



Lancaster County



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2023

**LANCASTER COUNTY,
SOUTH CAROLINA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

Prepared by:
Department of Finance

LANCASTER COUNTY, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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LANCASTER COUNTY, SOUTH CAROLINA

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LANCASTER COUNTY, SOUTH CAROLINA

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INTRODUCTORY SECTION



January 22 , 2024

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

In compliance with the South Carolina Code of Laws *Section 4-9-150*, we hereby issue the Annual Comprehensive Financial Report (ACFR) of Lancaster County, South Carolina, for the fiscal year ended June 30, 2023. Management assumes full responsibility for the completeness and reliability of all the information presented. To provide a reasonable basis for making these assertions, management has established an internal control structure designed to protect the county's assets from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The county's internal control structure has been designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. As management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The certified public accounting firm of Mauldin & Jenkins, LLC audited the financial statements of Lancaster County. The independent audit involved examining, on a test basis, the following: evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded that there was reasonable basis for rendering an unmodified opinion on the County's financial statement for the year ended June 30, 2023. The independent auditor's report is included at the beginning of the financial section of this report.

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

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

Lancaster County
PO Box 1809
101 North Main Street
Lancaster, SC 29721

803-285-1565
www.mylancastersc.org

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

Profile of the Government

Lancaster County, SC, located in the fast-growing and highly desirable Charlotte, NC region, is one of the fastest growing counties in South Carolina with a population of 104,577. The County recently adopted a new Strategic Plan and is committed to managing growth and enhancing the quality of life through sound policies, innovation, capital investments, business recruitment, public safety support, and parks and recreation amenities. The County is governed under the Council-Administrator form of government and includes six elected department directors. The workforce consists of 684 full-time employees and approximately 500 part-time employees and operates on a combined budget of \$136 million for FY24. The County consists of the City of Lancaster and three towns and is working to balance suburban growth and rural area service needs.



Lancaster County is governed under the Council- Administrator form of government. *The vision of the County is to be a network of thriving communities offering the highest quality of life in the Carolinas.* County Council, the governing body, represents seven single member districts. Councilmembers, who are elected on a partisan basis, serve four-year terms. The council bi-annually elects members to serve as Chairman, Vice-Chairman, and Secretary. The County Council is responsible for adopting ordinances, adopting the county budget, establishing fees, and appointing the County Administrator. The County Administrator is responsible for the day-to-day operations of the government with the assistance of the Assistant County Administrator and senior leadership.

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

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

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

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

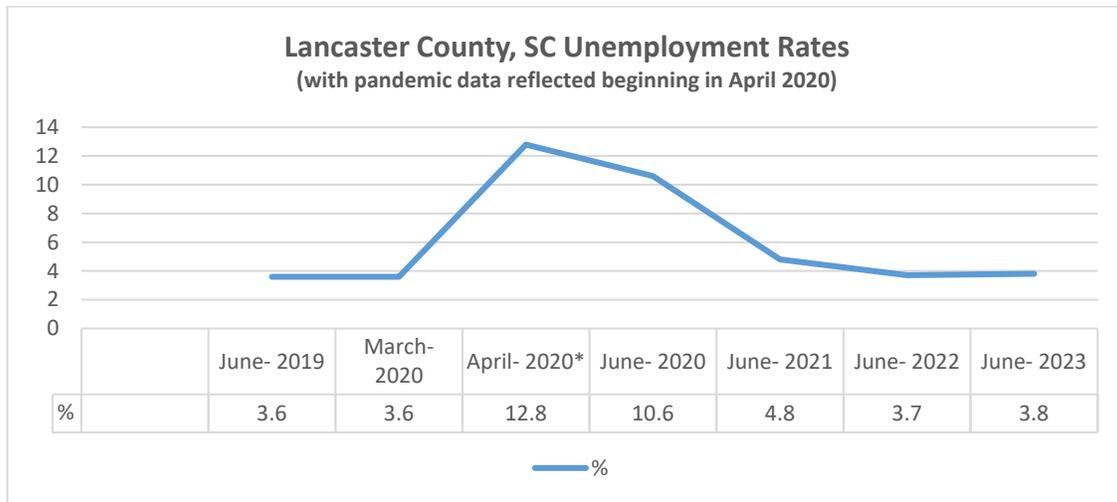
Budget-to-actual comparisons are provided in this report for each governmental fund for which an annual budget has been adopted. For the general fund, this comparison is presented on pages 76-77 as part of the required supplementary information. Special revenue & capital fund budget-to-actual comparisons are presented on pages 90-103. For the debt service fund, the comparison is presented on page 104.

Local Economy

Workforce and Economic Development

The County, once dependent upon manufacturing industries, has developed a diversified industry portfolio to include retail and headquarters of technical & professional industries. According to the South Carolina Department of Employment and Workforce, employment in the retail trade industry was highest in the first quarter of calendar year 2023. Health care & social assistance was the second highest during this period and manufacturing third. There were 44,154 employed and 1,740 recorded as unemployed as of June 2023. The per capita income for the county is \$55,033, which is the seventh highest in the state per BEA estimates.

The County’s unemployment rate was 3.8% in June 2023, near pre-pandemic levels. The five-year trend for unemployment is shown in the table below, along with data reflecting the beginning of the economic downturn during the pandemic.



Source: Bureau of Labor Statistics

Economic development provides opportunities to stimulate the County’s economy and create jobs. We believe our economic development program expands the tax base while diversifying the local economy. According to the South Carolina Department of Commerce, the County announced a total of \$6,900,000 in new investments with a creation of 167 jobs during the fiscal year. The new and expansion announcements include the following:

- **Snider Fleet Solutions** announced plans to relocate its headquarter offices to the County. The company is one of the largest providers of fleet maintenance solutions and is expected to create 167 jobs with an investment of \$6.9 million.

Largest employers of the County include:

- **Adornus Cabinetry**, a leading manufacturer and distributor of high-quality kitchen cabinets and bathroom vanities.
- **CompuCom Systems**, an industry leader in digital workplace services, employs 300.
- **Continental Tire headquarters**, one of the leading automotive tire suppliers worldwide, employs 609.
- **Haile Gold Mine (OceanaGold Corporation)**, in the southern area of the county, is the largest gold mining operation on the East Coast. The mine employs 660.
- **Keer America**, a textile industry which has the capacity to produce a wide range of pure cotton yarns, employs 401.
- **Medical University of South Carolina Lancaster Medical Center**, a 225-bed hospital, employs 608.
- **Movement Mortgage**, one of the nation’s largest retail mortgage lender, employs 843.
- **Nutramax Manufacturing, Inc.**, a manufacturer of nutritional supplements for people and pets, employs over 667.
- **PCI Group**, a provider of mission critical print and mail services for businesses, employs 300.
- **Red Ventures**, a multibillion-dollar digital media company with a 180-acre campus, employs 900. The campus includes a sales center, 6-story office tower, a 260-unit apartment community, and a learning & development center.
- **ServiceMac**, a mortgage servicing company.



RED VENTURES

Tax Abatements

The County offers industries tax incentives or tax abatements in the form of special source revenue credits and other methods permitted by state law. The abatement information for the County can be found in the notes on page 75. A cost-benefit analysis is performed by County Economic Development and presented to Council for consideration when reviewing a potential project. The analysis includes information such as job types, average wages, and the economic impact created by the industry. The economic development staff is responsible for monitoring and compliance. The industries are also required to file annual reports with the State of South Carolina.

Housing and Commercial Markets

The County’s proximity to the Charlotte metropolitan region, along with favorable taxes, has created a market for strong and consistent growth since 2007. Growth is expected to extend down the 521 corridor with new real estate developments announced near the city limits. The building department issued commercial and residential permits valued at \$71,398,237 and

\$348,799,238, respectively during the fiscal year. Permit activity decreased during the fiscal year due to the rising interest rates and cautious builders.

While the permitting activity declined, development remains active, and the housing market is competitive. There were three luxury apartments built in 2023, while a 55+ active adult apartment complex is expected to be completed in the spring of 2024. An increase in residential development spurs additional retail and dining options. The Promenade and RedStone are the two largest retail developments in the County. The Promenade includes about 300,000 square-foot of retail space, with additional phases soon. RedStone, adjacent to the Red Ventures campus, is a 310,000 square-foot retail center which includes a 55,400 square-foot movie theatre. RedStone Phase II will include additional retail and residential is expected to be completed in the second quarter of 2024.

Higher Education

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

The college is committed to health and education equity. As a part of that commitment, USCL has partnered with the South Carolina Department of Health and Environmental Control (DHEC) to offer a satellite site on campus for a teen clinic called, *The Hubb*. DHEC will provide preventative health services for teens and young people. This is an example of campus-community health partnerships.

Long-term Financial Planning

The County maintains a healthy fund balance by conservative budgeting and has established an unassigned fund balance threshold level of 28-32 percent of the general fund operating budget. The goal is to strategically earmark amounts above the threshold to address the CIP and other infrastructure needs. One-time operational and capital needs can be met with fund balance appropriations. For example, the subsequent year's budget addresses the need to inventory the entire county road system and, among other items, an ERP study.

The County developed a comprehensive strategic plan which is noted below as a major initiative. The County also adopted a Capital Improvement Program (CIP). Among several capital needs funded by fund balance and/or bonds, the CIP includes public safety and recreation projects funded by Impact Fees. The fees are collected with building permits, on new construction in the northern portion of the county, to help defray the cost of providing public facilities caused by growth. The Strategic Plan & CIP will be updated at regular intervals and correspond with the annual budget process.

Relevant Financial Policies

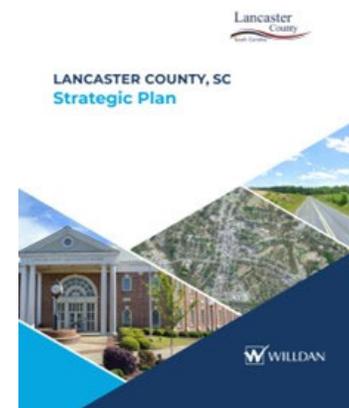
The County's financial policies were created with the general purpose of enabling the County to achieve a long-term stable and positive financial condition. Below are some of the relevant financial policies:

- 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.
- 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

Lancaster County Strategic Plan

The County began an intensive eight-month process of developing a comprehensive strategic plan. The plan establishes an organizational vision, prioritizes initiatives, and sets goals. The process included community engagement through public meetings, a community survey and focus groups. The community engagement identified the strengths, weaknesses, opportunities, and threats within the County. Enhancing our community's quality of life is the ultimate mission of the strategic plan which was adopted in August 2023. The Strategic Plan can be found on the County's website at www.mylancastersc.org.



Strategic Plan cover

Awards and Acknowledgements

The County received its tenth Distinguished Budget Presentation Award for the annual budget for fiscal year beginning July 1, 2022. The award signifies that the County prepares a budget document of the highest quality and is used as an operations guide, financial plan, and communication device. The award is valid for one year.

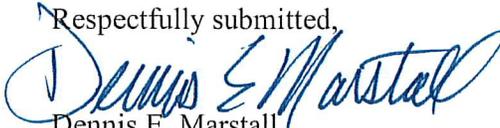


The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Lancaster County for its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022. This is the twenty-fourth consecutive year the County has received this award. To be awarded a Certificate of Achievement, Lancaster County published an easily readable and efficiently organized ACFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,


Dennis E. Marstall
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**

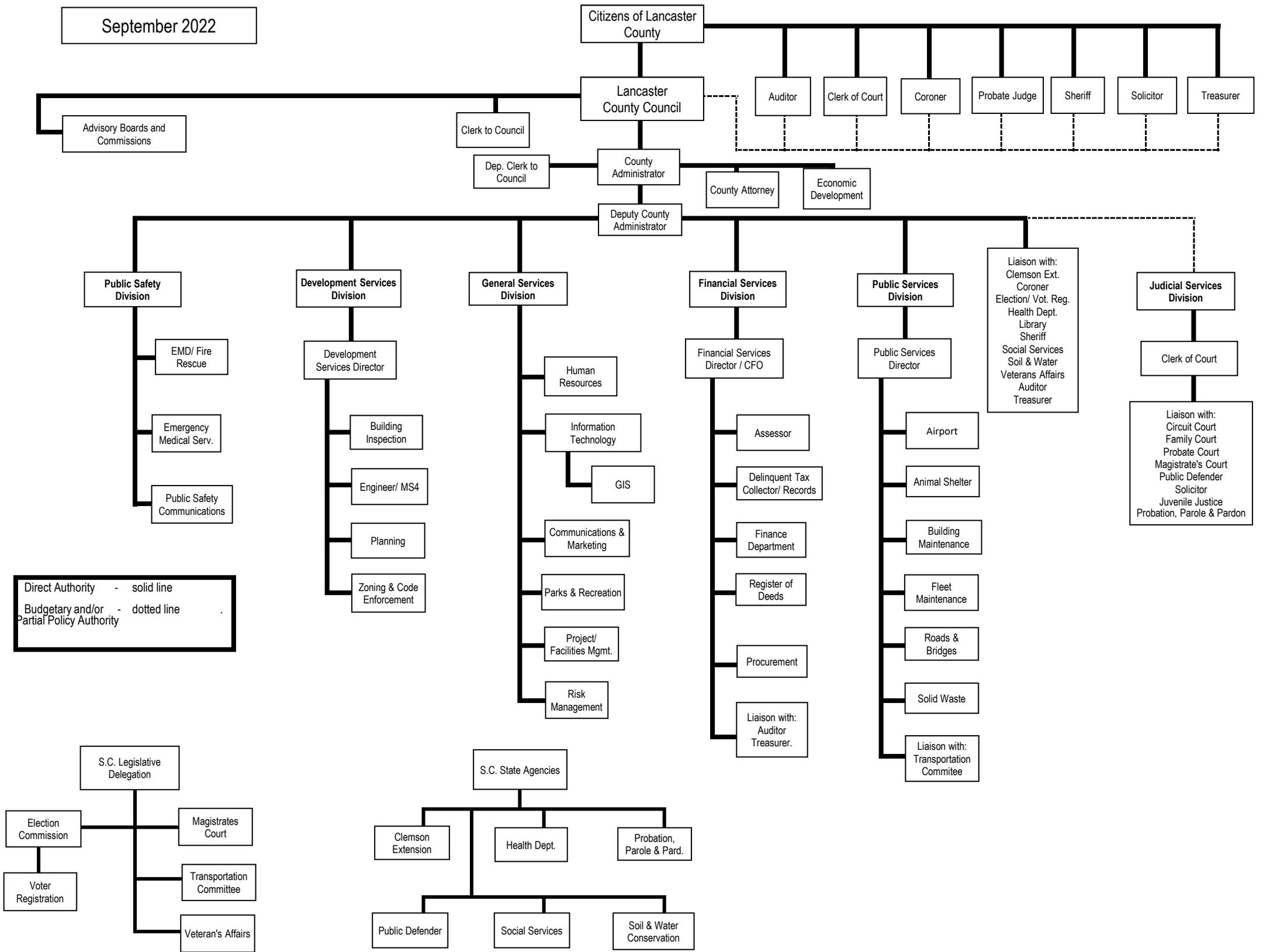
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

September 2022



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



**LANCASTER COUNTY,
SOUTH CAROLINA
PRINCIPAL COUNTY OFFICIALS
JUNE 30, 2023**

MEMBERS OF COUNTY COUNCIL

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

Seated: *Carnes, Harper, Mosteller*
Standing: Blackmon, McGriff, Graham, Luis

ELECTED & APPOINTED OFFICIALS

Suzette Murphy, Auditor
Jeff Hammond, Clerk of Court
Karla Deese, Coroner
Mary Rathel, Probate Judge
Barry Faile, Sheriff
Carrie Helms, Treasurer
Brittany Grant, Register of Deeds

ADMINISTRATIVE OFFICIALS

Dennis Marstall, County Administrator
vacant, Assistant County Administrator
Ginny Merck-Dupont, County Attorney
Sherrie Simpson, Clerk to Council

Veronica C. Thompson, Financial Services Director
vacant, Development Services Director
Jeffery Catoe, Public Services Director

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Lancaster County, South Carolina** (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Notes 1, 6, and 7 to the financial statements, the County adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (on pages 5 through 15), the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund (on pages 76 and 77), the Schedule of Changes in the County's Total OPEB Liability and Related Ratios (on page 78), the Schedules of the Proportionate Share of the Net Pension Liability (on page 79), and the Schedules of Contributions (on pages 80 and 81) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2024, on our consideration of Lancaster County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lancaster County, South Carolina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lancaster County, South Carolina's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
January 22, 2024

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2023

As management of Lancaster County, South Carolina (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal on pages i-vii and the County's financial statements.

Financial Highlights

- Lancaster County's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of June 30, 2023, by \$198,372,681 for governmental and business-type activities as reflected in the Statement of Net Position.
- A positive increase in net position of \$30,448,936 was reported.
- At the close of the fiscal year, the County's combined governmental funds reported ending fund balances of \$145,097,332, an increase of \$28,066,113 from the prior year.
- Total Unassigned Fund Balance for the Governmental Funds was \$52,698,424.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

The *statement of activities* presents information on how the County's net position changed during the most recent fiscal year. All 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 include information about the County (known as the primary government), which is mainly supported by taxes and charges for services. The County Airport (Enterprise Fund) is also reflected, which is supported by fees, charges, and the primary government.

The government-wide financial statements can be found on pages 16-17 of this report.

Fund financial statements

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

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Governmental funds

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

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

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

- The Capital Projects Sales Tax 3 Fund, approved by county council in May 2022 activities to include funding the detention center and other various projects.
- The Capital Projects Sales Tax 2 Fund, accounts for 1 cent sales tax approved by a referendum and became effective, May 1, 2016. Activity for the current fiscal year include road improvements, library improvements, and a transfer to the debt service fund.
- The General Obligation Bond Projects Fund which accounts for activity for recreation projects, EMS headquarter improvements, and the purchase of fire apparatus.
- The Debt Service Fund.
- ARPA (American Rescue Plan Act) Fund used to account for funds allocated by the federal government to address the economic and public health effects of COVID-19.

The County's remaining twenty-three funds, (7) capital projects funds and (16) special revenue funds, are presented as non-major funds.

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

The governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary Funds

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

The proprietary fund financials can be found on pages 22-24 of this report.

Fiduciary funds

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

The fiduciary financial statements can be found beginning on pages 25-26 of this report.

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Notes to the financial statements

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

The notes to the financial statements begin on page 27.

Other information

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

The supplementary information begins on page 82.

Government-wide Financial Analysis

As noted earlier, the statement of net position over time may serve as an indicator of its financial position. In the case of Lancaster County, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$198,372,681 on June 30, 2023.

The following table presents a summary of the statement of net position on June 30, 2023:

Lancaster County's Net position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Assets						
Current and other assets	\$173,203,743	\$155,260,733	\$ (69,013)	\$ (41,355)	\$173,134,730	\$155,219,378
Capital assets	132,950,559	132,791,590	6,882,345	7,143,320	139,832,904	139,934,910
Total assets	306,154,302	288,052,323	6,813,332	7,101,965	312,967,634	295,154,288
Deferred Outflows of Resources	13,029,925	13,012,991	22,753	23,875	13,052,678	13,036,866
Liabilities						
Long-term liabilities	102,523,668	100,138,401	143,485	125,610	102,667,153	100,264,011
Other liabilities	21,851,887	30,736,779	3,600	22,500	21,855,487	30,759,279
Total liabilities	124,375,555	130,875,180	147,085	148,110	124,522,640	131,023,290
Deferred Inflows of Resources	3,030,705	9,131,386	94,286	112,733	3,124,991	9,244,119
Net position:						
Net investment in capital assets	107,577,789	106,455,305	6,871,289	7,143,320	114,449,078	113,598,625
Restricted	52,382,274	42,641,349	-	-	52,382,274	42,641,349
Unrestricted	31,817,904	11,962,094	(276,575)	(278,323)	31,541,329	11,683,771
Total net position	\$191,777,967	\$161,058,748	\$6,594,714	\$6,864,997	\$198,372,681	\$167,923,745

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The largest portion (57%) of Lancaster County's **net position** reflects **net investment in capital assets** less any outstanding debt used to acquire those assets. These capital investments play an integral role in providing services and addressing population growth. The **restricted** portion represents resources that are subject to external restrictions on their use such as funds for property tax reduction, general obligations bond proceeds, gasoline tax funds, and capital projects sales tax 2. The increase in restricted net position is attributed to hospitality tax revenue which will be used to fund a future sports complex. Debt service funds restricted also increased from activity in the bond fund. The increase in the **current and other assets** includes pooled cash for various funds and reflected increase in hospitality tax, capital projects sales tax 2, county transportation and development agreement funds. Investments include ARPA funds and cash held at the state investment pool. The **capital assets** of the government increased due to several construction projects, such as recreation improvements and public safety equipment. The capital assets are discussed in detail later in this analysis. **Long-term liabilities** increase due to the issuance of a \$7,500,000 general obligation and \$6,140,000 special obligation bonds. **Other liabilities** reflected a decrease due to unearned ARPA funds in the amount of \$12,704,029. The accrued payables also increased compared to the prior year. Deferred inflows increased from the prior year based upon the actuarial report from the state, these resources were not available for this period. It appears the pension investments were affected by the economy. **Net investment in capital assets** increased due to an increase in assets acquired during the period, including construction in progress. The capital assets are discussed later in this report.

Governmental Activities. As stated before, the County's activities increased the net position \$30,719,219 from the prior year.

Key elements of the change include:

- **Total revenues** increased for the government's activities by \$9,292,806 for the fiscal year. Charges for services, operating grants & contributions, and property taxes attributed to the increase. *Operating grants & contributions* include ARPA revenue used during the year, a grant to make improvements to the DSS building, and an increase in state aid. *Property taxes* increased due to growth in the local option sales taxes, vehicles taxes, and a small increase in the debt service millage.
- **Total expenses** increased by \$10,970,441 for governmental activities compared to the prior year. Overall, there was a 5% cost of living adjustment for employees. There were significant increases in general government expenses to address the County's growth. *General Government* due to building improvement expenses in the amount of \$1.1 million for the County's Department of Social Services paid with grant funds. The County also expensed a total of \$2.5 million in ARPA funds for premium pay for essential workers (\$1.3M), building and HVAC improvements for several buildings to help reduce the spread of infectious diseases (\$800K), and \$250K in IT improvements to help protect our infrastructure and provide services to the citizens in an efficient manner.

Public Safety expense decreased from partly due to a decrease in COVID-19 expenses from the prior year and a one-time purchase in the amount of \$665,728 to replace a damaged fire apparatus. There were several grant expenses carried forward to the subsequent year.

Business-type Activities. Business-type activities (Airport) net position decreased by \$270,283 compared to the prior year. Fuel sales increased during the year and the County increased its support to airport operations.

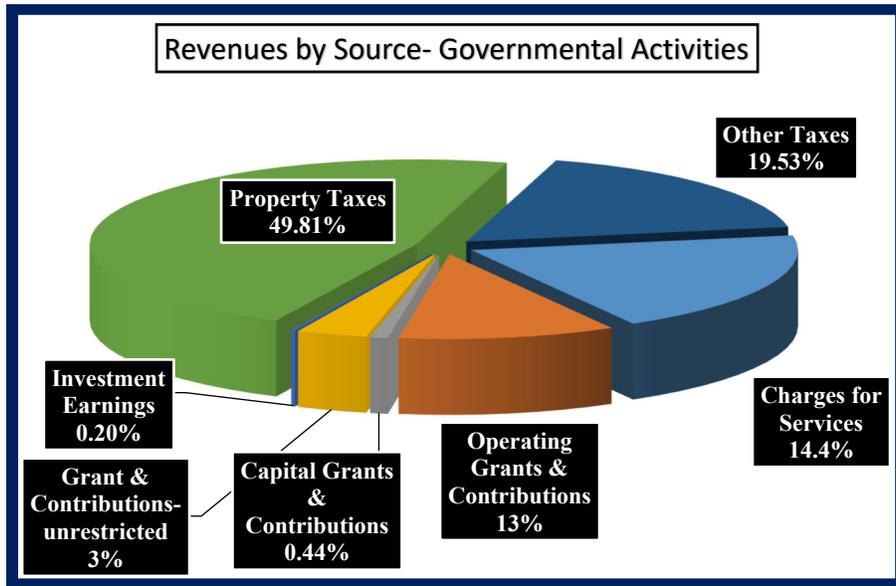
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The table below summarizes the changes in net position for the County for the year ended June 30, 2023:

Lancaster County's Changes in Net Position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Revenues:						
Program Revenues:						
Charges for services	\$17,891,626	\$23,659,275	\$323,972	\$230,789	\$18,215,598	\$23,890,064
Operating grants & contributions	16,195,636	12,745,061	-	-	16,195,636	12,745,061
Capital grants & contributions	550,278	1,050,320	-	466,786	550,278	1,517,106
General Revenues:						
Property taxes	61,878,984	56,297,856	-	-	61,878,984	56,297,856
Other taxes	24,263,011	21,136,519	-	-	24,263,011	21,136,519
Unrestricted grants & contributions	3,914,930	3,718,212	-	-	3,914,930	3,718,212
Unrestricted investment earnings	3,439,254	233,670	-	-	3,439,254	233,670
Other	-	-	-	-	-	-
Total revenues	128,133,719	118,840,913	323,972	697,575	128,457,691	119,538,488
Expenses:						
General government	24,408,479	27,134,070	-	-	24,408,479	27,134,070
Administration of justice	2,808,011	3,560,929	-	-	2,808,011	3,560,929
Public safety and law enforcement	33,292,412	25,352,662	-	-	33,292,412	25,352,662
Public works	17,132,542	12,818,803	-	-	17,132,542	12,818,803
Public health & welfare	12,145,377	9,700,243	-	-	12,145,377	9,700,243
Economic development	1,227,196	1,651,113	-	-	1,227,196	1,651,113
Culture & recreation	5,406,724	5,105,234	-	-	5,406,724	5,105,234
Interest on long-term debt	795,672	1,022,918	-	-	795,672	1,022,918
Airport	-	-	792,343	731,612	792,343	731,612
Total expenses	97,216,413	86,345,972	792,343	731,612	98,008,756	87,077,584
Increase (Decrease) in net position before Transfers	30,917,307	32,494,941	(468,371)	(34,037)	30,448,936	32,460,904
Transfers	(198,088)	(109,130)	198,088	109,130	-	-
Increase (Decrease) in net position	30,719,219	32,385,811	(270,283)	75,093	30,448,936	32,460,904
Net position- beginning of year (restated)	161,058,748	128,672,937	6,864,997	6,789,904	167,923,745	135,462,841
Net position- end of year	\$191,777,967	\$161,058,748	\$6,594,714	\$6,864,997	\$198,372,681	\$167,923,745

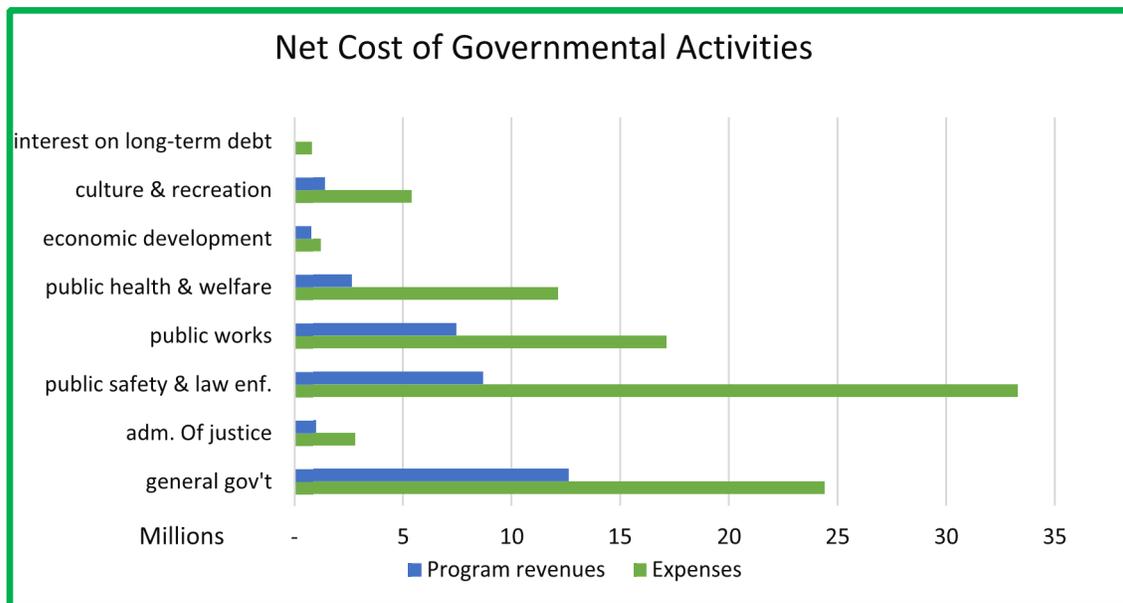
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The pie chart below depicts the percentages of revenues by source for the County's governmental activities:



As illustrated in the pie chart above, **Property Taxes (49.81%)** are the government's main source of revenue. This category includes taxes collected for general fund, debt service, court security, and capital improvement. **Charges for services**, another major source (14.4%), include: Stormwater management, EMS charges, & building permit fees. **Investment earnings** represent the least source of general revenue. **Other taxes** (19.53%) reflect revenue from road improvement fees, hospitality taxes, and capital projects sales tax 2 (CPST2).

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



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Financial Analysis of the County's Funds

As noted earlier, Lancaster County's fund accounting ensures and demonstrates compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. 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.

On June 30, 2023, the sum of all the County's governmental funds fund balances totaled \$145,097,332 of which \$52,698,424 is 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 \$54,288,945 compared to \$48,533,918 the prior year. Property taxes account for 64% of the general fund revenues. Property tax collections increased due to growth in assessed values and local option sales tax revenue. The permits have contributed to the growth of the County's reserves since the year 2007. Historically, when there are positive collections in building permits the same trend is apparent with register of deed fees. There was a 26% increase in register of deed fees compared to the prior year. This is reflective of lower interest rates and the increased value of property sales. The County continues to maintain a healthy fund balance due to conservatively estimating revenues and controlled spending. There were vacancy savings throughout the year and projects carried forward, as explained in the *general budgetary highlights* below.

The **Capital Projects Sales Tax 2 Fund (CPST)**, also a major fund, reports the County's second CPST approved by the voters which became effective May 2015 and ended April 2022. The fund balance decreased by \$7,146,048 compared to the prior year. The library improvements were mostly completed in FY2022. There are road projects remaining and additional projects approved by council. It is expected that excess funds will be transferred to the County's third imposition (CPST3) which became effective, May 2023. Accordingly, the **Capital Projects Sales Tax 3 Fund (CPST)**, also a major fund, reports the County's second CPST approved by the voters which became effective May 2023. The fund balance increased by \$16,978,283 compared to the prior year as fiscal year 2023 is the first year of sales tax collections under this third referendum. The County's **Debt Service Fund**, which reports general obligation debt, is also reported as a major fund. The County debt expenses were less than property tax levied. The fund balance for this fund increased by \$404,010. The **Bond Projects Fund** accounts for the \$19,905,000 mixed debt general obligation bonds issued May 2019. Debt was issued in November 2022 for the completion of the recreation referendum (\$7.5M) and a special obligation bond (\$6.1M) for fire apparatus. The decrease in fund balance of \$1,010,772 reflects activity for multiple recreation projects which will be completed at different stages. The County also ordered the above-mentioned apparatus at a cost of \$6 million. The **ARPA Fund** accounts for the proceeds received under the Coronavirus State and Local Fiscal Recovery Funds program. In fiscal year 2023, the County expended \$2,582,756 of the monies received under this program and earned interest revenue of \$552,121 leading the increase in fund balance to \$583,491 at June 30, 2023. **Nonmajor Governmental Funds** include capital projects and special revenue funds for which fund balances are restricted and/or assigned. The fund balance increased by \$8,545,091 mainly due to *hospitality tax*, as the County is accumulating funds to issue future debt for a sports complex. Also, the *county transportation fund* received one-time donor funding and \$1M in encumbrances carried forward. The *capital improvement fund* recorded increases in fund balances but there was a \$798K encumbrance carried forward to the subsequent year.

General Fund Budgetary Highlights

A budgetary comparison schedule is included for the general fund on pages 76-77. After accounting for other financing sources and uses, the net change in fund balance was an increase of \$9,743,428. Actual revenues were above budgetary estimates by \$5,181,077. Actual expenditures were below budgetary appropriations by \$9,913,219 due to reasons explained below. Transfers were made for the following: \$198,088 to assist the airport operations.

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

- Property Taxes- Taxes were more than anticipated in the following categories: Rollback taxes (\$203K), fee-in-lieu of taxes (\$432,280), and local option sales tax rollback (\$669K), and road improvement fee (\$632K). All reflect the ongoing residential and commercial growth in the County. The local option sales tax rollback revenue will be given back to the taxpayers as a credit on their tax bills in the subsequent tax year.
- Other Taxes-Include Road fees per vehicle and the increase is due to population growth, which collected \$484,698 more than anticipated. This year represents an entire year the fee was \$40 which was an increase from \$35 in the prior year.

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- Licenses & permits- Total Collections were \$144,143 above revenue estimates in this category due to conservative budgeting for this market driven revenue. Building permits collected were \$699,086 below estimates and register of deeds fees, were \$683,823 above estimates. These excess revenues contribute to building the County's fund balance.
- Interest Revenue- Rates have rebounded from prior years due to monetary changes implemented by the federal government,
- Other Revenue- a favorable variance due reclassifying unearned revenue for funds received from a developer for improvements and insurance claim funds for various departments.

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

Below were the significant negative variances:

- Coroner (\$85,169) - Increase in the number of autopsies and forensic expertise attributed by an increase in deaths.
- Sheriff and Detention Center (\$141,300)- for leases.

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

- Non-departmental \$381,722- Unemployment and volunteer worker's compensation expenditure lower than expected and property insurance \$240K lower than budget.
- County Council \$3,512,553- savings in grant match and professional services.
- Administrator \$306,855- Savings medical contract for employees and travel line items.
- Building \$393,882- savings in outsourcing commercial plan reviews, demolition expense, and wages.
- Planning \$1,211,922- Vacancies, encumbrances for UDO revision & comp plan carried forward to subsequent year (\$679,693).
- Assessor \$137,647- vacancies.
- Voter's Registration \$257,350- savings in part-time and shelving project carried forward to FY2024.
- Communications \$459,787- personnel savings due to vacancies (\$300K), \$41K encumbrance rolled forward, savings in radio maintenance agreement due to purchase of new radio system.
- Fire Commission \$228,266- savings in recruitment/retention program and encumbrances for two trucks rolled forward.
- Roads and Bridges \$1,965,209- savings due to underutilization of road fee while waiting on legal ruling from state, vehicle maintenance newer fleet, delayed road inventory and vacancies.
- Solid Waste \$225,594- landfill disposal savings and vacancies.
- EMS \$454,450- savings in personnel line items.
- Recreation \$300,980- vacancies during the year and reduction in programs due to one facility being upgraded.
- Economic Development \$130,529- vacancies and travel savings.

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Capital Assets

Lancaster County's investment in capital assets for its governmental activities at June 30, 2023, totaled \$132,950,559, net of accumulated depreciation and amortization. This investment in capital assets includes land, buildings and building improvements, vehicles, furniture and equipment, and infrastructure assets added during the fiscal year. The lease assets are now reported at the total of \$671,506.

Lancaster County's Capital Assets (net of depreciation) and Lease Assets						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Land	\$ 15,002,640	\$ 12,386,465	\$ 598,607	\$ 598,607	\$ 15,601,247	\$ 12,985,072
Buildings & Improvements	66,239,557	66,418,388	5,627,640	6,058,434	71,867,197	72,476,822
Vehicles	10,615,004	10,233,804	13,164	17,810	10,628,168	10,251,614
Furniture & Equipment	9,568,727	8,897,896	78,328	54,614	9,647,055	8,952,510
Infrastructure	10,065,557	11,025,116	-	-	10,065,557	11,025,116
Construction in Progress	20,456,834	23,552,256	553,747	413,855	21,010,581	23,966,111
Other assets, net	1,002,240	277,665	10,859	-	1,013,099	277,665
Total	\$132,950,559	\$132,791,590	\$6,882,345	\$7,143,320	\$139,832,904	\$139,934,910

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

Administration of Justice

- Courtroom audio & video upgrades- \$118,325

Culture and Recreation

- Heath Springs recreation complex \$5,570,664

General Administration

- Administration Upgrades - \$127,147
- Chiller and HVAC improvements- \$268,893

Public Health & Welfare

Public Safety

- 31 public safety vehicles
- Bearcat - \$330,353
- 16 passenger cameras - \$96,289
- Mobile Training unit - \$949,000

Public Works

- Excavator with buckets- \$159,510
- Three 2023 Mack trucks- \$548,354

Construction in progress

- Air Rail Park Improvements- \$618,933
- MPV Truck - \$218,681
- IL recreation building improvements- \$635,862
- IL soccer complex- \$173,132
- EMS Roof Replacement - \$118,008

Additional information on the County's capital assets can be found in note 5 beginning on page 48.

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Debt Administration

The legal limit on the amount of general obligation bonded indebtedness that the County can incur is 8% of assessed value. The debt limit is estimated to be \$42,567,116 with a legal debt margin of \$37,443,624 available without a referendum. At the end of the current fiscal year, the County's long-term liabilities outstanding totaled \$102,667,153, which includes long-term debt, leases, compensated absences, and net pension liability. General obligation bonds make up 23% (23,586,875) of long-term debt and are backed by the full faith and credit of the government.

Lancaster County's Outstanding Debt						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
General Obligation Bonds	\$23,586,875	\$27,524,538	\$ -	\$ -	\$23,586,875	\$27,524,538
Special Source Revenue Bonds	3,945,390	4,856,716	-	-	3,945,390	4,856,716
Special Obligation Bonds	6,075,000	6,140,000	-	-	6,075,000	6,140,000
Total	\$33,607,265	\$38,521,254	\$ -	\$ -	\$33,607,265	\$38,521,254

The County's general obligation debt decreased by \$3,937,663 due the issuance of \$590,000 in new bonds during the year offset by regularly schedule principal payments. There were principal payments made for the 2015C, 2016A, 2019, and 2022 bond series.

The County currently has ratings of AA- and Aa1 from Standard & Poor's Corporation and Moody's Investors Service, respectively, on general obligation bond issues. Additional information on the County's long-term debt can be found in note 6 on pages 50 through 57 of this report.

Economic Factors and Next Year's Budgets and Tax Rates

The unemployment rate for Lancaster County was 3.8% at June 2023 while statewide unemployment was 3.4% during the same period. The national rate was 3.8%.

The fiscal year 2023-2024 budgets reflected the following major focus areas:

- Low to no impact on millage.
- Competitive Compensation.
- Establish a high performing organization through technology, tools, and training.
- Productive work environments and facilities.
- Plan for the future.

The fiscal year 2024 budget includes the following:

- 6.5% cost-of-living adjustments for full-time non-public safety employees.
- \$250 one-time payment for part-time employees.
- Recruitment and retention pool for targeted positions across the organization.
- Enhance service needs with the addition of 13 new positions, mostly in public safety.
- 10% cost-of-living adjustments for public safety employees.
- Bring fire employees to the minimum of the 2023 compensation framework.
- Strategic Planning Software.
- ERP needs assessment for future ERP system.
- Airport terminal funding.
- RIA grant match.
- Upgrades to recreation facilities & equipment.
- Establishing a roads inventory system.
- Courthouse equipment upgrades.

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- Public safety equipment.
- Animal Shelter sally port.
- Convenience site upgrades and property purchase.
- 911 server replacement, to be partially reimbursed by the State.
- Capital project sales tax.

To maintain the County's net position and fund balances at current levels and address the focus areas mentioned above, County Council adopted a general fund budget for fiscal year 2024 which includes 88.8 mils. The County Council also adopted 5.3 mils for capital replacement needs, 6.9 mils for debt service, and 3.9 mils for Court Security. The Budget in its entirety can be found on the County's website at:

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

The County approved budgets total, \$131,914,252:

Lancaster County, South Carolina		
Original Adopted Budgets		
Fiscal Year Ended June 30, 2024		
General Fund		\$84,941,011
Capital Project Sales Tax Special Revenue Fund		17,501,500
Capital Project Sales Tax 2 Fund	\$ 2,500,000	
Capital Project Sales Tax 3 Fund	15,001,500	
Other Special Revenue Funds		22,003,296
Court Security	\$2,081,750	
Victims Services	47,000	
E-911	1,613,960	
Stormwater	2,752,975	
County Transportation	12,000,000	
Indian Land Fire District	350,810	
Local Accommodations Tax	120,000	
Airport Commission	376,738	
Pleasant Valley Fire District	380,293	
Hospitality Tax Fund	1,900,000	
State Accommodations Tax Fund	224,250	
Van Wyck Fire District	155,520	
Debt Service Fund		4,511,750
Capital Improvement Fund		<u>2,956,695</u>
Total All Budgeted Funds		<u>\$131,914,252</u>

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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 55,469,719	\$ 100	\$ 55,469,819
Investments	101,783,665	-	101,783,665
Receivables:			
Taxes	1,457,445	-	1,457,445
Accounts	5,307,131	-	5,307,131
Leases	125,966	103,146	229,112
Due from other governments	7,708,126	-	7,708,126
Internal balances	240,277	(240,277)	-
Inventories	184,265	68,018	252,283
Prepaid expenses	112,023	-	112,023
Assets held for resale	815,126	-	815,126
Capital assets:			
Nondepreciable	35,459,474	1,152,354	36,611,828
Depreciable, net	97,491,085	5,729,991	103,221,076
Total assets	<u>306,154,302</u>	<u>6,813,332</u>	<u>312,967,634</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	34,993	-	34,993
Pension - South Carolina Retirement System	5,637,022	22,753	5,659,775
Pension - South Carolina Police Officers Retirement System Retirement System	6,272,897	-	6,272,897
Other postemployment benefits	1,085,013	-	1,085,013
Total deferred outflows of resources	<u>13,029,925</u>	<u>22,753</u>	<u>13,052,678</u>
LIABILITIES			
Accounts payable	6,830,500	-	6,830,500
Accrued liabilities	1,629,620	-	1,629,620
Unearned revenues	13,165,054	3,600	13,168,654
Accrued interest payable	226,713	-	226,713
Noncurrent liabilities:			
Due within one year	7,201,072	-	7,201,072
Due in more than one year	33,177,720	11,056	33,188,776
Total other postemployment benefits liability, net of current portion	2,609,269	-	2,609,269
Net pension liability:			
South Carolina Retirement System	35,706,283	132,429	35,838,712
South Carolina Police Officers Retirement System	23,829,324	-	23,829,324
Total liabilities	<u>124,375,555</u>	<u>147,085</u>	<u>124,522,640</u>
DEFERRED INFLOWS OF RESOURCES			
Lease receipts	118,806	93,290	212,096
Pension - South Carolina Retirement System	155,188	996	156,184
Pension - South Carolina Police Officers Retirement System	471,066	-	471,066
Other postemployment benefits	2,285,645	-	2,285,645
Total deferred inflows of resources	<u>3,030,705</u>	<u>94,286</u>	<u>3,124,991</u>
NET POSITION			
Net investment in capital assets	107,577,789	6,871,289	114,449,078
Restricted for:			
Property tax reduction	2,728,300	-	2,728,300
Capital projects	29,602,784	-	29,602,784
Public safety	5,242,378	-	5,242,378
Public works	2,873,115	-	2,873,115
Public health and welfare	123,206	-	123,206
Cultural and recreation	705,180	-	705,180
Economic development	10,030,803	-	10,030,803
Debt service	1,076,508	-	1,076,508
Unrestricted	31,817,904	(276,575)	31,541,329
Total net position	<u>\$ 191,777,967</u>	<u>\$ 6,594,714</u>	<u>\$ 198,372,681</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, 2023

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 24,408,479	\$ 8,672,114	\$ 3,961,045	\$ -	\$ (11,775,320)	\$ -	\$ (11,775,320)
Administration of justice	2,808,011	956,140	52,760	-	(1,799,111)	-	(1,799,111)
Public safety	33,292,412	4,169,841	4,519,799	-	(24,602,772)	-	(24,602,772)
Public works	17,132,542	222,096	7,238,534	-	(9,671,912)	-	(9,671,912)
Public health and welfare	12,145,377	2,625,345	33,502	-	(9,486,530)	-	(9,486,530)
Culture and recreation	5,406,724	1,183,498	19,985	216,250	(3,986,991)	-	(3,986,991)
Economic development	1,227,196	62,592	370,011	334,028	(460,565)	-	(460,565)
Interest on long-term debt	795,672	-	-	-	(795,672)	-	(795,672)
Total governmental activities	97,216,413	17,891,626	16,195,636	550,278	(62,578,873)	-	(62,578,873)
Business-type activities:							
Airport	792,343	323,972	-	-	-	(468,371)	(468,371)
Total business-type activities	792,343	323,972	-	-	-	(468,371)	(468,371)
Total primary government	\$ 98,008,756	\$ 18,215,598	\$ 16,195,636	\$ 550,278	(62,578,873)	(468,371)	(63,047,244)
General revenues:							
Property taxes levied for:							
General purposes					51,096,131	-	51,096,131
Public safety					2,030,626	-	2,030,626
Debt service					5,384,023	-	5,384,023
Capital projects					3,368,204	-	3,368,204
Other taxes:							
Capital projects sales tax					17,780,349	-	17,780,349
E-911 taxes					289,374	-	289,374
Local accommodations tax					153,092	-	153,092
Hospitality taxes					2,232,378	-	2,232,378
Road improvement fees and taxes					3,807,819	-	3,807,819
Grants and contributions not restricted for a specific purpose					3,914,930	-	3,914,930
Unrestricted investment earnings					3,439,254	-	3,439,254
Transfers					(198,088)	198,088	-
Total general revenues and transfers					93,298,092	198,088	93,496,180
Change in net position					30,719,219	(270,283)	30,448,936
Net position, beginning of year					161,058,748	6,864,997	167,923,745
Net position, end of year	\$ 191,777,967	\$ 6,594,714	\$ 198,372,681		\$ 191,777,967	\$ 6,594,714	\$ 198,372,681

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

LANCASTER COUNTY, SOUTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Capital Projects Sales Tax 2 Fund	Capital Projects Sales Tax 3 Fund	Bond Projects Fund	Debt Service Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 40,083,449	\$ -	\$ 13,628,461	\$ -	\$ 1,752,465	\$ -	\$ 5,344	\$ 55,469,719
Investments	86,371,744	-	-	2,167,668	-	13,243,215	1,038	101,783,665
Taxes receivable, net	1,185,234	-	-	-	137,492	-	134,719	1,457,445
Accounts receivable, net	5,095,231	-	-	-	325	-	211,575	5,307,131
Leases receivable	125,966	-	-	-	-	-	-	125,966
Due from other governments	6,362,898	-	-	-	-	-	1,345,228	7,708,126
Due from other funds	1,908,254	23,985,473	1,310,347	-	14,032	44,305	31,801,208	59,063,619
Prepaid expenditures	112,023	-	-	-	-	-	-	112,023
Inventories	184,265	-	-	-	-	-	-	184,265
Land held for resale	815,126	-	-	-	-	-	-	815,126
Total assets	\$ 142,244,190	\$ 23,985,473	\$ 14,938,808	\$ 2,167,668	\$ 1,904,314	\$ 13,287,520	\$ 33,499,112	\$ 232,027,085
LIABILITIES								
Accounts payable	\$ 6,621,125	\$ 104,979	\$ -	\$ -	\$ -	\$ -	\$ 104,396	\$ 6,830,500
Accrued liabilities	1,629,620	-	-	-	-	-	-	1,629,620
Due to other funds	57,155,365	-	-	52,637	-	-	1,615,340	58,823,342
Unearned revenues	344,850	-	-	-	-	12,704,029	116,175	13,165,054
Total liabilities	65,750,960	104,979	-	52,637	-	12,704,029	1,835,911	80,448,516
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	1,131,268	-	-	-	129,289	-	127,865	1,388,422
Unavailable revenue - emergency medical services	3,869,520	-	-	-	-	-	-	3,869,520
Unavailable revenue - intergovernmental	-	-	-	-	-	-	1,104,489	1,104,489
Lease receipts	118,806	-	-	-	-	-	-	118,806
Total deferred inflows of resources	5,119,594	-	-	-	129,289	-	1,232,354	6,481,237
FUND BALANCES								
Nonspendable:								
Prepaid expenditures	112,023	-	-	-	-	-	-	112,023
Inventories	184,265	-	-	-	-	-	-	184,265
Land held for resale	815,126	-	-	-	-	-	-	815,126
Restricted for:								
Property tax reduction	2,728,300	-	-	-	-	-	-	2,728,300
DSS IV-D Incentive	123,206	-	-	-	-	-	-	123,206
Victim services	-	-	-	-	-	-	91,149	91,149
Drug task force	171,614	-	-	-	-	-	-	171,614
Inmate commissary	185,714	-	-	-	-	-	-	185,714
Capital projects	-	18,025,236	11,368,408	-	-	-	2,324,171	31,717,815
Public safety	52,463	-	-	-	-	-	4,741,438	4,793,901
Public works	-	-	-	-	-	-	2,873,115	2,873,115
Culture and recreation	-	-	-	-	-	-	705,180	705,180
Economic development	-	-	-	-	-	-	10,030,803	10,030,803
Debt service	-	-	-	-	1,076,508	-	-	1,076,508
Assigned:								
General government	378,000	-	-	-	-	-	-	378,000
Public safety	59,614	-	-	-	-	-	-	59,614
Roads and bridges	1,000,000	-	-	-	-	-	-	1,000,000
Subsequent year's budget	11,274,366	5,855,258	3,570,400	2,115,031	698,517	583,491	11,255,512	35,352,575
Unassigned	54,288,945	-	-	-	-	-	(1,590,521)	52,698,424
Total fund balances	71,373,636	23,880,494	14,938,808	2,115,031	1,775,025	583,491	30,430,847	145,097,332
Total liabilities, deferred inflows of resources, and fund balances	\$ 142,244,190	\$ 23,985,473	\$ 14,938,808	\$ 2,167,668	\$ 1,904,314	\$ 13,287,520	\$ 33,499,112	\$ 232,027,085

LANCASTER COUNTY, SOUTH CAROLINA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total fund balances for governmental funds:		\$ 145,097,332
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.		132,950,559
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		6,362,431
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	\$ (23,586,875)	
Unamortized refunding deferral amount on general obligation bonds	34,993	
Special obligation bonds	(6,075,000)	
Unamortized bond premium	(2,453,375)	
Financed purchases payable	(470,000)	
Leases payable	(691,297)	
Special source revenue bonds	(3,945,390)	
Subscriptions payable	(321,247)	
Post-closure care liabilities	(915,922)	
Compensated absences payable	(1,655,281)	
Total other postemployment benefits liability, net of related outflows and inflows of resources	(4,074,306)	
Net pension liability, net of related outflows and inflows of resources	<u>(48,251,942)</u>	
Total long-term liabilities		(92,405,642)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		<u>(226,713)</u>
Net position of governmental activities		<u>\$ 191,777,967</u>

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

LANCASTER COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Capital Projects Sales Tax 2 Fund	Capital Projects Sales Tax 3 Fund	Bond Projects Fund	Debt Service Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Property taxes	\$ 50,943,029	\$ -	\$ -	\$ -	\$ 5,384,023	\$ -	\$ 5,455,981	\$ 61,783,033
Sales and other local taxes	3,807,819	-	17,780,349	-	-	-	2,674,844	24,263,012
Licenses and permits	6,745,141	-	-	-	-	-	-	6,745,141
Intergovernmental	6,468,985	-	-	-	-	2,582,756	13,088,868	22,140,609
Charges for services	5,318,661	-	-	-	-	-	3,861,104	9,179,765
Fines and forfeitures	769,727	-	-	-	-	-	72,438	842,165
Interest revenue	1,743,174	1,009,210	2,012	96,457	2,870	552,121	33,410	3,439,254
Contributions and donations	87,140	-	-	-	-	-	216,393	303,533
Other revenues	321,632	-	-	-	-	-	15,837	337,469
Total revenues	<u>76,205,308</u>	<u>1,009,210</u>	<u>17,782,361</u>	<u>96,457</u>	<u>5,386,893</u>	<u>3,134,877</u>	<u>25,418,875</u>	<u>129,033,981</u>
EXPENDITURES								
Current:								
General government	18,924,737	-	-	-	-	1,445,628	330,897	20,701,262
Administration of justice	2,739,385	-	-	-	-	19,230	80,428	2,839,043
Public safety	24,272,434	-	804,078	-	-	800,340	8,931,274	34,808,126
Public works	6,196,054	7,925,396	-	-	-	-	3,521,273	17,642,723
Public health and welfare	8,847,566	-	-	-	-	249,892	155,707	9,253,165
Culture and recreation	4,806,994	229,862	-	-	-	67,666	104,407	5,208,929
Economic development	332,711	-	-	-	-	-	642,847	975,558
Capital outlay	530,683	-	-	1,107,229	-	-	2,169,374	3,807,286
Debt service:								
Principal	234,367	-	-	-	3,760,000	-	1,463,564	5,457,931
Interest	869	-	-	-	1,216,884	-	54,013	1,271,766
Fees	-	-	-	-	5,999	-	10,000	15,999
Total expenditures	<u>66,885,800</u>	<u>8,155,258</u>	<u>804,078</u>	<u>1,107,229</u>	<u>4,982,883</u>	<u>2,582,756</u>	<u>17,463,784</u>	<u>101,981,788</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,319,508</u>	<u>(7,146,048)</u>	<u>16,978,283</u>	<u>(1,010,772)</u>	<u>404,010</u>	<u>552,121</u>	<u>7,955,091</u>	<u>27,052,193</u>
OTHER FINANCING SOURCES (USES)								
Transfers out	(198,088)	-	-	-	-	-	-	(198,088)
Issuance of leases	530,683	-	-	-	-	-	-	530,683
Issuance of bonds	-	-	-	-	-	-	590,000	590,000
Sale of capital assets	91,325	-	-	-	-	-	-	91,325
Total other financing sources, net	<u>423,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>590,000</u>	<u>1,013,920</u>
Net change in fund balances	9,743,428	(7,146,048)	16,978,283	(1,010,772)	404,010	552,121	8,545,091	28,066,113
Fund balances (deficit), beginning of year	<u>61,630,208</u>	<u>31,026,542</u>	<u>(2,039,475)</u>	<u>3,125,803</u>	<u>1,371,015</u>	<u>31,370</u>	<u>21,885,756</u>	<u>117,031,219</u>
Fund balances, end of year	<u>\$ 71,373,636</u>	<u>\$ 23,880,494</u>	<u>\$ 14,938,808</u>	<u>\$ 2,115,031</u>	<u>\$ 1,775,025</u>	<u>\$ 583,491</u>	<u>\$ 30,430,847</u>	<u>\$ 145,097,332</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, 2023

Net change in fund balances - total governmental funds	\$	28,066,113
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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	\$	8,582,631	
Depreciation and amortization expense		<u>(8,853,365)</u>	(270,734)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.			(1,234,289)
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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	\$	5,791,959	
Issuance of general obligation bonds		(590,000)	
Issuance of leases payable		(530,683)	
Amortization of premium/discount on long-term debt		467,502	
Amortization of the refunding deferral amount on the refunding general obligation bonds		<u>(35,812)</u>	5,102,966

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	\$	(956,064)	
Landfill post-closure liability		59,682	
Compensated absences		(95,893)	
Accrued interest on long-term debt		24,591	
Other postemployment benefits liability		<u>22,847</u>	<u>(944,837)</u>

Change in net position - governmental activities	\$	<u>30,719,219</u>
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LANCASTER COUNTY, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023**

	<u>Nonmajor Enterprise Fund Airport Fund</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 100
Lease receivable	103,146
Inventory	68,018
Total current assets	<u>171,264</u>
NONCURRENT ASSETS	
Capital assets:	
Nondepreciable	1,152,354
Depreciable, net of accumulated depreciation and amortization	<u>5,729,991</u>
Total noncurrent assets	<u>6,882,345</u>
Total assets	<u>7,053,609</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	22,753
Total deferred outflows of resources	<u>22,753</u>
LIABILITIES	
CURRENT LIABILITIES	
Due to other funds	240,277
Unearned revenues	3,600
Lease liability	11,056
Total current liabilities	<u>254,933</u>
NONCURRENT LIABILITIES	
Net pension liability	132,429
Total noncurrent liabilities	<u>132,429</u>
Total liabilities	<u>387,362</u>
DEFERRED INFLOWS OF RESOURCES	
Lease receipts	93,290
Pension	996
Total deferred inflows of resources	<u>94,286</u>
NET POSITION	
Net investment in capital assets	6,871,289
Unrestricted	<u>(276,575)</u>
Total net position	<u>\$ 6,594,714</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, 2023**

	Nonmajor Enterprise Fund Airport Fund
OPERATING REVENUES	
Charges for services:	
Sale of fuel	\$ 240,724
Rental income	83,248
Total operating revenues	323,972
OPERATING EXPENSES	
Salaries and fringe benefits	87,679
Costs of services	245,926
Depreciation and amortization	458,738
Total operating expenses	792,343
Operating loss	(468,371)
Loss before capital contributions and transfers	(468,371)
TRANSFERS	
Transfers in	198,088
Total transfers	198,088
Change in net position	(270,283)
Net position, beginning of year	6,864,997
Net position, end of year	\$ 6,594,714

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, 2023

	Nonmajor Enterprise Fund Airport Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 351,957
Payments to suppliers	(276,443)
Payments to employees	(86,895)
Net cash used in operating activities	(11,381)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	198,088
Net cash provided by noncapital financing activities	198,088
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(186,707)
Net cash used in capital and related financing activities	(186,707)
Net change in cash and cash equivalents	-
Cash and cash equivalents:	
Beginning of year	100
End of year	\$ 100
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (468,371)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	458,738
Changes in assets and liabilities:	
Decrease in accounts receivable	755
Decrease in lease receivable	11,574
Decrease in due from other governments	76,305
Increase in inventory	(30,517)
Decrease in deferred outflows of resources	1,122
Decrease in due to other funds	(30,459)
Decrease in unearned revenues	(18,900)
Decrease in deferred inflows of resources - lease receipts	(11,290)
Increase in net pension liability	6,819
Decrease in deferred inflows of resources	(7,157)
Net cash used in operating activities	\$ (11,381)

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

LANCASTER COUNTY, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 23,045,393
Investments	15,466,689
Taxes receivable	4,541,118
Accounts receivable	683,640
Total assets	<u>\$ 43,736,840</u>
LIABILITIES	
Due to other taxing districts and agencies	\$ 36,886,690
Due to others	4,541,118
Total liabilities	<u>\$ 41,427,808</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u>\$ 2,309,032</u>
Total net position	<u>\$ 2,309,032</u>

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

LANCASTER COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Custodial Funds
ADDITIONS	
Taxes and assessments	\$ 112,701,824
Fine and fees	3,868,637
Funds from state and participants	13,854
Inmate funds collected	548,546
Funds from foreclosure sales	3,416,467
	120,549,328
DEDUCTIONS	
Taxes and fees paid to other governments	120,167,763
Inmate funds disbursed	548,546
Other custodial disbursements	13,854
	120,730,163
Change in net position	(180,835)
NET POSITION, BEGINNING OF YEAR	2,489,867
NET POSITION, END OF YEAR	\$ 2,309,032

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 FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lancaster County, South Carolina (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

Reporting Entity

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

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

Basis of Presentation

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

Government-wide Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Financial Statements (Continued)

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

The **Capital Project Sales Tax 3 Fund** accounts revenues received from the County's third imposition of its penny sales tax and is used for capital items approved by voter referendum.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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 **ARPA Fund** accounts for the proceeds directed to the County by the U.S. Department of Treasury under the American Rescue Plan.

The County reports the following proprietary fund:

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

Additionally, the County reports the following fund types:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

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 fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Revenue - Exchange and Non-exchange Transactions

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Revenue - Exchange and Non-exchange Transactions (Continued)

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

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

Unearned Revenue

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

Unavailable Revenue

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

Property taxes for which there is an enforceable legal claim as of year-end, but which were levied to finance fiscal year 2023 operations, have been recorded as unavailable revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unavailable revenue.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Expenses/Expenditures

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

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The assigned fund balance for the subsequent year's budget includes outstanding encumbrances of \$2,615,343, \$5,855,258, \$3,570,400, \$2,115,031, \$698,517, \$583,491 and \$11,255,512 in the General Fund, the Capital Projects Sales Tax 2 Fund, the Capital Projects Sales Tax 3 Fund, Bond Projects Fund, the Debt Service Fund, ARPA Fund and the Nonmajor Governmental Funds, respectively. The assigned fund balance for the subsequent year's budget also includes appropriations of existing unassigned fund balance at year-end to eliminate a deficit in next year's budget of \$8,659,023 in the General Fund.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity

Cash and Investments

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

Taxes and Accounts Receivable

Property taxes receivable represents delinquent and unpaid real and personal property tax billings less an allowance for the amounts estimated to be uncollectible. Accounts receivable represent unpaid receipts as well as EMS billings that have not been collected as of year-end less an allowance for any amounts deemed to be uncollectible.

Intergovernmental Receivable

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

Inventories and Prepaid Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40
Right-to-use lease buildings	7-10
Vehicles	5 - 15
Right-to-use lease vehicles	7-10
Subscription assets	3
Furniture and equipment	5 - 15
Infrastructure	20

Compensated Absences

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Inflows/Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net assets 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 six (6) 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 four (4) items relate to the County's pension and other postemployment benefits (OPEB) plans and are reported in the government-wide and proprietary fund Statements of Net Position. (1) Experience gains result from periodic studies by the County's actuary, which adjust the net pension and OPEB liabilities for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains are recorded as deferred outflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of the plan members. (2) Changes in actuarial assumptions adjust the net pension and OPEB liabilities and are amortized into pension and OPEB expense over the expected remaining service lives of plan members. (3) The changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred outflows. (4) Any contributions made by the County to the pension and OPEB plan before year end but subsequent to the measurement date of the County's net pension liability and total OPEB liability are reported as deferred outflows of resources. (5) 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.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Inflows/Outflows of Resources (Continued)

The other items relate to the County's pension and OPEB plans and are reported in the government-wide and proprietary fund Statements of Net Position. Certain experience losses (discussed in the previous paragraph) are deferred and amortized against expense over a five-year period, resulting in recognition as deferred inflows of resources. Finally, changes in actuarial assumptions (discussed in the previous paragraph) adjust the total OPEB liability and are amortized against OPEB expense over the expected remaining service lives of plan members. *Deferred inflows from lease receipts* are reported in the Governmental Funds Balance Sheet as well as the government-wide Statement of Net Position. The County reports deferred inflows from lease receipts and amortized into lease revenues over the remaining life of the lease.

Interfund Transactions

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

Long-term Obligations

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Leases

Lessee

The County is a lessee for noncancellable leases of several pieces of equipment, buildings and land. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Leases (Continued)

Lessor

The County is the lessor for certain noncancellable lease of real property and spaces within existing County buildings. The County recognizes a lease receivable and a deferred inflow of resources for deferred lease receipts in accordance with these transactions.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date, less certain other amounts to be paid by the County (if any). Subsequently, the deferred inflow of resources is amortized into lease revenue on a straight-line basis over the lease term.

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

- The lease agreements entered into by the County as lessor do not include stated interest rates. Therefore, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments that the County will receive over the term of the lease agreement.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Subscription-Based Information Technology Arrangements (SBITAs)

The County has noncancellable SBITAs of various IT software. The County recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The County recognizes subscription liabilities with an initial, individual value of \$5,000 or more. At the commencement of a SBITA, the County initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability reduced by the principal portion of the SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain implementation and conversion costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments:

- The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the subscription liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities on the Statement of Net Position.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity (Continued)

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

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

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

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

Net Position

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

Restricted Resources

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Use of Estimates

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

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, Special Revenue Funds (except for the ARPA Fund, Sunday Alcohol Sales Fund, Restricted Grants Fund, Economic Development Fund, County Impact Fees Fund, and Development Agreements Fund), Debt Service Fund, Capital Projects Sales Tax 2 Fund, Capital Projects Sales Tax 3 Fund, and the Capital Improvement Fund. The legally adopted budgets for the General Fund are presented as required supplementary information.

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

Deficit Fund Equity

For the year ended June 30, 2023, the Restricted Grants Fund reported a deficit fund balance of \$1,590,521. This deficit will be eliminated through the recognition of unearned and/or unavailable revenues in future periods, through transfers from other funds, and from other future revenues.

Excess of Expenditures over Appropriations

For the year ended June 30, 2023, expenditures exceeded budget, as follows:

<u>Fund</u>	<u>Excess</u>
Court Mandated Security	\$ (58,376)
Hospitality Tax	(1,388)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2023, are summarized below:

As reported in the Statement of Net Position:	
Cash and cash equivalents	\$ 55,469,819
Investments	101,783,665
As reported in the Statement of Fiduciary Net Position:	
Custodial Fund - cash and cash equivalents	23,045,393
Custodial Fund - investments	15,466,689
	\$ 195,765,566
Cash deposited with financial institutions	\$ 78,515,212
State Treasurer's Local Government Investment Pool	96,295,464
U.S. Government Treasuries	11,320,944
U.S. Government Agencies	308,078
Money market accounts	9,325,868
	\$ 195,765,566

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, 2023, the carrying amount of the County's deposits was \$78,515,212 and the bank balance was \$81,208,610. 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 \$12,085 are reflected as cash.

As of June 30, 2023, the County has the following investments:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1-5	6-10
State Treasurer's Local Government Investment Pool	\$ 96,295,464	\$ 96,295,464	\$ -	\$ -
Money market accounts	9,325,868	9,325,868	-	-
U.S. Government Treasuries	11,320,944	5,942,584	5,073,611	304,749
U.S. Government Agencies	308,078	230,901	77,177	-
	\$ 117,250,354	\$ 111,794,817	\$ 5,150,788	\$ 304,749

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and are valued using a matrix-pricing technique; and Level 3 inputs are significant unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

The County has the following recurring fair value measurements as of June 30, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value
Investments by Fair Value Level				
Debt securities:				
U.S. Treasuries	\$ 11,320,944	\$ -	\$ -	\$ 11,320,944
U.S. Agencies	308,078	-	-	308,078
Total investments by fair value level	<u>\$ 11,629,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,629,022</u>

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

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

Credit Risk. This is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's policy is to invest in only those securities allowed by state statutes and that are highly rated. The County's investments in the U.S. Government Agencies, including the Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), and Federal National Mortgage Association (FNMA) were rated AA+ by Standard & Poor's and Aaa by Moody's Investor Services. As of June 30, 2023, the County owned \$308,078 of government sponsored entity (GSE) debt securities. These bonds are the direct obligation of the FFCB, FHLB, FHLMC, and FNMA, which are rated AA+ or equivalent by all rating agencies. The investments are either directly or indirectly guaranteed by the US Treasury. The money market accounts were rated AAA by Standard & Poor's and Aaa by Moody Investor Services. The LGIP is not rated, but generally, investments in this pool are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality and in federal agency securities.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES AND PROPERTY TAXES (CONTINUED)

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 custodial 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, 2023, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects Sales Tax 2	Capital Projects Sales Tax 3	Debt Service
Taxes receivable	\$ 1,247,615	\$ -	\$ -	\$ 144,728
Accounts receivable	11,419,888	-	-	325
Lease receivable	125,966	-	-	-
Due from other governments	6,362,898	-	-	-
Less: allowance	(6,387,038)	-	-	(7,236)
Net receivables	\$ 12,769,329	\$ -	\$ -	\$ 137,817
	ARPA	Nonmajor Governmental	Airport	Total
Taxes receivable	\$ -	\$ 138,755	\$ -	\$ 1,531,098
Accounts receivable	-	211,575	-	11,631,788
Lease receivable	-	-	103,146	229,112
Due from other governments	-	1,345,228	-	7,708,126
Less: allowance	-	(4,036)	-	(6,398,310)
Net receivables	\$ -	\$ 1,691,522	\$ 103,146	\$ 14,701,814

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the County's governmental activities for the year ended June 30, 2023, was as follows:

Governmental activities	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets not being depreciated					
Land	\$ 12,386,465	\$ -	\$ -	\$ 2,616,175	\$ 15,002,640
Construction in progress	23,552,256	2,069,664	-	(5,165,086)	20,456,834
Total capital assets not being depreciated	35,938,721	2,069,664	-	(2,548,911)	35,459,474
Capital assets being depreciated					
Buildings and improvements	93,705,251	632,967	-	2,077,135	96,415,353
Vehicles	35,562,708	3,098,417	(1,355,542)	38,213	37,343,796
Furniture and equipment	31,759,194	2,250,900	(123,736)	433,563	34,319,921
Infrastructure	25,039,305	-	-	-	25,039,305
Total capital assets being depreciated	186,066,458	5,982,284	(1,479,278)	2,548,911	193,118,375
Less accumulated depreciation					
Buildings and improvements	(27,286,863)	(2,888,933)	-	-	(30,175,796)
Vehicles	(25,328,904)	(2,755,430)	1,355,542	-	(26,728,792)
Furniture and equipment	(22,861,298)	(2,013,632)	123,736	-	(24,751,194)
Infrastructure	(14,014,189)	(959,559)	-	-	(14,973,748)
Total accumulated depreciation	(89,491,254)	(8,617,554)	1,479,278	-	(96,629,530)
Total capital assets being depreciated, net	96,575,204	(2,635,270)	-	2,548,911	96,488,845
Governmental activities capital assets, net excluding lease assets	\$ 132,513,925	\$ (565,606)	\$ -	\$ -	131,948,319
Lease assets, net (Note 7)					671,506
Subscription assets, net (Note 7)					330,734
Total capital assets net as reported in the statement of net position					<u>\$ 132,950,559</u>

Depreciation and amortization expense was charged to functions as follows:

General government	\$ 1,108,475
Administration of justice	98,340
Public safety	1,028,376
Public works, including depreciation of infrastructure assets	875,017
Public health and welfare	3,257,583
Culture and recreation	1,615,003
Economic development	870,571
Total governmental activities depreciation and amortization expense	<u>\$ 8,853,365</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the County's business-type activities for the year ended June 30, 2023, was as follows:

Business-type activities	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets not being depreciated					
Land	\$ 598,607	\$ -	\$ -	\$ -	\$ 598,607
Construction in progress	413,855	139,892	-	-	553,747
Total capital assets not being depreciated	<u>1,012,462</u>	<u>139,892</u>	<u>-</u>	<u>-</u>	<u>1,152,354</u>
Capital assets being depreciated					
Buildings and improvements	14,686,815	-	-	-	14,686,815
Vehicles	23,230	-	-	-	23,230
Furniture and equipment	116,639	46,815	-	-	163,454
Total capital assets being depreciated	<u>14,826,684</u>	<u>46,815</u>	<u>-</u>	<u>-</u>	<u>14,873,499</u>
Less accumulated depreciation					
Buildings and improvements	(8,628,381)	(430,794)	-	-	(9,059,175)
Vehicles	(5,420)	(4,646)	-	-	(10,066)
Furniture and equipment	(62,025)	(23,101)	-	-	(85,126)
Total accumulated depreciation	<u>(8,695,826)</u>	<u>(458,541)</u>	<u>-</u>	<u>-</u>	<u>(9,154,367)</u>
Total capital assets being depreciated, net	<u>6,130,858</u>	<u>(411,726)</u>	<u>-</u>	<u>-</u>	<u>5,719,132</u>
Business-type activities capital assets, net excluding lease assets	<u>\$ 7,143,320</u>	<u>\$ (271,834)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>6,871,486</u>
Lease assets, net (Note 7)					<u>10,859</u>
Total capital assets net as reported in the statement of net position					<u>\$ 6,882,345</u>

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

Airport	<u>\$ 458,738</u>
Total business-type activities depreciation and amortization expense	<u>\$ 458,738</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES

The following is a summary of long-term debt activity for the primary government for the fiscal year ended June 30, 2023:

	Balance			Balance June 30, 2023	Due within One Year
	June 30, 2022	Additions	Reductions		
Governmental activities					
General obligation bonds	\$ 27,524,538	\$ 590,000	\$ (4,527,663)	\$ 23,586,875	\$ 3,889,768
Special obligation bonds	6,140,000	-	(65,000)	6,075,000	335,000
Leases	290,128	530,683	(129,514)	691,297	229,804
Subscriptions	429,703	-	(108,456)	321,247	109,035
Financed purchases	520,000	-	(50,000)	470,000	50,000
Special source revenue bonds	4,856,716	-	(911,326)	3,945,390	865,305
Post-closure care costs	975,604	-	(59,682)	915,922	57,750
Compensated absences	1,559,388	1,495,897	(1,400,004)	1,655,281	1,400,005
Total postemployment benefit liability	5,271,921	353,860	(2,752,107)	2,873,674	264,405
Net pension liability - SCRS	31,450,773	8,431,676	(4,176,166)	35,706,283	-
Net pension liability - PORS	18,628,456	8,591,598	(3,390,730)	23,829,324	-
Deferred amounts:					
Unamortized premium	2,920,877	-	(467,502)	2,453,375	-
	<u>\$ 100,568,104</u>	<u>\$ 19,993,714</u>	<u>\$ (18,038,150)</u>	<u>\$ 102,523,668</u>	<u>\$ 7,201,072</u>
Business-type activities					
Net pension liability - SCRS	\$ 125,610	\$ 13,512	\$ (6,693)	\$ 132,429	\$ -
Leases	-	11,056	-	11,056	11,056
	<u>\$ 125,610</u>	<u>\$ 24,568</u>	<u>\$ (6,693)</u>	<u>\$ 143,485</u>	<u>\$ 11,056</u>

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

General Obligation Bonds

The County issues general obligation debt to provide funds for acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. During 2015, the County issued 2015A, 2015B and 2015C general obligation bonds for the purposes of defraying the cost of capital projects approved in a referendum held in the County on November 4, 2014, as well as to refund the 2010B and 2010C bonds. The current refunding of the 2010B and 2010C bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$31,145 and \$101,786, respectively. The differences reported in the Statement of Net Position as a deferred outflow of resources are being charged to increase expenses through the year 2030 for the 2010B bonds and the year 2025 for the 2010C bonds using the straight-line method. The refunding transactions resulted in an economic gain of \$54,667 and \$214,875 for the 2010B and 2010C bonds, respectively. The 2010B and 2010C refunding transactions decreased the total debt service payments over the next 13 years by \$60,689 and \$229,436, respectively.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

During 2016, the County issued 2016A general obligation bonds for the purposes of funding the acquisition of fire trucks and such other lawful purposes, as the County Council shall determine. During 2017, the County issued 2017 general obligation bonds for the purpose of improvements to the Brookchase district. During 2019, the County issued 2019 general obligation bonds for the purposes of defraying the cost of capital projects approved in a referendum held in the County on November 4, 2014, as well as to refund the 2009 bonds. The current refunding of the 2009 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$41,589. The difference reported in the Statement of Net Position as a deferred outflow of resources are being charged to increase expenses through the year 2024 for the 2009 bonds using the straight-line method. The refunding transaction resulted in an economic gain of \$85,292 and decreased the total debt service payments over the next five years by \$86,910. During 2022, the County issued 2022 general obligation bonds for the Reid Pointe project. During 2022, the County issued the \$7,500,000 in general obligation bonds which was the remaining bonds authorized by the recreation bond referendum. The County also issued \$590,000 in general obligation bonds for the Reid Pointe special tax district.

General obligation bonds currently outstanding are as follows:

Description	Amount Issued	Interest Rate	Final Maturity	Annual Principal Payments	Amount Outstanding
General obligation bonds, series 2021	\$ 7,500,000	4% to 5%	2039	\$45,000 to \$515,000	\$ 6,875,000
General obligation refunding bonds, series 2015B	1,935,000	3% to 3.25%	2030	\$115,000 to \$165,000	1,070,000
General obligation refunding bonds, series 2015C	6,110,000	3% to 5%	2025	\$120,000 to \$1,475,000	2,530,000
General obligation bonds, series 2017 (Brookchase)	650,000	2.61%	2030	\$40,000 to \$60,000	376,875
General obligation refunding & improvement bonds, series 2019	19,905,000	5.00%	2039	\$595,000 to \$890,000	12,145,000
General obligation bonds, bonds, series 2022 (Reid Pointe)	590,000	2.90%	2024	\$590,000	590,000
					<u>\$ 23,586,875</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

The annual requirements to amortize all general obligation bonds as of June 30, 2023, including interest payments, are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2024	\$ 3,889,768	\$ 903,708	\$ 4,793,476
2025	3,271,067	725,600	3,996,667
2026	1,882,400	566,167	2,448,567
2027	1,038,768	476,300	1,515,068
2028	1,080,172	428,746	1,508,918
2029-2033	5,424,700	1,430,235	6,854,935
2034-2038	5,760,000	613,300	6,373,300
2039	1,240,000	32,050	1,272,050
	<u>\$ 23,586,875</u>	<u>\$ 5,176,106</u>	<u>\$ 28,762,981</u>

Debt service funds of \$1,752,465 are available to service the general obligation bonds.

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

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

Advanced Refunding

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

On May 23, 2019, the County issued \$19,905,000 General Obligation Refunding and Improvement Bonds, Series 2019. These bonds were issued and the proceeds were used to refund \$1,615,000 of outstanding General Obligation Refunding Bonds, Series 2009, and to pay certain issuance costs. In connection with the issuance of the bonds, a premium of \$2,116,323 was recorded and is being amortized over the life of the bonds. As of June 30, 2023, the unamortized premium was \$1,160,639.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Advanced Refunding (Continued)

In current and prior years, advance refunding transactions resulted in book losses that are being amortized over the original remaining life of the old bonds that were defeased. The unamortized losses at June 30, 2023, are classified as a deferred outflow of resources on the Statement of Net Position. Amortization of \$41,496 has been included in interest expense for the year ended June 30, 2023. As of June 30, 2023, the County's outstanding in-substance defeased general obligation bond debt totaled \$700,000.

Special Obligation Bonds

The County issues special obligation debt to provide funds for defraying the cost of capital acquisitions and construction. The special obligation bond does not constitute general obligations of the County to which its faith and credit or taxing power are pledged but are subject to and dependent upon lawful appropriations of funds being made by the County. In 2021 the County issued \$6,140,000 in special obligation bonds for three aerial trucks and a mobile command post.

Description	Amount Issued	Interest Rate	Final Maturity	Annual Principal Payments	Amount Outstanding
Special obligation bonds, bonds, series 2021	\$ 6,140,000	3% to 4%	2037	\$65,000-\$540,000	\$ 6,075,000
					<u>\$ 6,075,000</u>

The annual requirements to amortize all special obligation bonds as of June 30, 2023, including interest payments, are as follows:

Year Ending June 30,	Special Obligation Bonds		
	Principal	Interest	Total
2024	\$ 335,000	\$ 217,700	\$ 552,700
2025	350,000	204,300	554,300
2026	360,000	190,300	550,300
2027	375,000	175,900	550,900
2028	390,000	160,900	550,900
2029-2033	2,210,000	556,300	2,766,300
2034-2037	2,055,000	156,600	2,211,600
	<u>\$ 6,075,000</u>	<u>\$ 1,662,000</u>	<u>\$ 7,737,000</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Financed Purchases

The County has entered into agreements to finance the purchase of various pieces of equipment. The following is a schedule of the annual debt service requirements to maturity for the financed purchases:

Year Ending June 30,	Financed Purchases		
	Principal	Interest	Total
2024	\$ 50,000	\$ -	\$ 50,000
2025	50,000	-	50,000
2026	50,000	-	50,000
2027	50,000	-	50,000
2028	50,000	-	50,000
2029-2033	220,000	-	220,000
	<u>\$ 470,000</u>	<u>\$ -</u>	<u>\$ 470,000</u>

Special Source Revenue Bonds

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

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

Year Ending June 30,	Special Source Revenue Bonds		
	Principal	Interest	Total
2024	\$ 865,305	\$ 157,816	\$ 1,023,121
2025	831,585	123,203	954,788
2026	817,239	89,940	907,179
2027	806,226	57,250	863,476
2028	625,035	25,002	650,037
	<u>\$ 3,945,390</u>	<u>\$ 453,211</u>	<u>\$ 4,398,601</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Leases

The County has entered into multiple noncancelable leases as the lessee for various right-to-use assets. The incremental borrowing rate varies from 1.836% to 0.5135%. As of June 30, 2023, the County has \$691,297 outstanding in leases payable.

The annual requirements to amortize all leases payable as of June 30, 2023, including interest payments, are as follows:

Year Ending June 30,	Leases		
	Principal	Interest	Total
2024	\$ 229,804	\$ 1,071	\$ 230,875
2025	155,312	369	155,681
2026	117,525	211	117,736
2027	117,553	182	117,735
2028	67,158	154	67,312
2029-2033	2,767	419	3,186
2034	1,178	22	1,200
	<u>\$ 691,297</u>	<u>\$ 2,428</u>	<u>\$ 693,725</u>

Subscriptions

The County has entered into multiple noncancelable subscriptions as the lessee for various right-to-use software. The incremental borrowing rate varies from 1.983% to 0.8534%. As of June 30, 2023, the County has \$321,247 outstanding in subscriptions payable.

The annual requirements to amortize all leases payable as of June 30, 2023, including interest payments, are as follows:

Year Ending June 30,	Subscriptions		
	Principal	Interest	Total
2024	\$ 109,035	\$ 7,099	\$ 116,134
2025	111,589	4,545	116,134
2026	100,623	1,975	102,598
	<u>\$ 321,247</u>	<u>\$ 13,619</u>	<u>\$ 334,866</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Landfill Closure and Post-closure Care Costs

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

During fiscal year 2023, the County expended \$59,682 in landfill closure costs. Remaining post-closure care costs are estimated at \$915,922 and included with the long-term liabilities in the Statement of Net Position. Post-closure care costs are reported in the General Fund and are based on engineering estimates that are subject to change due to inflation, deflation, technology and/or applicable laws and regulations.

Conduit Debt Obligations

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, nor the State of South Carolina, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2023, there were no Industrial Revenue Bonds outstanding.

Special Assessment Debt Obligations

In July 2003, the County issued \$13,760,000 of special assessment debt. This debt is applicable to the Edgewater Improvement District, which is located in the southern part of the County and will be used to improve the area's infrastructure. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2023, the outstanding balance on this debt was \$2,767,000.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Special Assessment Debt Obligations (Continued)

In June 2006, the County issued 2006A and 2006B special assessment debt in the amount of \$35,615,000. This debt is applicable to the Edenmoor Improvement District, which is located in the northern part of the County and will be used to improve the area's infrastructure and to construct a sheriff and EMS substation. In February 2016, the County issued Walnut Creek Improvement District 2016A-1 in the amount of \$8,510,000 and the Edenmoor Assessment 2016 A Bonds in the amount of \$14,365,000. In December 2016, the County issued the Walnut Creek Improvement District 2016A-2 in the amount of \$3,380,000. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2023, the outstanding balances on this debt were \$10,880,047, \$6,515,000, and \$2,735,000, respectively.

In March 2006, the County issued \$20,000,000 of special assessment debt. This debt is applicable to the Sun City Carolina Lakes Improvement District, which is located in the northern part of the County and will be used to improve the area's infrastructure and to construct a library branch. In December 2016, the County issued the Sun City Carolina Lakes Refunding Revenue Bonds 2016 in the amount of \$14,113,000 to refund the 2006 bonds. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2023, the outstanding balance on this debt was \$10,269,514.

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, 2023, the outstanding balance on this debt was \$28,602,500.

In 2021, the County issued \$4,070,000 of special assessment debt. This debt is applicable to the Walnut Creek Improvement District and will be used to improve the area's infrastructure. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2023, the outstanding balance on this debt was \$4,070,000.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LEASE AND SUBSCRIPTION ASSETS

Lease asset activity for the County's governmental activities for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Remeasurements	Deletions	Balance June 30, 2023
Governmental activities					
Lease asset					
Equipment	\$ 171,387	\$ 530,683	\$ -	\$ -	\$ 702,070
Buildings	112,827	-	-	-	112,827
Land	226,209	-	-	-	226,209
Total lease assets	<u>510,423</u>	<u>530,683</u>	<u>-</u>	<u>-</u>	<u>1,041,106</u>
Less accumulated amortization					
Equipment	(135,389)	(39,469)	-	-	(174,858)
Buildings	(37,609)	(37,609)	-	-	(75,218)
Land	(59,760)	(59,764)	-	-	(119,524)
Total accumulated amortization	<u>(232,758)</u>	<u>(136,842)</u>	<u>-</u>	<u>-</u>	<u>(369,600)</u>
Total lease assets net of accumulated amortization	<u>\$ 277,665</u>	<u>\$ 393,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 671,506</u>
Business-type activities					
Lease asset					
Equipment	\$ -	\$ 11,056	\$ -	\$ -	\$ 11,056
Total lease assets	<u>-</u>	<u>11,056</u>	<u>-</u>	<u>-</u>	<u>11,056</u>
Less accumulated amortization					
Equipment	-	(197)	-	-	(197)
Total accumulated amortization	<u>-</u>	<u>(197)</u>	<u>-</u>	<u>-</u>	<u>(197)</u>
Total lease assets net of accumulated amortization	<u>\$ -</u>	<u>\$ 10,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,859</u>

Subscription asset activity for the County's governmental activities for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Remeasurements	Deletions	Balance June 30, 2023
Governmental activities					
Subscription asset	\$ 429,703	\$ -	\$ -	\$ -	\$ 429,703
Total capital assets	<u>429,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>429,703</u>
Less accumulated amortization					
Subscription asset	-	(98,969)	-	-	(98,969)
Total accumulated amortization	<u>-</u>	<u>(98,969)</u>	<u>-</u>	<u>-</u>	<u>(98,969)</u>
Total subscription assets net of accumulated amortization	<u>\$ 429,703</u>	<u>\$ (98,969)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 330,734</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS

Retirement Plan

Overview:

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Plan Description:

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

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 system as a condition of employment. This plan covers general employees, teachers, and first-term individuals elected to the South Carolina General Assembly. 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; be a coroner in a full-time permanent position; or be 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/current annual salary. A brief summary of benefit terms for each system is presented below.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Contributions:

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The Board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year, if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded. For the year ended June 30, 2023, the County contributed \$3,181,980 to the SCRS plan and \$2,767,263 to the PORS plan.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Contributions (Continued):

Required employee contribution rates for the year ended June 30, 2023, are as follows:

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

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

Required employer contribution rates for the year ended June 30, 2023, are as follows:

South Carolina Retirement System

Employee Class Two	17.41% of earnable compensation
Employee Class Three	17.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	19.84% of earnable compensation
Employee Class Three	19.84% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

Net Pension Liability:

The June 30, 2022, (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2021, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2022, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS. The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2023, (measurement date of June 30, 2022), the net pension liability amounts for the County's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability (Continued):

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employer's Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>	<u>County's Proportionate Share of the Collective Net Pension Liability</u>
SCRS	\$ 83,460,572	\$ 47,621,860	\$ 35,838,712	57.1%	0.147836%
PORS	71,017,168	47,187,844	23,829,324	66.4%	0.794581%
Total	<u>\$ 154,477,740</u>	<u>\$ 94,809,704</u>	<u>\$ 59,668,036</u>		

Actuarial Assumptions and Methods:

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

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2022 valuations for SCRS and PORS.

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued):

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	20120 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	20120 PRSC Females multiplied by 107%

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

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

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
	100.0%		
		Total expected real return	4.79%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	7.04%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Discount Rate:

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity of the Net Position Liability to Changes in the Discount Rate				
	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)	
SCRS	\$ 45,949,545	\$ 35,838,712	\$ 27,432,716	
PORS	\$ 33,228,550	\$ 23,829,324	\$ 16,135,163	

Pension Expense:

For the year ended June 30, 2023, the County recognized its proportionate share of collective pension expense of \$3,007,363 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$795,668 for a total of \$3,803,031 for the SCRS plan. Additionally, for the year ended June 30, 2023, the County recognized its proportionate share of collective pension expense of \$2,321,130 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$997,898 for a total of \$3,319,028 for the PORS plan. Total pension expense for the County, for all plans, is \$7,122,059.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

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

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 311,372	\$ 156,184
Changes of assumptions	1,149,432	-
Net difference between projected and actual earnings on pension plan investments	55,271	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	961,720	-
Employer contributions subsequent to the measurement date	3,181,980	-
Total	<u>\$ 5,659,775</u>	<u>\$ 156,184</u>
PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 399,808	\$ 471,066
Changes of assumptions	992,291	-
Net difference between projected and actual earnings on pension plan investments	71,958	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,041,577	-
Employer contributions subsequent to the measurement date	2,767,263	-
Total	<u>\$ 6,272,897</u>	<u>\$ 471,066</u>
Total SCRS and PORS	<u>\$ 11,932,672</u>	<u>\$ 627,250</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued): County contributions subsequent to the measurement date of \$3,181,980 and \$2,767,263 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, 2024. 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
2024	\$ 1,268,136	\$ 1,391,594
2025	875,214	1,079,816
2026	(756,391)	(363,081)
2027	934,652	926,239

Pension Plan Fiduciary Net Position:

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

Deferred Compensation Plan

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Other Post Employment Healthcare Benefits (OPEB)

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

Plan Membership. The Plan has 647 covered members for the year ended June 30, 2023; 83 members are retirees receiving benefits and 564 are active participants and dependents.

Funding Policy and Contributions. The County currently pays for other post-employment benefits on a pay-as-you-go basis. For the year ended June 30, 2023, the County paid \$201,409 toward the cost of retiree health insurance for eligible retired employees. The County's obligation to contribute to the Plan was established and may be amended by the County Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the plan.

Total OPEB Liability. The County's total OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022, with the actuary using standard techniques to roll forward the liability to the measurement date.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Other Post Employment Healthcare Benefits (OPEB) (Continued)

Actuarial Assumptions. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	3.69% as of June 30, 2022
Healthcare cost trend rate:	6.00% - 4.00%, Ultimate Trend after 13 years
Inflation rate:	2.25%
Salary increase:	3.00% - 9.50% for SCRS eligible employees and 3.50% - 10.50% for PORS eligible employees per annum
Participation rate:	40.00% of all eligible employees and 25% for dental only coverage

For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with the following multipliers applied to the base tables: 97% for male SCRS members, 107% for female SCRS members, 127% for male PORS members, and 107% for female PORS members. The rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.69% as of June 30, 2022. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.69% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2022.

Changes in the Total OPEB Liability. The changes in the total OPEB liability of the County for the year ended June 30, 2023 (June 30, 2022 measurement date), were as follows:

	Total OPEB Liability
Balances beginning of year	\$ 5,271,921
Changes for the year:	
Service cost	252,751
Interest	101,109
Difference between actual and expected experience	(1,899,030)
Assumption changes	(588,672)
Benefit payments and implicit subsidy	(264,405)
Net changes	(2,398,247)
Balances end of year	<u>\$ 2,873,674</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Other Post Employment Healthcare Benefits (OPEB) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County as of June 30, 2023 (June 30, 2022 measurement date), as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69%) or 1-percentage-point higher (4.69%) than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate		
1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
\$ 3,185,965	\$ 2,873,674	\$ 2,606,664

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County as of June 30, 2023 (June 30, 2022 measurement date), as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00% decreasing to 3.00%) or 1-percentage-point higher (7.00% decreasing to 5.00%) than the current healthcare cost trend rates:

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate		
1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$ 2,618,172	\$ 2,873,674	\$ 3,195,360

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2023, and the current sharing pattern of costs between employer and inactive employees.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Other Post Employment Healthcare Benefits (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2023, the County recognized OPEB expense as follows:

Description		
Service cost (annual cost of current service)	\$	252,751
Interest on the total OPEB liability		101,109
Recognition of current year amortization - difference between expected and actual experience & assumption changes		(297,943)
Recognition of prior year amortization - difference between expected and actual experience & assumption changes		122,645
Total aggregate OPEB expense	\$	178,562

At June 30, 2023, the County reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 307,437	\$ 1,690,537
Changes of assumptions	576,167	595,108
Employer contributions subsequent to the measurement date	201,409	-
Total	\$ 1,085,013	\$ 2,285,645

County contributions subsequent to the measurement date of \$201,409 are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Retiree Health Insurance Plan

Year ended June 30:

2024	\$ (175,298)
2025	(175,298)
2026	(166,223)
2027	(151,999)
2028	(166,044)
Thereafter	(567,179)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RISK MANAGEMENT

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

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

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

NOTE 10. INTERFUND ASSETS AND LIABILITIES

Interfund receivable and payable balances at June 30, 2023, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Airport Fund	\$ 240,277
General Fund	Bond Projects Fund	52,637
General Fund	Nonmajor Governmental Fund	1,615,340
Capital Project Sales Tax 3 Fund	General Fund	1,310,347
Debt Service Fund	General Fund	14,032
ARPA Fund	General Fund	44,305
Capital Project Sales Tax 2 Fund	General Fund	23,985,473
Nonmajor Governmental Funds	General Fund	31,801,208
		\$ 59,063,619

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, 2023, consisted of the following individual amounts:

Transfer In Fund	Transfer Out Fund	Amount
Airport Fund	General Fund	\$ 198,088
		\$ 198,088

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. Transfers from the General Fund to the Airport fund were made to supplement the operations of the Airport.

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, 2023, 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, 2023, totaled approximately \$560,270.

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. TAX ABATEMENT PROGRAM

As of June 30, 2023, the County provides tax abatements through one program – the Economic Development Program.

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

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

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

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

Taxes abated as a result of the agreements under the Economic Development Program totaled \$2,488,230 for the year ended June 30, 2023.

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$ 49,355,220	\$ 49,355,220	\$ 50,943,029	\$ 1,587,809
Sales and other local taxes	3,175,475	3,175,475	3,807,819	632,344
Licenses and permits	6,600,998	6,600,998	6,745,141	144,143
Intergovernmental	6,272,883	6,196,633	6,468,985	272,352
Charges for services	4,513,200	4,513,200	5,318,661	805,461
Fines and forfeitures	787,525	787,525	769,727	(17,798)
Interest revenue	110,000	110,000	1,743,174	1,633,174
Contributions and donations	32,500	32,500	87,140	54,640
Other revenues	316,805	252,680	321,632	68,952
Total revenues	<u>71,164,606</u>	<u>71,024,231</u>	<u>76,205,308</u>	<u>5,181,077</u>
EXPENDITURES:				
Current:				
General government:				
Non-departmental expenditures	2,523,680	2,544,680	2,162,958	381,722
Direct assistance to other agencies	1,661,821	1,661,821	1,643,518	18,303
County council	4,950,810	4,451,995	939,442	3,512,553
Administrator	1,154,079	1,154,079	847,224	306,855
Legal team	463,420	463,420	449,474	13,946
Finance	830,310	830,310	782,601	47,709
Human resources	857,045	857,045	790,768	66,277
Risk management	123,000	123,000	122,281	719
Management information services	3,030,276	3,030,276	2,976,307	53,969
GIS	202,285	202,285	196,181	6,104
Building	1,508,715	1,508,715	1,114,833	393,882
Zoning	-	-	8,031	(8,031)
Planning	2,234,740	2,234,740	1,022,818	1,211,922
Assessor	1,050,965	1,050,965	913,318	137,647
Auditor	388,925	388,925	366,365	22,560
Treasurer	534,890	534,890	558,978	(24,088)
Delinquent tax collector	447,205	447,205	396,457	50,748
Voter registration and elections	776,935	776,935	519,585	257,350
Register of deeds	438,905	438,905	355,975	82,930
Procurement	232,555	232,555	237,629	(5,074)
Vehicle maintenance	812,240	812,240	758,842	53,398
Building maintenance	2,003,419	2,003,419	1,761,152	242,267
Total general government	<u>26,226,220</u>	<u>25,748,405</u>	<u>18,924,737</u>	<u>6,823,668</u>
Administration of justice:				
Circuit court	97,005	97,005	65,321	31,684
Clerk of court	610,165	609,165	557,247	51,918
Family court	420,287	420,287	349,787	70,500
Probate court	615,480	615,480	603,358	12,122
Magistrate court	1,134,130	1,134,130	1,163,672	(29,542)
Total administration of justice	<u>2,877,067</u>	<u>2,876,067</u>	<u>2,739,385</u>	<u>136,682</u>
Public safety:				
Coroner	967,755	967,755	1,052,924	(85,169)
Sheriff	13,383,619	13,383,619	13,428,836	(45,217)
Detention center	3,465,901	3,401,776	3,497,859	(96,083)
Communications	2,813,903	2,813,903	2,354,116	459,787
Emergency management	446,805	446,805	394,512	52,293
Fire commission	3,829,603	3,772,453	3,544,187	228,266
Total public safety	<u>24,907,586</u>	<u>24,786,311</u>	<u>24,272,434</u>	<u>513,877</u>

(Continued)

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES: (CONTINUED)				
Current: (Continued)				
Public works:				
Roads and bridges	\$ 4,652,504	\$ 4,652,504	\$ 2,687,295	\$ 1,965,209
Landfill	57,750	57,750	59,683	(1,933)
Solid waste	3,674,670	3,674,670	3,449,076	225,594
Total public works	<u>8,384,924</u>	<u>8,384,924</u>	<u>6,196,054</u>	<u>2,188,870</u>
Public health and welfare:				
EMS	8,361,881	8,361,881	7,907,431	454,450
Animal control	576,760	576,760	508,836	67,924
Health services	85,040	85,040	28,672	56,368
Social services and food stamps	102,089	102,089	80,010	22,079
DSS family independence	59,650	59,650	72,071	(12,421)
Veteran affairs	250,335	250,335	250,546	(211)
Total public health and welfare	<u>9,435,755</u>	<u>9,435,755</u>	<u>8,847,566</u>	<u>588,189</u>
Culture and recreation:				
Recreation	3,753,072	3,753,072	3,452,092	300,980
Library	1,377,485	1,301,235	1,354,902	(53,667)
Total culture and recreation	<u>5,130,557</u>	<u>5,054,307</u>	<u>4,806,994</u>	<u>247,313</u>
Economic development:				
Economic development	484,240	463,240	332,711	130,529
Debt service:				
Principal	50,000	50,000	234,367	(184,367)
Interest and other charges	-	-	869	(869)
Total debt service	<u>50,000</u>	<u>50,000</u>	<u>235,236</u>	<u>(185,236)</u>
Capital Outlay	<u>-</u>	<u>-</u>	<u>530,683</u>	<u>(530,683)</u>
Total expenditures	<u>77,496,349</u>	<u>76,799,009</u>	<u>66,885,800</u>	<u>9,913,209</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,331,743)</u>	<u>(5,774,778)</u>	<u>9,319,508</u>	<u>15,094,286</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	32,750	32,750	-	(32,750)
Transfers out	(198,088)	(198,088)	(198,088)	-
Sale of capital assets	-	-	91,325	91,325
Issuance of leases	-	-	530,683	530,683
Total other financing sources (uses), net	<u>(165,338)</u>	<u>(165,338)</u>	<u>423,920</u>	<u>589,258</u>
Net change in fund balances	(6,497,081)	(5,940,116)	9,743,428	<u>\$ 15,683,544</u>
Fund balances, beginning of year	<u>61,632,583</u>	<u>61,632,583</u>	<u>61,630,208</u>	
Fund balances, end of year	<u>\$ 55,135,502</u>	<u>\$ 55,692,467</u>	<u>\$ 71,373,636</u>	

LANCASTER COUNTY, SOUTH CAROLINA

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

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 252,751	\$ 229,495	\$ 178,804	\$ 162,511	\$ 176,708	\$ 168,154
Interest on total OPEB liability	101,109	119,338	126,571	136,528	128,818	109,436
Assumption changes	(588,672)	311,321	343,020	204,242	(31,998)	(207,209)
Difference between actual and expected experience	(1,899,030)	(8,905)	404,976	(9,702)	96,201	(22,432)
Benefit payments and implicit subsidy	(264,405)	(271,018)	(232,163)	(226,649)	(192,635)	(170,414)
Net change in total OPEB liability	<u>(2,398,247)</u>	<u>380,231</u>	<u>821,208</u>	<u>266,930</u>	<u>177,094</u>	<u>(122,465)</u>
Total OPEB liability - beginning	<u>5,271,921</u>	<u>4,891,690</u>	<u>4,070,482</u>	<u>3,803,552</u>	<u>3,626,458</u>	<u>3,748,923</u>
Total OPEB liability - ending	<u>\$ 2,873,674</u>	<u>\$ 5,271,921</u>	<u>\$ 4,891,690</u>	<u>\$ 4,070,482</u>	<u>\$ 3,803,552</u>	<u>\$ 3,626,458</u>
Covered-employee payroll	\$ 26,982,846	\$24,487,823	\$24,039,547	\$ 21,838,377	\$ 20,344,803	\$ 19,252,683
Total OPEB liability as a percentage of covered-employee payroll	10.65%	21.53%	20.35%	18.64%	18.70%	18.84%

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

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

The discount rate changed from 3.56% as of June 30, 2018, to 3.62% as of June 30, 2019, to 3.13% as of June 30, 2020, to 2.45% as of June 30, 2021, to 1.92% as of June 30, 2022, to 3.69% as of June 30, 2023.

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

South Carolina Retirement System

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.147836%	\$ 35,838,712	\$ 17,614,009	203.5%	57.1%
2021	0.145908%	31,576,383	16,493,795	191.4%	60.7%
2020	0.140752%	35,964,729	15,706,592	229.0%	50.7%
2019	0.140083%	31,986,679	14,807,814	216.0%	54.4%
2018	0.133931%	30,009,671	13,873,171	216.3%	54.1%
2017	0.132064%	29,729,731	13,176,119	225.6%	53.3%
2016	0.133662%	28,550,007	12,068,466	236.6%	52.9%
2015	0.119621%	22,686,700	10,331,540	219.6%	57.0%
2014	0.112016%	19,285,442	8,328,188	231.6%	59.9%

South Carolina Police Officers Retirement System

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.79458%	\$ 23,829,324	\$ 12,563,697	189.7%	66.4%
2021	0.72402%	18,628,456	10,887,037	171.1%	70.4%
2020	0.70029%	23,222,952	10,549,951	220.1%	58.8%
2019	0.67936%	19,470,007	9,750,660	199.7%	62.7%
2018	0.65684%	18,611,853	9,065,769	205.3%	61.7%
2017	0.63696%	17,449,878	8,363,722	208.6%	60.9%
2016	0.63075%	15,998,839	7,070,498	226.3%	60.4%
2015	0.60504%	13,186,911	6,953,011	189.7%	64.6%
2014	0.59357%	11,363,505	6,132,698	185.3%	67.5%

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

The assumptions used in the preparation of the above schedules are disclosed in Note 8 to the financial statements.

LANCASTER COUNTY, SOUTH CAROLINA

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

South Carolina Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 3,181,980	\$ 3,181,980	\$ -	\$ 18,900,443	16.84%
2022	2,784,090	2,784,090	-	17,614,009	15.81%
2021	2,556,434	2,556,434	-	16,493,795	15.50%
2020	2,443,945	2,443,945	-	15,706,592	15.56%
2019	2,156,017	2,156,017	-	14,807,814	14.56%
2018	1,881,203	1,881,203	-	13,873,171	13.56%
2017	1,519,493	1,519,493	-	13,176,119	11.53%
2016	1,411,809	1,411,809	-	12,068,466	11.70%
2015	1,211,053	1,211,053	-	10,331,540	11.72%

South Carolina Police Officers Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2023	\$ 2,767,263	\$ 2,767,263	\$ -	\$ 14,079,259	19.65%
2022	2,334,573	2,334,573	-	12,563,697	18.58%
2021	1,985,795	1,985,795	-	10,887,037	18.24%
2020	1,924,311	1,924,311	-	10,549,951	18.24%
2019	1,681,015	1,681,015	-	9,750,660	17.24%
2018	1,472,281	1,472,281	-	9,065,769	16.24%
2017	1,205,246	1,205,246	-	8,363,722	14.41%
2016	1,069,368	1,069,368	-	7,070,498	15.12%
2015	1,005,716	1,005,716	-	6,953,011	14.46%

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

LANCASTER COUNTY, SOUTH CAROLINA

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

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

System	SCRS	PORS
Calculation date	July 1, 2020	July 1, 2020
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year smoothed	5-year smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	27 years maximum, closed	27 years maximum, closed
Investment return	7.25%	7.25%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service.	3.50% plus step-rate increases for members with less than 15 years of service.
Mortality	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Males rates multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators.	The 2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Males rates multiplied by 125% and female rates are multiplied by 111%.

**COMBINING STATEMENTS
AND SCHEDULES**

LANCASTER COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

LANCASTER COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

The **County Impact Fees Fund** accounts for fee revenue collected at the time of building permit for the approved impact fee district areas. The fees will be used according to the impact fee study for capital needs in the designated districts.

The **Van Wyck Fire Protection District Fund** accounts for revenues collected for use in the Van Wyck Fire Protection District for fire protection.

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

LANCASTER COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 5,344	\$ -	\$ 5,344
Investments	-	1,038	1,038
Taxes receivable, net	58,035	76,684	134,719
Accounts receivable, net	211,575	-	211,575
Due from other governments	1,345,228	-	1,345,228
Due from other funds	28,535,287	3,265,921	31,801,208
Total assets	<u>\$ 30,155,469</u>	<u>\$ 3,343,643</u>	<u>\$ 33,499,112</u>
LIABILITIES			
Accounts payable	\$ 103,090	\$ 1,306	\$ 104,396
Due to other funds	1,615,340	-	1,615,340
Unearned revenues	116,175	-	116,175
Total liabilities	<u>1,834,605</u>	<u>1,306</u>	<u>1,835,911</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	54,974	72,891	127,865
Unavailable revenue - intergovernmental	1,104,489	-	1,104,489
Total deferred inflows of resources	<u>1,159,463</u>	<u>72,891</u>	<u>1,232,354</u>
FUND BALANCES			
Restricted for:			
Victim services	91,149	-	91,149
Public safety	4,741,438	-	4,741,438
Public works	2,873,115	-	2,873,115
Culture and recreation	705,180	-	705,180
Economic development	10,030,803	-	10,030,803
Capital projects	-	2,324,171	2,324,171
Assigned:			
Subsequent year's budget	10,310,237	945,275	11,255,512
Unassigned	(1,590,521)	-	(1,590,521)
Total fund balances	<u>27,161,401</u>	<u>3,269,446</u>	<u>30,430,847</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,155,469</u>	<u>\$ 3,343,643</u>	<u>\$ 33,499,112</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, 2023

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Property taxes	\$ 2,087,777	\$ 3,368,204	\$ 5,455,981
Other taxes	2,674,844	-	2,674,844
Intergovernmental	13,088,868	-	13,088,868
Charges for services	3,798,626	62,478	3,861,104
Fines and forfeitures	72,438	-	72,438
Interest revenue	32,990	420	33,410
Contributions and donations	216,393	-	216,393
Other revenues	2,712	13,125	15,837
Total revenues	21,974,648	3,444,227	25,418,875
Expenditures:			
Current:			
General government	330,897	-	330,897
Administration of justice	80,428	-	80,428
Public safety	8,931,274	-	8,931,274
Public works	3,521,273	-	3,521,273
Public health and welfare	155,707	-	155,707
Culture and recreation	104,407	-	104,407
Economic development	642,847	-	642,847
Capital outlay	-	2,169,374	2,169,374
Debt service:			
Principal	188,603	1,274,961	1,463,564
Interest	37,862	16,151	54,013
Fees	-	10,000	10,000
Total expenditures	13,993,298	3,470,486	17,463,784
Excess (deficiency) of revenues over (under) expenditures	7,981,350	(26,259)	7,955,091
Other financing sources:			
Issuance of bonds	-	590,000	590,000
Total other financing sources	-	590,000	590,000
Net change in fund balances	7,981,350	563,741	8,545,091
Fund balances, beginning of year	19,180,051	2,705,705	21,885,756
Fund balances, end of year	\$ 27,161,401	\$ 3,269,446	\$ 30,430,847

LANCASTER COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023**

	Local Accommodations Tax Fund	Indian Land Fire Protection District Fund	E-911 Fund	Pleasant Valley Fire District Fund	Court Mandated Security Fund	Victim Services Fund	Transportation Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,199	\$ -
Taxes receivable, net	-	-	-	-	58,035	-	-
Accounts receivable, net	-	-	16,244	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	705,180	321,402	1,806,968	779,801	2,206,571	85,950	7,902,305
Total assets	<u>\$ 705,180</u>	<u>\$ 321,402</u>	<u>\$ 1,823,212</u>	<u>\$ 779,801</u>	<u>\$ 2,264,606</u>	<u>\$ 91,149</u>	<u>\$ 7,902,305</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,200
Due to other funds	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,200</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	-	-	54,974	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,974</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Restricted for:							
Victim services	-	-	-	-	-	91,149	-
Public safety	-	-	1,417,682	363,615	2,202,394	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	705,180	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Assigned:							
Subsequent year's budget	-	321,402	405,530	416,186	7,238	-	7,899,105
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>705,180</u>	<u>321,402</u>	<u>1,823,212</u>	<u>779,801</u>	<u>2,209,632</u>	<u>91,149</u>	<u>7,899,105</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 705,180</u>	<u>\$ 321,402</u>	<u>\$ 1,823,212</u>	<u>\$ 779,801</u>	<u>\$ 2,264,606</u>	<u>\$ 91,149</u>	<u>\$ 7,902,305</u>

(Continued)

Sunday Alcohol Sales Fund	Restricted Grants Fund	Economic Development Fund	Development Agreements Fund	Hospitality Tax Fund	State Accommodations Tax Fund	Stormwater Fund	County Impact Fees Fund	Van Wyck Fire Protection District Fund	Totals
\$ -	\$ 145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,344
-	-	-	-	-	-	-	-	-	58,035
-	-	-	-	195,331	-	-	-	-	211,575
-	1,345,228	-	-	-	-	-	-	-	1,345,228
241,048	-	245,958	516,699	9,457,696	206,068	3,562,371	184,230	313,040	28,535,287
<u>\$ 241,048</u>	<u>\$ 1,345,373</u>	<u>\$ 245,958</u>	<u>\$ 516,699</u>	<u>\$ 9,653,027</u>	<u>\$ 206,068</u>	<u>\$ 3,562,371</u>	<u>\$ 184,230</u>	<u>\$ 313,040</u>	<u>\$ 30,155,469</u>
\$ -	\$ 99,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,090
-	1,615,340	-	-	-	-	-	-	-	1,615,340
-	116,175	-	-	-	-	-	-	-	116,175
-	1,831,405	-	-	-	-	-	-	-	1,834,605
-	-	-	-	-	-	-	-	-	54,974
-	1,104,489	-	-	-	-	-	-	-	1,104,489
-	1,104,489	-	-	-	-	-	-	-	1,159,463
-	-	-	-	-	-	-	-	-	91,149
241,048	-	-	516,699	-	-	-	-	-	4,741,438
-	-	-	-	-	-	2,375,845	184,230	313,040	2,873,115
-	-	-	-	-	-	-	-	-	705,180
-	-	245,958	-	9,653,027	131,818	-	-	-	10,030,803
-	-	-	-	-	74,250	1,186,526	-	-	10,310,237
-	(1,590,521)	-	-	-	-	-	-	-	(1,590,521)
241,048	(1,590,521)	245,958	516,699	9,653,027	206,068	3,562,371	184,230	313,040	27,161,401
<u>\$ 241,048</u>	<u>\$ 1,345,373</u>	<u>\$ 245,958</u>	<u>\$ 516,699</u>	<u>\$ 9,653,027</u>	<u>\$ 206,068</u>	<u>\$ 3,562,371</u>	<u>\$ 184,230</u>	<u>\$ 313,040</u>	<u>\$ 30,155,469</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, 2023

	Local Accommodations Tax Fund	Indian Land Fire Protection District Fund	E-911 Fund	Pleasant Valley Fire District Fund	Court Mandated Security Fund	Victim Services Fund	Transportation Fund
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,030,626	\$ -	\$ -
Other taxes	153,092	-	289,374	-	-	-	-
Intergovernmental	-	-	363,141	-	-	-	7,090,792
Charges for services	-	1,002,105	-	896,385	-	-	-
Fines and forfeitures	-	3,183	-	3,686	-	57,921	-
Interest revenue	948	608	2,433	1,205	-	-	10,300
Contributions and donations	-	300	-	-	-	-	-
Other revenues	-	-	-	-	-	-	2,415
Total revenues	<u>154,040</u>	<u>1,006,196</u>	<u>654,948</u>	<u>901,276</u>	<u>2,030,626</u>	<u>57,921</u>	<u>7,103,507</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Administration of justice	-	-	-	-	-	-	-
Public safety	-	1,117,685	443,668	640,540	1,875,387	982	-
Public works	-	-	-	-	-	-	2,021,229
Public health and welfare	-	-	-	-	-	-	-
Culture and recreation	31,846	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	135,000	-	-	-
Interest	-	-	-	36,763	-	-	-
Total expenditures	<u>31,846</u>	<u>1,117,685</u>	<u>443,668</u>	<u>812,303</u>	<u>1,875,387</u>	<u>982</u>	<u>2,021,229</u>
Excess (deficiency) of revenues over (under) expenditures	<u>122,194</u>	<u>(111,489)</u>	<u>211,280</u>	<u>88,973</u>	<u>155,239</u>	<u>56,939</u>	<u>5,082,278</u>
Net change in fund balances	122,194	(111,489)	211,280	88,973	155,239	56,939	5,082,278
Fund balances (deficits), beginning of year	<u>582,986</u>	<u>432,891</u>	<u>1,611,932</u>	<u>690,828</u>	<u>2,054,393</u>	<u>34,210</u>	<u>2,816,827</u>
Fund balances (deficits), end of year	<u><u>\$ 705,180</u></u>	<u><u>\$ 321,402</u></u>	<u><u>\$ 1,823,212</u></u>	<u><u>\$ 779,801</u></u>	<u><u>\$ 2,209,632</u></u>	<u><u>\$ 91,149</u></u>	<u><u>\$ 7,899,105</u></u>

(Continued)

Sunday Alcohol Sales Fund	Restricted Grants Fund	Economic Development Fund	Development Agreements Fund	Hospitality Tax Fund	State Accommodations Tax Fund	Stormwater Fund	County Impact Fees Fund	Van Wyck Fire Protection District Fund	Totals
\$ -	\$ -	\$ 57,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,087,777
-	-	-	-	2,232,378	-	-	-	-	2,674,844
11,500	5,525,129	-	-	-	98,306	-	-	-	13,088,868
-	-	-	-	-	-	1,647,260	103,130	149,746	3,798,626
-	-	-	-	-	-	7,648	-	-	72,438
-	-	-	-	12,110	223	5,163	-	-	32,990
-	216,093	-	-	-	-	-	-	-	216,393
297	-	-	-	-	-	-	-	-	2,712
<u>11,797</u>	<u>5,741,222</u>	<u>57,151</u>	<u>-</u>	<u>2,244,488</u>	<u>98,529</u>	<u>1,660,071</u>	<u>103,130</u>	<u>149,746</u>	<u>21,974,648</u>
-	281,459	-	-	49,438	-	-	-	-	330,897
-	80,428	-	-	-	-	-	-	-	80,428
-	4,823,716	-	-	-	-	-	-	29,296	8,931,274
-	518,947	-	-	-	-	981,097	-	-	3,521,273
-	155,707	-	-	-	-	-	-	-	155,707
-	20,801	-	-	-	51,760	-	-	-	104,407
-	642,847	-	-	-	-	-	-	-	642,847
-	-	-	-	-	-	53,603	-	-	188,603
-	-	-	-	-	-	1,099	-	-	37,862
-	<u>6,523,905</u>	<u>-</u>	<u>-</u>	<u>49,438</u>	<u>51,760</u>	<u>1,035,799</u>	<u>-</u>	<u>29,296</u>	<u>13,993,298</u>
<u>11,797</u>	<u>(782,683)</u>	<u>57,151</u>	<u>-</u>	<u>2,195,050</u>	<u>46,769</u>	<u>624,272</u>	<u>103,130</u>	<u>120,450</u>	<u>7,981,350</u>
11,797	(782,683)	57,151	-	2,195,050	46,769	624,272	103,130	120,450	7,981,350
<u>229,251</u>	<u>(807,838)</u>	<u>188,807</u>	<u>516,699</u>	<u>7,457,977</u>	<u>159,299</u>	<u>2,938,099</u>	<u>81,100</u>	<u>192,590</u>	<u>19,180,051</u>
<u>\$ 241,048</u>	<u>\$ (1,590,521)</u>	<u>\$ 245,958</u>	<u>\$ 516,699</u>	<u>\$ 9,653,027</u>	<u>\$ 206,068</u>	<u>\$ 3,562,371</u>	<u>\$ 184,230</u>	<u>\$ 313,040</u>	<u>\$ 27,161,401</u>

LANCASTER COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023**

	KEER Special Sources Fund	Brookchase Special Tax District Fund	Capital Improvement Fund	Edgewater Improvement District Fund	Edgewater II Improvement District Fund	Sun City Special Assessments Fund	Reid Pointe Special Tax District Fund	Totals
ASSETS								
Investments	\$ -	\$ -	\$ -	\$ -	\$ 1,038	\$ -	\$ -	\$ 1,038
Taxes receivable, net	-	-	76,684	-	-	-	-	76,684
Due from other funds	-	99,997	3,009,199	467	126	713	155,419	3,265,921
Total assets	<u>\$ -</u>	<u>\$ 99,997</u>	<u>\$ 3,085,883</u>	<u>\$ 467</u>	<u>\$ 1,164</u>	<u>\$ 713</u>	<u>\$ 155,419</u>	<u>\$ 3,343,643</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ 467	\$ 126	\$ 713	\$ -	\$ 1,306
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>467</u>	<u>126</u>	<u>713</u>	<u>-</u>	<u>1,306</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	72,602	-	-	-	289	72,891
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>72,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>289</u>	<u>72,891</u>
FUND BALANCES								
Restricted for:								
Capital projects	-	99,997	2,068,006	-	1,038	-	155,130	2,324,171
Assigned:								
Subsequent year's budget	-	-	945,275	-	-	-	-	945,275
Total fund balances	<u>-</u>	<u>99,997</u>	<u>3,013,281</u>	<u>-</u>	<u>1,038</u>	<u>-</u>	<u>155,130</u>	<u>3,269,446</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 99,997</u>	<u>\$ 3,085,883</u>	<u>\$ 467</u>	<u>\$ 1,164</u>	<u>\$ 713</u>	<u>\$ 155,419</u>	<u>\$ 3,343,643</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, 2023**

	<u>KEER Special Sources Fund</u>	<u>Brookchase Special Tax District Fund</u>	<u>Capital Improvement Fund</u>	<u>Edgewater Improvement District Fund</u>	<u>Edgewater II Improvement District Fund</u>	<u>Sun City Special Assessments Fund</u>	<u>Reid Pointe Special Tax District Fund</u>	<u>Totals</u>
Revenues:								
Property taxes	\$ 577,298	\$ -	\$ 2,708,144	\$ -	\$ -	\$ -	\$ 82,762	\$ 3,368,204
Charges for services	-	62,478	-	-	-	-	-	62,478
Interest revenue	-	154	-	-	23	-	243	420
Other revenues	-	-	13,125	-	-	-	-	13,125
Total revenues	<u>577,298</u>	<u>62,632</u>	<u>2,721,269</u>	<u>-</u>	<u>23</u>	<u>-</u>	<u>83,005</u>	<u>3,444,227</u>
Expenditures:								
Capital outlay:								
General government	-	-	491,488	-	-	-	-	491,488
Public safety	-	-	718,709	-	-	-	-	718,709
Public works	-	-	862,013	-	-	-	-	862,013
Culture and recreation	-	-	97,164	-	-	-	-	97,164
Debt service:								
Principal	577,298	48,503	-	-	-	-	649,160	1,274,961
Interest	-	11,102	-	-	-	-	5,049	16,151
Fees	-	-	-	-	-	-	10,000	10,000
Total expenditures	<u>577,298</u>	<u>59,605</u>	<u>2,169,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>664,209</u>	<u>3,470,486</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>3,027</u>	<u>551,895</u>	<u>-</u>	<u>23</u>	<u>-</u>	<u>(581,204)</u>	<u>(26,259)</u>
Other financing sources:								
Issuance of bonds	-	-	-	-	-	-	590,000	590,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>590,000</u>	<u>590,000</u>
Net change in fund balances	-	3,027	551,895	-	23	-	8,796	563,741
FUND BALANCES, beginning of year	<u>-</u>	<u>96,970</u>	<u>2,461,386</u>	<u>-</u>	<u>1,015</u>	<u>-</u>	<u>146,334</u>	<u>2,705,705</u>
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ 99,997</u>	<u>\$ 3,013,281</u>	<u>\$ -</u>	<u>\$ 1,038</u>	<u>\$ -</u>	<u>\$ 155,130</u>	<u>\$ 3,269,446</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, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Other taxes	\$ 120,000	\$ 120,000	\$ 153,092	\$ 33,092
Interest revenue	-	-	948	948
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>154,040</u>	<u>34,040</u>
EXPENDITURES				
Current:				
Culture and recreation	141,877	141,877	31,846	110,031
Total expenditures	<u>141,877</u>	<u>141,877</u>	<u>31,846</u>	<u>110,031</u>
Net change in fund balance	(21,877)	(21,877)	122,194	<u>\$ 144,071</u>
FUND BALANCES, beginning of year	<u>582,986</u>	<u>582,986</u>	<u>582,986</u>	
FUND BALANCES, end of year	<u>\$ 561,109</u>	<u>\$ 561,109</u>	<u>\$ 705,180</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, 2023**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 978,750	\$ 978,750	\$ 1,002,105	\$ 23,355
Fines and forfeitures	-	-	3,183	3,183
Investment income	-	-	608	608
Contributions and donations	-	-	300	300
Total revenues	<u>978,750</u>	<u>978,750</u>	<u>1,006,196</u>	<u>27,446</u>
EXPENDITURES				
Current:				
Public safety	<u>1,201,707</u>	<u>1,201,707</u>	<u>1,117,685</u>	<u>84,022</u>
Total expenditures	<u>1,201,707</u>	<u>1,201,707</u>	<u>1,117,685</u>	<u>84,022</u>
Net change in fund balance	(222,957)	(222,957)	(111,489)	<u>\$ 111,468</u>
FUND BALANCES, beginning of year	<u>432,891</u>	<u>432,891</u>	<u>432,891</u>	
FUND BALANCES, end of year	<u>\$ 209,934</u>	<u>\$ 209,934</u>	<u>\$ 321,402</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, 2023**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Other taxes	\$ 330,000	\$ 330,000	\$ 289,374	\$ (40,626)
Intergovernmental	410,040	410,040	363,141	(46,899)
Interest revenue	-	-	2,433	2,433
Total revenues	<u>740,040</u>	<u>740,040</u>	<u>654,948</u>	<u>(85,092)</u>
EXPENDITURES				
Current:				
Public safety	740,040	740,040	443,668	296,372
Total expenditures	<u>740,040</u>	<u>740,040</u>	<u>443,668</u>	<u>296,372</u>
Net change in fund balance	-	-	211,280	<u>\$ 211,280</u>
FUND BALANCES, beginning of year	<u>1,611,932</u>	<u>1,611,932</u>	<u>1,611,932</u>	
FUND BALANCES, end of year	<u>\$ 1,611,932</u>	<u>\$ 1,611,932</u>	<u>\$ 1,823,212</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, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Charges for services	\$ 890,640	\$ 890,640	\$ 896,385	\$ 5,745
Fines and forfeitures	2,500	2,500	3,686	1,186
Interest revenue	-	-	1,205	1,205
Total revenues	<u>893,140</u>	<u>893,140</u>	<u>901,276</u>	<u>8,136</u>
EXPENDITURES				
Current:				
Public safety	790,718	790,718	640,540	150,178
Debt service:				
Principal	131,000	131,000	135,000	(4,000)
Interest	40,663	40,663	36,763	3,900
Total expenditures	<u>962,381</u>	<u>962,381</u>	<u>812,303</u>	<u>150,078</u>
Net change in fund balance	(69,241)	(69,241)	88,973	<u>\$ 158,214</u>
FUND BALANCES, beginning of year	<u>690,828</u>	<u>690,828</u>	<u>690,828</u>	
FUND BALANCES, end of year	<u>\$ 621,587</u>	<u>\$ 621,587</u>	<u>\$ 779,801</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, 2023

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 1,816,676	\$ 1,816,676	\$ 2,030,626	\$ 213,950
Total revenues	<u>1,816,676</u>	<u>1,816,676</u>	<u>2,030,626</u>	<u>213,950</u>
EXPENDITURES				
Current:				
Public safety	<u>1,817,011</u>	<u>1,817,011</u>	<u>1,875,387</u>	<u>(58,376)</u>
Total expenditures	<u>1,817,011</u>	<u>1,817,011</u>	<u>1,875,387</u>	<u>(58,376)</u>
Net change in fund balance	(335)	(335)	155,239	<u>\$ 155,574</u>
FUND BALANCES, beginning of year	<u>2,054,393</u>	<u>2,054,393</u>	<u>2,054,393</u>	
FUND BALANCES, end of year	<u>\$ 2,054,058</u>	<u>\$ 2,054,058</u>	<u>\$ 2,209,632</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, 2023**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Fines and forfeitures	\$ 47,000	\$ 47,000	\$ 57,921	\$ 10,921
Total revenues	<u>47,000</u>	<u>47,000</u>	<u>57,921</u>	<u>10,921</u>
EXPENDITURES				
Current:				
Public safety	47,000	47,000	982	46,018
Total expenditures	<u>47,000</u>	<u>47,000</u>	<u>982</u>	<u>46,018</u>
Net change in fund balance	-	-	56,939	<u>\$ 56,939</u>
FUND BALANCES, beginning of year	<u>34,210</u>	<u>34,210</u>	<u>34,210</u>	
FUND BALANCES, end of year	<u>\$ 34,210</u>	<u>\$ 34,210</u>	<u>\$ 91,149</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, 2023**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 6,903,000	\$ 6,903,000	\$ 7,090,792	\$ 187,792
Interest revenue	-	-	10,300	10,300
Other Revenue	-	-	2,415	2,415
Total revenues	<u>6,903,000</u>	<u>6,903,000</u>	<u>7,103,507</u>	<u>200,507</u>
EXPENDITURES				
Current:				
Public works	7,932,301	7,932,301	2,021,229	5,911,072
Total expenditures	<u>7,932,301</u>	<u>7,932,301</u>	<u>2,021,229</u>	<u>5,911,072</u>
Net change in fund balance	(1,029,301)	(1,029,301)	5,082,278	<u>\$ 6,111,579</u>
FUND BALANCES, beginning of year	<u>2,816,827</u>	<u>2,816,827</u>	<u>2,816,827</u>	
FUND BALANCES, end of year	<u>\$ 1,787,526</u>	<u>\$ 1,787,526</u>	<u>\$ 7,899,105</u>	

LANCASTER COUNTY, SOUTH CAROLINA
STATE ACCOMMODATIONS TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 98,306	\$ (51,694)
Interest revenue	-	-	223	223
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>98,529</u>	<u>(51,471)</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>225,250</u>	<u>225,250</u>	<u>51,760</u>	<u>173,490</u>
Total expenditures	<u>225,250</u>	<u>225,250</u>	<u>51,760</u>	<u>173,490</u>
Excess (deficiency) of revenues over (under) expenditures	(75,250)	(75,250)	46,769	122,019
Other financing uses				
Transfers out	<u>(29,750)</u>	<u>(29,750)</u>	-	29,750
Total other financing uses	<u>(29,750)</u>	<u>(29,750)</u>	-	29,750
Net change in fund balance	(105,000)	(105,000)	46,769	<u>\$ 151,769</u>
FUND BALANCES, beginning of year	<u>159,299</u>	<u>159,299</u>	<u>159,299</u>	
FUND BALANCES, end of year	<u>\$ 54,299</u>	<u>\$ 54,299</u>	<u>\$ 206,068</u>	

**LANCASTER COUNTY, SOUTH CAROLINA
STORMWATER FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Charges for services	\$ 1,638,985	\$ 1,638,985	\$ 1,647,260	\$ 8,275
Fines and forfeitures	-	-	7,648	7,648
Interest revenue	-	-	5,163	5,163
Total revenues	<u>1,638,985</u>	<u>1,638,985</u>	<u>1,660,071</u>	<u>21,086</u>
EXPENDITURES				
Current:				
Public works	3,044,854	3,044,854	981,097	2,063,757
Debt service:				
Principal	-	-	53,603	(53,603)
Pinterest	-	-	1,099	(1,099)
Total expenditures	<u>3,044,854</u>	<u>3,044,854</u>	<u>1,035,799</u>	<u>2,009,055</u>
Net change in fund balance	(1,405,869)	(1,405,869)	624,272	<u>\$ 2,030,141</u>
FUND BALANCES, beginning of year	<u>2,938,099</u>	<u>2,938,099</u>	<u>2,938,099</u>	
FUND BALANCES, end of year	<u>\$ 1,532,230</u>	<u>\$ 1,532,230</u>	<u>\$ 3,562,371</u>	

**LANCASTER COUNTY, SOUTH CAROLINA
HOSPITALITY TAX**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Other taxes	\$ 1,700,000	\$ 1,700,000	\$ 2,232,378	\$ 532,378
Interest revenue	-	-	12,110	12,110
Total revenues	<u>1,700,000</u>	<u>1,700,000</u>	<u>2,244,488</u>	<u>544,488</u>
EXPENDITURES				
Current:				
General government	48,050	48,050	49,438	(1,388)
Total expenditures	<u>48,050</u>	<u>48,050</u>	<u>49,438</u>	<u>(1,388)</u>
Net change in fund balance	1,651,950	1,651,950	2,195,050	<u>\$ 543,100</u>
FUND BALANCES, beginning of year	<u>7,457,977</u>	<u>7,457,977</u>	<u>7,457,977</u>	
FUND BALANCES, end of year	<u>\$ 9,109,927</u>	<u>\$ 9,109,927</u>	<u>\$ 9,653,027</u>	

LANCASTER COUNTY, SOUTH CAROLINA
VAN WYCK FIRE PROTECTION DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Charges for services	\$ 148,140	\$ 148,140	\$ 149,746	\$ 1,606
Total revenues	<u>148,140</u>	<u>148,140</u>	<u>149,746</u>	<u>1,606</u>
EXPENDITURES				
Current:				
Public safety	32,815	32,815	29,296	3,519
Total expenditures	<u>32,815</u>	<u>32,815</u>	<u>29,296</u>	<u>3,519</u>
Net change in fund balance	115,325	115,325	120,450	<u>\$ 5,125</u>
FUND BALANCES, beginning of year	<u>192,590</u>	<u>192,590</u>	<u>192,590</u>	
FUND BALANCES, end of year	<u>\$ 307,915</u>	<u>\$ 307,915</u>	<u>\$ 313,040</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, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 2,400,415	\$ 2,400,415	\$ 2,708,144	\$ 307,729
Other revenues	-	-	13,125	13,125
Total revenues	<u>2,400,415</u>	<u>2,400,415</u>	<u>2,721,269</u>	<u>320,854</u>
EXPENDITURES				
Capital outlay:				
General government	519,343	519,343	491,488	27,855
Public safety	923,124	923,124	718,709	204,415
Public works	981,635	981,635	862,013	119,622
Public health and welfare	700,000	700,000	-	700,000
Culture and recreation	74,625	74,625	97,164	(22,539)
Total expenditures	<u>3,198,727</u>	<u>3,198,727</u>	<u>2,169,374</u>	<u>1,029,353</u>
Net change in fund balance	(798,312)	(798,312)	551,895	<u>\$ 1,350,207</u>
FUND BALANCES, beginning of year	<u>2,461,386</u>	<u>2,461,386</u>	<u>2,461,386</u>	
FUND BALANCES, end of year	<u>\$ 1,663,074</u>	<u>\$ 1,663,074</u>	<u>\$ 3,013,281</u>	

LANCASTER COUNTY, SOUTH CAROLINA
CAPITAL PROJECT SALES TAX 2 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Sales and other local taxes	\$ 1,300,000	\$ 1,300,000	\$ -	\$ (1,300,000)
Other revenues	-	-	1,009,210	1,009,210
Total revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,009,210</u>	<u>(290,790)</u>
EXPENDITURES				
Current:				
Public works	11,029,216	11,029,216	7,925,396	3,103,820
Culture and recreation	1,568,849	1,568,849	229,862	1,338,987
Capital outlay:				
Public safety	1,000	1,000	-	1,000
Total expenditures	<u>12,599,065</u>	<u>12,599,065</u>	<u>8,155,258</u>	<u>4,443,807</u>
Deficiency of revenues under expenditures	<u>(11,299,065)</u>	<u>(11,299,065)</u>	<u>(7,146,048)</u>	<u>4,153,017</u>
Net change in fund balance	(11,299,065)	(11,299,065)	(7,146,048)	<u>\$ 4,153,017</u>
FUND BALANCES, beginning of year	<u>31,026,542</u>	<u>31,026,542</u>	<u>31,026,542</u>	
FUND BALANCES, end of year	<u>\$ 19,727,477</u>	<u>\$ 19,727,477</u>	<u>\$ 23,880,494</u>	

LANCASTER COUNTY, SOUTH CAROLINA
CAPITAL PROJECT SALES TAX 3 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Sales and other local taxes	\$ 12,000,000	\$ 12,000,000	\$ 17,780,349	\$ 5,780,349
Other revenues	1,500	1,500	2,012	512
Total revenues	<u>12,001,500</u>	<u>12,001,500</u>	<u>17,782,361</u>	<u>5,780,861</u>
EXPENDITURES				
Capital outlay:				
Public safety	8,650,000	8,650,000	804,078	7,845,922
Total expenditures	<u>8,650,000</u>	<u>8,650,000</u>	<u>804,078</u>	<u>7,845,922</u>
Other financing uses				
Transfers out	(2,221,657)	(2,221,657)	-	(2,221,657)
Total other financing uses	<u>(2,221,657)</u>	<u>(2,221,657)</u>	<u>-</u>	<u>(2,221,657)</u>
Net change in fund balance	1,129,843	1,129,843	16,978,283	<u>\$ 11,405,126</u>
FUND BALANCES, beginning of year	<u>(2,039,475)</u>	<u>(2,039,475)</u>	<u>(2,039,475)</u>	
FUND BALANCES, end of year	<u>\$ (909,632)</u>	<u>\$ (909,632)</u>	<u>\$ 14,938,808</u>	

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 4,680,235	\$ 4,680,235	\$ 5,384,023	\$ 703,788
Interest revenue	2,515	2,515	2,870	355
Total revenues	<u>4,682,750</u>	<u>4,682,750</u>	<u>5,386,893</u>	<u>704,143</u>
EXPENDITURES				
Debt service:				
Principal	4,760,000	4,760,000	3,760,000	1,000,000
Interest	2,439,407	2,439,407	1,216,884	1,222,523
Fees	5,000	5,000	5,999	(999)
Total expenditures	<u>7,204,407</u>	<u>7,204,407</u>	<u>4,982,883</u>	<u>2,221,524</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,521,657)</u>	<u>(2,521,657)</u>	<u>404,010</u>	<u>2,925,667</u>
Other financing sources				
Transfers in	<u>2,221,657</u>	<u>2,221,657</u>	-	<u>(2,221,657)</u>
Total other financing sources	<u>2,221,657</u>	<u>2,221,657</u>	-	<u>(2,221,657)</u>
Net change in fund balance	(300,000)	(300,000)	404,010	<u>\$ 704,010</u>
FUND BALANCES, beginning of year	<u>1,371,015</u>	<u>1,371,015</u>	<u>1,371,015</u>	
FUND BALANCES, end of year	<u>\$ 1,071,015</u>	<u>\$ 1,071,015</u>	<u>\$ 1,775,025</u>	

CUSTODIAL FUNDS

LANCASTER COUNTY, SOUTH CAROLINA

CUSTODIAL FUNDS

Custodial Funds are used to account for resources held by the County for the benefit of other parties.

The **Clerk of Court** accounts for fines and fees generated from criminal and civil court cases.

The **Family Court** accounts for fines and fees generated through child support collection, divorce, and adoption services.

The **Magistrate Court** accounts for filing and other fees or fines derived from small claims court. Also, traffic trials and bail bond hearings are held in the magistrate court.

The **Detention Center Inmates** accounts for commission from the inmate commissary program which must be used for the benefit of the inmates.

The **Employee Funds** accounts for funds collected by the EMS and Sheriff's departments. The funds are used for employee activities.

The **Edenmoor & Walnut Creek 1 & 2 Improvement District** accounts for assessments collected on an annual basis to pay for debt incurred for infrastructure within the district.

The **Edgewater II Improvement District** accounts for assessments collected on an annual basis to pay for debt incurred for infrastructure within the district.

The **Edgewater Improvement District** accounts for assessments collected on an annual basis to pay for debt incurred for infrastructure within the district.

The **Sun City Improvement District** accounts for assessments collected on an annual basis to pay for debt incurred for infrastructure within the district.

The **Forfeit Land Commission** accounts for funds held after negotiating the sale of property not sold at the normal delinquent tax sale period.

The **City of Lancaster** accounts for property tax funds collected on their behalf and is remitted monthly.

The **Town of Kershaw** tax funds accounts for property tax funds collected on their behalf and is remitted monthly.

The **Town of Chester** accounts for property tax funds from a multi-park agreement collected on their behalf and is remitted monthly.

The **Chesterfield** tax funds accounts for property tax funds from a multi-park agreement collected on their behalf and is remitted monthly.

The **Education Fund** accounts for property tax funds collected on the school district's behalf and is remitted monthly. This fund also accounts for school state revenue and the school impact fee.

The **Tax Collector** accounts for funds held from the annual property tax sale and remains in the fund until the property is redeemed or deeded within a year.

LANCASTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023

ASSETS	Clerk of Court	Family Court	Magistrate Court	Detention Center Inmates	Employee Funds	Edenmoor & Walnut Creek 1 & 2 Improvement District	Edgewater II Improvement District	Edgewater Improvement District
Cash and cash equivalents	\$ 492,365	\$ 65,002	\$ 174,034	\$ 27,549	\$ 12,116	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	6,425,229	830,745	627,530
Taxes receivable	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	2,275	-	-
Total assets	492,365	65,002	174,034	27,549	12,116	6,427,504	830,745	627,530
LIABILITIES								
Due to others	358,724	65,002	173,973	27,549	12,116	6,427,504	830,745	627,530
Uncollected taxes	-	-	-	-	-	-	-	-
Total liabilities	358,724	65,002	173,973	27,549	12,116	6,427,504	830,745	627,530
NET POSITION								
Restricted for individuals, organizations and other governments	133,641	-	61	-	-	-	-	-
Total net position	\$ 133,641	\$ -	\$ 61	\$ -	\$ -	\$ -	\$ -	\$ -

Sun City Improvement District	Forfeit Land Commission	City of Lancaster	Town of Kershaw	Town of Chester	Chesterfield	Education Fund	Tax Collector	Total
\$ -	\$ 626,832	\$ -	\$ -	\$ -	\$ -	\$ 20,098,997	\$ 1,548,498	\$ 23,045,393
842,117	-	-	-	-	-	6,741,068	-	15,466,689
-	-	313,185	26,763	-	-	4,201,170	-	4,541,118
-	-	-	-	-	-	681,365	-	683,640
842,117	626,832	313,185	26,763	-	-	31,722,600	1,548,498	43,736,840
842,117	-	-	-	-	-	27,521,430	-	36,886,690
-	-	313,185	26,763	-	-	4,201,170	-	4,541,118
842,117	-	313,185	26,763	-	-	31,722,600	-	41,427,808
-	626,832	-	-	-	-	-	1,548,498	2,309,032
<u>\$ -</u>	<u>\$ 626,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,548,498</u>	<u>\$ 2,309,032</u>

LANCASTER COUNTY, SOUTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Clerk of Court	Family Court	Magistrate Court	Detention Center Inmates	Employee Funds	Edenmoor & Walnut Creek 1 & 2 Improvement District	Edgewater II Improvement District	Edgewater Improvement District
ADDITIONS								
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,428,681	\$ 544,935	\$ 347,428
Fines and fees	2,390,720	673,803	804,114	-	-	-	-	-
Funds from state and participants	-	-	-	-	13,854	-	-	-
Inmate funds collected	-	-	-	548,546	-	-	-	-
Funds from foreclosure sales	-	-	-	-	-	-	-	-
Total additions	2,390,720	673,803	804,114	548,546	13,854	1,428,681	544,935	347,428
DEDUCTIONS								
Taxes and fees paid to other governments	2,347,211	673,803	804,114	-	-	1,428,681	544,935	347,428
Inmate funds disbursed	-	-	-	548,546	-	-	-	-
Other custodial disbursements	-	-	-	-	13,854	-	-	-
Total deductions	2,347,211	673,803	804,114	548,546	13,854	1,428,681	544,935	347,428
Change in fiduciary net position	43,509	-	-	-	-	-	-	-
Net position, beginning of year	90,132	-	61	-	-	-	-	-
Net position, end of year	\$ 133,641	\$ -	\$ 61	\$ -	\$ -	\$ -	\$ -	\$ -

Sun City Improvement District	Forfeit Land Commission	City of Lancaster	Town of Kershaw	Town of Chester	Chesterfield	Education Fund	Tax Collector	Total
\$ 754,946	\$ -	\$ 4,106,858	\$ 231,708	\$ 67,981	\$ 39,851	\$ 105,179,436	\$ -	112,701,824
-	-	-	-	-	-	-	-	3,868,637
-	-	-	-	-	-	-	-	13,854
-	-	-	-	-	-	-	-	548,546
-	183,049	-	-	-	-	-	3,233,418	3,416,467
754,946	183,049	4,106,858	231,708	67,981	39,851	105,179,436	3,233,418	120,549,328
754,946	44,001	4,106,858	231,708	67,981	39,851	105,179,436	3,596,810	120,167,763
-	-	-	-	-	-	-	-	548,546
-	-	-	-	-	-	-	-	13,854
754,946	44,001	4,106,858	231,708	67,981	39,851	105,179,436	3,596,810	120,730,163
-	139,048	-	-	-	-	-	(363,392)	(180,835)
-	487,784	-	-	-	-	-	1,911,890	2,489,867
\$ -	\$ 626,832	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,548,498	\$ 2,309,032

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

LANCASTER COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2023

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected	\$ 126,316	\$ 669,005	N/A	\$ 795,321
Court fines and assessments remitted to State Treasurer	42,095	348,648	N/A	390,743
Total Court Fines and Assessments retained	\$ 84,221	\$ 320,357	N/A	\$ 404,578
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	\$ 29,354	\$ -	N/A	\$ 29,354
Assessments retained	-	28,567	N/A	28,567
Total Surcharges and Assessments retained for victim services	\$ 29,354	\$ 28,567	N/A	\$ 57,921

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	N/A	\$ 34,210	\$ 34,210
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	N/A	-	-
Victim Service Assessments Retained by City/County Treasurer	N/A	28,567	28,567
Victim Service Surcharges Retained by City/County Treasurer	N/A	29,354	29,354
Interest Earned	N/A	-	-
Grant Funds Received			
Grant from:	N/A	-	-
General Funds Transferred to Victim Service Fund	N/A	-	-
Contribution Received from Victim Service Contracts:			
(1) Town of Kershaw	N/A	-	-
(2) Town of	N/A	-	-
(3) City of	N/A	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	N/A	\$ 92,131	\$ 92,131

**LANCASTER COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	N/A	\$ -	\$ -
Operating Expenditures	N/A	982	982
Victim Service Contract(s):			
(1) Entity's Name: Palmetto Citizens Against Sexual Assault	N/A	-	-
(2) Entity's Name	N/A	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	N/A	-	-
(2) Rape Crisis Center:	N/A	-	-
(3) Other local direct crime victims service agency:	N/A	-	-
Transferred to General Fund	N/A	-	-
Total Expenditures from Victim Service Fund/Program (B)	N/A	982	982
Total Victim Service Deficit Retained by Municipal/County Treasurer (A-B)	N/A	91,149	91,149
Less: Prior Year Fund Deficit Repayment	N/A	-	-
Carryforward Funds – End of Year	N/A	\$ 91,149	\$ 91,149

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	111 - 119
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	120 - 124
<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
Debt Capacity	125 - 128
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	129 - 130
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
Operating Information	131 - 133
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	

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

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

LANCASTER COUNTY, SOUTH CAROLINA

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

	Fiscal Year									
	2014 ¹	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 40,435,476	\$ 28,252,587	\$ 41,708,030	\$ 49,292,814	\$ 54,081,125	\$ 57,524,123	\$ 73,911,732	\$ 90,773,584	\$ 106,455,305	\$ 107,577,789
Restricted	20,858,227	42,783,910	10,692,095	19,325,999	16,283,439	46,407,439	33,112,801	38,876,125	42,641,349	52,382,274
Unrestricted	22,458,160	(14,302,454)	6,095,091	(1,842,111)	372,744	(14,229,478)	1,401,381	(976,772)	11,962,094	31,817,904
Total governmental activities net position	<u>\$ 83,751,863</u>	<u>\$ 56,734,043</u>	<u>\$ 58,495,216</u>	<u>\$ 66,776,702</u>	<u>\$ 70,737,308</u>	<u>\$ 89,702,084</u>	<u>\$ 108,425,914</u>	<u>\$ 128,672,937</u>	<u>\$ 161,058,748</u>	<u>\$ 191,777,967</u>
Business-type activities										
Net investment in capital assets	\$ 3,790,882	\$ 5,460,419	\$ 5,898,351	\$ 5,762,870	\$ 7,051,570	\$ 6,987,971	\$ 6,610,928	\$ 7,090,299	\$ 7,143,320	\$ 6,871,289
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(124,719)	(165,515)	(147,558)	(181,902)	(191,628)	(208,237)	(193,847)	(300,395)	(300,395)	(276,575)
Total business-type activities net position	<u>\$ 3,666,163</u>	<u>\$ 5,294,904</u>	<u>\$ 5,750,793</u>	<u>\$ 5,580,968</u>	<u>\$ 6,859,942</u>	<u>\$ 6,779,734</u>	<u>\$ 6,417,081</u>	<u>\$ 6,789,904</u>	<u>\$ 6,842,925</u>	<u>\$ 6,594,714</u>
Primary government										
Net investment in capital assets	\$ 44,226,358	\$ 33,713,006	\$ 47,606,381	\$ 55,055,684	\$ 61,132,695	\$ 64,512,094	\$ 80,522,660	\$ 97,863,883	\$ 113,598,625	\$ 114,449,078
Restricted	20,858,227	42,783,910	10,692,095	19,325,999	16,283,439	46,407,439	33,112,801	38,876,125	42,641,349	52,382,274
Unrestricted	22,333,441	(14,467,969)	5,947,533	(2,024,013)	181,116	(14,437,715)	1,207,534	(1,277,167)	11,661,699	31,541,329
Total primary government net position	<u>\$ 87,418,026</u>	<u>\$ 62,028,947</u>	<u>\$ 64,246,009</u>	<u>\$ 72,357,670</u>	<u>\$ 77,597,250</u>	<u>\$ 96,481,818</u>	<u>\$ 114,842,995</u>	<u>\$ 135,462,841</u>	<u>\$ 167,901,673</u>	<u>\$ 198,372,681</u>

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

LANCASTER COUNTY, SOUTH CAROLINA

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

	Fiscal Year									
	2014 ²	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Primary government:										
Governmental activities:										
General government	\$ 11,299,133	\$ 13,556,703	\$ 15,201,832	\$ 16,903,372	\$ 17,494,736	\$ 17,460,461	\$ 20,570,980	\$ 20,581,760	\$ 27,134,070	\$ 24,408,479
Public safety	18,204,203	18,601,569	18,876,586	21,395,171	24,935,032	26,338,671	28,036,341	28,658,281	28,913,591	33,292,412
Public works	7,088,564	7,212,342	21,072,721	11,779,317	11,076,062	10,105,887	11,870,816	13,257,472	12,818,803	17,132,542
Other activities	19,076,859	22,736,802	17,617,220	15,798,155	18,305,309	16,869,293	17,563,018	20,143,858	17,479,508	22,382,980
Total governmental activities expenses	<u>55,668,759</u>	<u>62,107,416</u>	<u>72,768,359</u>	<u>65,876,015</u>	<u>71,811,139</u>	<u>70,774,312</u>	<u>78,041,155</u>	<u>82,641,371</u>	<u>86,345,972</u>	<u>97,216,413</u>
Business-type activities:										
Airport	437,607	404,801	433,400	406,115	570,727	576,261	655,519	665,304	731,612	792,343
Total business-type activities expenses	<u>437,607</u>	<u>404,801</u>	<u>433,400</u>	<u>406,115</u>	<u>570,727</u>	<u>576,261</u>	<u>655,519</u>	<u>665,304</u>	<u>731,612</u>	<u>792,343</u>
Total primary government expenses	<u>56,106,366</u>	<u>62,512,217</u>	<u>73,201,759</u>	<u>66,282,130</u>	<u>72,381,866</u>	<u>71,350,573</u>	<u>78,696,674</u>	<u>83,306,675</u>	<u>87,077,584</u>	<u>98,008,756</u>
Program revenues										
Primary government:										
Governmental activities:										
Charges for services										
General government	5,937,198	6,066,247	6,833,003	6,664,079	7,463,310	8,305,241	9,326,484	10,827,479	13,508,091	8,672,114
Administration of justice	1,027,217	1,017,176	972,856	1,004,613	1,138,355	1,002,973	893,735	868,196	919,217	956,140
Public health and welfare	2,748,514	2,589,560	1,675,770	3,135,621	2,216,563	2,907,450	2,752,845	4,185,335	3,955,055	2,625,345
Other activities	2,310,502	2,487,280	2,650,051	2,614,012	4,088,330	4,402,003	4,260,694	4,099,737	5,276,912	5,638,027
Operating grants and contributions	9,593,044	3,844,636	7,981,217	5,324,829	5,248,920	4,848,593	5,070,517	7,027,593	12,745,061	16,195,636
Capital grants and contributions	807,784	1,943,650	3,834,853	3,027,181	2,584,615	4,258,929	3,331,129	249,204	1,050,320	550,278
Total governmental activities program revenues	<u>22,424,259</u>	<u>17,948,549</u>	<u>23,947,750</u>	<u>21,770,335</u>	<u>22,740,093</u>	<u>25,725,189</u>	<u>25,635,404</u>	<u>27,257,544</u>	<u>37,454,656</u>	<u>34,637,540</u>
Business-type activities:										
Charges for services										
Airport	173,727	179,970	150,127	113,511	164,079	159,551	199,758	180,551	230,789	323,972
Capital grants and contributions	50,393	1,873,922	674,876	57,493	1,618,622	184,601	18,478	778,646	466,786	-
Total business-type activities program revenues	<u>224,120</u>	<u>2,053,892</u>	<u>825,003</u>	<u>171,004</u>	<u>1,782,701</u>	<u>344,152</u>	<u>218,236</u>	<u>959,197</u>	<u>697,575</u>	<u>323,972</u>
Total primary government program revenues	<u>22,648,379</u>	<u>20,002,441</u>	<u>24,772,753</u>	<u>21,941,339</u>	<u>24,522,794</u>	<u>26,069,341</u>	<u>25,853,640</u>	<u>28,216,741</u>	<u>38,152,231</u>	<u>34,961,512</u>

(Continued)

LANCASTER COUNTY, SOUTH CAROLINA

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

	Fiscal Year									
	2014 ²	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (expense) revenue										
Governmental activities	\$ (33,244,500)	\$ (44,158,867)	\$ (48,820,609)	\$ (44,105,680)	\$ (49,071,046)	\$ (45,049,123)	\$ (52,405,751)	\$ (55,383,827)	\$ (48,891,316)	\$ (62,578,873)
Business-type activities	(213,487)	1,649,091	391,603	(235,111)	1,211,974	(232,109)	(437,283)	293,893	(34,037)	(468,371)
Total primary government	<u>(33,457,987)</u>	<u>(42,509,776)</u>	<u>(48,429,006)</u>	<u>(44,340,791)</u>	<u>(47,859,072)</u>	<u>(45,281,232)</u>	<u>(52,843,034)</u>	<u>(55,089,934)</u>	<u>(48,925,353)</u>	<u>(63,047,244)</u>
General revenues and other changes in net position										
Primary government:										
Governmental activities:										
Property taxes	30,138,854	32,542,322	34,917,971	36,433,675	38,920,804	45,315,985	50,027,001	52,256,106	56,297,856	61,878,984
Other taxes	10,759,834	11,837,073	12,582,362	12,628,895	13,315,667	14,622,673	16,721,546	20,169,722	21,136,519	24,263,012
Unrestricted grants and contributions	3,060,980	3,080,863	2,981,903	3,117,955	3,081,986	2,954,940	3,113,058	3,119,897	3,718,212	3,914,930
Unrestricted investment earnings	57,446	62,046	163,832	271,927	553,374	1,272,202	1,342,606	164,055	233,670	3,439,254
Other	-	-	-	-	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	(2,773,179)	-	-	-	-	-
Transfers	(40,000)	(50,000)	(64,286)	(65,286)	(67,000)	(151,901)	(74,630)	(78,930)	(109,130)	(198,088)
Total governmental activities general revenues and other changes in net position	<u>43,977,114</u>	<u>47,472,304</u>	<u>50,581,782</u>	<u>52,387,166</u>	<u>53,031,652</u>	<u>64,013,899</u>	<u>71,129,581</u>	<u>75,630,850</u>	<u>81,277,127</u>	<u>93,298,092</u>
Business-type activities:										
Unrestricted investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	40,000	50,000	64,286	65,286	67,000	151,901	74,630	78,930	109,130	198,088
Total business-type activities general revenues and other changes in net position	<u>40,000</u>	<u>50,000</u>	<u>64,286</u>	<u>65,286</u>	<u>67,000</u>	<u>151,901</u>	<u>74,630</u>	<u>78,930</u>	<u>109,130</u>	<u>198,088</u>
Total primary government general revenues and other changes in net position	<u>44,017,114</u>	<u>47,522,304</u>	<u>50,646,068</u>	<u>52,452,452</u>	<u>53,098,652</u>	<u>64,165,800</u>	<u>71,204,211</u>	<u>75,709,780</u>	<u>81,386,257</u>	<u>93,496,180</u>
Change in net position										
Governmental activities	10,732,614	3,313,437	1,761,173	8,281,486	3,960,606	18,964,776	18,723,830	20,247,023	32,385,811	30,719,219
Business-type activities	(173,487)	1,699,091	455,889	(169,825)	1,278,974	(80,208)	(362,653)	372,823	75,093	(270,283)
Total primary government change in net position	<u>\$ 10,559,127</u>	<u>\$ 5,012,528</u>	<u>\$ 2,217,062</u>	<u>\$ 8,111,661</u>	<u>\$ 5,239,580</u>	<u>\$ 18,884,568</u>	<u>\$ 18,361,177</u>	<u>\$ 20,619,846</u>	<u>\$ 32,460,904</u>	<u>\$ 30,448,936</u>

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

LANCASTER COUNTY, SOUTH CAROLINA

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

Year	Real Property Tax (1)	Vehicle Tax	Local Option Sales Tax Property Tax	Local Option Sales Tax Capital Projects	Road Improvement Fee Tax	Other Taxes	Total
2014	\$ 22,249,229	\$ 2,586,810	\$ 5,302,815	\$ 7,871,762	\$ 1,940,220	\$ 947,852	\$ 40,898,688
2015	23,817,711	2,951,321	5,773,290	8,655,243	2,183,931	997,899	44,379,395
2016	25,395,538	3,356,927	6,165,506	9,264,782	2,286,114	1,031,466	47,500,333
2017	26,277,300	3,520,652	6,635,723	8,591,056	2,382,448	1,655,391	49,062,570
2018	28,840,615	3,446,079	6,634,110	8,596,418	2,411,954	2,307,295	52,236,471
2019	33,948,353	3,920,027	7,447,605	9,632,957	2,487,225	2,502,491	59,938,658
2020	36,868,463	4,539,885	8,618,653	11,199,016	2,813,201	2,709,329	66,748,547
2021	37,080,478	4,743,265	10,432,363	13,987,334	3,154,315	3,028,073	72,425,828
2022	40,091,055	4,931,882	11,274,919	15,068,141	3,460,173	2,608,205	77,434,375
2023	45,279,853	5,320,653	11,401,596	17,780,349	3,807,819	2,232,309	85,822,579

(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									
	2014 ¹	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 470,608	\$ 1,036,548	\$ 1,260,002	\$ 1,044,264	\$ 1,065,028	\$ 1,053,048	\$ 1,109,493	\$ 1,003,214	\$ 2,810,251	\$ 1,111,414
Restricted	1,757,465	1,664,659	1,994,639	1,936,721	1,443,333	2,403,626	3,117,080	3,361,858	2,849,877	3,261,297
Assigned	1,238,174	1,662,673	4,922,022	4,335,491	2,925,044	6,868,557	8,203,048	6,892,272	7,436,162	12,711,980
Unassigned	16,940,776	17,842,835	19,251,333	23,275,511	27,087,195	29,249,962	31,432,427	39,617,495	48,533,918	54,288,945
Total General Fund	<u>\$ 20,407,023</u>	<u>\$ 22,206,715</u>	<u>\$ 27,427,996</u>	<u>\$ 30,591,987</u>	<u>\$ 32,520,600</u>	<u>\$ 39,575,193</u>	<u>\$ 43,862,048</u>	<u>\$ 50,874,839</u>	<u>\$ 61,630,208</u>	<u>\$ 71,373,636</u>
All Other Governmental Funds										
Nonspendable	\$ 561,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	19,338,480	41,372,751	8,697,456	17,389,278	15,325,706	44,927,922	43,003,611	35,514,267	39,791,472	51,236,008
Assigned	165,520	48,260	17,440,567	8,309,791	12,972,107	10,695,689	10,978,809	14,211,675	18,456,852	24,078,209
Unassigned, reported in:										
Special revenue funds	-	(187,507)	(130,854)	(436,343)	(179,847)	(109,409)	(182,353)	(305,914)	(807,838)	(1,590,521)
Capital projects funds	(723,233)	(668,806)	(617,768)	-	(59,899)	-	-	-	(2,039,475)	-
Total all other governmental funds	<u>\$ 19,341,894</u>	<u>\$ 40,564,698</u>	<u>\$ 25,389,401</u>	<u>\$ 25,262,726</u>	<u>\$ 28,058,067</u>	<u>\$ 55,514,202</u>	<u>\$ 53,800,067</u>	<u>\$ 49,420,028</u>	<u>\$ 55,401,011</u>	<u>\$ 73,723,696</u>
Total all governmental funds	<u>\$ 39,748,917</u>	<u>\$ 62,771,413</u>	<u>\$ 52,817,397</u>	<u>\$ 55,854,713</u>	<u>\$ 60,578,667</u>	<u>\$ 95,089,395</u>	<u>\$ 97,662,115</u>	<u>\$ 100,294,867</u>	<u>\$ 117,031,219</u>	<u>\$ 145,097,332</u>

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

LANCASTER COUNTY, SOUTH CAROLINA

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	\$ 40,100,667	\$ 43,591,415	\$ 46,703,440	\$ 48,219,079	\$ 51,370,390	\$ 59,160,122	\$ 66,656,253	\$ 71,921,082	\$ 77,832,529	\$ 86,046,045
Licenses and permits	5,191,197	5,412,448	6,248,935	10,346,792	6,802,235	6,912,416	7,531,313	9,199,118	10,971,741	6,745,141
Intergovernmental	13,378,905	7,679,451	12,871,513	6,009,615	10,413,632	9,217,432	9,521,558	11,444,493	17,004,279	22,140,609
Charges for services	4,882,693	5,189,021	5,017,909	5,723,388	6,800,198	7,177,398	7,280,484	7,296,439	8,346,188	9,179,765
Fines, fees, and forfeitures	1,028,680	1,020,330	1,024,620	1,137,351	1,139,183	1,045,268	817,399	749,252	852,830	842,165
Interest income	57,446	62,046	163,832	1,177,037	553,374	1,272,202	1,342,606	164,055	233,670	3,439,254
Contributions and donations	351,666	344,344	2,831,040	271,928	450,436	526,931	258,776	497,921	1,077,329	303,533
Contributions from property owners	-	-	-	-	-	-	-	-	-	-
Other	230,863	247,254	247,577	202,836	205,132	264,277	656,354	638,573	1,201,565	337,469
Total revenues	<u>65,222,117</u>	<u>63,546,309</u>	<u>75,108,866</u>	<u>73,088,026</u>	<u>77,734,580</u>	<u>85,576,046</u>	<u>94,064,743</u>	<u>101,910,933</u>	<u>117,520,131</u>	<u>129,033,981</u>
Expenditures:										
General government	10,004,834	11,646,926	11,900,170	13,170,074	15,760,730	14,922,267	16,595,200	18,688,495	24,130,786	20,701,262
Administration of justice	1,823,021	1,982,265	2,123,474	2,067,748	2,112,988	2,168,732	2,351,776	2,415,594	2,621,704	2,839,043
Public safety and law enforcement	16,500,414	17,169,386	16,921,863	18,942,981	20,049,477	22,431,673	26,227,341	25,380,906	27,760,699	34,808,126
Public works	6,279,272	6,656,489	20,100,712	11,738,926	10,306,899	9,276,883	10,890,271	17,358,204	11,343,363	17,642,723
Public health and welfare	6,587,179	6,353,634	6,940,375	7,373,665	7,292,478	7,630,114	10,066,880	8,592,318	8,874,512	9,253,165
Culture and recreation	3,226,890	3,696,364	3,605,227	1,074,098	3,845,233	4,236,825	6,185,651	10,080,794	4,277,866	5,208,929
Economic development	5,517,505	659,185	2,244,723	3,844,142	2,816,911	1,195,172	949,374	1,602,966	1,550,046	975,558
Other	-	-	-	-	-	-	-	-	-	-
Capital outlay	3,101,804	9,575,828	8,919,489	7,452,924	3,565,409	2,086,336	6,775,685	6,925,495	24,791,873	3,807,286
Debt service										
Principal retirement	7,515,489	16,482,104	9,097,775	3,548,365	5,755,391	7,419,030	9,580,883	7,253,830	9,405,593	5,457,931
Interest	2,002,080	1,895,703	1,789,488	1,647,576	1,589,485	1,364,646	1,789,676	1,765,303	1,320,740	1,271,766
Fees	7,500	274,560	92,071	7,500	3,500	227,662	4,656	13,306	299,596	15,999
Total expenditures	<u>62,565,988</u>	<u>76,392,444</u>	<u>83,735,367</u>	<u>70,867,999</u>	<u>73,098,501</u>	<u>72,959,340</u>	<u>91,417,393</u>	<u>100,077,211</u>	<u>116,376,778</u>	<u>101,981,788</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,656,129</u>	<u>(12,846,135)</u>	<u>(8,626,501)</u>	<u>2,220,027</u>	<u>4,636,079</u>	<u>12,616,706</u>	<u>2,647,350</u>	<u>1,833,722</u>	<u>1,143,353</u>	<u>27,052,193</u>
Other financing sources (uses):										
Transfer in	6,129,115	9,295,417	26,469,059	2,326,475	3,651,522	5,628,487	4,895,885	4,741,680	4,392,288	-
Transfer out	(6,169,115)	(9,345,417)	(26,533,345)	(2,391,761)	(3,718,522)	(5,780,388)	(4,970,515)	(4,820,610)	(4,501,418)	(198,088)
Issuance of debt - capital leases	226,000	445,000	-	-	-	-	-	-	-	530,683
Issuance of debt	950,000	35,384,119	6,750,000	650,000	-	19,905,000	-	700,000	14,289,160	590,000
Premium on bond	-	-	686,146	-	-	2,116,323	-	-	1,396,381	-
Payment to refunded debt escrow agent	-	-	(9,199,375)	-	-	-	-	-	-	-
Sale of capital assets	210,915	89,512	500,000	232,575	154,875	24,600	-	177,960	16,591	91,325
Special item - insurance recoveries	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,346,915</u>	<u>35,868,631</u>	<u>(1,327,515)</u>	<u>817,289</u>	<u>87,875</u>	<u>21,894,022</u>	<u>(74,630)</u>	<u>799,030</u>	<u>15,593,002</u>	<u>1,013,920</u>
Net change in fund balances	<u>\$ 4,003,044</u>	<u>\$ 23,022,496</u>	<u>\$ (9,954,016)</u>	<u>\$ 3,037,316</u>	<u>\$ 4,723,954</u>	<u>\$ 34,510,728</u>	<u>\$ 2,572,720</u>	<u>\$ 2,632,752</u>	<u>\$ 16,736,355</u>	<u>\$ 28,066,113</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>16.72%</u>	<u>25.93%</u>	<u>14.63%</u>	<u>8.58%</u>	<u>10.90%</u>	<u>13.61%</u>	<u>15.52%</u>	<u>11.53%</u>	<u>9.22%</u>	<u>7.21%</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
2014	\$ 21,990,985	\$ 2,586,810	\$ 5,302,815	\$ 7,871,762	\$ 1,940,220	\$ 408,075	\$ 40,100,667
2015	23,648,295	2,951,321	5,773,290	8,655,243	2,183,931	379,335	43,591,415
2016	25,289,628	3,356,927	6,165,506	9,264,782	2,286,114	340,483	46,703,440
2017	26,173,979	3,520,652	6,635,723	8,591,056	2,382,448	915,221	48,219,079
2018	28,755,053	3,446,079	6,634,110	8,596,418	2,411,954	1,526,776	51,370,390
2019	33,689,494	3,920,027	7,447,605	9,632,957	2,487,225	1,982,814	59,160,122
2020	37,363,857	4,539,885	8,618,653	11,199,016	2,813,201	2,121,641	66,656,253
2021	37,201,411	4,743,265	10,432,363	13,987,334	3,154,315	2,402,395	71,921,083
2022	40,489,209	4,931,882	11,274,919	15,068,141	3,460,173	2,608,205	77,832,529
2023	45,183,902	5,320,653	11,401,596	17,780,349	3,807,819	2,232,309	85,726,628

(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)**

<u>Year</u>	<u>Property Taxes</u>	<u>Inter-governmental</u>	<u>Licenses and Permits</u>	<u>Charges for Services</u>	<u>Fines, Fees, and Forfeitures</u>	<u>Other</u>	<u>Total Revenues</u>	<u>Other Financing Sources</u>	<u>Grand Total Revenues Including Other Financing Sources</u>
2013	\$ 24,410,433	\$ 3,303,561	\$ 4,160,774	\$ 2,816,174	\$ 893,708	\$ 831,362	\$ 36,416,012	\$ 102,792	\$ 36,518,804
2014	24,653,264	4,226,086	5,191,197	3,999,763	937,975	2,359,029	41,367,314	235,915	41,603,229
2015	26,871,707	4,383,847	5,412,448	4,243,269	930,840	2,609,881	44,451,992	1,115,639	45,567,631
2016	32,394,019	4,541,474	6,248,935	3,977,933	935,942	1,442,395	49,540,698	7,190,762	56,731,460
2017	30,394,683	4,670,820	6,009,615	4,619,066	1,051,759	2,928,604	49,674,547	262,590	49,937,137
2018	32,519,908	4,913,937	6,802,235	4,263,883	1,045,120	3,059,927	52,605,010	233,590	52,838,600
2019	37,751,878	5,003,978	6,912,416	4,438,960	974,883	3,884,591	58,966,706	46,470	59,013,176
2020	41,435,302	5,230,588	7,531,313	4,186,195	744,088	4,240,153	63,367,639	30,828	63,398,467
2021	44,039,177	5,754,340	9,199,118	4,174,242	687,475	4,049,472	67,903,824	209,554	68,113,378
2022	50,943,029	6,468,985	6,745,141	5,318,661	769,727	5,959,765	76,205,308	622,008	76,827,316

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

LANCASTER COUNTY, SOUTH CAROLINA

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

Year	General Government	Administration of Justice	Public Safety & Law Enforcement	Public Works	Public Health & Welfare	Other	Debt Service	Total Expenditures	Other Financing Uses	Grand Total Expenditures Including Other Financing Uses
2014	\$ 9,943,242	\$ 1,823,021	\$ 12,229,972	\$ 4,328,763	\$ 6,168,796	\$ 3,734,954	\$ 492,823	\$ 38,721,571	\$ 40,000	\$ 38,761,571
2015	11,543,862	1,982,265	14,155,303	5,277,991	6,326,950	3,857,890	207,429	43,351,690	416,249	43,767,939
2016	11,827,178	2,108,384	14,145,424	4,805,405	6,919,809	3,787,090	450,489	44,043,779	7,466,400	51,510,179
2017	12,529,121	2,063,616	15,206,095	5,612,657	6,803,861	4,062,665	429,845	46,707,860	65,286	46,773,146
2018	14,745,595	2,112,988	16,510,580	5,528,950	7,280,243	4,127,179	222,087	50,527,622	382,365	50,909,987
2019	14,298,332	2,157,241	17,947,213	5,479,025	7,618,327	4,089,295	227,249	51,816,682	151,901	51,968,583
2020	16,167,367	2,256,109	21,675,582	5,733,934	8,054,393	3,986,590	50,000	57,923,975	1,187,637	59,111,612
2021	18,450,984	2,301,657	20,369,784	6,404,447	8,293,700	4,217,149	50,000	60,087,721	1,012,766	61,100,487
2022	19,032,541	2,501,719	22,433,935	6,219,271	8,664,921	4,305,059	220,247	63,377,693	109,130	63,486,823
2023	18,924,737	2,739,385	24,272,434	6,196,054	8,847,566	5,670,388	235,236	66,885,800	198,088	67,083,888

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

LANCASTER COUNTY, SOUTH CAROLINA

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

Year	Levy Year	Real Property		Personal Property		Total		Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Assessed Value	Assessed Value	Estimated Actual Value		
2014	2013	\$ 231,213,120	\$ 4,624,262,400	\$ 79,072,239	\$ 946,454,939	\$ 310,285,359	\$ 5,570,717,339	5.57 %	90.41 %
2015	2014	241,517,630	4,830,352,600	82,400,776	995,933,689	323,918,406	5,826,286,289	5.56	92.80
2016	2015	255,663,400	5,113,268,000	87,570,084	1,066,887,072	343,233,484	6,180,155,072	5.55	94.30
2017	2016 (2)	272,287,050	5,445,741,000	96,647,049	1,166,052,922	368,934,099	6,611,793,922	5.58	91.20
2018	2017	288,360,810	5,767,216,200	101,725,024	1,211,912,052	390,085,834	6,979,128,252	5.59	95.60
2019	2018	302,285,440	6,045,708,800	109,715,204	1,301,444,272	412,000,644	7,347,153,072	5.61	101.20
2020	2019	325,248,500	6,504,970,000	109,997,560	1,319,960,975	435,246,060	7,824,930,975	5.56	108.75
2021	2020	341,045,420	6,820,908,400	116,572,389	1,401,840,457	457,617,809	8,222,748,857	5.57	105.10
2022	2021 (2)	395,081,510	7,901,630,200	127,309,026	1,533,002,371	522,390,536	9,434,632,571	5.54	101.60
2023	2022	436,606,740	8,732,134,800	130,679,788	1,583,997,430	567,286,528	10,316,132,230	5.50	102.10

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

(2) Real property was reassessed.

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

LANCASTER COUNTY, SOUTH CAROLINA

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

Levy Year Ended December 31	Fiscal Year Ended June 30	Lancaster County				Overlapping Rates (1)								Total Direct and Overlapping Rates
		County Operating	County Debt	County Capital Improvement and Court Security	Total County	Lancaster County School District			University of S.C. Lancaster	Town of Heath Springs	Town of Van Wyck (3)	Town of Kershaw	City of Lancaster	
2013	2014	75.65	7.16	7.60	90.41	145.00	43.00	188.00	3.95	-		75.00	154.70	512.06
2014	2015	78.00	7.00	7.80	92.80	149.50	43.00	192.50	4.10	-		75.00	156.90	521.30
2015	2016	80.80	5.30	8.20	94.30	149.50	53.00	202.50	4.30	-		75.00	164.40	540.50
2016	2017 (2)	76.00	7.00	8.20	91.20	149.50	68.00	217.50	4.30	-		77.00	176.40	566.40
2017	2018	80.10	7.10	8.40	95.60	149.50	68.00	217.50	4.50	-		82.00	178.50	578.10
2018	2019	84.20	8.30	8.70	101.20	154.50	65.00	219.50	4.70	-	-	85.00	172.90	583.30
2019	2020	88.70	11.25	8.80	108.75	159.50	65.00	224.50	4.90	-	-	85.00	172.90	596.05
2020	2021	88.70	7.60	8.80	105.10	163.50	65.00	228.50	4.90	-	-	95.00	174.70	608.20
2021	2022 (2)	84.30	8.50	8.80	101.60	163.50	65.00	228.50	4.60	-	-	95.90	175.90	606.50
2022	2023	84.30	9.60	8.20	102.10	171.00	65.00	236.00	4.60	-	-	95.60	178.80	617.10

Source: Lancaster County Auditor

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

(2) Real property was reassessed.

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

LANCASTER COUNTY, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2023				2014			
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxes Paid (1)	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxes Paid (1)
Duke Energy	\$ 13,436,560	1	2.57%	\$ 4,580,661	\$ 8,194,510	1	2.64%	\$ 2,374,421
Haile Gold Mine Inc	7,959,236	2	1.52%	2,712,703	1,923,685	4	0.62%	632,778
Red Ventures	6,539,892	3	1.25%	2,242,529				
Capital Club SC Apartments LLC	3,992,670	4	0.76%	1,316,916				
IMT Capital V Edgewater LLC	3,217,480	5	0.62%	1,061,232				
Lancaster Real Estate Group	3,072,120	6	0.59%	1,013,288				
5209 Craftsman (SC) LLC	3,060,000	7	0.59%	1,009,290				
Keer America Corporation	2,887,787	8	0.55%	989,526				
Lennar Carolina LLC	2,192,470	9	0.42%	717,603				
Sharonview Federal Credit Union	2,098,926	10	0.40%	714,186				
Lancaster Hospital Corp.					4,482,700	2	1.44%	1,753,948
The Gillette Company					3,758,547	3	1.21%	1,649,676
Springs Global					1,496,780	5	0.48%	408,273
Lancaster Telephone Co.					1,443,470	6	0.47%	485,222
Springland Associates					1,321,020	7	0.43%	512,301
IX WR 3023 HSBC					1,316,732	8	0.42%	371,845
Lynches River Electric					1,300,150	9	0.42%	358,420
Pulte Home Corp.					1,261,720	10	0.41%	330,958
Total assessed value of ten largest taxpayers	<u>\$ 48,457,141</u>		9.28%	<u>\$ 16,357,934</u>	<u>\$ 26,499,314</u>		8.54%	<u>\$ 8,877,842</u>
Total assessed value of all taxpayers	\$ 522,390,536		100%		\$ 310,285,359		100%	

Source: Lancaster County Treasurer

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

LANCASTER COUNTY, SOUTH CAROLINA

**REAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

<u>Levy Year</u>	<u>Original Levy</u>	<u>Adjustments</u>	<u>Total Adjusted Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2013	\$ 19,312,592	\$ 530,677	\$ 19,843,269	\$ 18,975,609	95.63%	\$ 756,639	\$ 19,732,248	99.44%
2014	20,736,283	435,654	21,171,937	20,418,390	96.44%	636,296	21,054,686	99.45%
2015	22,506,743	393,321	22,900,064	22,135,439	96.66%	643,372	22,778,811	99.47%
2016	23,702,386	128,901	23,831,287	23,149,210	97.14%	550,989	23,700,199	99.45%
2017	24,415,252	1,131,332	25,546,584	24,808,606	97.11%	579,685	25,388,291	99.38%
2018	29,214,057	1,814,650	31,028,707	30,259,717	97.52%	573,289	30,833,006	99.37%
2019	32,966,150	703,975	33,670,125	32,887,097	97.67%	467,054	33,354,151	99.06%
2020	32,623,017	1,019,568	33,642,585	33,021,251	98.15%	569,848	33,591,099	99.85%
2021	35,049,897	1,585,667	36,635,564	36,109,720	98.56%	448,015	36,557,735	99.79%
2022	39,399,753	1,785,313	41,185,066	40,517,087	98.38%	-	40,517,087	98.38%

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

LANCASTER COUNTY, SOUTH CAROLINA

**VEHICLE PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

<u>Levy Year</u>	<u>Original Levy</u>	<u>Adjustments</u>	<u>Total Adjusted Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2013	\$ 2,212,716	\$ 175,945	\$ 2,388,661	\$ 2,275,933	95.28%	\$ 109,481	\$ 2,385,414	99.86%
2014	2,559,126	256,987	2,816,113	2,709,070	96.20%	102,130	2,811,200	99.83%
2015	2,846,803	419,698	3,266,501	3,030,026	92.76%	137,317	3,167,343	96.96%
2016	3,144,338	512,265	3,656,603	3,381,874	92.49%	158,298	3,540,172	96.82%
2017	3,061,408	434,695	3,496,103	3,221,298	92.14%	141,340	3,362,638	96.18%
2018	3,274,821	463,679	3,738,500	3,425,273	91.62%	162,884	3,588,157	95.98%
2019	3,856,161	625,681	4,481,842	4,106,769	91.63%	197,930	4,304,699	96.05%
2020	3,916,497	971,371	4,887,868	4,492,005	91.90%	208,999	4,701,004	96.18%
2021	3,911,122	1,047,080	4,958,202	4,596,865	92.71%	182,242	4,779,107	96.39%
2022	4,189,779	1,028,196	5,217,975	4,730,142	90.65%	-	4,730,142	90.65%

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

LANCASTER COUNTY, SOUTH CAROLINA

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

Fiscal Year	Governmental Activities										Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Obligation Bonds	SCAGO Public Facilities Installment Purchase Revenue Bonds	Financed Purchases	Special Source Revenue Bonds	Leases Payable	Subscriptions Payable	Unamortized Discount/Premium on Debt	Total Outstanding Debt			
2014	\$ 17,506,450	\$ -	\$ 19,675,000	\$ 2,611,477	\$ 2,210,000	\$ -	\$ -	\$ 374,768	\$ 42,377,695	2.52%	\$ 527	
2015	31,300,178	-	14,445,000	2,875,644	9,394,000	-	-	3,530,280	61,545,102	3.52%	740	
2016	36,736,205	-	-	2,451,843	7,504,000	-	-	3,627,628	50,319,676	2.67%	586	
2017	34,589,492	-	-	2,038,778	7,154,382	-	-	2,929,225	46,711,877	2.31%	521	
2018	29,372,360	-	-	1,826,483	6,782,076	-	-	2,158,137	40,139,056	1.77%	434	
2019	42,398,607	-	-	1,602,396	6,433,649	-	-	3,654,075	54,088,727	1.82%	567	
2020	34,123,712	-	-	620,000	6,110,057	-	-	2,924,721	43,778,490	1.43%	447	
2021	27,917,646	-	-	570,000	5,812,293	-	-	2,267,214	36,567,153	0.68%	381	
2022	27,525,740	6,140,000	-	520,000	4,856,716	290,128	-	2,920,875	42,253,459	0.76%	418	
2023	23,586,875	6,075,000	-	470,000	3,945,390	691,297	229,804	2,453,375	37,451,741	0.63%	349	

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

LANCASTER COUNTY, SOUTH CAROLINA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Unamortized Discount/Premium on Debt	Less: Amounts Available in Debt Service Fund	Net G.O. Bonds Outstanding	Percentage of Estimated Actual Taxable Value of Property (1)	Debt Per Capita (2)
2014	\$ 17,506,450	\$ 374,768	\$ 572,689	\$ 17,308,529	0.31%	\$ 215
2015	31,300,178	3,530,280	2,857,126	31,973,332	0.55%	384
2016	36,736,205	3,627,629	3,264,525	37,099,309	0.60%	432
2017	34,589,492	2,929,225	1,631,995	35,886,722	0.54%	401
2018	29,372,360	2,158,137	839,211	30,691,286	0.44%	332
2019	42,398,607	3,654,075	4,461,216	41,591,466	0.57%	436
2020	34,123,712	2,924,721	2,334,738	34,713,695	0.44%	354
2021	27,917,646	2,267,214	1,528,049	28,656,811	0.35%	298
2022	27,525,740	2,157,227	1,371,015	28,311,952	0.30%	282
2023	23,586,875	1,779,099	1,076,508	24,289,466	0.23%	226

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, 2023

Governmental Unit	Debt Outstanding	Percentage Applicable to County	Amount Applicable to County
Direct debt:			
Lancaster County	\$ 37,451,741	100%	\$ 37,451,741
Overlapping debt:			
City of Lancaster	N/A	100%	N/A
Lancaster School District	225,715,799	100%	225,715,799
Total overlapping debt	225,715,799		225,715,799
Total direct and overlapping debt	\$ 263,167,540		\$ 263,167,540

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.

N/A - Information not readily available.

LANCASTER COUNTY, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 23,580,100	\$ 24,665,722	\$ 26,153,377	\$ 27,880,673	\$ 29,389,302	\$ 30,639,401	\$ 32,738,053	\$ 34,227,352	\$ 39,048,145	\$ 42,567,116
Total Net G.O. Debt Applicable to Limit	<u>14,818,761</u>	<u>12,147,161</u>	<u>16,740,199</u>	<u>14,737,497</u>	<u>12,795,789</u>	<u>13,993,784</u>	<u>12,635,261</u>	<u>11,176,952</u>	<u>15,078,145</u>	<u>5,123,492</u>
Legal Debt Margin	<u>\$ 8,761,339</u>	<u>\$ 12,518,561</u>	<u>\$ 9,413,178</u>	<u>\$ 13,143,176</u>	<u>\$ 16,593,513</u>	<u>\$ 16,645,617</u>	<u>\$ 20,102,792</u>	<u>\$ 23,050,400</u>	<u>\$ 23,970,000</u>	<u>\$ 37,443,624</u>
Total Net G.O. Debt Applicable to the Limit as a Percentage of Debt Limit	62.84%	49.25%	64.01%	52.86%	43.54%	45.67%	38.60%	32.66%	38.61%	12.04%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value (1)	\$ 531,223,433
Add back: exempt Merchant Inventory (2)	<u>865,515</u>
Total assessed value	532,088,948
Debt limit (8% of assessed value) (3)	42,567,116
Debt applicable to limit:	
Total general obligation bonds	23,586,875
Less amount set aside for repayment of G.O. debt (4)	(1,076,508)
Less G.O. bonds not applicable to 8% debt limit (5)	<u>(17,386,875)</u>
Net G.O. bonds applicable to limit	5,123,492
Legal debt margin without a referendum (6)	<u>\$ 37,443,624</u>

Notes:

(1) Property value data can be found in the Assessed Value and Estimated Actual Value of Taxable Property schedule. Fee-in-lieu, joint industrial park, and reimbursement assessments are not included in the assessed value for debt limit calculation.

(2) Business inventory is exempt from tax, but its 1987 assessed value is included in the computation of the legal debt margin.

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

(4) This is the amount available in the debt service funds for GO debt.

(5) G.O. bonds for the Pleasant Valley Fire District and Brookchase District are not subject to the 8% debt limit. Special fees are assessed to pay these bonds as approved by the voters. Also, a \$16,500,000 referendum bond was issued in FY2015 and a \$11,500,000 referendum bond was issued in 2019 and a Special Obligation Bond was issued in FY2021; these are not subject to the 8% debt limit.

(6) The legal debt margin is the government's available borrowing under SC Code of Laws and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

LANCASTER COUNTY, SOUTH CAROLINA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	County Population (1)	Total Personal Income (in thousands) (1)	Per Capita Personal Income *	School Enrollment (2)	County Unemployment Rate (3)
2014	80,458	\$ 1,681,492	\$ 20,899	11,581	6.6%
2015	83,160	1,746,609	21,003	11,760	6.6%
2016	85,842	1,883,631	21,943	12,420	6.0%
2017	89,594	2,020,076	22,547	12,758	4.6%
2018	92,550	2,270,066	24,528	13,017	3.9%
2019	95,380	2,973,662	31,177	13,258	4.1%
2020	98,012	3,057,190	31,192	13,936	10.6%
2021	96,016	5,348,952	52,999	14,722	4.8%
2022	100,336	5,521,791	55,033	14,414	3.7%
2023	104,577	5,758,562	55,065	14,791	3.8%

Sources:

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

(2) Lancaster County School District

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

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

LANCASTER COUNTY, SOUTH CAROLINA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Lancaster County Schools	2,045	1	4.63%	1,569	2	4.63%
Red Ventures	900	2	2.04%	1,600	1	4.72%
Movement Mortgage	843	3	1.91%			
Wal-Mart	784	4	1.78%	671	6	1.98%
Nutramax Laboratories	667	5	1.51%			
Oceana Gold	660	6	1.49%			
Continental Tire	609	7	1.38%	430	7	1.27%
MUSC (Springs Memorial Hospital)	608	8	1.38%	700	4	2.07%
Lancaster County (1)	576	9	1.30%	840	3	2.48%
Founders Federal Credit Union	501	10	1.13%			
Cardinal Health				695	5	2.05%
Duracell (Gillette)				425	8	1.25%
Inspiration Ministries (INSP)				310	9	0.91%
USC-L (University of SC - Lancaster)				305	10	0.90%
Total	<u><u>8,193</u></u>		<u><u>18.56%</u></u>	<u><u>7,545</u></u>		<u><u>22.26%</u></u>
 Total Labor Force	 44,154			 33,890		

Source: Lancaster County Economic Development Corporation and SC Department of Employment and Workforce
(1) 2014 data included part-time

LANCASTER COUNTY, SOUTH CAROLINA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government Administration	90.00	96.00	102.00	103.00	105.00	103.00	107.00	112.00	111.00	119.00
Administration of Justice	34.00	36.00	38.00	37.00	38.00	37.00	36.00	36.00	37.00	34.00
Culture & Recreation	58.00	62.00	71.00	69.00	69.00	69.00	64.00	62.00	62.00	40.00
Public Safety & Law Enforcement	210.00	226.00	240.00	243.00	250.00	263.00	269.00	273.00	275.00	249.00
Public Works	43.00	45.00	49.00	47.00	51.00	63.00	64.00	69.00	69.00	47.00
Public Health & Welfare	81.00	79.00	85.00	84.00	87.00	92.00	98.00	102.00	104.00	87.00
	<u>516.00</u>	<u>544.00</u>	<u>585.00</u>	<u>583.00</u>	<u>600.00</u>	<u>627.00</u>	<u>638.00</u>	<u>654.00</u>	<u>658.00</u>	<u>576.00</u>

Source: Lancaster County Human Resources Department

LANCASTER COUNTY, SOUTH CAROLINA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administration of Justice										
Clerk of Court general sessions cases disposed	1,929	1,977	2,869	2,059	2,624	2,693	3,148	1,940	4,044	5,958
Clerk of Court common pleas cases disposed	2,172	2,533	1,715	1,654	1,565	1,914	2,737	1,659	2,402	1,801
Family Court cases disposed	735	1,034	818	994	988	853	726	778	968	955
Magistrate Court										
Criminal Docket total cases filed	2,493	2,300	2,551	2,671	3,224	3,921	2,427	N/A	1,957	12,246
Traffic Docket total cases filed	11,209	8,604	10,645	11,537	9,342	12,555	7,864	9,436	8,829	12,423
Civil Docket total cases filed	2,348	2,418	2,437	2,536	3,076	3,106	2,425	2,437	2,051	2,656
Culture and Recreation										
Library - Circulation	n/a	n/a	276,906	278,736	282,774	279,304	145,921	76,134	200,864	194,305
Recreation - total number of participants	n/a	n/a	217,415	223,476	224,157	11,257	11,837	3,411	9,800	9,375
General Government										
Assessor - number of parcels revised	n/a	n/a	14,102	46,875 (1)	17,626	15,369	55,530 (1)	10,600	9,820	9,540
Building - number of permits issued	n/a	n/a	2,738	2,847	2,847	3,386	4,113	4,362	4,139	3,404
Delinquent Tax - number of properties redeemed	n/a	n/a	224	270	273	269	211	208	74	-
Human Resources - number of applications taken	n/a	n/a	1,034	663	518	254	311	317	291	317
Planning - number of rezoning cases	n/a	n/a	19	27	38	32	26	32	19	13
Risk Management - number of inspections performed	n/a	n/a	68	60	60	60	65	60	56	58
Fleet Operations - number of work orders	n/a	n/a	2,919	2,228	2,846	3,250	3,249	3,167	3,104	3,464
Public Safety & Law Enforcement										
Coroner - total number of deaths	n/a	n/a	463	500	560	571	647	810	848	780
Communication E911 - total number of calls	n/a	n/a	122,164	152,695	104,218	181,987	148,717	181,804	175,337	175,337
Detention Center - total number incarcerated	3,366	3,261	2,997	3,351	3,486	3,355	3,376	2,640	2,060	2,192
Fire Service - total number of calls	3,533	4,543	5,948	6,368	6,496	7,215	7,620	6,911	9,708	9,295
Sheriff Department										
Calls for services	n/a	n/a	61,707	67,515	65,906	68,758	70,533	64,279	63,516	75,441
Total arrests	n/a	n/a	3,275	3,677	3,549	3,838	3,840	3,019	2,927	3,131
Litter complaints	n/a	n/a	95	117	160	395	378	-	-	n/a
Public Works										
Road maintenance - total work orders	n/a	n/a	3,946	3,645	2,089	2,996	2,647	2,760	3,280	-
Solid Waste										
Tons of refuse collected	n/a	n/a	6,156	6,811	6,090	7,760	8,514	18,157	10,765	7,397
Tons of comingled recyclables collected	n/a	n/a	771	709	536	624	457	37	-	-
Public Health & Welfare										
Animal Control										
Number of animals through shelter	3,611	3,992	3,433	3,387	3,069	2,659	1,868	2,148	1,988	2,419
EMS - total number of calls	12,530	14,891	14,880	15,144	17,380	17,108	17,937	19,830	19,224	18,814

Sources: Various county departments

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

(1) Reassessment year - all parcels were revised

LANCASTER COUNTY, SOUTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

<u>Function/Program</u>	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety and law enforcement										
Number of police stations	1	1	1	1	1	1 (1)	1	1	1	1
Number of police sub-stations	3	3	3	3	2	2	2	2	2	2
Number of police vehicles	123	135	143	135	148	155	148	148	137	170
Number of fire stations	18	18	18	18	18	18	18	18	18	18
Number of fire sub-stations	3	3	3	3	3	2	2	2	2	2
Number of fire emergency vehicles	111	111	111	111	112	113	114	114	114	114
Public works										
Miles of unpaved roads maintained	214.84	215.84	215.84	215.84	215.84	215.84	215.84	215.84	215.84	215.84
Miles of paved roads maintained	164.81	168.76	168.76	200.81	223.76	234.41	302.21	302.21	302.21	302.21
Public health and welfare										
Number of EMS stations	8	8	8	8	8	8	8	8	8	8
Number of emergency vehicles*	25	33	37	31	31	31	30	30	36	34
Culture and recreation										
Number of parks	15	16	16	16	16	16	16	16	16	16
Number of recreation centers	4	4	4	4	4	4	4	4	4	4
Number of libraries	3	3	3	3	3	3	3	3	3	3

Source: Various County departments

(1) - Item corrected in 2020.

*Beginning in FY2015, QRV vehicles are included.

COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Council
of Lancaster County
Lancaster, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Lancaster County, South Carolina** (the "County"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 22, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

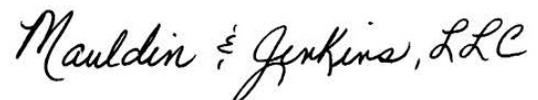
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Lancaster County, South Carolina's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



Columbia, South Carolina
January 22, 2024



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

To the County Council
of Lancaster County
Lancaster, South Carolina

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited **Lancaster County, South Carolina's** (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2023. 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.

In our opinion, Lancaster County, South Carolina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However material weaknesses or significant deficiencies may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
January 22, 2024

LANCASTER COUNTY, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Grant Identification Number	Total Expenditures	Passed through to Subrecipients
U.S. Department of Justice				
(Passed through the SC Department of Public Safety)				
Edward Byrne Memorial Assistance Grant Program	16.738	5G000221	\$ 61,780	\$ -
Edward Byrne Memorial Assistance Grant Program	16.738	5G003321	188,058	-
			249,838	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	1CF20085	13,047	-
			13,047	-
Victims Advocate	16.575	1V20020	79,844	-
Victims Advocate	16.575	1V19110	29,608	-
			109,452	-
Treatment Court Discretion Grant Program	16.585	15PBJA-21-GG-04229-VTCX	43,743	-
Treatment Court Discretion Grant Program	16.585	2018-DC-BX-0048	80,428	-
			124,171	-
Innovations in Community Based Crime Reduction	16.817	2019-BJ-BX-0012	277,941	-
			277,941	-
Comprehensive Opioid Abuse Site-based Program	16.838	2020-AR-BX-0036	127,269	-
			127,269	-
Total U.S. Department of Justice			901,718	-
U.S. Department of Homeland Security				
(Passed through the SC Emergency Management Division)				
Emergency Management Performance Grants	97.042	20EMPG01	78,937	-
			78,937	-
Total U.S. Department of Homeland Security			78,937	-
U.S. Department of Health and Human Services				
(Passed through the SC Department of Social Services)				
Child Support Enforcement	93.563	N/A	114,682	-
Child Support Enforcement	93.563	N/A	40,563	-
Child Support Enforcement	93.563	N/A	98,623	-
Child Support Enforcement	93.563	N/A	5,213	-
			259,081	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI082533-01	155,460	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI082533-02	293,397	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI083846-01	51,450	-
			500,307	-
477 Cluster				
Child Care Development Fund	93.575/93.596	N/A	85	-
			85	-
Temporary Assistance for Needy Families - TANF Block Grant	93.558	N/A	7,646	-
			7,646	-
Total 477 Cluster			7,731	-
Medicaid Cluster				
Medicaid Assistance Program	93.778	N/A	2,991	-
Total Medicaid Cluster			2,991	-
Social Services Block Grant Administration	93.667	N/A	1,469	-
Child Support Enforcement	93.563	N/A	9	-
Family Preservation (CWS Part II)	93.556	N/A	52	-
Foster Care	93.658	N/A	2,361	-
			3,891	-
Total U.S. Department of Health and Human Services			774,001	-

LANCASTER COUNTY, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Grant Identification Number	Total Expenditures	Passed through to Subrecipients
<u>U.S. Department of Agriculture</u>				
(Passed through the SC Department of Social Services)				
SNAP Cluster				
State Administrative Matching Grants for Supplemental Nutrition Assistance	10.561	N/A	\$ 3,329	\$ -
Total SNAP Cluster			<u>3,329</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>3,329</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
COVID-19 Airport Improvement Program	20.106	3-45-0034-024-2021	110,452	-
COVID-19 Airport Improvement Program	20.106	3-45-0034-021-2020	85,716	-
			<u>196,168</u>	<u>-</u>
(Passed through the SC Department of Public Safety)				
Highway Safety Cluster				
National Priority Safety Programs	20.616	M4HVE-2023-HS-45-23	61,959	-
National Priority Safety Programs	20.616	M4HVE-2022-HS-45-22	23,276	-
National Priority Safety Programs	20.616	M4HVE-2023-HS-51-23	18,907	-
National Priority Safety Programs	20.616	M4HVE-2023-HS-33-23	57,452	-
			<u>161,594</u>	<u>-</u>
Total Highway Safety Cluster			<u>161,594</u>	<u>-</u>
Total U.S. Department of Transportation			<u>357,762</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
(Passed through the SC Department of Commerce)				
Community Development Block Grant	14.228	4-CE-18-014	23,914	-
Community Development Block Grant	14.228	4-CE-19-007	106,382	-
Community Development Block Grant	14.228	4-RP-17-003	50,280	-
COVID-19 Community Development Block Grant	14.228	CDBG-CV1-003	67,618	-
			<u>248,194</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>248,194</u>	<u>-</u>
<u>U.S. Institute of Museum and Library Services</u>				
Library Services and Technology Program	45.310	IID-ARPA-056	1,945	-
			<u>1,945</u>	<u>-</u>
Total U.S. Institute of Museum and Library Services			<u>1,945</u>	<u>-</u>
<u>U.S. Department of Treasury</u>				
(Passed through the State of South Carolina)				
COVID-19 Coronavirus State and Local Fiscal recovery Funds	21.027	N/A	2,582,756	334,213
			<u>2,582,756</u>	<u>334,213</u>
Total U.S. Department of Treasury			<u>2,582,756</u>	<u>334,213</u>
Total Expenditures of Federal Awards			<u>\$ 4,948,642</u>	<u>\$ 334,213</u>

LANCASTER COUNTY, SOUTH CAROLINA

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE I. BASIS OF PRESENTATION

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

NOTE II. DE MINIMIS INDIRECT COST RATE

The County chose not to use the ten percent de Minimis indirect cost rate for the year ended June 30, 2023.

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, 2023

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

Yes No

Significant deficiencies identified?

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?

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 2 CFR 200.516(a)?

Yes No

Identification of major programs:

Assistance Listing Number

21.027

Name of Federal Program or Cluster

U.S. Department of Treasury –
Passed through the State of South Carolina
COVID-19 – Coronavirus State and Local Fiscal
Recover Funds

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

\$750,000

Auditee qualified as low-risk auditee?

Yes No

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2023-001 Year-end Close and General Accounting Matters

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operational objectives.

Generally accepted accounting principles require assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenditures/expenses to be recognized in the accounting period in which they become measurable, and in certain instances, available. Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition: A significant amount of accounting, reporting, and reconciling activity was not properly performed and reviewed during the fiscal year. Adjustments amounting to over \$8.2 million across thirteen (13) County funds were required to be recorded after the start of the County audit in the months that followed June 30, 2023. Further, and throughout the course of the audit process, we noted there were instances of a lack of accurate accounting on a timely basis. We noted deficiencies in timeliness, completeness, and accuracy. Specifically, we noted a lack of timely and accurate financial information needed:

- to properly maintain general ledgers, subsidiary ledgers, reconciliations; and,
- to close-out and report activities, events, and transactions on a periodic basis.

Context: We addressed these matters with County officials, who were able to ultimately determine the propriety of all respective details and reconciliations as of and for the fiscal year ended June 30, 2023.

Effect: The ultimate effect of the above condition is:

- a delayed conclusion to the 2023 fiscal year financial reporting process; and,
- the potential for errors and irregularities to occur and not be detected and corrected in a timely manner.

Cause: Certain internal controls and procedures were not adequately implemented during the fiscal year and the subsequent financial close process.

LANCASTER COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2023-001 Year-end Close and General Accounting Matters (Continued)

Recommendation: We recommend the County consider the following options to address the above condition. In no particular order, the County should evaluate the respective staffing of the accounting function and determine if an adequate number of qualified people are currently available to address the condition. The County also should consider and evaluate the strengths and weaknesses relative to the accounting function and take measures to address the concerns noted above with a goal of providing timely recording, reconciling, and reporting of County operations and financial activities.

We further recommend the County consider reinvesting in its accounting personnel by providing technical education and training via participation in continuing education in governmental accounting and financial reporting programs which are constantly available in the general geographic area of the County. Once certain levels of technical proficiency are observed by management, we further encourage the County to better cross-train the accounting personnel in an effort to make the accounting function a stronger and more capable finance department.

Views or Responsible Officials and Planned Corrective Action: Management concurs with the finding. The County is in the process of transitioning to a new Chief Financial Officer (CFO) after the retirement of a 25-year employee in that position. There was some finance staff changes and family events over the past 12 months that revealed a lack of cross training and backup staffing. With the transition to a new CFO, the County is evaluating the policies, procedures, and internal controls relative the operations of the finance department from an accounting and financial reporting perspective in an effort to ensure both timely and accurate financial reporting going forward. Given the growth in the County budget and increased number of grants and accounts being administered, the County Administrator is evaluating the staffing and structure of the overall finance division.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

None reported.



MEMORANDUM

Date: January 19, 2024

To: Grant Davis, Partner, Mauldin & Jenkins, LLC

From: Dennis Marstall, County Administrator

Subject: Management Response to Audit Recommendations and Planned Corrective Actions

Lancaster County appreciates the audit findings and recommendations. County Management concurs with the findings and recommendations and will take the following steps as planned corrective actions. The County is in the process of transitioning to a new Chief Financial Officer (CFO) after the retirement of a 25-year employee in that position. There were some finance staff changes and family events over the past 12 months that revealed a lack of cross training and backup staffing. With the transition to a new CFO, the County is evaluating the policies, procedures, and internal controls relative the operations of the Finance Department from an accounting and financial reporting perspective in an effort to ensure both timely and accurate financial reporting going forward. Given the growth in the County budget and the increased number of grants and accounts being administered, the County Administrator is evaluating the staffing and structure of the overall finance division.