fees	-	-	2,500	-	-	-
Total expenditures	<u>455,049</u>	<u>808,973</u>	<u>8,373</u>	<u>1,248,962</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>271,379</u>	<u>(808,915)</u>	<u>54,427</u>	<u>164,790</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	279,749	-	-	-	-
Transfers out	-	(561,127)	-	-	-	-
Issuance of bonds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(281,378)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	271,379	(1,090,293)	54,427	164,790	-	-
<b>Fund balances (deficit), beginning of year</b>	<u>1,897,009</u>	<u>1,163,574</u>	<u>(723,233)</u>	<u>146,759</u>	<u>-</u>	<u>800</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ 2,168,388</u>	<u>\$ 73,281</u>	<u>\$ (668,806)</u>	<u>\$ 311,549</u>	<u>\$ -</u>	<u>\$ 800</u>

<b>SCAGO Public Facilities Corporation Fund</b>	<b>Sun City Special Assessments Fund</b>	<b>KEER Special Sources Fund</b>	<b>Totals</b>
\$ -	\$ -	\$ -	\$ 2,139,973
-	-	-	62,777
29	26	-	343
<u>29</u>	<u>26</u>	<u>-</u>	<u>2,203,093</u>
-	-	-	223,146
13,893	-	-	39,048
-	-	-	615,786
-	-	-	78,868
-	-	-	251,879
-	-	-	111,827
-	-	7,504,000	8,255,274
-	-	-	320,000
-	-	-	140,922
-	-	86,500	89,000
<u>13,893</u>	<u>-</u>	<u>7,590,500</u>	<u>10,125,750</u>
<u>(13,864)</u>	<u>26</u>	<u>(7,590,500)</u>	<u>(7,922,657)</u>
-	-	86,500	366,249
-	-	-	(561,127)
-	-	7,504,000	7,504,000
-	-	7,590,500	7,309,122
(13,864)	26	-	(613,535)
<u>283,174</u>	<u>279,845</u>	<u>-</u>	<u>3,047,928</u>
<u>\$ 269,310</u>	<u>\$ 279,871</u>	<u>\$ -</u>	<u>\$ 2,434,393</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, 2015**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Other taxes	\$ 35,000	\$ 35,000	\$ 59,760	\$ 24,760
Interest revenue	-	-	8	8
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>59,768</u>	<u>24,768</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	35,000	35,000	16,896	18,104
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>16,896</u>	<u>18,104</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	42,872	<u>\$ 42,872</u>
<b>FUND BALANCES, beginning of year</b>			<u>16,681</u>	
<b>FUND BALANCES, end of year</b>			<u>\$ 59,553</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, 2015**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Charges for services	\$ 454,025	\$ 454,025	\$ 488,925	\$ 34,900
Fines and forfeitures	-	-	2,772	2,772
Investment income	-	-	83	83
Total revenues	<u>454,025</u>	<u>454,025</u>	<u>491,780</u>	<u>37,755</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	406,700	406,700	390,767	15,933
Debt service:				
Principal	43,822	43,822	43,820	2
Interest	3,503	3,503	3,503	-
Total expenditures	<u>454,025</u>	<u>454,025</u>	<u>438,090</u>	<u>15,935</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	53,690	<u>\$ 53,690</u>
<b>FUND BALANCES, beginning of year</b>			<u>211,503</u>	
<b>FUND BALANCES, end of year</b>			<u>\$ 265,193</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, 2015**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Other taxes	\$ 301,150	\$ 301,150	\$ 319,575	\$ 18,425
Intergovernmental	105,000	105,000	360,832	255,832
Interest revenue	-	-	236	236
Budgeted fund balance	-	6,067	-	(6,067)
Total revenues	<u>406,150</u>	<u>412,217</u>	<u>680,643</u>	<u>268,426</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	406,150	412,217	430,028	(17,811)
Total expenditures	<u>406,150</u>	<u>412,217</u>	<u>430,028</u>	<u>(17,811)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	250,615	<u>\$ 250,615</u>
<b>FUND BALANCES, beginning of year</b>			<u>800,295</u>	
<b>FUND BALANCES, end of year</b>			<u>\$ 1,050,910</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, 2015**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 31,650	\$ 31,650
Charges for services	385,998	385,998	394,050	8,052
Fines and forfeitures	2,500	2,500	2,690	190
Interest revenue	-	-	123	123
Budgeted fund balance	-	30,000	-	(30,000)
Total revenues	<u>388,498</u>	<u>418,498</u>	<u>428,513</u>	<u>10,015</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	159,700	189,700	189,132	568
Debt service:				
Principal	105,000	105,000	2,010,000	(1,905,000)
Interest	103,798	103,798	167,814	(64,016)
Total expenditures	<u>368,498</u>	<u>398,498</u>	<u>2,366,946</u>	<u>(1,968,448)</u>
Excess of revenues over expenditures	20,000	20,000	(1,938,433)	(1,958,433)
<b>Other financing sources (uses)</b>				
Transfers out	(20,000)	(20,000)	(20,000)	-
Proceeds from issuance of bonds	-	-	1,969,016	1,969,016
Total other financing sources (uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>1,949,016</u>	<u>1,969,016</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	10,583	<u>\$ 10,583</u>
<b>FUND BALANCES, beginning of year</b>			<u>396,403</u>	
<b>FUND BALANCES, end of year</b>			<u>\$ 406,986</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, 2015**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Property taxes	\$ 1,045,000	\$ 1,045,000	\$ 1,091,458	\$ 46,458
Budgeted fund balance	107,675	119,985	-	(119,985)
Total revenues	<u>1,152,675</u>	<u>1,164,985</u>	<u>1,091,458</u>	<u>(73,527)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	1,152,675	1,164,985	956,262	208,723
Total expenditures	<u>1,152,675</u>	<u>1,164,985</u>	<u>956,262</u>	<u>208,723</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	135,196	<u>\$ 135,196</u>
<b>FUND BALANCES, beginning of year</b>			<u>148,948</u>	
<b>FUND BALANCES, end of year</b>			<u>\$ 284,144</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, 2015**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 87,605	\$ 87,605	\$ 84,028	\$ (3,577)
Total revenues	<u>87,605</u>	<u>87,605</u>	<u>84,028</u>	<u>(3,577)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	87,605	87,605	80,480	7,125
Total expenditures	<u>87,605</u>	<u>87,605</u>	<u>80,480</u>	<u>7,125</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	3,548	<u>\$ 3,548</u>
<b>FUND BALANCES, beginning of year</b>			<u>12,064</u>	
<b>FUND BALANCES, end of year</b>			<u>\$ 15,612</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, 2015**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Intergovernmental	\$ 1,275,000	\$ 1,275,000	\$ 1,618,846	\$ 343,846
Interest revenue	1,500	1,500	978	(522)
Budgeted fund balance	223,500	223,500	-	(223,500)
Total revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,619,824</u>	<u>119,824</u>
<b>EXPENDITURES</b>				
Current:				
Public works	1,500,000	1,500,000	1,363,057	136,943
Total expenditures	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,363,057</u>	<u>136,943</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	256,767	<u>\$ 256,767</u>
<b>FUND BALANCES, beginning of year</b>			<u>1,286,344</u>	
<b>FUND BALANCES, end of year</b>			<u>\$ 1,543,111</u>	

**LANCASTER COUNTY, SOUTH CAROLINA**  
**SUNDAY ALCOHOL SALES FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 9,080	\$ 9,080
Total revenues	-	-	9,080	9,080
<b>EXPENDITURES</b>				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	\$ -	\$ -	9,080	\$ 9,080
<b>FUND BALANCES, beginning of year</b>			13,600	
<b>FUND BALANCES, end of year</b>			\$ 22,680	

**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, 2015**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Property taxes	\$ 2,342,215	\$ 2,342,215	\$ 2,269,768	\$ (72,447)
Intergovernmental	-	-	104,784	104,784
Interest revenue	750	750	765	15
Total revenues	<u>2,342,965</u>	<u>2,342,965</u>	<u>2,375,317</u>	<u>32,352</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	1,741,272	1,741,272	8,741,272	(7,000,000)
Interest	601,693	601,693	763,441	(161,748)
Total expenditures	<u>2,342,965</u>	<u>2,342,965</u>	<u>9,504,713</u>	<u>(7,161,748)</u>
<b>Other financing sources</b>				
Transfers in	-	-	2,244,109	2,244,109
Proceeds from the issuance of bonds	-	-	7,166,994	7,166,994
Total other financing sources	<u>-</u>	<u>-</u>	<u>9,411,103</u>	<u>9,411,103</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,281,707</u>	<u>\$ 2,281,707</u>
<b>FUND BALANCES, beginning of year</b>			<u>581,916</u>	
<b>FUND BALANCES, end of year</b>			<u>\$ 2,863,623</u>	

**LANCASTER COUNTY, SOUTH CAROLINA**  
**CAPITAL PROJECT SALES TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Sales and other local taxes	\$ 8,000,000	\$ 8,000,000	\$ 8,655,243	\$ 655,243
Interest revenue	-	-	4,889	4,889
Total revenues	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,660,132</u>	<u>660,132</u>
<b>EXPENDITURES</b>				
Current:				
General government	15,000	15,000	15,600	(600)
Budgeted fund balance	<u>1,883,154</u>	<u>1,883,154</u>	-	<u>1,883,154</u>
Total expenditures	<u>1,898,154</u>	<u>1,898,154</u>	<u>15,600</u>	<u>1,882,554</u>
Excess of revenues over expenditures	6,101,846	6,101,846	8,644,532	2,542,686
<b>Other financing sources (uses)</b>				
Transfers in	-	-	15,000	15,000
Transfers out	<u>(6,101,846)</u>	<u>(6,101,846)</u>	<u>(6,088,932)</u>	<u>12,914</u>
Total other financing sources (uses)	<u>(6,101,846)</u>	<u>(6,101,846)</u>	<u>(6,073,932)</u>	<u>27,914</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2,570,600	<u>\$ 2,570,600</u>
<b>FUND BALANCES, beginning of year</b>			<u>8,903,137</u>	
<b>FUND BALANCES, end of year</b>			<u>\$ 11,473,737</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, 2015**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Property taxes	\$ 1,318,000	\$ 1,318,000	\$ 1,413,752	\$ 95,752
Budgeted fund balance	-	42,300	-	(42,300)
Total revenues	<u>1,318,000</u>	<u>1,360,300</u>	<u>1,413,752</u>	<u>53,452</u>
<b>EXPENDITURES</b>				
Capital outlay:				
General government	244,000	244,000	214,646	29,354
Administration of justice	44,000	44,000	25,155	18,845
Public safety	575,000	575,000	566,587	8,413
Public works	100,000	100,000	78,868	21,132
Public health and welfare	280,000	280,000	251,879	28,121
Culture and recreation	75,000	117,300	111,827	5,473
Total expenditures	<u>1,318,000</u>	<u>1,360,300</u>	<u>1,248,962</u>	<u>111,338</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	164,790	<u>\$ 164,790</u>
<b>FUND BALANCES, beginning of year</b>			<u>146,759</u>	
<b>FUND BALANCES, end of year</b>			<u>\$ 311,549</u>	

## **AGENCY FUNDS**



**LANCASTER COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	June 30, 2014	Increases	Decreases	June 30, 2015
<b>Education Fund</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,549,006	\$ 8,784,159	\$ (10,005,249)	\$ 7,327,916
Investments	5,175,469	2,141	(5,129,403)	48,207
Taxes receivable	3,950,340	3,950,340	(3,595,627)	4,305,053
Due from other governments	2,260	1,143	(2,260)	1,143
Total assets	<u>\$ 17,677,075</u>	<u>\$ 12,737,783</u>	<u>\$ (18,732,539)</u>	<u>\$ 11,682,319</u>
<b>LIABILITIES</b>				
Due to school district	\$ 17,586,965	\$ 7,786,620	\$ (13,781,376)	\$ 11,592,209
Due to USC-L	90,110	1,355,536	(1,355,536)	90,110
Total liabilities	<u>\$ 17,677,075</u>	<u>\$ 9,142,156</u>	<u>\$ (15,136,912)</u>	<u>\$ 11,682,319</u>
<b>Clerk of Court</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 319,417	\$ 390,488	\$ (405,191)	\$ 304,714
Investments	20,373	25	-	20,398
Total assets	<u>\$ 339,790</u>	<u>\$ 390,513</u>	<u>\$ (405,191)</u>	<u>\$ 325,112</u>
<b>LIABILITIES</b>				
Due to others	\$ 339,790	\$ 390,513	\$ (405,191)	\$ 325,112
Total liabilities	<u>\$ 339,790</u>	<u>\$ 390,513</u>	<u>\$ (405,191)</u>	<u>\$ 325,112</u>
<b>Family Court</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 199,193	\$ 6,311,846	\$ (6,335,552)	\$ 175,487
Total assets	<u>\$ 199,193</u>	<u>\$ 6,311,846</u>	<u>\$ (6,335,552)</u>	<u>\$ 175,487</u>
<b>LIABILITIES</b>				
Due to others	\$ 199,193	\$ 6,311,846	\$ (6,335,552)	\$ 175,487
Total liabilities	<u>\$ 199,193</u>	<u>\$ 6,311,846</u>	<u>\$ (6,335,552)</u>	<u>\$ 175,487</u>
<b>Probate Court</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,588	\$ 141,564	\$ (141,649)	\$ 1,503
Total assets	<u>\$ 1,588</u>	<u>\$ 141,564</u>	<u>\$ (141,649)</u>	<u>\$ 1,503</u>
<b>LIABILITIES</b>				
Due to others	\$ 1,588	\$ 141,564	\$ (141,649)	\$ 1,503
Total liabilities	<u>\$ 1,588</u>	<u>\$ 141,564</u>	<u>\$ (141,649)</u>	<u>\$ 1,503</u>

**LANCASTER COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	June 30, 2014	Increases	Decreases	June 30, 2015
<b>Tax Collector Property Sold</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,059,636	\$ 4,951,734	\$ (4,602,888)	\$ 1,408,482
Total assets	<u>\$ 1,059,636</u>	<u>\$ 4,951,734</u>	<u>\$ (4,602,888)</u>	<u>\$ 1,408,482</u>
<b>LIABILITIES</b>				
Due to others	\$ 1,059,636	\$ 4,951,734	\$ (4,602,888)	\$ 1,408,482
Total liabilities	<u>\$ 1,059,636</u>	<u>\$ 4,951,734</u>	<u>\$ (4,602,888)</u>	<u>\$ 1,408,482</u>
<b>Tax Collector Trust Account</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 139,137	\$ 154,933	\$ (67,960)	\$ 226,110
Total assets	<u>\$ 139,137</u>	<u>\$ 154,933</u>	<u>\$ (67,960)</u>	<u>\$ 226,110</u>
<b>LIABILITIES</b>				
Due to others	\$ 139,137	\$ 154,933	\$ (67,960)	\$ 226,110
Total liabilities	<u>\$ 139,137</u>	<u>\$ 154,933</u>	<u>\$ (67,960)</u>	<u>\$ 226,110</u>
<b>Forfeit Land Commission</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 452,794	\$ 20,038	\$ (19,571)	\$ 453,261
Total assets	<u>\$ 452,794</u>	<u>\$ 20,038</u>	<u>\$ (19,571)</u>	<u>\$ 453,261</u>
<b>LIABILITIES</b>				
Due to others	\$ 452,794	\$ 20,038	\$ (19,571)	\$ 453,261
Total liabilities	<u>\$ 452,794</u>	<u>\$ 20,038</u>	<u>\$ (19,571)</u>	<u>\$ 453,261</u>
<b>Magistrates</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 99,730	\$ 1,017,014	\$ (1,001,891)	\$ 114,853
Total assets	<u>\$ 99,730</u>	<u>\$ 1,017,014</u>	<u>\$ (1,001,891)</u>	<u>\$ 114,853</u>
<b>LIABILITIES</b>				
Due to others	\$ 99,730	\$ 1,017,014	\$ (1,001,891)	\$ 114,853
Total liabilities	<u>\$ 99,730</u>	<u>\$ 1,017,014</u>	<u>\$ (1,001,891)</u>	<u>\$ 114,853</u>

**LANCASTER COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	June 30, 2014	Increases	Decreases	June 30, 2015
<b>City of Lancaster</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 30,925	\$ 4,268,040	\$ (4,246,303)	\$ 52,662
Taxes receivable	236,180	466,030	(461,088)	241,122
Due from other governments	-	298	-	298
Total assets	<u>\$ 267,105</u>	<u>\$ 4,734,368</u>	<u>\$ (4,707,391)</u>	<u>\$ 294,082</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 267,105	\$ 4,734,368	\$ (4,707,391)	\$ 294,082
Total liabilities	<u>\$ 267,105</u>	<u>\$ 4,734,368</u>	<u>\$ (4,707,391)</u>	<u>\$ 294,082</u>
 <b>Town of Kershaw</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,212	\$ 161,763	\$ (161,798)	\$ 2,177
Taxes receivable	18,095	32,742	(32,167)	18,670
Due from other governments	-	20	-	20
Total assets	<u>\$ 20,307</u>	<u>\$ 194,525</u>	<u>\$ (193,965)</u>	<u>\$ 20,867</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 20,307	\$ 194,525	(193,965)	\$ 20,867
Total liabilities	<u>\$ 20,307</u>	<u>\$ 194,525</u>	<u>\$ (193,965)</u>	<u>\$ 20,867</u>
 <b>Edgewater Improvement District</b>				
<b>ASSETS</b>				
Investments	\$ 694,291	\$ 890,431	\$ (618,810)	\$ 965,912
Total assets	<u>\$ 694,291</u>	<u>\$ 890,431</u>	<u>\$ (618,810)</u>	<u>\$ 965,912</u>
<b>LIABILITIES</b>				
Due to others	\$ 694,291	\$ 890,431	\$ (618,810)	\$ 965,912
Total liabilities	<u>\$ 694,291</u>	<u>\$ 890,431</u>	<u>\$ (618,810)</u>	<u>\$ 965,912</u>
 <b>Edgewater II Improvement District</b>				
<b>ASSETS</b>				
Investments	\$ 640,451	\$ 1,590	\$ (90,833)	\$ 551,208
Total assets	<u>\$ 640,451</u>	<u>\$ 1,590</u>	<u>\$ (90,833)</u>	<u>\$ 551,208</u>
<b>LIABILITIES</b>				
Due to others	\$ 640,451	\$ 1,590	\$ (90,833)	\$ 551,208
Total liabilities	<u>\$ 640,451</u>	<u>\$ 1,590</u>	<u>\$ (90,833)</u>	<u>\$ 551,208</u>

**LANCASTER COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	June 30, 2014	Increases	Decreases	June 30, 2015
<b>Sun City Improvement District</b>				
<b>ASSETS</b>				
Investments	\$ 2,067,997	\$ 1,214,829	\$ (1,211,768)	\$ 2,071,058
Total assets	<u>\$ 2,067,997</u>	<u>\$ 1,214,829</u>	<u>\$ (1,211,768)</u>	<u>\$ 2,071,058</u>
<b>LIABILITIES</b>				
Due to others	\$ 2,067,997	\$ 1,214,829	\$ (1,211,768)	\$ 2,071,058
Total liabilities	<u>\$ 2,067,997</u>	<u>\$ 1,214,829</u>	<u>\$ (1,211,768)</u>	<u>\$ 2,071,058</u>
<b>Edenmoor Improvement District</b>				
<b>ASSETS</b>				
Investments	\$ 868,436	\$ 1,603,807	\$ (1,469,081)	\$ 1,003,162
Total assets	<u>\$ 868,436</u>	<u>\$ 1,603,807</u>	<u>\$ (1,469,081)</u>	<u>\$ 1,003,162</u>
<b>LIABILITIES</b>				
Due to others	\$ 868,436	\$ 1,603,807	\$ (1,469,081)	\$ 1,003,162
Total liabilities	<u>\$ 868,436</u>	<u>\$ 1,603,807</u>	<u>\$ (1,469,081)</u>	<u>\$ 1,003,162</u>
<b>Detention Center Inmates</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,105	\$ 139,887	\$ (142,470)	\$ 2,522
Total assets	<u>\$ 5,105</u>	<u>\$ 139,887</u>	<u>\$ (142,470)</u>	<u>\$ 2,522</u>
<b>LIABILITIES</b>				
Due to others	\$ 5,105	\$ 139,887	\$ (142,470)	\$ 2,522
Total liabilities	<u>\$ 5,105</u>	<u>\$ 139,887</u>	<u>\$ (142,470)</u>	<u>\$ 2,522</u>
<b>Employee Funds</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 451	\$ 7,304	\$ (7,029)	\$ 726
Total assets	<u>\$ 451</u>	<u>\$ 7,304</u>	<u>\$ (7,029)</u>	<u>\$ 726</u>
<b>LIABILITIES</b>				
Due to others	\$ 451	\$ 7,304	\$ (7,029)	\$ 726
Total liabilities	<u>\$ 451</u>	<u>\$ 7,304</u>	<u>\$ (7,029)</u>	<u>\$ 726</u>

**LANCASTER COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	June 30, 2014	Increases	Decreases	June 30, 2015
<b>Totals</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,859,194	\$ 26,348,770	\$ (27,137,551)	\$ 10,070,413
Investments	9,467,017	3,712,823	(8,519,895)	4,659,945
Taxes receivable	4,204,615	4,449,112	(4,088,882)	4,564,845
Due from other governments	2,260	1,461	(2,260)	1,461
Total assets	<u>\$ 24,533,086</u>	<u>\$ 34,512,166</u>	<u>\$ (39,748,588)</u>	<u>\$ 19,296,664</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 17,964,487	\$ 14,071,049	\$ (20,038,268)	\$ 11,997,268
Due to others	6,568,599	16,845,490	(16,114,693)	7,299,396
Total liabilities	<u>\$ 24,533,086</u>	<u>\$ 30,916,539</u>	<u>\$ (36,152,961)</u>	<u>\$ 19,296,664</u>

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

# LANCASTER COUNTY, SOUTH CAROLINA

## SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES CLERK OF COURT AND MAGISTRATE COURT JUNE 30, 2015

	<u>Collections</u>	<u>Amount Remitted to County Treasurer</u>	<u>Amount Remitted to State Treasurer</u>	<u>Amount Allocated to Victim's Services</u>
Clerk of Court				
Fines and Fees	\$ 201,181	\$ 54,974	\$ 146,207	\$ -
Assessments	10,679	3,225	7,454	3,225
Surcharges	30,753	18,460	12,293	18,460
Totals	<u>\$ 242,613</u>	<u>\$ 76,659</u>	<u>\$ 165,954</u>	<u>\$ 21,685</u>
Magistrate Court				
Fines and Fees	\$ 438,080	\$ 403,120	\$ 34,960	\$ -
Assessments	337,233	33,766	303,467	33,766
Surcharges	191,945	23,237	168,708	23,237
Totals	<u>\$ 967,258</u>	<u>\$ 460,123</u>	<u>\$ 507,135</u>	<u>\$ 57,003</u>
Solicitor Traffic Education				
Assessments	\$ 1,120	\$ 103	\$ 1,017	\$ 103
Totals	<u>\$ 1,120</u>	<u>\$ 103</u>	<u>\$ 1,017</u>	<u>\$ 103</u>
Family Court				
Fines and fees	\$ 386,340	\$ 181,149	\$ 205,191	\$ -
Totals	<u>\$ 386,340</u>	<u>\$ 181,149</u>	<u>\$ 205,191</u>	<u>\$ -</u>
Probate Court				
Fines and Fees	\$ 144,677	\$ 136,192	\$ 8,485	\$ -
Totals	<u>\$ 144,677</u>	<u>\$ 136,192</u>	<u>\$ 8,485</u>	<u>\$ -</u>
<b>Victims' Assistance</b>				
Balance for victims' assistance - beginning of year				\$ 12,064
Amounts allocated for victims' assistance - July 1, 2014 - June 30, 2015				78,791
Amounts from Town of Kershaw for victims' assistance - July 1, 2014 - June 30, 2015				5,237
Amounts spent for victims' assistance in fiscal year 2015				
from assessments and surcharges				
Salaries and benefits				(52,807)
Operating expenditures				(2,673)
Direct assistance to other agencies				(25,000)
Balance for victims' assistance - end of year				<u>\$ 15,612</u>

## STATISTICAL SECTION

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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 ..... 105 - 113**

*These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.*

#### **Revenue Capacity ..... 114 - 118**

*These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.*

#### **Debt Capacity ..... 119 - 122**

*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.*

#### **Demographic and Economic Information ..... 123 and 124**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.*

#### **Operating Information ..... 125 - 127**

*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.*

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 2008, it was determined that the Airport, Library, & Recreation functions did not meet the definition of a legally separate entity for financial reporting purposes, therefore these entities are included with the County's governmental funds financial statements (modified accrual) beginning in fiscal year 2008 as Special Revenue Funds. 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									
	2006 <sup>1</sup>	2007	2008 <sup>2</sup>	2009 <sup>3</sup>	2010 <sup>4</sup>	2011	2012	2013	2014 <sup>5</sup>	2015
Governmental activities										
Net investment in capital assets	\$ 9,648,288	\$ 16,075,000	\$ 18,128,925	\$ 27,608,973	\$ 30,319,260	\$ 37,890,060	\$ 33,996,194	\$ 36,831,933	\$ 40,435,476	\$ 28,252,587
Restricted	3,531,482	3,739,087	3,557,298	3,668,396	10,234,674	13,025,845	19,584,980	24,325,103	20,858,227	42,783,910
Unrestricted	42,178,027	25,374,209	39,197,629	21,506,800	17,985,707	15,336,956	13,884,941	16,314,803	22,458,160	(14,302,454)
Total governmental activities net position	<u>\$ 55,357,797</u>	<u>\$ 45,188,296</u>	<u>\$ 60,883,852</u>	<u>\$ 52,784,169</u>	<u>\$ 58,539,641</u>	<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>
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,790,882	\$ 5,460,419
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	(124,719)	(165,515)
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,666,163</u>	<u>\$ 5,294,904</u>
Primary government										
Net investment in capital assets	\$ 9,648,288	\$ 16,075,000	\$ 18,128,925	\$ 27,608,973	\$ 30,319,260	\$ 37,890,060	\$ 33,996,194	\$ 36,831,933	\$ 44,226,358	\$ 33,713,006
Restricted	3,531,482	3,739,087	3,557,298	3,668,396	10,234,674	13,025,845	19,584,980	24,325,103	20,858,227	42,783,910
Unrestricted	42,178,027	25,374,209	39,197,629	21,506,800	17,985,707	15,336,956	13,884,941	16,314,803	22,333,441	(14,467,969)
Total primary government net position	<u>\$ 55,357,797</u>	<u>\$ 45,188,296</u>	<u>\$ 60,883,852</u>	<u>\$ 52,784,169</u>	<u>\$ 58,539,641</u>	<u>\$ 66,252,861</u>	<u>\$ 67,466,115</u>	<u>\$ 77,471,839</u>	<u>\$ 87,418,026</u>	<u>\$ 62,028,947</u>

(1) The Sun City & Edenmoor Special Assessment Districts and the Bailes Ridge special source revenue bonds are included in net position beginning in fiscal year 2006.

(2)The Edgewater II Improvement District is included in net position beginning in fiscal year 2008.

(3)The SCAGO Public Facilities Corporation is included in net position beginning in fiscal year 2009.

(4)The Capital Project Sales Tax Fund is included in net position beginning in fiscal year 2010.

(5)The Airport Fund is included as an enterprise fund beginning in fiscal year 2014.

# LANCASTER COUNTY, SOUTH CAROLINA

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

	Fiscal Year									
	2006 <sup>1</sup>	2007 <sup>2</sup>	2008 <sup>3</sup>	2009 <sup>4</sup>	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Primary government:										
Governmental activities:										
General government	\$ 7,483,550	\$ 8,047,777	\$ 9,641,480	\$ 11,004,706	\$ 10,832,346	\$ 10,983,933	\$ 13,494,007	\$ 14,274,314	\$ 11,299,133	\$ 13,556,703
Public safety	7,561,537	8,187,570	10,108,792	10,747,904	11,374,643	11,351,803	13,113,668	13,079,241	18,204,203	18,601,569
Public works	3,952,300	4,710,191	7,463,470	6,050,232	6,065,063	5,880,894	6,741,646	6,514,659	7,088,564	7,212,342
Other activities	26,306,466	39,672,844	25,912,261	26,872,414	18,466,148	17,543,807	17,490,004	15,897,654	19,076,859	22,736,802
Total governmental activities expenses	45,303,853	60,618,382	53,126,003	54,675,256	46,738,200	45,760,437	50,839,325	49,765,868	55,668,759	62,107,416
Business-type activities:										
Airport	-	-	-	-	-	-	-	-	437,607	404,801
Total business-type activities expenses	-	-	-	-	-	-	-	-	437,607	404,801
Total primary government expenses	45,303,853	60,618,382	53,126,003	54,675,256	46,738,200	45,760,437	50,839,325	49,765,868	56,106,366	62,512,217
<b>Program revenues</b>										
Primary government:										
Governmental activities:										
Charges for services										
General government	4,048,551	5,322,718	4,472,351	2,521,991	2,649,811	2,715,439	2,758,959	4,003,901	5,937,198	6,066,247
Administration of justice	902,749	932,736	1,230,302	1,198,420	1,161,469	1,100,988	1,069,362	1,067,263	1,027,217	1,017,176
Public health and welfare	2,136,481	2,115,531	2,274,497	2,191,295	2,523,597	2,513,973	3,066,640	2,883,399	2,410,441	2,589,560
Other activities	431,714	1,490,708	1,628,022	1,574,402	1,835,658	1,866,566	2,273,170	2,171,849	2,310,502	2,487,280
Operating grants and contributions	49,655,511	8,133,234	31,083,768	2,775,364	6,378,143	4,556,750	4,163,480	4,346,939	9,593,044	3,844,636
Capital grants and contributions	564,598	2,664,827	832,855	5,555,897	946,405	2,123,502	352,064	3,273,685	807,784	1,943,650
Total governmental activities program revenues	57,739,604	20,659,754	41,521,795	15,817,369	15,495,083	14,877,218	13,683,675	17,747,036	22,086,186	17,948,549
Business-type activities:										
Charges for services										
Airport	-	-	-	-	-	-	-	-	173,727	179,970
Capital grants and contributions	-	-	-	-	-	-	-	-	50,393	1,873,922
Total business-type activities program revenues	-	-	-	-	-	-	-	-	224,120	2,053,892
Total primary government program revenues	57,739,604	20,659,754	41,521,795	15,817,369	15,495,083	14,877,218	13,683,675	17,747,036	22,310,306	20,002,441

(Continued)

# LANCASTER COUNTY, SOUTH CAROLINA

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

	Fiscal Year									
	2006 <sup>1</sup>	2007 <sup>2</sup>	2008 <sup>3</sup>	2009 <sup>4</sup>	2010	2011	2012	2013	2014 <sup>5</sup>	2015
Net (expense) revenue										
Governmental activities	\$ 12,435,751	\$ (39,958,628)	\$ (11,604,208)	\$ (38,857,887)	\$ (31,243,117)	\$ (30,883,219)	\$ (37,155,650)	\$ (32,018,832)	\$ (33,582,573)	\$ (44,158,867)
Business-type activities	-	-	-	-	-	-	-	-	(213,487)	1,649,091
Total primary government	<u>12,435,751</u>	<u>(39,958,628)</u>	<u>(11,604,208)</u>	<u>(38,857,887)</u>	<u>(31,243,117)</u>	<u>(30,883,219)</u>	<u>(37,155,650)</u>	<u>(32,018,832)</u>	<u>(33,796,060)</u>	<u>(42,509,776)</u>
<b>General revenues and other changes in net position</b>										
Primary government:										
Governmental activities:										
Property taxes	16,682,253	18,007,222	19,646,513	23,375,134	24,531,262	26,039,328	26,759,326	27,805,777	30,476,927	32,542,322
Other taxes	1,414,470	1,197,417	1,387,257	1,482,296	6,728,510	7,798,566	8,579,956	9,220,550	10,759,834	11,837,073
Unrestricted grants and contributions	2,976,711	4,954,683	4,510,153	4,492,562	3,985,341	3,720,738	3,511,437	4,029,881	3,060,980	3,080,863
Unrestricted investment earnings	322,854	1,657,970	1,254,997	374,332	101,224	106,003	54,753	31,753	57,446	62,046
Other	3,147,874	(396,875)	500,844	1,033,880	1,652,252	931,804	(813)	936,595	-	-
Prior period adjustment	-	2,398,940	-	-	-	-	(535,755)	-	-	-
Transfers	-	-	-	-	-	-	-	-	(40,000)	(50,000)
Total governmental activities general revenues and other changes in net position	<u>24,544,162</u>	<u>27,819,357</u>	<u>27,299,764</u>	<u>30,758,204</u>	<u>36,998,589</u>	<u>38,596,439</u>	<u>38,368,904</u>	<u>42,024,556</u>	<u>44,315,187</u>	<u>47,472,304</u>
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	40,000	50,000
Total business type activities general revenues and other changes in net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>50,000</u>
Total primary government general revenues and other changes in net position	<u>\$ 24,544,162</u>	<u>\$ 27,819,357</u>	<u>\$ 27,299,764</u>	<u>\$ 30,758,204</u>	<u>\$ 36,998,589</u>	<u>\$ 38,596,439</u>	<u>\$ 38,368,904</u>	<u>\$ 42,024,556</u>	<u>\$ 44,355,187</u>	<u>\$ 47,522,304</u>
<b>Change in net position</b>										
Governmental activities	36,979,913	(12,139,271)	15,695,556	(8,099,683)	5,755,472	7,713,220	1,213,254	10,005,724	10,732,614	3,313,437
Business-type activities	-	-	-	-	-	-	-	-	(173,487)	1,699,091
Total primary government change in net position	<u>\$ 36,979,913</u>	<u>\$ (12,139,271)</u>	<u>\$ 15,695,556</u>	<u>\$ (8,099,683)</u>	<u>\$ 5,755,472</u>	<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>

(1) Fiscal Year 2006 includes Sun City & Edenmoor Improvement Districts & Bailes Ridge Business Park.

(2) Fiscal Year 2007 includes \$17,312,904 in expenditures for the Edenmoor Improvement District.

(3) Fiscal Year 2008 includes revenues and expenditures related to the Edgewater II Improvement District.

(4) Fiscal Year 2009 includes revenues and expenditures related to SCAGO Public Facilities Corporation.

(5) Fiscal Year 2014 includes the Airport Fund as a business-type activity.

## 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
2006	11,320,315	1,892,385	3,469,553	-	841,164	573,306	18,096,723
2007	12,265,925	1,883,051	3,858,246	-	888,345	309,073	19,204,640
2008	13,952,327	1,739,865	3,929,649	-	939,535	472,394	21,033,770
2009	17,724,858	1,876,027	3,774,249	-	959,633	522,663	24,857,430
2010	19,150,376	1,831,426	3,549,460	5,281,993	976,296	470,221	31,259,772
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	408,075	40,358,911
2015	23,817,711	2,951,321	5,773,290	8,655,243	2,183,931	379,335	43,760,831

(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									
	2006 <sup>1</sup>	2007	2008 <sup>2,3</sup>	2009 <sup>4</sup>	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable	\$ 893,727	\$ 899,882	\$ 1,260,535	\$ 752,723	\$ 1,525,507	\$ 446,265	\$ 419,097	\$ 465,876	\$ 470,608	\$ 1,036,548
Restricted	1,450,634	1,546,591	1,087,506	1,029,032	814,990	1,425,506	1,925,029	1,949,398	1,757,465	1,664,659
Committed	-	-	383,204	341,269	-	-	-	-	-	-
Assigned	52,794	1,906,949	1,252,516	327,277	111,903	88,054	131,705	216,329	1,238,174	1,662,673
Unassigned	10,221,736	13,626,979	13,672,743	15,461,511	13,940,414	15,727,979	13,905,577	14,812,691	16,940,776	17,842,835
Total General fund	<u>12,618,891</u>	<u>17,980,401</u>	<u>17,656,504</u>	<u>17,911,812</u>	<u>16,392,814</u>	<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>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,293	\$ 52,900	\$ 623,943	\$ 561,127	\$ -
Restricted	36,038,635	12,685,898	985,901	5,337,669	37,556,390	24,983,673	21,344,104	18,472,163	19,338,480	41,372,751
Assigned	-	104,795	252,947	44,861	430,788	1,950	28,492	31,427	165,520	48,260
Unassigned	(907,184)	(238,492)	25,403,037	42,125,587	(4,644,209)	(1,523,198)	(1,037,704)	(925,102)	(723,233)	(856,313)
Total all other governmental funds	<u>\$ 35,131,451</u>	<u>\$ 12,552,201</u>	<u>\$ 26,641,885</u>	<u>\$ 47,508,117</u>	<u>\$ 33,342,969</u>	<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>
Total all governmental funds	<u>\$ 47,750,342</u>	<u>\$ 30,532,602</u>	<u>\$ 44,298,389</u>	<u>\$ 65,419,929</u>	<u>\$ 49,735,783</u>	<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>

(1) Fiscal Year 2006 includes Sun City & Edenmoor Improvement Districts & Bailes Ridge Business Park.

(2) During fiscal year 2008, it was determined that the Lancaster County Airport Commission, Lancaster County Library, & Joint Recreation Commission of Lancaster County did not meet the definition of a legally separate entity for financial reporting purposes. Therefore, these entities are included with the County's financial statements beginning in fiscal year 2008. Prior years have not been restated in the statistical section.

(3) Fiscal Year 2008 includes fund balance related to the Edgewater II Improvement District.

(4) Fiscal Year 2009 includes fund balance related to SCAGO Public Facilities Corporation.

**LANCASTER COUNTY, SOUTH CAROLINA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Taxes	\$ 17,986,185	\$ 19,210,716	\$ 20,976,717	\$ 24,289,541	\$ 30,975,180	\$ 33,496,235	\$ 35,868,567	\$ 36,910,888	\$ 40,100,667	\$ 43,591,415
Licenses and permits	4,227,204	5,418,167	4,720,683	2,727,033	2,864,552	2,872,281	2,873,627	4,160,774	5,191,197	5,412,448
Intergovernmental	5,612,714	7,143,069	7,722,481	6,780,712	6,593,742	10,056,718	6,795,508	7,283,619	13,378,905	7,679,451
Charges for services	2,278,912	2,522,904	3,541,004	3,814,421	4,007,195	4,227,841	4,796,444	4,644,851	4,882,693	5,189,021
Fines, fees, and forfeitures	918,949	947,023	1,038,828	964,382	1,202,761	978,975	1,063,923	1,056,203	1,028,680	1,020,330
Interest income	544,821	1,964,141	1,360,491	383,775	99,235	103,219	52,522	29,211	57,446	62,046
Contributions and donations	464,458	379,263	2,324,810	468,171	218,121	364,502	361,223	525,936	351,666	344,344
Contributions from property owners	46,541,631	(4,988,640)	26,131,035	16,254	-	-	-	-	-	-
Other	829,641	189,725	201,003	163,445	138,702	279,484	163,279	486,396	230,863	247,254
Total revenues	<u>79,404,515</u>	<u>32,786,368</u>	<u>68,017,052</u>	<u>39,607,734</u>	<u>46,099,488</u>	<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>
<b>Expenditures:</b>										
General government	7,225,795	7,824,858	9,508,392	10,916,594	11,087,906	9,846,699	12,670,895	11,619,717	10,004,834	11,646,926
Administration of justice	1,350,238	1,355,332	2,588,256	4,667,838	15,155,605	18,559,715	2,765,385	1,709,906	1,823,021	1,982,265
Public safety	8,959,935	8,160,736	13,910,070	12,337,057	11,273,954	12,691,671	12,202,000	16,364,710	16,500,414	17,169,386
Public works	4,452,345	5,237,436	7,008,791	5,438,901	5,478,433	5,315,801	6,235,699	5,549,083	6,279,272	6,656,489
Public health and welfare	4,274,274	4,232,343	4,507,153	5,523,364	5,882,288	5,627,899	6,865,474	6,292,003	6,587,179	6,353,634
Culture and recreation	-	-	-	-	-	-	-	-	3,226,890	3,696,364
Economic development	19,697,038	20,492,644	18,819,783	14,647,485	5,497,672	3,186,407	3,422,632	1,954,572	5,517,505	659,185
Other	738,890	738,022	3,564,609	4,570,651	3,025,348	2,952,393	3,129,091	3,196,847	-	-
Capital outlay	-	-	64,488	-	3,059,750	1,858,927	819,921	133,297	3,101,804	9,575,828
Debt service										
Principal retirement	1,740,020	1,886,886	2,132,673	2,004,577	2,135,256	6,623,744	6,840,461	7,203,729	7,515,489	16,482,104
Interest and other charges	654,713	721,550	621,290	1,370,994	2,538,338	2,582,333	2,517,241	2,274,282	2,009,580	2,170,263
Total expenditures	<u>49,093,248</u>	<u>50,649,807</u>	<u>62,725,505</u>	<u>61,477,461</u>	<u>65,134,550</u>	<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>
Excess (deficiency) of revenues over (under) expenditures	<u>30,311,267</u>	<u>(17,863,439)</u>	<u>5,291,547</u>	<u>(21,869,727)</u>	<u>(19,035,062)</u>	<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>
<b>Other financing sources (uses):</b>										
Transfer in	2,370,949	116,657	2,397,963	2,461,432	2,757,365	8,115,647	8,144,995	8,042,257	6,129,115	9,295,417
Transfer out	-	(116,657)	(2,397,963)	(2,461,432)	(2,757,365)	(8,115,647)	(8,144,995)	(8,042,257)	(6,169,115)	(9,345,417)
Issuance of debt - capital leases	2,152,320	645,700	-	2,338,851	605,000	-	1,020,000	-	226,000	445,000
Issuance of debt	2,929,053	-	7,463,709	43,040,000	2,502,721	10,660,000	-	-	950,000	35,384,119
Premium on bond	-	-	-	1,302,907	-	50,387	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	(4,556,438)	-	(3,658,895)	-	-	-	-
Sale of capital assets	-	-	87,900	38,549	12,751	33,029	37,384	77,792	210,915	89,512
Special item - insurance recoveries	-	-	-	827,397	227,936	1,251,553	-	-	-	-
Total other financing sources (uses)	<u>7,452,322</u>	<u>645,700</u>	<u>7,551,609</u>	<u>42,991,266</u>	<u>3,348,408</u>	<u>8,336,074</u>	<u>1,057,384</u>	<u>77,792</u>	<u>1,346,915</u>	<u>35,868,631</u>
Net change in fund balances	<u>\$ 37,763,589</u>	<u>\$ (17,217,739)</u>	<u>\$ 12,843,156</u>	<u>\$ 21,121,539</u>	<u>\$ (15,686,654)</u>	<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>
Debt Service as a Percentage of Noncapital Expenditures	<u>7.78%</u>	<u>5.21%</u>	<u>5.37%</u>	<u>5.30%</u>	<u>6.39%</u>	<u>10.64%</u>	<u>19.35%</u>	<u>18.85%</u>	<u>16.73%</u>	<u>26.32%</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
<b>2006</b>	\$ 11,232,168	\$ 1,892,385	\$ 3,469,553	\$ -	\$ 841,164	\$ 550,915	\$ 17,986,185
<b>2007</b>	12,249,611	1,883,051	3,858,246	-	888,345	331,463	19,210,716
<b>2008</b>	13,895,274	1,739,865	3,929,649	-	939,535	472,394	20,976,717
<b>2009</b>	17,156,969	1,876,027	3,774,249	-	959,633	522,663	24,289,541
<b>2010</b>	18,865,784	1,831,426	3,549,460	5,281,993	976,296	470,221	30,975,180
<b>2011</b>	19,649,879	1,810,435	4,237,355	6,385,293	996,417	416,856	33,496,235
<b>2012</b>	20,732,068	2,032,440	4,524,103	6,924,788	1,176,367	478,801	35,868,567
<b>2013</b>	20,616,739	2,223,687	4,849,911	7,225,680	1,522,254	472,617	36,910,888
<b>2014</b>	21,990,985	2,586,810	5,302,815	7,871,762	1,940,220	408,075	40,100,667
<b>2015</b>	23,648,295	2,951,321	5,773,290	8,655,243	2,183,931	379,335	43,591,415

(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								Grand Total	
	Property Taxes	Inter-governmental	Licenses and Permits	Charges for Services	Fines, Fees, and Forfeitures	Other	Total Revenues	Other Financing Sources	Revenues Including Other Financing Sources
<b>2006</b>	\$ 14,868,221	\$ 3,798,382	\$ 4,227,204	\$ 2,278,912	\$ 918,949	\$ 2,939,896	\$ 29,031,564	\$ 2,152,320	\$ 31,183,884
<b>2007</b>	16,233,182	3,804,301	5,418,167	2,314,704	944,729	2,364,295	31,079,378	645,700	31,725,078
<b>2008</b>	17,283,962	4,081,807	4,720,683	2,441,711	993,137	3,486,155	33,007,455	87,900	33,095,355
<b>2009</b>	18,511,312	3,885,211	2,727,033	2,638,151	914,503	1,658,131	30,334,341	2,392,400	32,726,741
<b>2010</b>	19,418,982	3,290,461	2,864,552	2,663,366	1,137,564	1,215,244	30,590,169	642,751	31,232,920
<b>2011</b>	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
<b>2012</b>	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
<b>2013</b>	24,410,433	3,303,561	4,160,774	2,816,174	893,708	831,362	36,416,012	102,792	36,518,804
<b>2014</b>	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
<b>2015</b>	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



**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 (2)	Total Expenditures	Other Financing Uses	Grand Total Expenditures Including Other Financing Uses
<b>2006</b>	\$ 7,041,917	\$ 1,350,238	\$ 8,792,702	\$ 3,257,399	\$ 4,274,274	\$ 845,705	\$ 911,444	\$ 26,473,679	\$ -	\$ 26,473,679
<b>2007</b>	7,237,294	1,355,332	7,996,671	3,543,650	4,158,251	1,125,510	830,203	26,246,911	116,657	26,363,568
<b>2008</b>	8,707,826	1,444,667	9,297,736	5,132,361	4,478,572	1,218,228	560,022	30,839,412	2,397,963	33,237,375
<b>2009</b>	10,019,189	1,471,056	8,360,088	4,011,450	5,500,232	430,948	240,747	30,033,710	2,437,723	32,471,433
<b>2010</b>	10,186,854	1,496,411	8,302,504	4,155,822	5,747,912	569,246	401,261	30,860,010	1,891,908	32,751,918
<b>2011</b>	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
<b>2012</b>	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
<b>2013</b>	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
<b>2014</b>	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
<b>2015</b>	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

(1) Includes only general funds. The E-911 fund was included in general funds for fiscal years 2004-2007.

(2) Does not include G.O. bonds.

**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		
<b>2006</b>	2005	\$ 112,399,925	\$ 2,247,998,500	\$ 68,955,351	\$ 727,381,423	\$ 181,355,276	\$ 2,975,379,923	6.10 %	86.50
<b>2007</b>	2006 (2)	157,645,060	3,152,901,200	71,731,401	819,867,905	229,376,461	3,972,769,105	5.77	71.50
<b>2008</b>	2007	172,404,224	3,448,084,480	74,291,673	867,419,977	246,695,897	4,315,504,457	5.72	75.90
<b>2009</b>	2008	201,753,816	4,035,076,320	71,159,910	836,636,602	272,913,726	4,871,712,922	5.60	82.20
<b>2010</b>	2009	211,761,152	4,235,223,040	69,692,917	810,346,262	281,454,069	5,045,569,302	5.58	80.90
<b>2011</b>	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
<b>2012</b>	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
<b>2013</b>	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
<b>2014</b>	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
<b>2015</b>	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

(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 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 motor vehicles (6%). The motor vehicle assessment ratio declined by .75% each year for the years of 2005 thru 2007.

**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	Overlapping Rates (1)												
		Lancaster County				Lancaster County School District								Total Direct and Overlapping Rates
		County Operating	County Debt	County Capital Improvement and Court Security	Total County	School Operating	School Debt	Total School District	University of S.C. Lancaster	Town of Heath Springs	Town of Kershaw	City of Lancaster		
2005	2006	76.50	5.00	5.00	86.50	143.50	38.50	182.00	3.50	-	78.80	150.00	500.80	
2006	2007 <sup>2</sup>	64.00	3.50	4.00	71.50	119.00	38.50	157.50	3.00	-	64.80	137.00	433.80	
2007	2008	66.50	5.40	4.00	75.90	123.50	43.50	167.00	3.10	-	64.80	140.00	450.80	
2008	2009	66.70	8.00	7.50	82.20	128.50	43.50	172.00	3.30	-	64.80	143.50	465.80	
2009	2010	66.70	6.70	7.50	80.90	133.50	38.50	172.00	3.30	-	69.30	143.50	469.00	
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 <sup>2</sup>	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	

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 in fiscal years 2007 and 2012.

# LANCASTER COUNTY, SOUTH CAROLINA

## PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

2015					2006				
Taxpayer	Taxable Assessed		Percentage of Total County Taxable		Taxable Assessed		Percentage of Total County Taxable		Taxes Paid (1)
	Value	Rank	Assessed Value	Taxes Paid (1)	Value	Rank	Assessed Value	Taxes Paid (1)	
Duke Energy	\$ 8,013,310	1	2.47%	\$ 2,367,433	\$ 6,744,170	2	3.72%	\$ 1,854,544	
The Gillette Company	4,215,682	2	1.30%	1,741,872	5,331,119	3	2.94%	1,964,368	
Lancaster Hospital Corp.	4,355,710	3	1.34%	1,722,054	3,531,190	4	1.95%	1,339,628	
Haile Gold Mine Inc	1,919,566	4	0.59%	543,262					
Springland Associates	1,322,840	5	0.41%	518,659	2,175,240	5	1.20%	814,196	
Lancaster Telephone Co.	1,398,540	6	0.43%	480,171	1,542,100	6	0.85%	493,547	
Pulte Home Corp.	1,709,460	7	0.53%	464,790					
Springs Global	1,463,180	8	0.45%	409,453	8,235,152	1	4.54%	2,103,656	
IX WR 3023 HSBC WAP LP	1,302,184	9	0.40%	376,852					
Lynches River Electric	1,314,840	10	0.41%	371,699	881,060	8	0.49%	232,600	
Belden Wire & Cable					1,488,540	7	0.82%	404,883	
Cardinal Health					814,346	9	0.45%	221,502	
Founders Federal Credit Union					645,660	10	0.36%	210,805	
Total assessed value of ten largest taxpayers	<u>\$ 27,015,312</u>		8.34%	<u>\$ 8,996,245</u>	<u>\$ 31,388,577</u>		17.31%	<u>\$ 9,639,729</u>	
Total assessed value of all taxpayers	323,918,406		100%		181,355,276		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**

Levy Year	Original Levy	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 9,279,454	\$ 1,086,594	\$ 10,366,048	\$ 10,036,563	96.82%	\$ 308,003	\$ 10,344,566	99.79%
2006	11,116,412	179,300	11,295,712	10,837,919	95.95%	434,285	11,272,204	99.79%
2007	12,413,953	665,685	13,079,638	12,596,199	96.30%	451,664	13,047,863	99.76%
2008	16,324,750	(59,777)	16,264,973	15,243,682	93.72%	946,502	16,190,184	99.54%
2009	16,692,282	293,920	16,986,202	15,998,456	94.19%	813,777	16,812,233	98.98%
2010	18,177,916	(52,417)	18,125,499	16,954,909	93.54%	968,533	17,923,442	98.89%
2011	17,717,289	441,247	18,158,536	17,372,203	95.67%	628,347	18,000,550	99.13%
2012	18,086,112	(104,567)	17,981,545	17,297,322	96.19%	473,593	17,770,915	98.83%
2013	19,312,592	391,735	19,704,327	18,975,609	96.30%	-	18,975,609	96.30%
2014	20,736,283	470,546	21,206,829	20,418,390	96.28%	-	20,418,390	96.28%

**Source:** Lancaster County Treasurer

Includes County Ordinary, County Debt, County Capital Improvement, & County Court Security

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

Levy Year	Original Levy	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 1,486,566	\$ 297,863	\$ 1,784,429	\$ 1,703,928	95.49%	\$ 76,612	\$ 1,780,540	99.78%
2006	1,569,338	464,843	2,034,181	1,942,620	95.50%	87,200	2,029,820	99.79%
2007	1,270,405	407,528	1,677,933	1,607,309	95.79%	67,330	1,674,639	99.80%
2008	1,492,012	285,509	1,777,521	1,694,729	95.34%	78,837	1,773,566	99.78%
2009	1,763,319	233,480	1,996,799	1,916,851	96.00%	76,870	1,993,721	99.85%
2010	1,609,746	91,302	1,701,048	1,630,457	95.85%	67,859	1,698,316	99.84%
2011	1,718,915	256,655	1,975,570	1,903,400	96.35%	66,879	1,970,279	99.73%
2012	1,982,449	116,463	2,098,912	2,018,240	96.16%	76,979	2,095,219	99.82%
2013	2,212,716	240,974	2,453,690	2,275,933	92.76%	106,330	2,382,263	97.09%
2014	2,559,126	341,375	2,900,501	2,709,070	93.40%	-	2,709,070	93.40%

**Source:** Lancaster County Treasurer

Includes County Ordinary, County Debt, County Capital Improvement, & County Court Security

# LANCASTER COUNTY, SOUTH CAROLINA

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Governmental Activities									
Fiscal Year	General Obligation Bonds	SCAGO Public Facilities Installment Purchase Revenue Bonds	Capital Leases	Special Source Revenue Bonds	Mortgages Payable	Unamortized discount/premium on debt	Total Outstanding Debt	Percentage of Personal Income	Per Capita
2006	\$ 9,550,000	\$ -	\$ 3,532,241	\$ 2,973,658	\$ 153,956	\$ -	16,209,855	1.09%	257
2007	9,115,000	-	2,800,930	2,973,658	78,722	-	14,968,310	0.97%	209
2008	15,737,402	-	1,579,739	2,973,658	-	(31,192)	20,259,607	1.25%	276
2009	14,764,408	38,410,000	3,202,000	2,973,658	-	953,998	60,304,064	3.44%	794
2010	15,778,340	38,410,000	3,397,813	2,733,658	-	818,311	61,138,122	3.35%	786
2011	21,278,707	34,225,000	2,793,399	2,524,245	-	135,590	60,956,941	4.20%	795
2012	19,840,000	29,560,000	3,341,646	2,795,000	-	475,205	56,011,851	3.72%	719
2013	18,325,000	24,710,000	2,797,416	2,510,000	-	341,199	48,683,615	3.06%	616
2014	17,506,450	19,675,000	2,611,477	2,210,000	-	374,768	42,377,695	2.52%	527
2015	31,300,178	14,445,000	2,875,644	9,394,000	-	3,530,280	61,545,102	3.52%	740

### Notes:

Population data & 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	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)
2006	\$ 9,550,000	\$ 532,516	\$ 9,017,484	0.30%	143
2007	9,115,000	445,571	8,669,429	0.22%	121
2008	15,737,402	410,030	15,327,372	0.36%	209
2009	14,764,408	542,831	14,221,577	0.29%	187
2010	15,778,340	435,498	15,342,842	0.30%	197
2011	21,278,707	488,649	20,790,058	0.41%	271
2012	19,840,000	696,917	19,143,083	0.37%	246
2013	18,325,000	571,773	17,753,227	0.33%	224
2014	17,506,450	572,689	16,933,761	0.30%	210
2015	31,300,178	2,857,126	28,443,052	0.49%	342

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, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to County</u>	<u>Amount Applicable to County</u>
<b>Direct debt:</b>			
Lancaster County	\$ 61,545,102	100%	\$ 61,545,102
<b>Overlapping debt:</b>			
City of Lancaster	700,647	100%	700,647
Lancaster School District	82,390,327	100%	82,390,327
Total overlapping debt	<u>83,090,974</u>		<u>83,090,974</u>
Total direct and overlapping debt	<u>\$ 144,636,076</u>		<u>\$ 144,636,076</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 14,586,682	\$ 18,405,935	\$ 18,474,600	\$ 20,861,043	\$ 21,535,417	\$ 21,508,152	\$ 23,409,098	\$ 22,713,718	\$ 23,580,100	\$ 24,665,722
Total Net GO Debt Applicable to Limit	9,017,484	8,669,429	15,327,372	14,221,577	12,842,843	18,380,058	16,828,083	15,538,227	14,818,761	12,147,161
Legal debt margin	<u>\$ 5,569,198</u>	<u>\$ 9,736,506</u>	<u>\$ 3,147,228</u>	<u>\$ 6,639,466</u>	<u>\$ 8,692,574</u>	<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>
Total Net GO Debt Applicable to the to the Limit as a Percentage of Debt Limit	61.82%	47.10%	82.96%	68.17%	59.64%	85.46%	71.89%	68.41%	62.84%	49.25%

### Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value (1)	\$ 306,759,457
Add back: exempt Merchant Inventory (2)	1,562,070
Total assessed value	<u>308,321,527</u>
Debt limit (8% of assessed value) (3)	24,665,722
Debt applicable to limit:	
Total general obligation bonds	31,300,178
Less amount set aside for repayment of GO debt	(613,017)
Less G.O. bonds not applicable to 8% debt limit (4)	<u>(18,540,000)</u>
Net G.O. bonds applicable to limit	<u>12,147,161</u>
Legal debt margin without a referendum (5)	<u>\$ 12,518,561</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, & 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 of \$1,562,070 is included in the computation of the legal debt margin.

(3) The legal debt limit is 8 percent of total assessed value.

(4) GO bonds for the Pleasant Valley Fire District (2010A & 2010B) are not subject to the 8% debt limit. Special fire fees are assessed to pay this bond as approved by the voters.

(5) 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**

<b>Fiscal Year</b>	<b>County Population (1)</b>	<b>Total Personal Income (in thousands) (1)</b>	<b>Per Capita Personal Income *</b>	<b>School Enrollment (2)</b>	<b>County Unemployment Rate (3)</b>
2006	63,113	\$ 1,486,000	\$ 23,545	10,876	9.6%
2007	71,723	1,542,045	21,500	11,023	8.8%
2008	73,393	1,620,517	22,080	11,171	10.1%
2009	75,913	1,752,832	23,090	11,274	19.1%
2010	77,767	1,822,945	23,441	11,508	16.4%
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%

**Sources:**

(1) Bureau of Census/SC Budget & Control Board Office of Research & Statistics/Bureau of Economic Analy:

(2) Lancaster County School District annual financial reports from previous fiscal year.

(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

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Red Ventures	1,600	1	4.75%			
Lancaster County Schools	1,569	2	4.66%	1,524	1	5.49%
Lancaster County	837	3	2.49%	717	4	2.58%
Cardinal Health	800	4	2.38%	700	5	2.52%
Springs Memorial Hospital	700	5	2.08%	800	3	2.88%
Continental Tire	430	6	1.28%			
Duracell	405	7	1.20%	601	6	2.16%
URS Nuclear	400	8	1.19%			
Wal-Mart Indian Land	365	9	1.08%			
Wal-Mart Lancaster	358	10	1.06%	300	9	1.08%
Springs Global				1,500	2	5.40%
KMG America				360	7	1.30%
US Textile Corporation				330	8	1.19%
Founders Federal Credit Union				268	10	0.96%
Total	7,464		22.17%	7,100		25.56%
Total Labor Force	33,665			27,774		

Source: Lancaster County Economic Development Corporation and SC Department of Employment and Workforce

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

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Government Administration	72.50	79.00	84.00	87.00	88.50	91.00	89.00	90.00	90.00	96.00
Administration of Justice	27.00	27.00	27.50	27.50	29.00	29.00	29.00	31.00	34.00	36.00
Culture & Recreation	43.00	43.00	46.00	54.00	57.50	55.00	55.00	56.00	58.00	62.00
Public Safety & Law Enforcement	127.50	135.50	140.00	152.00	165.50	166.00	172.00	187.00	210.00	226.00
Public Works	36.50	38.50	41.50	42.50	39.00	41.00	41.00	41.00	43.00	45.00
Public Health & Welfare	59.00	66.50	74.00	83.00	83.50	73.00	75.00	80.00	81.00	79.00
	<u>365.50</u>	<u>389.50</u>	<u>413.00</u>	<u>446.00</u>	<u>463.00</u>	<u>455.00</u>	<u>461.00</u>	<u>485.00</u>	<u>516.00</u>	<u>544.00</u>

Source: Lancaster County Finance Department payroll records and Lancaster County Library.

# LANCASTER COUNTY, SOUTH CAROLINA

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Administration of Justice</b>										
Clerk of Court general sessions cases disposed	1,792	1,257	1,591	1,550	2,224	1,654	1,541	1,910	1,929	1,977
Clerk of Court common pleas cases disposed	n/a	n/a	3,306	1,660	1,910	1,811	1,870	2,210	2,172	2,533
Family Court cases disposed	1,003	1,047	827	975	997	765	907	820	735	1,034
Magistrate Court										
Criminal Docket total cases filed	2,677	2,881	2,442	2,258	2,623	2,379	2,570	2,562	2,493	2,300
Traffic Docket total cases filed	8,158	10,388	10,162	11,163	9,025	8,402	9,562	9,933	11,209	8,604
Civil Docket total cases filed	2,294	2,371	2,237	2,535	2,314	2,181	2,335	2,149	2,348	2,418
Probate Court										
Estates opened	477	511	518	572	593	589	615	648	671	680
Estates disposed	430	385	474	487	560	492	596	545	633	636
Marriage license issued	589	482	509	509	481	472	476	469	509	528
Guardianship and/or conservatorships opened	35	28	30	25	27	35	19	25	14	26
Guardianship and/or conservatorships disposed	36	29	40	33	20	23	43	16	23	15
Mental and chemical commitment files opened	279	296	295	295	362	326	329	331	422	691
Mental and chemical hearings held	135	118	83	99	145	117	132	118	99	116
<b>Public Safety &amp; Law Enforcement</b>										
Detention Center - Total number incarcerated (1)	3,605	3,594	4,160	3,851	3,519	3,427	2,938	3,477	3,366	3,261
Fire Service - Total number of calls (1)	2,914	3,196	3,311	3,250	3,306	3,600	3,612	3,644	3,533	4,543
Sheriff Department (1)										
Criminal arrests	1,160	799	2,802	1,905	2,374	2,284	2,047	3,034	3,493	3,415
Traffic cases	1,821	1,145	4,177	4,115	4,405	3,388	1,977	2,810	3,081	4,481
Arrest warrants served	2,749	2,699	2,778	2,920	2,094	1,855	1,648	2,449	2,492	2,686
Fraudulent check warrants served	460	600	430	351	277	64	106	116	139	60
<b>Public Works</b>										
Roads - # of roads on which potholes were repaired	213	173	143	150	154	159	111	128	132	148
Solid Waste										
Tons of household/inert garbage disposed of	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	11,755	11,679
Tons of recyclables collected	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	735	770
<b>Public Health &amp; Welfare</b>										
Animal Control										
Number of complaints responded to	2,543	2,575	2,538	2,495	4,503	4,292	4,812	5,618	3,634	3,712
Number of animals through shelter	5,154	5,146	5,042	4,771	4,611	4,462	4,896	4,338	3,611	3,992
EMS - Total number of calls (1)	10,263	11,046	10,637	11,452	12,289	13,334	12,313	12,497	12,530	14,891

Sources: Various county departments.

Note: Indicators are not available for the general government function. Also, statistics were not available for FY05 thru FY07 for Clerk of Court common pleas cases disposed and FY05 thru FY13 for solid waste.

(1) Statistics are based on the calendar year ending December 31 prior to the fiscal year ending date

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

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Public safety and law enforcement</b>										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of police sub-stations	2	2	2	2	2	3	4	4	3	3
Number of police vehicles	96	85	90	112	112	116	111	116	123	135
Number of fire stations	19	19	19	18	18	18	18	18	18	18
<b>Public works</b>										
Miles of unpaved roads maintained	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	214.84	215.84
Miles of paved roads maintained	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	164.81	168.76
<b>Public health and welfare</b>										
Number of EMS stations	7	7	7	7	7	7	8	8	8	8
Number of emergency vehicles	21	21	21	22	22	23	23	25	25	33
<b>Culture and recreation</b>										
Number of parks	10	11	13	13	13	13	13	15	15	16
Number of recreation centers	3	3	4	4	4	4	4	4	4	4
Number of libraries	2	2	2	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 FY2005 thru FY2013.

## **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**

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**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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lancaster County, South Carolina, as of and for the year ended June 30, 2015, 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 November 13, 2015. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, as of July 1, 2014. Our report also includes a reference to other auditors who audited the financial statements of the Lancaster County Economic Development Corporation, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**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) to determine the 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.

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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 determination of financial statement amounts. 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.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
November 13, 2015



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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**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 Circular A-133 Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2015. The County's major federal program is identified in the summary of auditor's 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

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### **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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
November 13, 2015

**LANCASTER COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<b>Federal Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Grant Identification Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Justice</u></b>			
<b>(Passed through the SC Department of Public Safety)</b>			
Edward Byrne Memorial Assistance Grant Program	16.738	2013-DJ-BX-0130	\$ 3,979
Edward Byrne Memorial Assistance Grant Program	16.738	2014-DJ-BX-0442	19,597
Edward Byrne Memorial Assistance Grant Program	16.738	1G13051	92,703
			<u>116,279</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.804	1G13009	7,920
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.804	1G10061	140,341
			<u>148,261</u>
Bulletproof Vest Partnership Program	16.607	N/A	3,770
<b>Total U.S. Department of Justice</b>			<u>268,310</u>
<b><u>U.S. Department of Homeland Security</u></b>			
<b>(Passed through the SC Emergency Management Division)</b>			
Homeland Security Grant Program	97.067	11SHSP91	2,917
Emergency Management Performance Grants	97.042	14EMPG01	61,544
Emergency Management Performance Grants	97.042	13EMPG01-Supplemental	24,594
			<u>86,138</u>
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2012-FH-00751	407,427
<b>Total U.S. Department of Homeland Security</b>			<u>496,482</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
<b>(Passed through the SC Department of Social Services)</b>			
Child Support Enforcement	93.563	N/A	193,128
Temporary Assistance for Needy Families - TANF Block Grant	93.558	N/A	22,433
Child Care Development Fund	93.575	N/A	207
Medicaid Assistance Program	93.778	N/A	17,350
Social Services Block Grant Administration	93.667	N/A	8,020
Family Preservation (CWS Part II)	93.556	N/A	198
ARRA - Foster Care	93.658	N/A	12,079
Other	N/A	N/A	4,544
			<u>24,841</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>257,959</u>

**LANCASTER COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
<b>(Passed through the SC Department of Social Services)</b>			
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	N/A	24,939
<b>Total U.S. Department of Agriculture</b>			<u>24,939</u>
<b><u>U.S. Department of Transportation</u></b>			
Airport Improvement Program	20.106	3-45-0034-017-2014	1,643,097
Airport Improvement Program	20.106	3-45-0034-018-2015	14,528
Airport Improvement Program	20.106	3-45-0034-016-2012	24,633
			<u>1,682,258</u>
<b>(Passed through the SC Department of Public Safety)</b>			
Alcohol Impaired Driving Countermeasures Incentive Grant	20.601	M4HVE-2015-HS-35-15	134,035
<b>(Passed through the SC Emergency Management Division)</b>			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0406-14-01-00	28,772
<b>Total U.S. Department of Transportation</b>			<u>1,845,065</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<b>(Passed through the SC Department of Commerce)</b>			
Community Development Block Grant	14.228	4-C1-12-016	132,363
Community Development Block Grant	14.228	4-RP-11-003	52,500
			<u>184,863</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>184,863</u>
<b><u>U.S. Department of Commerce</u></b>			
Investments for Public Works and Economic Development Facilities	11.300	04-01-06876	28,975
<b>Total U.S. Department of Commerce</b>			<u>28,975</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 3,106,593</u></u>

## LANCASTER COUNTY, SOUTH CAROLINA

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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#### **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 OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. 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. SUBRECIPIENTS**

During the fiscal year ended June 30, 2015, the County did not pass any funds through to subrecipients.

#### **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, 2015

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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 OMB Circular A-133, Section 510(a)? ☐ yes ☒ no

Identification of major programs:

CFDA Number  
20.106

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

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

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, 2015**

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**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**

**2014-001. Classification of Special Revenue Funds**

Criteria: Governmental Accounting Standards Board (GASB) Statement No. 54 defines special revenue funds as funds that are used to account for the proceeds of resources that are restricted or committed for purposes other than debt service or capital projects. Additionally, the restricted or committed resources need to comprise a **substantial** portion of the inflows reported in the special revenue fund.

Condition: The County improperly included the Airport Fund, the Recreation Fund, and the Library Fund as special revenue funds as of June 30, 2013.

Auditee Response/Status: Resolved.