



Lancaster County



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2022

**LANCASTER COUNTY,
SOUTH CAROLINA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

Prepared by:
Department of Finance

LANCASTER COUNTY, SOUTH CAROLINA

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

TABLE OF CONTENTS

INTRODUCTORY SECTION

| | Page |
|--|---------|
| Letter of Transmittal | i - vii |
| Certificate of Achievement for Excellence in Financial Reporting | viii |
| Organizational Chart..... | ix |
| Principal County Officials | x |

FINANCIAL SECTION

| | |
|---|-----------|
| Independent Auditor's Report | 1 - 4 |
| Management's Discussion and Analysis | 5 - 15 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 16 |
| Statement of Activities | 17 |
| Fund Financial Statements: | |
| Balance Sheet – Governmental Funds | 18 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position | 19 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 20 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities..... | 21 |
| Statement of Net Position – Proprietary Fund | 22 |
| Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund | 23 |
| Statement of Cash Flows – Proprietary Fund | 24 |
| Statement of Fiduciary Net Position – Fiduciary Funds | 25 |
| Statement of Changes in Fiduciary Net Position - Fiduciary Funds | 26 |
| Notes to the Financial Statements | 27 - 73 |
| Required Supplementary Information: | |
| Schedule of Revenues, Expenditures and Changes in Fund | |
| Balances – Budget and Actual – General Fund | 74 and 75 |
| Schedule of Changes in the County's Total OPEB Liability and Related Ratios | 76 |
| Schedule of Proportionate Share of the Net Pension Liability – South Carolina | |
| Retirement System..... | 77 |
| Schedule of Proportionate Share of the Net Pension Liability – South Carolina | |
| Police Officers Retirement System | 77 |
| Schedule of Contributions – South Carolina Retirement System..... | 78 and 79 |
| Schedule of Contributions – South Carolina Police Officers Retirement System | 78 and 79 |

LANCASTER COUNTY, SOUTH CAROLINA

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

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (CONTINUED)

Page

Combining and Individual Nonmajor Fund Financial Statements and Schedules:

Nonmajor Governmental Funds:

| | |
|---|-----------|
| Combining Balance Sheet – Nonmajor Governmental Funds | 80 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds | 81 |
| Combining Balance Sheet – Nonmajor Special Revenue Funds | 82 and 83 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds | 84 and 85 |
| Combining Balance Sheet – Nonmajor Capital Projects Funds | 86 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds | 87 |

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:

| | |
|--|-----|
| Budgetary Comparison Schedule – Local Accommodations Tax..... | 88 |
| Budgetary Comparison Schedule – Indian Land Fire Protection District Fund..... | 89 |
| Budgetary Comparison Schedule – E-911 Fund | 90 |
| Budgetary Comparison Schedule – Pleasant Valley Fire District Fund | 91 |
| Budgetary Comparison Schedule – Court Mandated Security Fund | 92 |
| Budgetary Comparison Schedule – Victim Services Fund | 93 |
| Budgetary Comparison Schedule – Transportation Fund | 94 |
| Budgetary Comparison Schedule – State Accommodations Tax Fund | 95 |
| Budgetary Comparison Schedule – Stormwater Fund | 96 |
| Budgetary Comparison Schedule – Hospitality Tax | 97 |
| Budgetary Comparison Schedule – Capital Improvement Fund | 98 |
| Budgetary Comparison Schedule – Capital Project Sales Tax 2 Fund | 99 |
| Budgetary Comparison Schedule – Capital Project Sales Tax 3 Fund | 100 |
| Budgetary Comparison Schedule – Debt Service Fund | 101 |

Custodial Funds:

| | |
|--|-------------|
| Combining Statement of Fiduciary Net Position – Custodial Funds | 102 and 103 |
| Combining Statement of Changes in Fiduciary Net Position – Custodial Funds | 104 and 105 |

Supplementary Information Required by State of South Carolina:

| | |
|---|-------------|
| Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96)..... | 106 and 107 |
|---|-------------|

LANCASTER COUNTY, SOUTH CAROLINA

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

TABLE OF CONTENTS (CONTINUED)

STATISTICAL SECTION

Page

Financial Trends Information:

| | |
|--|-------------|
| Net Position (Accrual Basis)..... | 108 |
| Changes in Net Position (Accrual Basis) | 109 and 110 |
| Tax Revenues by Source – Governmental Funds (Accrual Basis)..... | 111 |
| Fund Balances of Governmental Funds (Modified Accrual Basis) | 112 |
| Changes in Fund Balances of Governmental Funds (Modified Accrual Basis)..... | 113 |
| Tax Revenues by Source – Governmental Funds (Modified Accrual Basis)..... | 114 |
| General Fund Revenues by Source (Modified Accrual Basis)..... | 115 |
| General Fund Expenditures by Function (Modified Accrual Basis) | 116 |

Revenue Capacity Information:

| | |
|--|-----|
| Assessed Value and Estimated Actual Value of Taxable Property | 117 |
| Property Tax Millage Rates of Direct and Overlapping Governments | 118 |
| Principal Property Taxpayers | 119 |
| Real Property Tax Levies and Collections | 120 |
| Vehicle Property Tax Levies and Collections | 121 |

Debt Capacity Information:

| | |
|--|-----|
| Ratios of Outstanding Debt by Type..... | 122 |
| Ratios of General Bonded Debt Outstanding | 123 |
| Direct and Overlapping Governmental Activities Debt..... | 124 |
| Legal Debt Margin Information | 125 |

Demographic and Economic Information:

| | |
|---|-----|
| Demographic and Economic Statistics | 126 |
| Principal Employers | 127 |

Operating Information:

| | |
|--|-----|
| Full-time Equivalent County Government Employees by Function | 128 |
| Operating Indicators by Function | 129 |
| Capital Asset Statistics by Function/Program..... | 130 |

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements

| | |
|---|-------------|
| Performed in Accordance with <i>Government Auditing Standards</i> | 131 and 132 |
| Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance | 133 - 135 |
| Schedule of Expenditures of Federal Awards | 136 and 137 |
| Notes to Schedule of Expenditures of Federal Awards | 138 |
| Schedule of Findings and Questioned Costs | 139 and 140 |

INTRODUCTORY SECTION



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

803-285-1565
www.mylancastersc.org

December 6, 2022

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

In compliance with South Carolina Code of Laws *Section 4-9-150*, we hereby issue the Annual Comprehensive Financial Report (ACFR) of Lancaster County, South Carolina, for the fiscal year ended June 30, 2022. 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, 2022. The independent auditor's report is included at the beginning of the financial section of this report.

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

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

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

Profile of the Government

Lancaster County, 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 100,336. The County 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 over \$124 million for FY23. 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. 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. 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 strives to maintain financial integrity and accountability in budgetary, fiscal, and internal controls. The objective of these controls is to ensure compliance with legal provisions contained in the annual budget approved by County Council and ensure fiscal accountability to its citizens. The County has won numerous awards for its annual financial report and budget.

Budgeting is an essential element of the financial planning, control, and evaluation process of the County. The annual budget process begins with the budget staff receiving requests from departments and agencies on behalf of the County Administrator. Meetings are held with senior leadership, Deputy County Administrator, and the County Administrator. 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 full Council to review. The Council then holds three readings, a public hearing and adopts the budget no later than June 30. The legal level of budgetary control is the fund level.

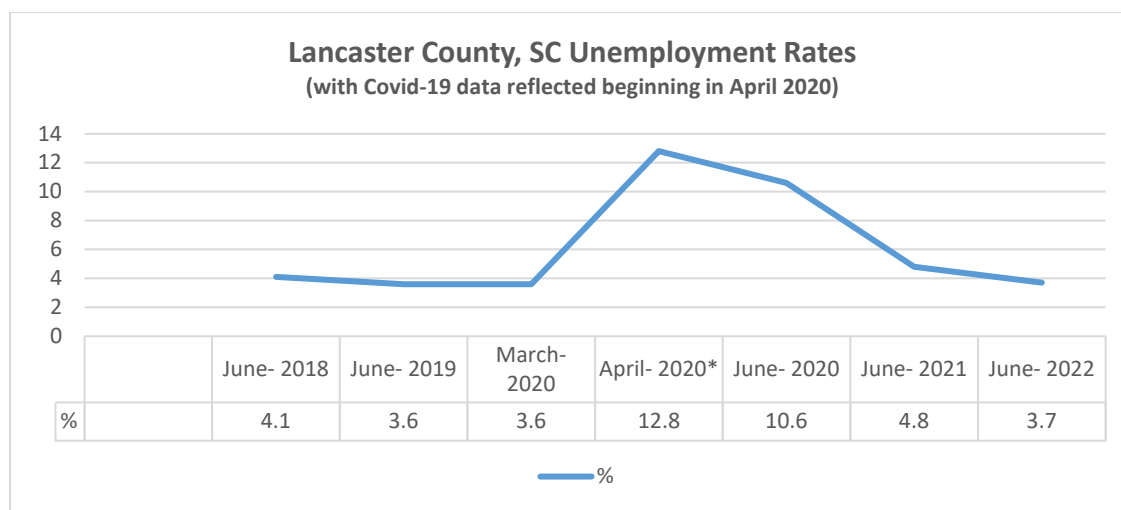
Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 74-75 as part of the required supplementary information. Special revenue & capital fund budget-to-actual comparisons are presented on pages 88-100. For the debt service fund, the comparison is presented on page 101.

Local Economy

Workforce and Economic Development

The County, once dependent upon manufacturing, has developed a diversified industry portfolio which includes retail and headquarters of technical & professional industries. According to the South Carolina Department of Employment and Workforce, employment in the retail trade was highest in the second quarter of calendar year 2022. Health care & social assistance was the second highest during this period and manufacturing third. There were 43,009 employed and 1,669 recorded as unemployed as of June 2022. 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 3.7% at June 2022, close to pre-pandemic levels. The five-year trend for unemployment is shown in the table below, along with data reflecting the beginning of the economic downturn due to the pandemic.



Source: Bureau of Labor Statistics

Economic development provides opportunities to stimulate the County's economy and provide employment opportunities. We believe our economic development program expands the tax base and diversifies our local economy. According to the South Carolina Department of Commerce, the County announced a total of \$86,700,000 in investments with a creation of 585 jobs during the fiscal year. The new and expansion announcements include the following:

- ***US Strapping Company, Inc.***, a manufacturer of a wide range of packaging products for securing and protecting transports around the world, announced a \$34.6 million investment which includes the creation of 63 new jobs. This represents an expansion for this company, which is expected to be complete by March 2023.

- **Nutramax Laboratories**, a manufacturer and marketer of nutritional supplement products for people and pets, announced plans for a \$30 million expansion. The company currently has three existing locations in the County, this expansion will be the fourth located in Indian Land. The investment will create 200 new jobs and a grant of \$500,000 was awarded by the State for this economic development project.
- **Chief Buildings**, a premier metal building system manufacturer, announced \$22.1 million investment and the creation of 120 new jobs over the next five years. This a new manufacture operation in the County and a \$200,000 state grant was awarded for this project.

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 of 450.
- **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.
- **Movement Mortgage**, one of the nation's largest retail mortgage lender, employs 725.
- **Nutramax Manufacturing, Inc.**, a manufacturer of nutritional supplements for people and pets, employs 438.
- **PCI Group**, a provider of mission critical print and mail services for businesses, employs 260.
- **Red Ventures**, a multi-billion dollar digital media company with a 180-acre campus, employs 1925. 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 73. A cost-benefit analysis is performed by County Economic Development and presented to Council for consideration when reviewing a potential project. The analysis includes information such as job types, average wages, and the economic impact created by the industry. The economic development staff is responsible for monitoring and compliance. The industries are also required to file annual reports with the State.

Housing and Commercial Markets

The County's proximity to the Charlotte region, along with low taxes, has generated a highly attractive market for tremendous growth since 2007. The building department issued commercial and residential permits for values of \$607,829,468 and \$218,226,704, respectively during the fiscal year. This signified an 19% increase from the prior year and most permits were issued for the Indian Land area.

The County is experiencing growth in retail and dining options in the Indian Land area. The Promenade and RedStone are the two largest retail developments in the County. The Promenade includes about 300,000 square-feet of retail space, with additional phases 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 provides for the completion of selected bachelor's degrees through a partnership with USC Palmetto College. The university, established in 1959, is a regional campus of the University of South Carolina. USCL's enrollment is estimated to be 1,800 students. The university occupies a 150-acre campus and 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 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 approved its Capital Improvement Program (CIP) during fiscal year 2021. The CIP will be updated at regular intervals and correspond with the annual budget process. Among 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 County has a fund balance reserve policy in place, as stated below. The goal is to strategically earmark the amounts above the threshold to address the CIP and other infrastructure needs.

Relevant financial policies

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

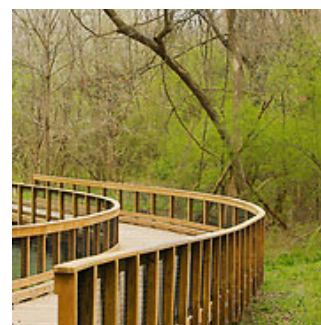
- Maintain a diversified and stable revenue system to protect itself from short run fluctuations.
- One-time or non-recurring revenues will not be used to fund current ongoing operations or for budget balancing purposes.
- Maintain a General Fund unassigned fund balance at a level of 28-32 percent of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

Major Initiatives

Lancaster 2040 Comprehensive Plan

State law requires the county to update its comprehensive plan every ten years. The Lancaster 2040 Comprehensive Plan is underway and should be completed in FY2023. A steering committee met multiple times beginning in fiscal year 2022. Public forums are being held to provide feedback on the following: population, economic development, natural resources, cultural resources, community facilities, housing, land use, transportation, priority investments, and resiliency.

With the significant housing and population growth, the Lancaster 2040 Comprehensive Plan will provide long-range vision and direction over the next 10 to 20 years. It will play a critical role in the community's vision for addressing growth and development.



Lindsay Pettus Greenway

American Rescue Plan Funding

The County received \$19,037,682 from the American Rescue Plan Act (ARPA). The federal funds are being strategically earmarked to address projects on the CIP and to help defray future costs of addressing the County's needs. Council has approved funding IT infrastructure improvements, building improvements for security, HVAC replacement, coroner's office expansion, an EMS bay at the headquarters, an EMS mass transport bus, and among other projects, improving the recreation parking lot.

Awards and Acknowledgements

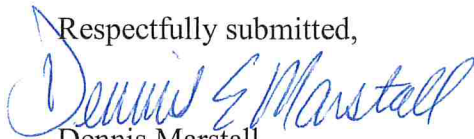
The County received its tenth Distinguished Budget Presentation Award for the annual budget for fiscal year beginning July 1, 2021. This award signifies that the County prepares a budget document of the highest quality and is used as an operations guide, financial plan, and communication device. The award is valid for one year only and the County has submitted its fiscal year beginning July 1, 2022 budget, for award consideration.

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Lancaster County for its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2021. This is the twenty-third 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 only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,


Dennis 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**

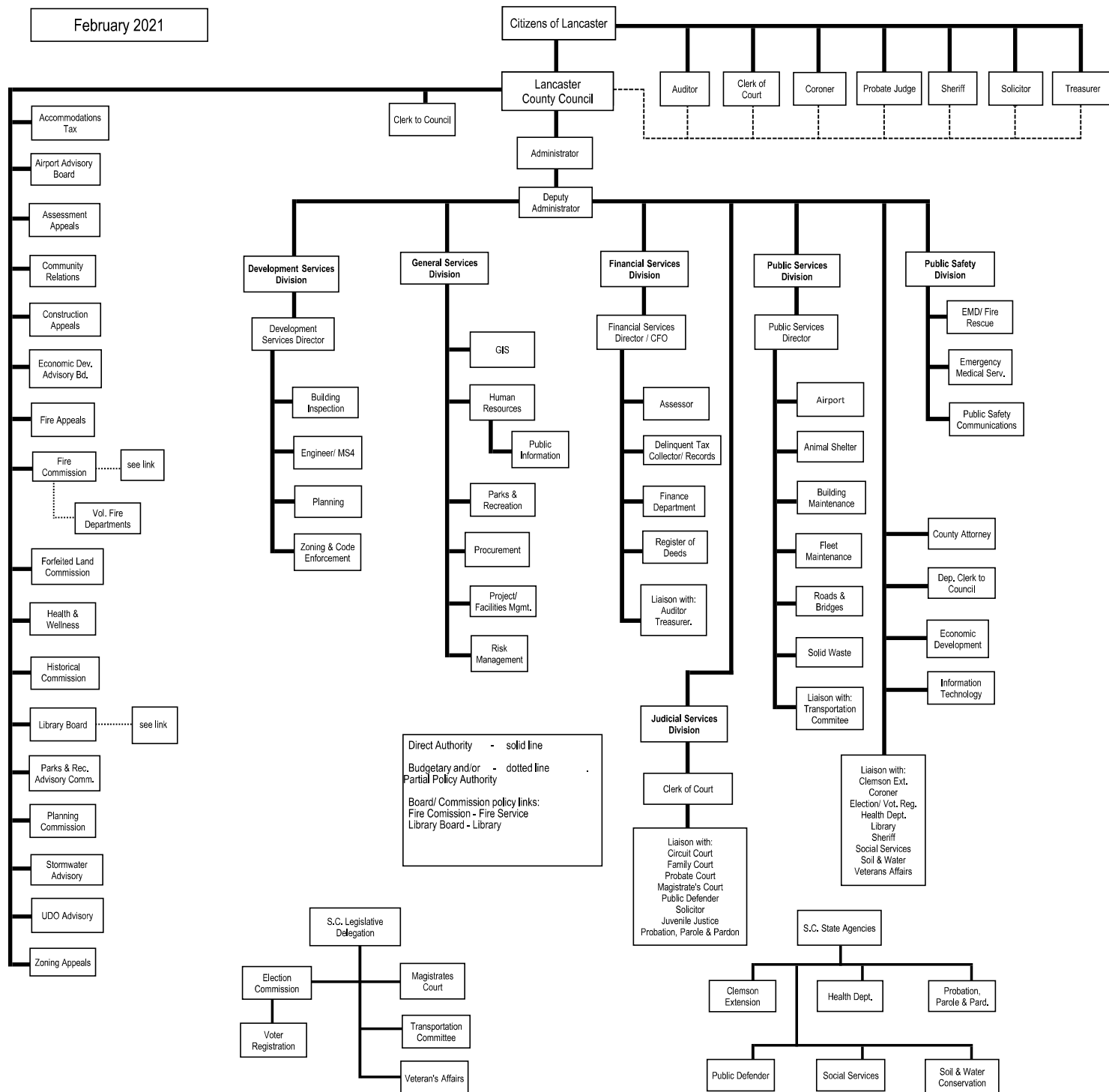
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

February 2021





**MEMBERS OF COUNTY
COUNCIL**

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

Seated: *Carnes, Harper, Mosteller*

Standing: Blackmon, Honeycutt, McGriff, Graham

ELECTED & 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 E. Marstall, County Administrator
John Bodner, Assistant County Administrator
John K. Dubose, III, County Attorney
Sherrie Simpson, Clerk to Council

Veronica C. Thompson, Financial Services Director
Rox Burhans, Development Services Director
Jeffrey 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** (the "County") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Change in Accounting Principle

As discussed in Notes 1, 6, and 7 to the financial statements, in 2022 the County adopted new accounting guidance, GASB Statement No. 87, *Leases*. 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 74 and 75), the Schedule of Changes in the County's Total OPEB Liability and Related Ratios (on page 76), the Schedules of the Proportionate Share of the Net Pension Liability (on page 77), and the Schedules of Contributions (on pages 78 and 79) 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 December 6, 2022, 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.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Columbia, South Carolina
December 6, 2022

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2022

As management of Lancaster County, South Carolina, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. 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, 2022, by \$167,923,745 for governmental and business-type activities as reflected in the Statement of Net Position.
- A positive increase in net position of \$32,460,904 was reported.
- At the close of the fiscal year, the County's combined governmental funds reported ending fund balances of \$117,031,219, an increase of \$16,736,352 from the prior year.
- Total Unassigned Fund Balance for the Governmental Funds was \$45,686,605.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

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

The government-wide financial statements can be found on pages 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.

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2022

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

- The Capital Projects Sales Tax 2 Fund, accounts for 1 cent sales tax approved by a referendum 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 an appropriated budget for its general, debt service and special revenue funds. Project length budgets are adopted for the capital projects fund. Budgetary comparison statements have been provided for the General Fund as required supplementary information. The OPEB and Pension liability schedules are also required supplementary information. Budgetary comparisons for the debt service, capital projects, and special revenue funds, are included as other supplementary information.

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

Proprietary Funds

Proprietary funds are used to account the same functions presented as business-like transactions of the government. The types of proprietary funds are enterprise and internal service. The County maintains one enterprise fund used to account for 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 page 25 of this report.

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2022

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 74.

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 \$167,923,745 on June 30, 2022.

The following table presents a summary of the statement of net position on June 30, 2022:

| Lancaster County's Net position | | | | | | |
|--|---------------------------------------|----------------------|--|--------------------|----------------------|----------------------|
| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
| | FY 2022 | FY 2021 | FY 2022 | FY 2021 | FY 2022 | FY 2021 |
| Assets | | | | | | |
| Current and other assets | \$155,260,733 | \$116,244,622 | \$ (41,355) | \$(105,571) | \$155,219,378 | \$116,139,051 |
| Capital assets | 132,791,590 | 111,812,164 | 7,143,320 | 7,090,299 | 139,934,910 | 118,902,463 |
| Total assets | 288,052,323 | 228,056,786 | 7,101,965 | 6,984,728 | 295,154,288 | 235,041,514 |
| Deferred Outflows of Resources | 13,012,991 | 13,795,513 | 23,875 | 24,163 | 13,036,866 | 13,819,676 |
| Liabilities | | | | | | |
| Long-term liabilities | 100,138,401 | 103,134,246 | 125,610 | 133,070 | 100,264,011 | 103,267,316 |
| Other liabilities | 30,736,779 | 9,650,035 | 22,500 | 85,393 | 30,759,279 | 9,735,428 |
| Total liabilities | 130,875,180 | 112,784,281 | 148,110 | 218,463 | 131,023,290 | 113,002,744 |
| Deferred Inflows of Resources | 9,131,386 | 395,081 | 112,733 | 524 | 9,244,119 | 395,605 |
| Net position: | | | | | | |
| Net investment in capital assets | 106,455,305 | 90,773,584 | 7,143,320 | 7,090,299 | 113,598,625 | 97,863,883 |
| Restricted | 42,641,349 | 38,876,125 | - | - | 42,641,349 | 38,876,125 |
| Unrestricted | 11,962,094 | (976,772) | (278,323) | (300,395) | 11,683,771 | (1,277,167) |
| Total net position | \$161,058,748 | \$128,672,937 | \$6,864,997 | \$6,789,904 | \$167,923,745 | \$135,462,841 |

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2022

The largest portion (66%) 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 large increase due to unearned ARPA funds in the amount of \$15,286,785. The accrued payables also increased compared to prior year. Deferred inflows increased from 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 \$32,460,904 from the prior year.

Key elements of the change include:

- **Total revenues** increased for the government's activities by \$15,873,589 for the fiscal year. Charges for services, operating grants & contributions, and property taxes attributed the increase. *Charges for services* increases reflect the population and economic growth of the county in building permits and register of deeds fees. *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. The County also received one-time funding in the amount of \$945,900 for road improvements. *Property taxes* increased due to growth in the local option sales taxes, vehicles taxes, and a small increase in the debt service millage. *Capital grants & contributions* increased due to a \$516,699 donation from a developer recorded in the public safety fund.
- **Total expenses** increased by \$3,704,601 for governmental activities compared to the prior year. Overall, there was a 3% cost of living adjustment for employees. To provide enhanced services and address growth, 29 positions were added to the government's activities. 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 \$3.7 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 (\$1.2M), and \$864K in IT improvements to help protect our infrastructure and provide services to the citizens in an efficient manner.

Public Safety expense decreased 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 a number of grant expenses carried forward to the subsequent year.

Business-type Activities. Business-type activities (Airport) net position increased by \$75,093 compared to the prior year. Fuel sales increased during the year and the County increased its support to airport operations.

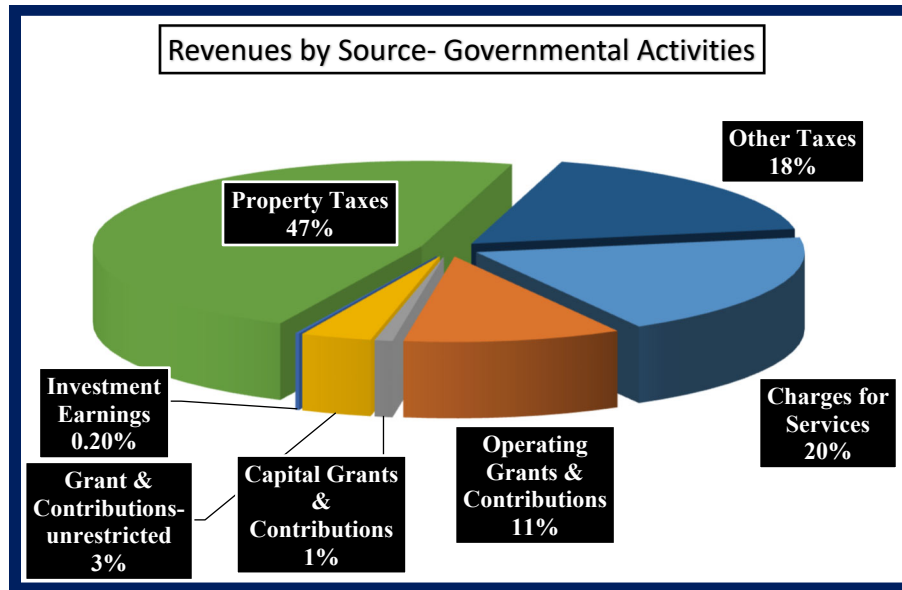
LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2022

The table below summarizes the changes in net position for the County for the year ended June 30, 2022:

| Lancaster County's Changes in Net Position | | | | | | |
|--|---------------------------------------|----------------------|--|--------------------|----------------------|----------------------|
| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
| | FY 2022 | FY 2021 | FY 2022 | FY 2021 | FY 2022 | FY 2021 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$23,659,275 | \$19,980,747 | \$230,789 | \$180,551 | \$23,890,064 | \$20,161,298 |
| Operating grants & contributions | 12,745,061 | 7,027,593 | - | - | 12,745,061 | 7,027,593 |
| Capital grants & contributions | 1,050,320 | 249,204 | 466,786 | 778,646 | 1,517,106 | 1,027,850 |
| General Revenues: | | | | | | |
| Property taxes | 56,297,856 | 52,256,106 | - | - | 56,297,856 | 52,256,106 |
| Other taxes | 21,136,519 | 20,169,722 | - | - | 21,136,519 | 20,169,722 |
| Unrestricted grants & contributions | 3,718,212 | 3,119,897 | - | - | 3,718,212 | 3,119,897 |
| Unrestricted investment earnings | 233,670 | 164,055 | - | - | 233,670 | 164,055 |
| Other | - | - | - | - | - | - |
| Total revenues | 118,840,913 | 102,967,324 | 697,575 | 959,197 | 119,538,488 | 103,926,521 |
| Expenses: | | | | | | |
| General government | 27,134,070 | 20,581,760 | - | - | 27,134,070 | 20,581,760 |
| Administration of justice | 3,560,929 | 3,288,860 | - | - | 3,560,929 | 3,288,860 |
| Public safety and law enforcement | 25,352,662 | 28,658,281 | - | - | 25,352,662 | 28,658,281 |
| Public works | 12,818,803 | 13,257,472 | - | - | 12,818,803 | 13,257,472 |
| Public health & welfare | 9,700,243 | 9,419,576 | - | - | 9,700,243 | 9,419,576 |
| Economic development | 1,651,113 | 1,666,221 | - | - | 1,651,113 | 1,666,221 |
| Culture & recreation | 5,105,234 | 4,692,437 | - | - | 5,105,234 | 4,692,437 |
| Interest on long-term debt | 1,022,918 | 1,076,764 | - | - | 1,022,918 | 1,076,764 |
| Airport | - | - | 731,612 | 665,304 | 731,612 | 665,304 |
| Total expenses | 86,345,972 | 82,641,371 | 731,612 | 665,304 | 87,077,584 | 83,306,675 |
| Increase (Decrease) in net position before Transfers | 32,494,941 | 20,325,953 | (34,037) | 293,893 | 32,460,904 | 20,619,846 |
| Transfers | (109,130) | (78,930) | 109,130 | 78,930 | - | - |
| Increase (Decrease) in net position | 32,385,811 | 20,247,023 | 75,093 | 372,823 | 32,460,904 | 20,619,846 |
| Net position- beginning of year (restated) | 128,672,937 | 108,425,914 | 6,789,904 | 6,417,081 | 135,462,841 | 114,842,995 |
| Net position- end of year | \$161,058,748 | \$128,672,937 | \$6,864,997 | \$6,789,904 | \$167,923,745 | \$135,462,841 |

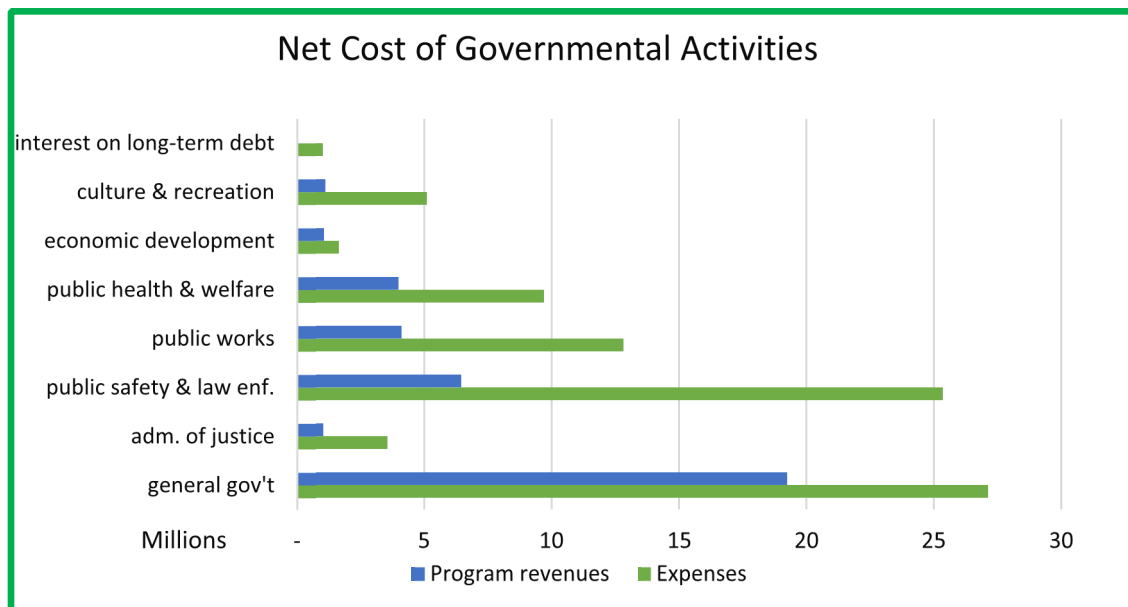
The pie chart below depicts the percentages of revenues by source for the County's governmental activities:

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2022



As illustrated in the pie chart above, **Property Taxes (47%)** 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 (20%), include: Stormwater management, EMS charges, & building permit fees. **Investment earnings** represent the least source of general revenue. **Other taxes** (18%) 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):



LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2022

Financial Analysis of the County's Funds

As noted earlier, Lancaster County's fund accounting ensures and demonstrates compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2022, the sum of all the County's governmental funds fund balances totaled \$117,031,219 of which \$45,686,605 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 \$48,533,918 compared to \$39,617,495 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. Building permit collections (\$6,334,126) were 10% higher from prior due to residential and commercial growth. There was 19% increase in building permit values compared to the prior due to the addition of high-end apartment buildings. 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 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 increased by \$9,093,173 compared to the prior year. The library improvements were mostly completed in FY2021. 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 2022. There was also \$3,780,000 transferred to the debt service fund for the final payment of bond series 2015A. The County's **Debt Service Fund**, which reports general obligation debt, is also reported as a major fund. The County debt expenses were more than property tax levied for debt due to the issuance of debt in the second quarter of the fiscal year. The fund balance for this fund decreased by \$157,034. The debt expenses were covered by net position restricted in the fund. The **Bond Projects Fund** accounts for the \$19,905,000 mixed debt general obligation bonds issued May 2019. Debt was issued in November 2021 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 \$6,406,187 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. **Nonmajor Governmental Funds** include capital projects and special revenue funds for which fund balances are restricted. The fund balance increased by \$2,038,577 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 County's new fund, *capital project sales tax 3*, saw a decline in fund balance due to the purchase of land for the new detention center near the end of the fiscal year. The deficit will be removed once the transfer is made from CPST2 in the subsequent year. 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 74-75. After accounting for other financing sources and uses, the net change in fund balance was an increase of \$10,755,369. Actual revenues were above budgetary estimates by \$8,937,505. Actual expenditures were below budgetary appropriations by \$15,863,745 due to reasons explained below. Transfers were made for the following: \$109,130 to assist the airport operations and \$32,546 transfer in from the state accommodations tax.

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

- **Property Taxes-** This fiscal year was the year of reassessment in which the County rolled back millage per state law. In a reassessment year, you are still allowed to capture growth derived from new assessments. While ad valorem taxes were below projections, other taxes were more than projected and made up the difference. Taxes were more than anticipated in the following categories: Rollback taxes (\$133K), fee-in-lieu of taxes (\$464,323), local option sales tax rollback (\$1.6M), and local option sales tax revenue

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2022

(\$729,187). All reflect the ongoing residential and commercial growth in the County. The rollback revenue will be given back to the taxpayers as a credit on their tax bills in the subsequent tax year.

- Other Taxes- Include road fees per vehicle and the increase is due to population growth, which collected \$484,698 more than anticipated. There was a fee increase from \$35 to \$40 for collections beginning in January 2022.
- Licenses & Permits- Total collections were \$5,408,594 above revenue estimates in this category due to conservative budgeting for this market driven revenue. Building permits collected were \$2,834,126 above estimates and register of deeds fees, were \$1,369,303 above estimates. These excess revenues contribute to building the County's fund balance.
- Intergovernmental Revenue- Reflected a favorable variance attributed to \$563,976, above projections, received for state aid. The increase reflects adjustments due to the most recent census data.
- Interest Revenue- An unfavorable variance, the rates have been low but a rebound is reflected in the subsequent year.
- 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:

- Legal team (\$111,165).
- Coroner (\$200,851) - Increase in the number of autopsies and forensic expertise attributed by an increase in deaths.
- Debt Service- principal (\$169,466)- Implementation of the new GASB 87- accounting for leases.

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

- Non-departmental \$385,388- Unemployment and volunteer worker's compensation expenditure lower than expected and property insurance \$240K lower than budget.
- County Council \$382,173- savings in grant match and professional services.
- Administrator \$158,360- Savings medical contract for employees and travel line items:
- Finance \$159,975- Savings in personnel line items due to vacancies and AP automation project carried forward to subsequent year.
- Management information services \$106,758- Encumbrances of \$62,406 carried forward.
- Building \$416,886- Savings in outsourcing commercial plan reviews, demolition expense, and wages.
- Planning \$1,241,569- Vacancies, encumbrances for UDO revision & comp plan carried forward to subsequent year (\$679,693).
- Assessor \$147,836- Vacancies.
- Voter's Registration \$304,203- Savings in part-time and shelving project carried forward to FY2023.
- Sheriff \$231,665- Savings in personnel line items and \$54,354 in encumbrances rolled.
- Detention center \$302,625- Vacancy savings \$267,685.
- Communications \$631,424- Personnel savings due to vacancies (\$300K), \$41K encumbrance rolled forward, savings in radio maintenance agreement due to purchase of new radio system.
- Fire Commission \$242,566- Savings in recruitment/retention program and encumbrances for two trucks rolled forward.
- Roads and Bridges \$824,932- 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 \$439,085- Landfill disposal savings and vacancies.
- EMS \$126,354- Savings in personnel line items.
- Recreation \$431,948- Vacancies during the year and reduction in programs due to one facility being upgraded.
- Economic Development \$160,231- Vacancies and travel savings.

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2022

The County amended its general fund budget on June 27, 2022. Fund balance was appropriated to pay a legal settlement in the amount of \$120K.

Capital Assets

Lancaster County's net investment in capital assets for its governmental activities at June 30, 2022, totaled \$132,791,590, net of accumulated depreciation. This investment in capital assets includes land, buildings and building improvements, vehicles, furniture and equipment, and infrastructure assets added during the fiscal year. The lease assets are now reported at the total of \$277,665.

| Lancaster County's Capital Assets (net of depreciation) and Lease Assets | | | | | | |
|---|--------------------------------|----------------------|---------------------------------|--------------------|----------------------|----------------------|
| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
| | FY 2022 | FY 2021 | FY 2022 | FY 2021 | FY 2022 | FY 2021 |
| Land | \$ 12,386,465 | \$ 10,568,755 | \$ 598,607 | \$ 598,607 | \$ 12,985,072 | \$ 11,167,362 |
| Buildings & Improvements | 66,418,388 | 66,044,139 | 6,058,434 | 5,435,419 | 72,476,822 | 71,479,558 |
| Vehicles | 10,233,804 | 10,616,228 | 17,810 | 22,456 | 10,251,614 | 10,638,684 |
| Furniture & Equipment | 8,897,896 | 9,088,050 | 54,614 | 54,614 | 8,952,510 | 9,142,664 |
| Infrastructure | 11,025,116 | 11,458,403 | - | - | 11,025,116 | 11,458,403 |
| Construction in Progress | 23,552,256 | 4,036,590 | 413,855 | 413,855 | 23,966,111 | 4,450,445 |
| Lease assets, net | 277,665 | - | - | - | 277,665 | - |
| Total | \$132,791,590 | \$111,812,165 | \$7,143,320 | \$6,524,951 | \$139,934,910 | \$118,337,116 |

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

Administration of Justice

- Two Ford F-150- \$72,100
- Courtroom audio & video upgrades- \$174,864

Culture and Recreation

- HVAC replacements- \$208,626

General Administration

- Shelving System- \$103,894
- Chiller and HVAC improvements- \$509,549

Public Health & Welfare

- HVAC improvements- \$164,724
- EMS headquarters- \$1,996,348

Public Safety

- Two ambulances - \$609,626
- 17 public safety vehicles
- Transit van- \$75,688
- 12 console radio system- \$1,010,283
- Purchase land for detention center- \$1,817,710
- Fire apparatus & mobile command- \$6,070,000

Public Works

- Four 2022 Mack trucks- \$676,825
- MowerMax with attachments- \$197,716
- Two 2023 Mack trucks- \$328,556
- Subdivision roads added- \$512,100

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2022

Construction in progress

- Air Rail Park Improvements- \$743,091
- IT network overhaul- \$504,388
- Security upgrades in admin bldg.- \$63,728
- IL recreation building improvements- \$4,687,613
- IL soccer complex- \$3,554,105
- Heath Springs soccer complex- \$4,687,613
- Airport terminal preliminary- \$413,855
- DSS renovations- \$589,332
- Detention Center planning- \$230,749

Additional information on the County's capital assets can be found in note 5 beginning on page 47.

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 \$39,048,145 with a legal debt margin of \$23,970,00 available without a referendum. At the end of the current fiscal year, the County's long-term liabilities outstanding totaled, \$100,138,401, which includes long-term debt, leases, compensated absences, and net pension liability. General obligation bonds make up 27% (\$27,524,538) 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 2022 | FY 2021 | FY 2022 | FY 2021 | FY 2022 | FY 2021 |
| General Obligation Bonds | \$27,524,538 | \$27,917,646 | \$ - | \$ - | \$27,524,538 | \$27,917,646 |
| Special Source Revenue Bonds | 4,856,716 | 5,812,293 | - | - | 4,856,716 | 5,812,293 |
| Special Obligation Bonds | 6,140,000 | - | - | - | 6,140,000 | - |
| Total | \$38,521,254 | \$33,729,939 | - | - | \$38,521,254 | \$33,729,939 |

The County's general obligation debt decreased by \$8,542,268 partially due a large principal payment for a 2015A Referendum Debt in the amount of \$3,600,000. The 2015A debt matured in the reported fiscal year. There were principal payments made for the 2015C, 2016A, 2019, and 2021 bond series. The County issued debt in the amount of \$7,500,000 which was the not-to-exceed balance remaining for the recreation referendum which allowed the projects to be funded in its entirety. Debt was also issued in the amount of \$6,140,000 to purchase three aerial fire apparatus and a mobile command center.

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 49 through 56 of this report.

Economic Factors and Next Year's Budgets and Tax Rates

The unemployment rate for Lancaster County was 3.7% at June 2022 while statewide unemployment was 3.4% during the same period. The national rate was 3.8%.

The fiscal year 2022-2023 budgets reflected the following major focus areas:

- Understand the goals of the County Council
- Understand the needs of the departments
- Evaluate County services and the impacts of population growth on those services
- Safeguard the fiscal health of the County, with the understanding that the budget is primarily supported by local taxpayer funding
- Identify service enhancements and prepare for future growth and impacts.

LANCASTER COUNTY, SOUTH CAROLINA
Management's Discussion and Analysis
FOR THE YEAR ENDED JUNE 30, 2022

The fiscal year 2023 budget includes the following:

- 5%-6% cost-of-living adjustments for fulltime employees
- Enhance service needs with the addition of 23 new positions
- Continued investment in public safety equipment
- Funds for county-wide strategic plan
- Utilizing fund balance for airport terminal in the amount of \$3.5M
- One-time funding from the state for road improvements
- Capital sales tax projects

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 2023 which includes 84.3 mils. County Council also adopted 4.8 mils for capital replacement needs, 9.6 mils for debt service, and 3.6 mils for Court Security. The Budget in its entirety can be found on the County's website at:

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

The County approved budgets total, \$124,304,772:

| Lancaster County, South Carolina | | |
|---|---------------|-----------------------|
| Original Adopted Budgets | | |
| Fiscal Year Ended June 30, 2023 | | |
| General Funds | | |
| General Fund | | 75,987,386 |
| Capital Project Sales Tax Special Revenue Fund | | 20,602,500 |
| Other Special Revenue Funds | | |
| Court Security | \$ 1,816,676 | |
| Victims Services | 47,000 | |
| E-911 | 740,040 | |
| Stormwater | 2,881,985 | |
| Transportation | 7,900,000 | |
| Indian Land Fire District | 1,201,707 | |
| Local Accommodations Tax | 120,000 | |
| Lancaster County Airport Commission | 367,088 | |
| Pleasant Valley Fire District | 932,428 | |
| Hospitality Tax Fund | 1,700,000 | |
| State Accommodations Tax Fund | 255,000 | |
| Van Wyck Fire District | 148,140 | |
| | \$ 18,110,064 | 18,110,064 |
| Debt Service Funds | | |
| Debt Service | | 7,204,407 |
| Capital Project Fund | | |
| Capital Improvement | | 2,400,415 |
| Total All Budgeted Funds | | <u>\$ 124,304,772</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, 2022

| | Primary Government | | |
|--|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 49,761,320 | \$ 100 | \$ 49,761,420 |
| Investments | 85,397,070 | - | 85,397,070 |
| Receivables: | | | |
| Taxes | 1,374,552 | - | 1,374,552 |
| Accounts | 6,686,142 | 755 | 6,686,897 |
| Leases | 151,612 | 114,720 | 266,332 |
| Due from other governments | 8,809,050 | 76,305 | 8,885,355 |
| Internal balances | 270,736 | (270,736) | - |
| Inventories | 156,670 | 37,501 | 194,171 |
| Prepaid expenses | 1,838,455 | - | 1,838,455 |
| Assets held for resale | 815,126 | - | 815,126 |
| Capital assets: | | | |
| Nondepreciable | 35,938,721 | 1,012,462 | 36,951,183 |
| Depreciable, net | 96,852,869 | 6,130,858 | 102,983,727 |
| Total assets | <u>288,052,323</u> | <u>7,101,965</u> | <u>295,154,288</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred charge on refunding | 70,805 | - | 70,805 |
| Pension - South Carolina Retirement System | 6,336,830 | 23,875 | 6,360,705 |
| Pension - South Carolina Police Officers Retirement System | | | |
| Retirement System | 5,302,303 | - | 5,302,303 |
| Other postemployment benefits | 1,303,053 | - | 1,303,053 |
| Total deferred outflows of resources | <u>13,012,991</u> | <u>23,875</u> | <u>13,036,866</u> |
| LIABILITIES | | | |
| Accounts payable | 11,559,882 | - | 11,559,882 |
| Accrued liabilities | 2,952,398 | - | 2,952,398 |
| Unearned revenues | 15,973,195 | 22,500 | 15,995,695 |
| Accrued interest payable | 251,304 | - | 251,304 |
| Noncurrent liabilities: | | | |
| Due within one year | 7,013,175 | - | 7,013,175 |
| Due in more than one year | 37,774,076 | - | 37,774,076 |
| Total other postemployment benefits liability | 5,271,921 | - | 5,271,921 |
| Net pension liability: | | | |
| South Carolina Retirement System | 31,450,773 | 125,610 | 31,576,383 |
| South Carolina Police Officers Retirement System | 18,628,456 | - | 18,628,456 |
| Total liabilities | <u>130,875,180</u> | <u>148,110</u> | <u>131,023,290</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Lease receipts | 147,319 | 104,580 | 251,899 |
| Pension - South Carolina Retirement System | 4,621,350 | 8,153 | 4,629,503 |
| Pension - South Carolina Police Officers Retirement System | 4,234,432 | - | 4,234,432 |
| Other postemployment benefits | 128,285 | - | 128,285 |
| Total deferred inflows of resources | <u>9,131,386</u> | <u>112,733</u> | <u>9,244,119</u> |
| NET POSITION | | | |
| Net investment in capital assets | 106,455,305 | 7,143,320 | 113,598,625 |
| Restricted for: | | | |
| Property tax reduction | 2,409,082 | - | 2,409,082 |
| Capital projects | 21,634,863 | - | 21,634,863 |
| Public safety | 5,635,787 | - | 5,635,787 |
| Public works | 3,593,446 | - | 3,593,446 |
| Public health and welfare | 83,014 | - | 83,014 |
| Cultural and recreation | 561,109 | - | 561,109 |
| Economic development | 7,653,033 | - | 7,653,033 |
| Debt service | 1,071,015 | - | 1,071,015 |
| Unrestricted | 11,962,094 | (278,323) | 11,683,771 |
| Total net position | <u>\$ 161,058,748</u> | <u>\$ 6,864,997</u> | <u>\$ 167,923,745</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, 2022

| 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 | \$ 27,134,070 | \$ 13,508,091 | \$ 6,166,039 | \$ - | \$ (7,459,940) | \$ - | \$ (7,459,940) |
| Administration of justice | 3,560,929 | 919,217 | 123,138 | - | (2,518,574) | - | (2,518,574) |
| Public safety | 25,352,662 | 3,981,502 | 1,955,862 | 515,268 | (18,900,030) | - | (18,900,030) |
| Public works | 12,818,803 | 304,731 | 3,804,288 | - | (8,709,784) | - | (8,709,784) |
| Public health and welfare | 9,700,243 | 3,955,055 | 36,419 | - | (5,708,769) | - | (5,708,769) |
| Culture and recreation | 5,105,234 | 922,662 | 26,820 | 172,505 | (3,983,247) | - | (3,983,247) |
| Economic development | 1,651,113 | 68,017 | 632,495 | 362,547 | (588,054) | - | (588,054) |
| Interest on long-term debt | 1,022,918 | - | - | - | (1,022,918) | - | (1,022,918) |
| Total governmental activities | 86,345,972 | 23,659,275 | 12,745,061 | 1,050,320 | (48,891,316) | - | (48,891,316) |
| Business-type activities: | | | | | | | |
| Airport | 731,612 | 230,789 | - | 466,786 | - | (34,037) | (34,037) |
| Total business-type activities | 731,612 | 230,789 | - | 466,786 | - | (34,037) | (34,037) |
| Total primary government | \$ 87,077,584 | \$ 23,890,064 | \$ 12,745,061 | \$ 1,517,106 | (48,891,316) | (34,037) | (48,925,353) |
| General revenues: | | | | | | | |
| Property taxes levied for: | | | | | | | |
| General purposes | | | | | 46,832,132 | - | 46,832,132 |
| Public safety | | | | | 1,880,054 | - | 1,880,054 |
| Debt service | | | | | 4,409,120 | - | 4,409,120 |
| Capital projects | | | | | 3,176,550 | - | 3,176,550 |
| Other taxes | | | | | | | |
| Capital projects sales tax | | | | | 15,068,141 | - | 15,068,141 |
| E-911 taxes | | | | | 408,652 | - | 408,652 |
| Local accommodations tax | | | | | 164,248 | - | 164,248 |
| Hospitality taxes | | | | | 2,035,305 | - | 2,035,305 |
| Road improvement fees and taxes | | | | | 3,460,173 | - | 3,460,173 |
| Grants and contributions not restricted for a specific purpose | | | | | 3,718,212 | - | 3,718,212 |
| Unrestricted investment earnings | | | | | 233,670 | - | 233,670 |
| Transfers | | | | | (109,130) | 109,130 | - |
| Total general revenues and transfers | | | | | 81,277,127 | 109,130 | 81,386,257 |
| Change in net position | | | | | 32,385,811 | 75,093 | 32,460,904 |
| Net position, beginning of year | | | | | 128,672,937 | 6,789,904 | 135,462,841 |
| Net position, end of year | | | | | \$ 161,058,748 | \$ 6,864,997 | \$ 167,923,745 |

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

LANCASTER COUNTY, SOUTH CAROLINA

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

| | General Fund | Capital Projects Sales Tax 2 Fund | Bond Projects Fund | Debt Service Fund | ARPA Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-----------------------|--|--------------------------|----------------------|----------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 48,964,773 | \$ - | \$ - | \$ 781,583 | \$ - | \$ 14,964 | \$ 49,761,320 |
| Investments | 63,650,369 | - | 5,955,542 | - | 15,790,144 | 1,015 | 85,397,070 |
| Taxes receivable, net | 1,123,499 | - | - | 122,340 | - | 128,713 | 1,374,552 |
| Accounts receivable, net | 6,397,671 | - | - | 143 | - | 288,328 | 6,686,142 |
| Leases receivable | 151,612 | - | - | - | - | - | 151,612 |
| Due from other governments | 2,417,747 | 4,006,437 | - | - | 300 | 2,384,566 | 8,809,050 |
| Due from other funds | 5,536,672 | 27,081,123 | - | 580,917 | - | 22,032,803 | 55,231,515 |
| Prepaid expenditures | 1,838,455 | - | - | - | - | - | 1,838,455 |
| Inventories | 156,670 | - | - | - | - | - | 156,670 |
| Land held for resale | 815,126 | - | - | - | - | - | 815,126 |
| Total assets | <u>\$ 131,052,594</u> | <u>\$ 31,087,560</u> | <u>\$ 5,955,542</u> | <u>\$ 1,484,983</u> | <u>\$ 15,790,444</u> | <u>\$ 24,850,389</u> | <u>\$ 210,221,512</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ 10,221,022 | \$ 61,018 | \$ 1,142,395 | \$ - | \$ - | \$ 135,447 | \$ 11,559,882 |
| Accrued liabilities | 2,952,398 | - | - | - | - | - | 2,952,398 |
| Due to other funds | 49,694,843 | - | 1,687,344 | - | 472,289 | 3,106,303 | 54,960,779 |
| Unearned revenues | 387,217 | - | - | - | 15,286,785 | 299,193 | 15,973,195 |
| Total liabilities | <u>63,255,480</u> | <u>61,018</u> | <u>2,829,739</u> | <u>-</u> | <u>15,759,074</u> | <u>3,540,943</u> | <u>85,446,254</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue - property taxes | 1,058,066 | - | - | 113,968 | - | 120,437 | 1,292,471 |
| Unavailable revenue - emergency medical services | 4,961,521 | - | - | - | - | - | 4,961,521 |
| Unavailable revenue - intergovernmental | - | - | - | - | - | 1,342,728 | 1,342,728 |
| Lease receipts | 147,319 | - | - | - | - | - | 147,319 |
| Total deferred inflows of resources | <u>6,166,906</u> | <u>-</u> | <u>-</u> | <u>113,968</u> | <u>-</u> | <u>1,463,165</u> | <u>7,744,039</u> |
| FUND BALANCES | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid expenditures | 1,838,455 | - | - | - | - | - | 1,838,455 |
| Inventories | 156,670 | - | - | - | - | - | 156,670 |
| Land held for resale | 815,126 | - | - | - | - | - | 815,126 |
| Restricted for: | | | | | | | |
| Property tax reduction | 2,409,082 | - | - | - | - | - | 2,409,082 |
| DSS IV-D Incentive | 83,014 | - | - | - | - | - | 83,014 |
| Victim services | - | - | - | - | - | 34,210 | 34,210 |
| Drug task force | 177,169 | - | - | - | - | - | 177,169 |
| Inmate commissary | 160,989 | - | - | - | - | - | 160,989 |
| Capital projects | - | 19,727,476 | - | - | - | 1,907,387 | 21,634,863 |
| Public safety | 19,623 | - | - | - | - | 5,243,796 | 5,263,419 |
| Public works | - | - | - | - | - | 1,805,920 | 1,805,920 |
| Culture and recreation | - | - | - | - | - | 561,109 | 561,109 |
| Economic development | - | - | - | - | - | 7,653,033 | 7,653,033 |
| Roads and bridges | - | - | - | - | - | 1,787,526 | 1,787,526 |
| Debt service | - | - | - | 1,071,015 | - | - | 1,071,015 |
| Assigned: | | | | | | | |
| General government | 378,000 | - | - | - | - | - | 378,000 |
| Public safety | 22,277 | - | - | - | - | - | 22,277 |
| Roads and bridges | 1,000,000 | - | - | - | - | - | 1,000,000 |
| Culture and recreation | 94,768 | - | - | - | - | - | 94,768 |
| Subsequent year's budget | 5,941,117 | 11,299,066 | 3,125,803 | 300,000 | 31,370 | 3,700,613 | 24,397,969 |
| Unassigned | 48,533,918 | - | - | - | - | (2,847,313) | 45,686,605 |
| Total fund balances | <u>61,630,208</u> | <u>31,026,542</u> | <u>3,125,803</u> | <u>1,371,015</u> | <u>31,370</u> | <u>19,846,281</u> | <u>117,031,219</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 131,052,594</u> | <u>\$ 31,087,560</u> | <u>\$ 5,955,542</u> | <u>\$ 1,484,983</u> | <u>\$ 15,790,444</u> | <u>\$ 24,850,389</u> | <u>\$ 210,221,512</u> |

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

LANCASTER COUNTY, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2022

| | |
|---|----------------|
| Total fund balances for governmental funds: | \$ 117,031,219 |
|---|----------------|

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. | 132,791,590 |
|---|-------------|

| | |
|--|-----------|
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | 7,596,720 |
|--|-----------|

Certain long-term liabilities are not due and payable in the current period and are, therefore, not reported in the funds. All liabilities, both current and long-term, are reported in the Statement of Net Position net of issuance premiums and discounts.

| | | |
|---|---------------------|--------------|
| General obligation bonds | \$ (27,524,538) | |
| Unamortized refunding deferral amount on general obligation bonds | 70,805 | |
| Special obligation bonds | (6,140,000) | |
| Unamortized bond premium | (2,920,877) | |
| Capital lease obligations | (520,000) | |
| Leases payable | (290,128) | |
| Special source revenue bonds | (4,856,716) | |
| Post-closure care liabilities | (975,604) | |
| Compensated absences payable | (1,559,388) | |
| Total other postemployment benefits liability, net of related outflows and inflows of resources | (4,097,153) | |
| Net pension liability, net of related outflows and inflows of resources | <u>(47,295,878)</u> | |
| Total long-term liabilities | | (96,109,477) |

| | |
|---|------------------|
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. | <u>(251,304)</u> |
|---|------------------|

| | |
|---|-----------------------|
| Net position of governmental activities | <u>\$ 161,058,748</u> |
|---|-----------------------|

LANCASTER COUNTY, SOUTH CAROLINA

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

| | General Fund | Capital Projects Sales Tax 2 Fund | Bond Projects Fund | Debt Service Fund | ARPA Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|--|--------------------------|----------------------|------------------|-----------------------------------|--------------------------------|
| REVENUES | | | | | | | |
| Property taxes | \$ 47,183,218 | \$ - | \$ - | \$ 4,409,120 | \$ - | \$ 5,103,672 | \$ 56,696,010 |
| Sales and other local taxes | 3,460,173 | 15,068,141 | - | - | - | 2,608,205 | 21,136,519 |
| Licenses and permits | 10,971,741 | - | - | - | - | - | 10,971,741 |
| Intergovernmental | 5,826,715 | - | - | - | 3,750,897 | 7,426,664 | 17,004,276 |
| Charges for services | 4,620,948 | - | - | - | - | 3,725,240 | 8,346,188 |
| Fines and forfeitures | 784,576 | - | - | - | - | 68,254 | 852,830 |
| Interest revenue | 73,556 | 86,736 | 25,645 | 1,680 | 31,370 | 14,683 | 233,670 |
| Contributions and donations | 70,752 | - | - | - | - | 1,006,577 | 1,077,329 |
| Other revenues | 1,201,376 | - | - | - | - | 189 | 1,201,565 |
| Total revenues | <u>74,193,055</u> | <u>15,154,877</u> | <u>25,645</u> | <u>4,410,800</u> | <u>3,782,267</u> | <u>19,953,484</u> | <u>117,520,128</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | 19,032,541 | - | - | - | 3,750,897 | 1,347,348 | 24,130,786 |
| Administration of justice | 2,501,719 | - | - | - | - | 119,985 | 2,621,704 |
| Public safety | 22,433,935 | - | - | - | - | 5,326,764 | 27,760,699 |
| Public works | 6,219,271 | 2,075,804 | - | - | - | 3,048,288 | 11,343,363 |
| Public health and welfare | 8,664,921 | - | - | - | - | 209,591 | 8,874,512 |
| Culture and recreation | 3,926,760 | 205,900 | - | - | - | 145,206 | 4,277,866 |
| Economic development | 378,299 | - | - | - | - | 1,171,747 | 1,550,046 |
| Capital outlay | - | - | 20,602,181 | - | - | 4,189,692 | 24,791,873 |
| Debt service: | | | | | | | |
| Principal | 219,466 | - | - | 7,665,000 | - | 1,521,127 | 9,405,593 |
| Interest | 781 | - | - | 1,259,270 | - | 60,689 | 1,320,740 |
| Fees | - | - | 286,290 | 3,306 | - | 10,000 | 299,596 |
| Total expenditures | <u>63,377,693</u> | <u>2,281,704</u> | <u>20,888,471</u> | <u>8,927,576</u> | <u>3,750,897</u> | <u>17,150,437</u> | <u>116,376,778</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>10,815,362</u> | <u>12,873,173</u> | <u>(20,862,826)</u> | <u>(4,516,776)</u> | <u>31,370</u> | <u>2,803,047</u> | <u>1,143,350</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | 32,546 | - | - | 4,359,742 | - | - | 4,392,288 |
| Transfers out | (109,130) | (3,780,000) | (579,742) | - | - | (32,546) | (4,501,418) |
| Issuance of bonds | - | - | 13,640,000 | - | - | 649,160 | 14,289,160 |
| Premium on bonds issued | - | - | 1,396,381 | - | - | - | 1,396,381 |
| Sale of capital assets | 16,591 | - | - | - | - | - | 16,591 |
| Total other financing sources (uses), net | <u>(59,993)</u> | <u>(3,780,000)</u> | <u>14,456,639</u> | <u>4,359,742</u> | <u>-</u> | <u>616,614</u> | <u>15,593,002</u> |
| Net change in fund balances | 10,755,369 | 9,093,173 | (6,406,187) | (157,034) | 31,370 | 3,419,661 | 16,736,352 |
| Fund balances, beginning of year | <u>50,874,839</u> | <u>21,933,369</u> | <u>9,531,990</u> | <u>1,528,049</u> | <u>-</u> | <u>16,426,620</u> | <u>100,294,867</u> |
| Fund balances, end of year | <u>\$ 61,630,208</u> | <u>\$ 31,026,542</u> | <u>\$ 3,125,803</u> | <u>\$ 1,371,015</u> | <u>\$ 31,370</u> | <u>\$ 19,846,281</u> | <u>\$ 117,031,219</u> |

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

LANCASTER COUNTY, SOUTH CAROLINA

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

| | | | |
|--|----|--------------------|-------------------|
| Net change in fund balances - total governmental funds | \$ | 16,736,352 | |
| 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 | \$ | 29,559,460 | |
| Depreciation and amortization expense | | <u>(8,800,969)</u> | 20,758,491 |
| The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position | | | (289,488) |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | | | 958,238 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Also, the refunding deferral amount, which is the difference in the amount that is sent to the paying agent to be escrowed for payment of refunded debt and the principal amount of debt refunded, is amortized as an adjustment of interest expense in the statement of activities. The effects of these items are as follows: | | | |
| Repayment of the principal of long-term debt | \$ | 9,768,140 | |
| Issuance of general obligation bonds | | (9,545,541) | |
| Issuance of special obligation bonds | | (6,140,000) | |
| Amortization of premium/discount on long-term debt | | 742,718 | |
| Amortization of the refunding deferral amount on the refunding general obligation bonds | | <u>(41,496)</u> | (5,216,179) |
| 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 | \$ | (527,788) | |
| Landfill post-closure liability | | 35,193 | |
| Compensated absences | | 50,607 | |
| Accrued interest on long-term debt | | 87,458 | |
| Other postemployment benefits liability | | <u>(207,073)</u> | (561,603) |
| Change in net position - governmental activities | \$ | | <u>32,385,811</u> |

LANCASTER COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUND JUNE 30, 2022

| | Major Enterprise Fund Airport Fund |
|--|---|
| <hr/> | |
| ASSETS | |
| CURRENT ASSETS | |
| Cash | \$ 100 |
| Accounts receivable | 755 |
| Lease receivable | 114,720 |
| Due from other governments | 76,305 |
| Inventory | 37,501 |
| Total current assets | <u>229,381</u> |
| NONCURRENT ASSETS | |
| Capital assets: | |
| Nondepreciable | 1,012,462 |
| Depreciable, net of accumulated depreciation | 6,130,858 |
| Total noncurrent assets | <u>7,143,320</u> |
| Total assets | <u>7,372,701</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension | 23,875 |
| Total deferred outflows of resources | <u>23,875</u> |
| LIABILITIES | |
| CURRENT LIABILITIES | |
| Due to other funds | 270,736 |
| Unearned revenues | 22,500 |
| Total current liabilities | <u>293,236</u> |
| NONCURRENT LIABILITIES | |
| Net pension liability | 125,610 |
| Total noncurrent liabilities | <u>125,610</u> |
| Total liabilities | <u>418,846</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Lease receipts | 104,580 |
| Pension | 8,153 |
| Total deferred inflows of resources | <u>112,733</u> |
| NET POSITION | |
| Investment in capital assets | 7,143,320 |
| Unrestricted | (278,323) |
| Total net position | <u><u>\$ 6,864,997</u></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, 2022

| | Major Enterprise Fund Airport Fund |
|---|---|
| OPERATING REVENUES | |
| Charges for services: | |
| Sale of fuel | \$ 164,077 |
| Rental income | 66,712 |
| Total operating revenues | <u>230,789</u> |
| OPERATING EXPENSES | |
| Salaries and fringe benefits | 85,823 |
| Costs of services | 242,888 |
| Depreciation | 402,901 |
| Total operating expenses | <u>731,612</u> |
| Operating loss | <u>(500,823)</u> |
| Loss before capital contributions and transfers | (500,823) |
| CAPITAL CONTRIBUTIONS | <u>466,786</u> |
| TRANSFERS | |
| Transfers in | 109,130 |
| Total transfers | <u>109,130</u> |
| Change in net position | 75,093 |
| Net position, beginning of year | <u>6,789,904</u> |
| Net position, end of year | <u><u>\$ 6,864,997</u></u> |

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

LANCASTER COUNTY, SOUTH CAROLINA

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

| | Major Enterprise Fund Airport Fund |
|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers and users | \$ 274,380 |
| Payments to suppliers | (309,008) |
| Payments to employees | (85,366) |
| Net cash used in operating activities | <u>(119,994)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Transfers in | 109,130 |
| Net cash provided by noncapital financing activities | <u>109,130</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Acquisition of capital assets | (455,922) |
| Intergovernmental revenues | 466,786 |
| Net cash provided by capital and related financing activities | <u>10,864</u> |
| Net change in cash and cash equivalents | - |
| Cash and cash equivalents: | |
| Beginning of year | <u>100</u> |
| End of year | <u><u>\$ 100</u></u> |
| Reconciliation of operating loss to net cash used in operating activities: | |
| Operating loss | \$ (500,823) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | |
| Depreciation | 402,901 |
| Changes in assets and liabilities: | |
| Decrease in accounts receivable | 582 |
| Decrease in lease receivable | 1,239 |
| Decrease in due from other governments | 518,901 |
| Decrease in inventory | 5,573 |
| Decrease in deferred outflows of resources | 288 |
| Decrease in accounts payable | (71,693) |
| Decrease in due to other funds | (474,552) |
| Increase in unearned revenues | 8,800 |
| Decrease in deferred inflows of resources - lease receipts | (11,379) |
| Decrease in net pension liability | (7,460) |
| Increase in deferred inflows of resources | 7,629 |
| Net cash used in operating activities | <u><u>\$ (119,994)</u></u> |

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

LANCASTER COUNTY, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2022

| | <u>Custodial Funds</u> |
|--|-----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 32,229,154 |
| Investments | 22,410,549 |
| Taxes receivable | 3,938,055 |
| Accounts receivable | <u>1,057,592</u> |
| Total assets | <u><u>\$ 59,635,350</u></u> |
| LIABILITIES | |
| Due to other taxing districts and agencies | \$ 53,207,428 |
| Due to others | <u>3,938,055</u> |
| Total liabilities | <u><u>\$ 57,145,483</u></u> |
| NET POSITION | |
| Restricted for individuals, organizations, and other governments | <u>\$ 2,489,867</u> |
| Total net position | <u><u>\$ 2,489,867</u></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, 2022

| | <u>Custodial Funds</u> |
|--|----------------------------|
| ADDITIONS | |
| Taxes and assessments | \$ 105,672,967 |
| Fine and fees | 1,780,631 |
| Funds from state and participants | 11,835 |
| Inmate funds collected | 470,762 |
| Funds from foreclosure sales | <u>4,382,061</u> |
| Total additions | <u>112,318,256</u> |
| DEDUCTIONS | |
| Taxes and fees paid to other governments | 112,187,727 |
| Inmate funds disbursed | 470,762 |
| Other custodial disbursements | <u>11,835</u> |
| Total deductions | <u>112,670,324</u> |
| Change in net position | (352,068) |
| NET POSITION, BEGINNING OF YEAR | <u>2,841,935</u> |
| NET POSITION, END OF YEAR | <u><u>\$ 2,489,867</u></u> |

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

NOTES TO THE FINANCIAL STATEMENTS

LANCASTER COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Government-wide Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Financial Statements (Continued)

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The **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 major proprietary fund:

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

Additionally, the County reports the following fund types:

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

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

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

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Government-wide Financial Statements (Continued)

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

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

Fund Financial Statements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise 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 2022 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 \$1,010,712, \$3,998,066, \$3,125,803, \$31,370 and \$1,093,367 in the General Fund, the Capital Projects Sales Tax 2 Fund, Bond Projects 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 \$4,930,405 in the General Fund.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity

Cash and Investments

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

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 uncollectable.

Intergovernmental Receivable

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

Inventories and Prepaid Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets

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

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

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

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

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

| <u>Assets</u> | <u>Years</u> |
|-------------------------------|--------------|
| Buildings and improvements | 40 |
| Right-to-use leased buildings | 7-10 |
| Vehicles | 5 - 15 |
| Right-to-use leased vehicles | 7-10 |
| 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 five (5) 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.

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 seven (7) 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. 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. 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)

Fund Equity

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity (Continued)

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

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

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

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

Net Position

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

Restricted Resources

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Use of Estimates

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

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, Special Revenue Funds (except for the Sunday Alcohol Sales Fund, Restricted Grants Fund, Hospitality Tax Fund, Economic Development Fund, and Development Agreements Fund), Debt Service Fund, Capital Projects Sales Tax 2 Fund, 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, 2022, the Restricted Grants Fund and Capital Projects Sales Tax 3 Fund reported deficit fund balances of \$807,838 and \$2,039,475. These deficits will be eliminated through the recognition of unearned and/or unavailable revenues in future periods, through transfers from other funds, and from other future revenues.

Excess of Expenditures over Appropriations

For the year ended June 30, 2022, expenditures exceeded budget, as follows:

| Fund | Excess |
|------------------------------------|---------------|
| Indian Land Fire Protection | \$ 53,211 |
| Debt Service | 711,376 |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2022, are summarized below:

| | |
|---|-----------------------|
| As reported in the Statement of Net Position: | |
| Cash and cash equivalents | \$ 49,761,420 |
| Investments | 85,397,070 |
| As reported in the Statement of Fiduciary Net Position: | |
| Custodial Fund - cash and cash equivalents | 32,229,154 |
| Custodial Fund - investments | 22,410,549 |
| | <u>\$ 189,798,193</u> |
| | |
| Cash deposited with financial institutions | \$ 81,990,574 |
| State Treasurer's Investment Pool | 97,523,256 |
| U.S. Government Treasuries | 1,393,159 |
| U.S. Government Agencies | 214,296 |
| Money market accounts | 8,656,395 |
| Certificates of deposit | 20,513 |
| | <u>\$ 189,798,193</u> |

Custodial Credit Risk – Cash. This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County's policy regarding cash custodial credit risk is to require the banks with which the County maintains deposits to collateralize or insure the County's funds. As of June 30, 2022, the carrying amount of the County's deposits was \$81,990,574 and the bank balance was \$85,660,466. 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, 2022, the County has the following investments:

| Investment Type | Fair Value | Investment Maturities (in years) | | |
|-----------------------------------|-----------------------|----------------------------------|---------------------|------------------|
| | | Less than 1 | 1-5 | 6-10 |
| State Treasurer's Investment Pool | \$ 97,523,256 | \$ 97,523,256 | \$ - | \$ - |
| Money market accounts | 8,656,395 | 8,656,395 | - | - |
| U.S. Government Treasuries | 1,393,159 | 318,197 | 986,802 | 88,160 |
| U.S. Government Agencies | 214,296 | 49,843 | 164,453 | - |
| Certificates of deposit | 20,513 | 20,513 | - | - |
| | <u>\$ 107,807,619</u> | <u>\$ 106,568,204</u> | <u>\$ 1,151,255</u> | <u>\$ 88,160</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

The County has the following recurring fair value measurements as of June 30, 2022:

| Investment | Level 1 | Level 2 | Level 3 | Fair Value |
|--|---------------------|-------------------|-------------|---------------------|
| Investments by Fair Value Level | | | | |
| Debt securities: | | | | |
| U.S. Treasuries | \$ 1,344,350 | \$ 48,809 | \$ - | \$ 1,393,159 |
| U.S. Agencies | 134,845 | 79,451 | - | 214,296 |
| Total investments by fair value level | <u>\$ 1,479,195</u> | <u>\$ 128,260</u> | <u>\$ -</u> | <u>\$ 1,607,455</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 3 of the fair value hierarchy. The LGIP is an investment pool, which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose investment in the LGIP within the fair value hierarchy. The County's investments in certificates of deposit and money market accounts are valued at amortized cost, which approximates fair value. As a result, the County's certificates of deposit and money market funds are not disclosed within the fair value hierarchy.

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, 2022, the County owned \$214,296 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 agency funds. Unavailable property tax revenue represents that portion of property taxes which is deemed not available to pay current expenditures.

Receivables as of June 30, 2022, including the applicable allowances for uncollectible accounts, are as follows:

| | General | Capital Projects Sales Tax 2 | Debt Service | ARPA |
|----------------------------|----------------------|------------------------------------|-------------------|---------------|
| Taxes receivable | \$ 1,182,630 | \$ - | \$ 128,778 | \$ - |
| Accounts receivable | 11,631,091 | - | 143 | - |
| Lease receivable | 151,612 | - | - | - |
| Due from other governments | 2,417,747 | 4,006,437 | - | 300 |
| Less: allowance | (5,292,551) | - | (6,438) | - |
| Net receivables | <u>\$ 10,090,529</u> | <u>\$ 4,006,437</u> | <u>\$ 122,483</u> | <u>\$ 300</u> |

| | Nonmajor Governmental | Airport | Total |
|----------------------------|--------------------------|-------------------|----------------------|
| Taxes receivable | \$ 137,785 | \$ - | \$ 1,449,193 |
| Accounts receivable | 288,328 | 755 | 11,920,317 |
| Lease receivable | - | 114,720 | 266,332 |
| Due from other governments | 2,384,566 | 76,305 | 8,885,355 |
| Less: allowance | (9,072) | - | (5,308,061) |
| Net receivables | <u>\$ 2,801,607</u> | <u>\$ 191,780</u> | <u>\$ 17,213,136</u> |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

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

| | Balance June 30, 2021 | Additions | Deletions | Transfers | Balance June 30, 2022 |
|---|--------------------------|---------------|--------------|-------------|--------------------------|
| Governmental activities | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 10,568,755 | \$ 1,817,710 | \$ - | \$ - | \$ 12,386,465 |
| Construction in progress | 4,036,590 | 21,670,151 | - | (2,154,485) | 23,552,256 |
| Total capital assets not being depreciated | 14,605,345 | 23,487,861 | - | (2,154,485) | 35,938,721 |
| Capital assets being depreciated | | | | | |
| Buildings and improvements | 90,668,116 | 1,040,787 | - | 1,996,348 | 93,705,251 |
| Vehicles | 33,587,886 | 2,468,477 | (564,755) | 71,100 | 35,562,708 |
| Furniture and equipment | 29,686,608 | 2,050,235 | (64,686) | 87,037 | 31,759,194 |
| Infrastructure | 24,527,205 | 512,100 | - | - | 25,039,305 |
| Total capital assets being depreciated | 178,469,815 | 6,071,599 | (629,441) | 2,154,485 | 186,066,458 |
| Less accumulated depreciation | | | | | |
| Buildings and improvements | (24,623,977) | (2,662,886) | - | - | (27,286,863) |
| Vehicles | (22,971,658) | (2,629,955) | 272,709 | - | (25,328,904) |
| Furniture and equipment | (20,598,560) | (2,329,982) | 67,244 | - | (22,861,298) |
| Infrastructure | (13,068,801) | (945,388) | - | - | (14,014,189) |
| Total accumulated depreciation | (81,262,996) | (8,568,211) | 339,953 | - | (89,491,254) |
| Total capital assets being depreciated, net | 97,206,819 | (2,496,612) | (289,488) | 2,154,485 | 96,575,204 |
| Governmental activities capital assets, net excluding lease assets | \$ 111,812,164 | \$ 20,991,249 | \$ (289,488) | \$ - | 132,513,925 |
| Lease assets, net (Note 7) | | | | | 277,665 |
| Total capital assets net as reported in the statement of net position | | | | | \$ 132,791,590 |

Depreciation expense was charged to functions as follows:

| | |
|---|--------------|
| General government | \$ 905,519 |
| Administration of justice | 950,846 |
| Public safety | 3,398,504 |
| Public works, including depreciation of infrastructure assets | 1,529,190 |
| Public health and welfare | 853,593 |
| Culture and recreation | 829,492 |
| Economic development | 101,067 |
| Total governmental activities depreciation expense | \$ 8,568,211 |

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, 2022, was as follows:

| Business-type activities | Balance June 30, 2021 | Additions | Deletions | Transfers | Balance June 30, 2022 |
|--|----------------------------------|------------------|------------------|------------------|----------------------------------|
| Capital assets not being depreciated | | | | | |
| Land | \$ 598,607 | \$ - | \$ - | \$ - | \$ 598,607 |
| Construction in progress | 980,588 | 413,855 | - | (980,588) | 413,855 |
| Total capital assets not being depreciated | 1,579,195 | 413,855 | - | (980,588) | 1,012,462 |
| Capital assets being depreciated | | | | | |
| Buildings and improvements | 13,683,860 | 22,367 | - | 980,588 | 14,686,815 |
| Vehicles | 23,230 | - | - | - | 23,230 |
| Furniture and equipment | 96,939 | 19,700 | - | - | 116,639 |
| Total capital assets being depreciated | 13,804,029 | 42,067 | - | 980,588 | 14,826,684 |
| Less accumulated depreciation | | | | | |
| Buildings and improvements | (8,248,441) | (379,940) | - | - | (8,628,381) |
| Vehicles | (774) | (4,646) | - | - | (5,420) |
| Furniture and equipment | (43,710) | (18,315) | - | - | (62,025) |
| Total accumulated depreciation | (8,292,925) | (402,901) | - | - | (8,695,826) |
| Total capital assets being depreciated, net | 5,511,104 | (360,834) | - | 980,588 | 6,130,858 |
| Business-type activities capital assets, net | <u>\$ 7,090,299</u> | <u>\$ 53,021</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,143,320</u> |

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

| | |
|---|-------------------|
| Airport | <u>\$ 402,901</u> |
| Total business-type activities depreciation expense | <u>\$ 402,901</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, 2022:

| | Balance June 30, 2021 | Additions | Reductions | Balance June 30, 2022 | Due within One Year |
|--|--------------------------|----------------------|------------------------|--------------------------|------------------------|
| Governmental activities | | | | | |
| General obligation bonds | \$ 27,917,646 | \$ 8,149,160 | \$ (8,542,268) | \$ 27,524,538 | \$ 4,527,663 |
| Special obligation bonds | - | 6,140,000 | - | 6,140,000 | 65,000 |
| Leases | 510,423 | - | (220,295) | 290,128 | 129,513 |
| Financed purchases | 570,000 | - | (50,000) | 520,000 | 50,000 |
| Special source revenue bonds | 5,812,293 | - | (955,577) | 4,856,716 | 911,326 |
| Post-closure care costs | 1,010,797 | - | (35,193) | 975,604 | 57,010 |
| Compensated absences | 1,609,995 | 1,222,056 | (1,272,663) | 1,559,388 | 1,272,663 |
| Total postemployment benefit liability | 4,891,690 | 660,154 | (279,923) | 5,271,921 | - |
| Net pension liability - SCRS | 35,831,659 | 5,318,468 | (9,699,354) | 31,450,773 | - |
| Net pension liability - PORS | 23,222,952 | 3,945,693 | (8,540,189) | 18,628,456 | - |
| Deferred amounts: | | | | | |
| Unamortized premium | 2,267,214 | 1,396,381 | (742,718) | 2,920,877 | - |
| | <u>\$ 103,644,669</u> | <u>\$ 26,831,912</u> | <u>\$ (30,338,180)</u> | <u>\$ 100,138,401</u> | <u>\$ 7,013,175</u> |
| Business-type activities | | | | | |
| Net pension liability - SCRS | \$ 133,070 | \$ 91,977 | \$ (99,437) | \$ 125,610 | \$ - |
| | <u>\$ 133,070</u> | <u>\$ 91,977</u> | <u>\$ (99,437)</u> | <u>\$ 125,610</u> | <u>\$ -</u> |

Compensated absences, total post-employment benefit liability, the net pension liabilities, and post-closure care costs are ordinarily liquidated by the General Fund. Leases 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 14 years by \$60,689 and \$229,436, respectively.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

During 2016, the County issued 2016A general obligation bonds for the purposes of funding the acquisition of fire trucks and such other lawful purposes, as the County Council shall determine. During 2017, the County issued 2017 general obligation bonds for the purpose of improvements to the Brookchase district. During 2019, the County issued 2019 general obligation bonds for the purposes of defraying the cost of capital projects approved in a referendum held in the County on November 4, 2014, as well as to refund the 2009 bonds. The current refunding of the 2009 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$41,589. The difference reported in the Statement of Net Position as a deferred outflow of resources are being charged to increase expenses through the year 2024 for the 2009 bonds using the straight-line method. The refunding transaction resulted in an economic gain of \$85,292 and decreased the total debt service payments over the next five years by \$86,910. During 2021, the County issued 2021 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 \$649,160 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 | \$ 6,920,000 |
| General obligation refunding bonds, series 2015B | 1,935,000 | 3% to 3.25% | 2030 | \$115,000 to \$165,000 | 1,205,000 |
| General obligation refunding bonds, series 2015C | 6,110,000 | 3% to 5% | 2025 | \$120,000 to \$1,475,000 | 3,535,000 |
| General obligation bonds, series 2016A | 6,750,000 | 2% to 5% | 2023 | \$800,000 to \$1,335,000 | 1,000,000 |
| General obligation bonds, series 2017 (Brookchase) | 650,000 | 2.61% | 2030 | \$40,000 to \$60,000 | 425,378 |
| General obligation refunding & improvement bonds, series 2019 | 19,905,000 | 5.00% | 2039 | \$595,000 to \$890,000 | 13,790,000 |
| General obligation bonds, bonds, series 2021 (Reid Pointe) | 649,160 | 0.78% | 2023 | \$649,160 | 649,160 |
| | | | | | <u>\$ 27,524,538</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, 2022, including interest payments, are as follows:

| Year Ending June 30, | General Obligation Bonds | | |
|-------------------------|--------------------------|---------------------|----------------------|
| | Principal | Interest | Total |
| 2023 | \$ 4,527,663 | \$ 1,050,364 | \$ 5,578,027 |
| 2024 | 3,299,769 | 886,598 | 4,186,367 |
| 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 |
| 2027-2032 | 5,439,871 | 1,651,130 | 7,091,001 |
| 2033-2037 | 5,615,000 | 757,850 | 6,372,850 |
| 2038-2039 | 2,450,000 | 95,350 | 2,545,350 |
| | <u>\$ 27,524,538</u> | <u>\$ 6,209,359</u> | <u>\$ 33,733,897</u> |

Debt service funds of \$781,583 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, 2022, the unamortized premium was \$1,373,221.

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, 2022, 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, 2022. As of June 30, 2022, the County's outstanding in-substance defeased general obligation bond debt totaled \$1,375,000.

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 | \$6,140,000 | 6,140,000 |
| | | | | | <u>\$ 6,140,000</u> |

The annual requirements to amortize all special obligation bonds as of June 30, 2022, including interest payments, are as follows:

| Year Ending June 30, | Special Obligation Bonds | | |
|-------------------------|--------------------------|---------------------|---------------------|
| | Principal | Interest | Total |
| 2023 | \$ 65,000 | \$ 220,300 | \$ 285,300 |
| 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 |
| 2028-2032 | 2,125,000 | 641,300 | 2,766,300 |
| 2033-2037 | 2,530,000 | 232,500 | 2,762,500 |
| | <u>\$ 6,140,000</u> | <u>\$ 1,882,300</u> | <u>\$ 8,022,300</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 |
| 2023 | \$ 50,000 | \$ - | \$ 50,000 |
| 2024 | 50,000 | - | 50,000 |
| 2025 | 50,000 | - | 50,000 |
| 2026 | 50,000 | - | 50,000 |
| 2027 | 50,000 | - | 50,000 |
| 2028-2032 | 250,000 | - | 250,000 |
| 2033 | 20,000 | - | 20,000 |
| | <u>\$ 520,000</u> | <u>\$ -</u> | <u>\$ 520,000</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 |
| 2023 | \$ 911,326 | \$ 194,269 | \$ 1,105,595 |
| 2024 | 865,305 | 157,816 | 1,023,121 |
| 2025 | 831,585 | 123,203 | 954,788 |
| 2026 | 817,239 | 89,940 | 907,179 |
| 2027 | 806,226 | 57,250 | 863,476 |
| 2028 | 625,035 | 25,002 | 650,037 |
| | <u>\$ 4,856,716</u> | <u>\$ 647,480</u> | <u>\$ 5,504,196</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, 2022, the County has \$290,128 outstanding in leases payable.

The annual requirements to amortize all leases payable as of June 30, 2022, including interest payments, are as follows:

| Year Ending June 30, | Leases | | Total |
|-------------------------|-------------------|-----------------|-------------------|
| | Principal | Interest | |
| 2023 | \$ 129,513 | \$ 1,977 | \$ 131,490 |
| 2024 | 109,193 | 1,071 | 110,264 |
| 2025 | 39,525 | 369 | 39,894 |
| 2026 | 1,738 | 211 | 1,949 |
| 2027 | 1,767 | 182 | 1,949 |
| 2028-2032 | 6,219 | 530 | 6,749 |
| 2033-2034 | 2,173 | 63 | 2,236 |
| | <u>\$ 290,128</u> | <u>\$ 4,403</u> | <u>\$ 294,531</u> |

Landfill Closure and Post-closure Care Costs

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

During fiscal year 2022, the County expended \$35,193 in landfill closure costs. Remaining post-closure care costs are estimated at \$975,604 and included with the long-term liabilities in the Statement of Net Position. Post-closure care costs are reported in the General Fund and are based on engineering estimates that are subject to change due to inflation, deflation, technology and/or applicable laws and regulations.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Conduit Debt Obligations

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, nor the State of South Carolina, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2022, 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, 2022, the outstanding balance on this debt was \$2,900,000.

In June 2006, the County issued 2006A and 2006B special assessment debt in the amount of \$35,615,000. This debt is applicable to the Edenmoor Improvement District, which is located in the northern part of the County and will be used to improve the area's infrastructure and to construct a sheriff and EMS substation. In February 2016, the County issued Walnut Creek Improvement District 2016A-1 in the amount of \$8,510,000 and the 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, 2022, the outstanding balances on this debt was \$11,185,000, \$6,815,000, 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, 2022, the outstanding balance on this debt was \$11,045,000.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Special Assessment Debt Obligations (Continued)

In November 2007, the County issued \$28,880,000 of special assessment debt. This debt is applicable to the Edgewater II Improvement District, which is located in the southern part of the County and will be used to improve the area's infrastructure. The County is acting only as an agent and is in no manner obligated to repay the special assessment debt. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2022, 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, 2022, the outstanding balance on this debt was \$4,070,000.

NOTE 7. LEASED ASSETS

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

| Governmental activities | Balance June 30, 2021 | Additions | Remeasurements | Deletions | Balance June 30, 2022 |
|--|--------------------------|--------------|----------------|-----------|--------------------------|
| Lease asset | | | | | |
| Equipment | \$ 171,387 | \$ - | \$ - | \$ - | \$ 171,387 |
| Buildings | 112,827 | - | - | - | 112,827 |
| Land | 226,209 | - | - | - | 226,209 |
| Total capital assets | 510,423 | - | - | - | 510,423 |
| Less accumulated amortization | | | | | |
| Equipment | - | (135,389) | - | - | (135,389) |
| Buildings | - | (37,609) | - | - | (37,609) |
| Land | - | (59,760) | - | - | (59,760) |
| Total accumulated amortization | - | (232,758) | - | - | (232,758) |
| Total leased assets net of accumulated amortization | \$ 510,423 | \$ (232,758) | \$ - | \$ - | \$ 277,665 |

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

Plan Description:

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

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

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

South Carolina Police Officers Retirement System - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 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. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the Board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent. For the year ended June 30, 2022, the County contributed \$2,784,090 to the SCRS plan and \$2,334,573 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, 2022, are as follows:

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

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

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

South Carolina Retirement System

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

South Carolina Police Officers Retirement System

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

Net Pension Liability:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability (Continued):

| System | Total Pension Liability | Plan Fiduciary Net Position | Employer's Net Pension Liability | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | County's Proportionate Share of the Collective Net Pension Liability |
|---------------|--------------------------------|------------------------------------|---|---|---|
| SCRS | \$ 80,441,385 | \$ 48,865,002 | \$ 31,576,383 | 60.7% | 0.145908% |
| PORS | 62,878,317 | 44,249,861 | 18,628,456 | 70.4% | 0.724022% |
| Total | <u>\$ 143,319,702</u> | <u>\$ 93,114,863</u> | <u>\$ 50,204,839</u> | | |

Actuarial Assumptions and Methods:

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

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

| | SCRS | PORS |
|----------------------------|-----------------------------------|-----------------------------------|
| Actuarial cost method | Entry Age Normal | Entry Age Normal |
| Actuarial assumptions: | | |
| Investment rate of return | 7.00% | 7.00% |
| Projected salary increases | 3.0% to 11.0% (varies by service) | 3.5% to 10.5% (varies by service) |
| Includes inflation at | 2.25% | 2.25% |
| Benefit adjustments | lesser of 1% 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 2021 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

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

| Allocation/Exposure | Policy Target | Expected Arithmetic Real Rate of Return | Long-term Expected Portfolio Real Rate of Return |
|-----------------------|---------------|---|--|
| Public Equity | 46.0% | 6.87% | 3.16% |
| Bonds | 26.0% | 0.27% | 0.07% |
| Private Equity | 9.0% | 9.68% | 0.87% |
| Private Debt | 7.0% | 5.47% | 0.39% |
| Real Assets | 12.0% | | |
| Real estate | 9.0% | 6.01% | 0.54% |
| Infrastructure | 3.0% | 5.08% | 0.15% |
| | 100.0% | | |
| | | Total expected real return | 5.18% |
| | | Inflation for actuarial purposes | 2.25% |
| | | Total expected nominal return | 7.43% |

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 | \$ 41,361,086 | \$ 31,576,383 | \$ 23,443,209 | |
| PORS | \$ 27,027,522 | \$ 18,628,456 | \$ 11,748,354 | |

Pension Expense:

For the year ended June 30, 2022, the County recognized its proportionate share of collective pension expense of \$2,305,749 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 \$757,524 for a total of \$3,063,273 for the SCRS plan. Additionally, for the year ended June 30, 2022, the County recognized its proportionate share of collective pension expense of \$2,037,957 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 \$555,645 for a total of \$2,593,602 for the PORS plan. Total pension expense for the County, for all plans, is \$5,656,875.

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

| SCRS | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 537,867 | \$ 42,617 |
| Changes of assumptions | 1,728,388 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 4,586,886 |
| Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions | 1,310,360 | - |
| Employer contributions subsequent to the measurement date | 2,784,090 | - |
| Total | <u>\$ 6,360,705</u> | <u>\$ 4,629,503</u> |
| PORS | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 633,724 | \$ 58,016 |
| Changes of assumptions | 1,328,670 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 4,176,416 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 1,005,336 | - |
| Employer contributions subsequent to the measurement date | 2,334,573 | - |
| Total | <u>\$ 5,302,303</u> | <u>\$ 4,234,432</u> |
| Total SCRS and PORS | <u>\$ 11,663,008</u> | <u>\$ 8,863,935</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 \$2,784,090 and \$2,334,573 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | SCRS | PORS |
|---------------------|-------------|-------------|
| 2023 | \$ 508,246 | \$ 249,219 |
| 2024 | 271,984 | 118,341 |
| 2025 | (116,764) | (178,133) |
| 2026 | (1,716,354) | (1,456,129) |

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 629 covered members for the year ended June 30, 2022; 88 members are retirees receiving benefits and 541 are active participants and dependents.

Funding Policy and Contributions. The County currently pays for other post-employment benefits on a pay-as-you-go basis. For the year ended June 30, 2022, the County paid \$264,405 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, 2021, and was determined by an actuarial valuation as of June 30, 2020, with the actuary using standard techniques to roll forward the liability to the measurement date.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Other Post Employment Healthcare Benefits (OPEB) (Continued)

Actuarial Assumptions. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-----------------------------|---|
| Discount rate: | 1.92% as of June 30, 2021 |
| Healthcare cost trend rate: | 6.00% - 4.00%, Ultimate Trend after 15 years |
| Inflation rate: | 2.25% |
| Salary increase: | 3.50% - 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 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. The following multipliers are applied to the base tables: 100% for male SCRS members, 111% for female SCRS members, 125% for male PORS members, and 111% for female PORS members.

Discount Rate. The discount rate used to measure the total OPEB liability was 1.92% as of June 30, 2021. 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 1.92% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2021.

Changes in the Total OPEB Liability. The changes in the total OPEB liability of the County for the year ended June 30, 2022 (June 30, 2021 measurement date), were as follows:

| | Total OPEB Liability |
|---|---------------------------------|
| Balances beginning of year | \$ 4,891,690 |
| Changes for the year: | |
| Service cost | 229,495 |
| Interest | 119,338 |
| Difference between actual and expected experience | (8,905) |
| Assumption changes | 311,321 |
| Benefit payments and implicit subsidy | (271,018) |
| Net changes | 380,231 |
| Balances end of year | <u>\$ 5,271,921</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, 2022 (June 30, 2021 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 (0.92%) or 1-percentage-point higher (2.92%) than the current discount rate:

| Sensitivity of the Total OPEB Liability to Changes in the Discount Rate | | |
|--|--|--------------------------------|
| 1% Decrease (0.92%) | Current Discount Rate (1.92%) | 1% Increase (2.92%) |
| \$ 5,908,202 | \$ 5,271,921 | \$ 4,736,875 |

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, 2022 (June 30, 2021 measurement date), as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00% decreasing to 3.00%) or 1-percentage-point higher (7.00% decreasing to 5.00%) than the current healthcare cost trend rates:

| Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate | | |
|---|--|--------------------|
| 1% Decrease | Current Healthcare Cost Trend Rates | 1% Increase |
| \$ 4,636,413 | \$ 5,271,921 | \$ 6,078,327 |

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, 2022, 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, 2022, the County recognized OPEB expense as follows:

| <u>Description</u> | | |
|---|----|-----------------------|
| Service cost (annual cost of current service) | \$ | 229,495 |
| Interest on the total OPEB liability | | 119,338 |
| Recognition of current year amortization - difference between expected and actual experience & assumption changes | | 34,253 |
| Recognition of prior year amortization - difference between expected and actual experience & assumption changes | | 88,392 |
| | | <u>88,392</u> |
| Total aggregate OPEB expense | \$ | <u><u>471,478</u></u> |

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

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 364,533 | \$ 23,679 |
| Changes of assumptions | 674,115 | 104,606 |
| Employer contributions subsequent to the measurement date | 264,405 | - |
| Total | <u>\$ 1,303,053</u> | <u>\$ 128,285</u> |

County contributions subsequent to the measurement date of \$264,405 are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. 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:

| | |
|------------|------------|
| 2023 | \$ 122,645 |
| 2024 | 122,645 |
| 2025 | 122,645 |
| 2026 | 131,720 |
| 2027 | 145,944 |
| Thereafter | 264,764 |

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, 2022, were as follows:

| Receivable Fund | Payable Fund | Amount |
|----------------------------------|----------------------------|----------------------|
| General Fund | Airport Fund | \$ 270,736 |
| General Fund | Bond Projects Fund | 1,687,344 |
| General Fund | ARPA Fund | 472,289 |
| General Fund | Nonmajor Governmental Fund | 3,106,303 |
| Debt Service Fund | General Fund | 580,917 |
| Capital Project Sales Tax 2 Fund | General Fund | 27,081,123 |
| Nonmajor Governmental Funds | General Fund | 22,032,803 |
| | | <u>\$ 55,231,515</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. INTERFUND ASSETS AND LIABILITIES (CONTINUED)

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds. Total transfers during the year ended June 30, 2022, consisted of the following individual amounts:

| Transfer In Fund | Transfer Out Fund | Amount |
|-------------------|-----------------------------------|---------------------|
| General Fund | Nonmajor Governmental Funds | \$ 32,546 |
| Debt Service Fund | Bond Projects Fund | 579,742 |
| Debt Service Fund | Capital Projects Sales Tax 2 Fund | 3,780,000 |
| Airport Fund | General Fund | 109,130 |
| | | <u>\$ 4,501,418</u> |

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

NOTE 11. COMMITMENTS AND CONTINGENT LIABILITIES

The County participates in a number of federal and state assisted grant programs. These programs are subject to audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2022, 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, 2022, totaled approximately \$5,530,000.

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, 2022, 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 \$2,488,054 for the year ended June 30, 2022.

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, 2022

| | Budgeted Amounts | | | Variance with Final Budget |
|-------------------------------------|------------------|---------------|---------------|----------------------------------|
| | Original | Final | Actual | |
| REVENUES: | | | | |
| Property taxes | \$ 45,188,280 | \$ 45,188,280 | \$ 47,183,218 | \$ 1,994,938 |
| Sales and other local taxes | 2,975,475 | 2,975,475 | 3,460,173 | 484,698 |
| Licenses and permits | 5,565,147 | 5,565,147 | 10,971,741 | 5,406,594 |
| Intergovernmental | 5,282,125 | 5,282,125 | 5,826,715 | 544,590 |
| Charges for services | 4,427,200 | 4,427,200 | 4,620,948 | 193,748 |
| Fines and forfeitures | 830,525 | 830,525 | 784,576 | (45,949) |
| Interest revenue | 320,490 | 320,490 | 73,556 | (246,934) |
| Contributions and donations | 32,500 | 32,500 | 70,752 | 38,252 |
| Other revenues | 202,680 | 202,680 | 1,201,376 | 998,696 |
| Total revenues | 64,824,422 | 64,824,422 | 74,193,055 | 9,368,633 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government: | | | | |
| Non-departmental expenditures | 2,130,573 | 2,130,573 | 1,745,185 | 385,388 |
| Direct assistance to other agencies | 1,424,406 | 1,424,406 | 1,378,256 | 46,150 |
| County council | 2,961,999 | 2,881,599 | 2,499,426 | 382,173 |
| Administrator | 930,840 | 930,840 | 772,480 | 158,360 |
| Legal team | 327,600 | 447,600 | 558,785 | (111,185) |
| Finance | 808,150 | 808,150 | 648,175 | 159,975 |
| Human resources | 737,390 | 737,390 | 681,305 | 56,085 |
| Risk management | 116,685 | 116,685 | 117,730 | (1,045) |
| Management information services | 2,384,811 | 2,384,811 | 2,278,053 | 106,758 |
| GIS | 187,350 | 187,350 | 180,179 | 7,171 |
| Building | 1,480,580 | 1,480,580 | 1,063,694 | 416,886 |
| Planning | 2,175,236 | 2,175,236 | 933,667 | 1,241,569 |
| Assessor | 1,098,440 | 1,098,440 | 950,604 | 147,836 |
| Auditor | 391,985 | 391,985 | 355,897 | 36,088 |
| Treasurer | 517,895 | 517,895 | 504,927 | 12,968 |
| Delinquent tax collector | 434,855 | 434,855 | 364,280 | 70,575 |
| Voter registration and elections | 888,515 | 888,515 | 584,312 | 304,203 |
| Register of deeds | 396,715 | 396,715 | 377,046 | 19,669 |
| Procurement | 214,490 | 214,490 | 221,172 | (6,682) |
| Vehicle maintenance | 777,905 | 777,905 | 743,871 | 34,034 |
| Building maintenance | 1,977,748 | 2,058,148 | 2,073,497 | (15,349) |
| Total general government | 22,364,168 | 22,484,168 | 19,032,541 | 3,451,627 |
| Administration of justice: | | | | |
| Circuit court | 87,805 | 87,805 | 91,896 | (4,091) |
| Clerk of court | 497,093 | 497,093 | 487,052 | 10,041 |
| Family court | 400,042 | 400,042 | 343,544 | 56,498 |
| Probate court | 590,100 | 590,100 | 509,814 | 80,286 |
| Magistrate court | 1,099,575 | 1,099,575 | 1,069,413 | 30,162 |
| Total administration of justice | 2,674,615 | 2,674,615 | 2,501,719 | 172,896 |
| Public safety: | | | | |
| Coroner | 808,300 | 808,300 | 1,009,151 | (200,851) |
| Sheriff | 11,779,298 | 11,779,298 | 11,547,633 | 231,665 |
| Detention center | 3,286,125 | 3,286,125 | 2,983,500 | 302,625 |
| Communications | 3,721,392 | 3,721,392 | 3,089,968 | 631,424 |
| Emergency management | 414,745 | 414,745 | 380,470 | 34,275 |
| Fire commission | 3,665,779 | 3,665,779 | 3,423,213 | 242,566 |
| Total public safety | 23,675,639 | 23,675,639 | 22,433,935 | 1,241,704 |

(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, 2022

| | Budgeted Amounts | | | Variance with Final Budget |
|--|------------------|---------------|---------------|----------------------------------|
| | Original | Final | Actual | |
| EXPENDITURES: (CONTINUED) | | | | |
| Current: (Continued) | | | | |
| Public works: | | | | |
| Roads and bridges | \$ 3,914,426 | \$ 3,914,426 | \$ 3,089,494 | \$ 824,932 |
| Landfill | 57,010 | 57,010 | 35,172 | 21,838 |
| Solid waste | 3,533,690 | 3,533,690 | 3,094,605 | 439,085 |
| Total public works | 7,505,126 | 7,505,126 | 6,219,271 | 1,285,855 |
| Public health and welfare: | | | | |
| EMS | 7,920,543 | 7,920,543 | 7,794,189 | 126,354 |
| Animal control | 550,880 | 550,880 | 466,062 | 84,818 |
| Health services | 85,040 | 85,040 | 33,196 | 51,844 |
| Social services and food stamps | 79,589 | 79,589 | 75,001 | 4,588 |
| DSS family independence | 59,650 | 59,650 | 62,218 | (2,568) |
| Veteran affairs | 237,920 | 237,920 | 234,255 | 3,665 |
| Total public health and welfare | 8,933,622 | 8,933,622 | 8,664,921 | 268,701 |
| Culture and recreation: | | | | |
| Recreation | 3,129,396 | 3,129,396 | 2,697,448 | 431,948 |
| Library | 1,296,450 | 1,296,450 | 1,229,312 | 67,138 |
| Total culture and recreation | 4,425,846 | 4,425,846 | 3,926,760 | 499,086 |
| Economic development: | | | | |
| Economic development | 538,530 | 538,530 | 378,299 | 160,231 |
| Debt service: | | | | |
| Principal | 50,000 | 50,000 | 219,466 | (169,466) |
| Interest and other charges | - | - | 781 | (781) |
| Total debt service | 50,000 | 50,000 | 220,247 | (170,247) |
| Total expenditures | 70,167,546 | 70,287,546 | 63,377,693 | 6,909,853 |
| Excess (deficiency) of revenues over (under) expenditures | (5,343,124) | (5,463,124) | 10,815,362 | 16,278,486 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 32,750 | 32,750 | 32,546 | (204) |
| Transfers out | (109,130) | (109,130) | (109,130) | - |
| Sale of capital assets | - | - | 16,591 | 16,591 |
| Total other financing uses, net | (76,380) | (76,380) | (59,993) | 16,387 |
| Net change in fund balances | (5,419,504) | (5,539,504) | 10,755,369 | \$ 16,294,873 |
| Fund balances, beginning of year | 50,874,837 | 50,874,837 | 50,874,839 | |
| Fund balances, end of year | \$ 45,455,333 | \$ 45,335,333 | \$ 61,630,208 | |

LANCASTER COUNTY, SOUTH CAROLINA

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

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB liability | | | | | |
| Service cost | \$ 229,495 | \$ 178,804 | \$ 162,511 | \$ 176,708 | \$ 168,154 |
| Interest on total OPEB liability | 119,338 | 126,571 | 136,528 | 128,818 | 109,436 |
| Assumption changes | 311,321 | 343,020 | 204,242 | (31,998) | (207,209) |
| Difference between actual and expected experience | (8,905) | 404,976 | (9,702) | 96,201 | (22,432) |
| Benefit payments and implicit subsidy | (271,018) | (232,163) | (226,649) | (192,635) | (170,414) |
| Net change in total OPEB liability | 380,231 | 821,208 | 266,930 | 177,094 | (122,465) |
| Total OPEB liability - beginning | 4,891,690 | 4,070,482 | 3,803,552 | 3,626,458 | 3,748,923 |
| Total OPEB liability - ending | \$ 5,271,921 | \$ 4,891,690 | \$ 4,070,482 | \$ 3,803,552 | \$ 3,626,458 |
| Covered-employee payroll | \$ 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 | 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.

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 |
|-----------------------------|---|--|-----------------------------|--|--|
| 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 |
|-----------------------------|---|--|-----------------------------|--|--|
| 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 |
|-------------------------------|---|--|--|-----------------------------|--|
| 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 |
|-------------------------------|---|--|--|-----------------------------|--|
| 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, 2019 | July 1, 2019 |
| Actuarial cost method | Entry Age Normal | Entry Age Normal |
| Asset valuation method | 5-year smoothed | 5-year smoothed |
| Amortization method | Level % of pay | Level % of pay |
| Amortization period | 28 years maximum, closed | 28 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 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.

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.

LANCASTER COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

| | Special Revenue Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|--------------------------|---------------------------|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 14,964 | \$ - | \$ 14,964 |
| Investments | - | 1,015 | 1,015 |
| Taxes receivable, net | 55,507 | 73,206 | 128,713 |
| Accounts receivable, net | 288,328 | - | 288,328 |
| Due from other governments | 2,384,566 | - | 2,384,566 |
| Due from other funds | 19,332,180 | 2,700,623 | 22,032,803 |
| Total assets | <u>\$ 22,075,545</u> | <u>\$ 2,774,844</u> | <u>\$ 24,850,389</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 134,786 | \$ 661 | \$ 135,447 |
| Due to other funds | 1,066,828 | 2,039,475 | 3,106,303 |
| Unearned revenues | 299,193 | - | 299,193 |
| Total liabilities | <u>1,500,807</u> | <u>2,040,136</u> | <u>3,540,943</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue - property taxes | 51,959 | 68,478 | 120,437 |
| Unavailable revenue - intergovernmental | 1,342,728 | - | 1,342,728 |
| Total deferred inflows of resources | <u>1,394,687</u> | <u>68,478</u> | <u>1,463,165</u> |
| FUND BALANCES | | | |
| Restricted for: | | | |
| Victim services | 34,210 | - | 34,210 |
| Public safety | 5,243,796 | - | 5,243,796 |
| Public works | 1,805,920 | - | 1,805,920 |
| Culture and recreation | 561,109 | - | 561,109 |
| Economic development | 7,653,033 | - | 7,653,033 |
| Roads and bridges | 1,787,526 | - | 1,787,526 |
| Capital projects | - | 1,907,387 | 1,907,387 |
| Assigned: | | | |
| Subsequent year's budget | 2,902,295 | 798,318 | 3,700,613 |
| Unassigned | (807,838) | (2,039,475) | (2,847,313) |
| Total fund balances | <u>19,180,051</u> | <u>666,230</u> | <u>19,846,281</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 22,075,545</u> | <u>\$ 2,774,844</u> | <u>\$ 24,850,389</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, 2022

| | Special Revenue Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|-----------------------------|---------------------------|---|
| Revenues: | | | |
| Property taxes | \$ 1,927,122 | \$ 3,176,550 | \$ 5,103,672 |
| Other taxes | 2,608,205 | - | 2,608,205 |
| Intergovernmental | 7,426,664 | - | 7,426,664 |
| Charges for services | 3,663,223 | 62,017 | 3,725,240 |
| Fines and forfeitures | 68,254 | - | 68,254 |
| Interest revenue | 14,257 | 426 | 14,683 |
| Contributions and donations | 1,006,577 | - | 1,006,577 |
| Other revenues | 189 | - | 189 |
| Total revenues | <u>16,714,491</u> | <u>3,238,993</u> | <u>19,953,484</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | 1,347,348 | - | 1,347,348 |
| Administration of justice | 119,985 | - | 119,985 |
| Public safety | 5,326,764 | - | 5,326,764 |
| Public works | 3,048,288 | - | 3,048,288 |
| Public health and welfare | 209,591 | - | 209,591 |
| Culture and recreation | 145,206 | - | 145,206 |
| Economic development | 1,171,747 | - | 1,171,747 |
| Capital outlay | - | 4,189,692 | 4,189,692 |
| Debt service: | | | |
| Principal | 180,829 | 1,340,298 | 1,521,127 |
| Interest | 42,193 | 18,496 | 60,689 |
| Fees | - | 10,000 | 10,000 |
| Total expenditures | <u>11,591,951</u> | <u>5,558,486</u> | <u>17,150,437</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>5,122,540</u> | <u>(2,319,493)</u> | <u>2,803,047</u> |
| Other financing sources (uses): | | | |
| Transfers out | (32,546) | - | (32,546) |
| Issuance of bonds | - | 649,160 | 649,160 |
| Total other financing sources (uses), net | <u>(32,546)</u> | <u>649,160</u> | <u>616,614</u> |
| Net change in fund balances | 5,089,994 | (1,670,333) | 3,419,661 |
| Fund balances, beginning of year | <u>14,090,057</u> | <u>2,336,563</u> | <u>16,426,620</u> |
| Fund balances, end of year | <u><u>\$ 19,180,051</u></u> | <u><u>\$ 666,230</u></u> | <u><u>\$ 19,846,281</u></u> |

LANCASTER COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2022

| | 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 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,718 | \$ - |
| Taxes receivable, net | - | - | - | - | 55,507 | - | - |
| Accounts receivable, net | 14,236 | - | 94,189 | - | - | - | - |
| Due from other governments | - | - | - | - | - | - | 196,882 |
| Due from other funds | 568,750 | 432,891 | 1,517,743 | 690,828 | 2,050,845 | 29,492 | 2,648,183 |
| Total assets | <u>\$ 582,986</u> | <u>\$ 432,891</u> | <u>\$ 1,611,932</u> | <u>\$ 690,828</u> | <u>\$ 2,106,352</u> | <u>\$ 34,210</u> | <u>\$ 2,845,065</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 28,238 |
| Due to other funds | - | - | - | - | - | - | - |
| Unearned revenues | - | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>28,238</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue - property taxes | - | - | - | - | 51,959 | - | - |
| Unavailable revenue - intergovernmental | - | - | - | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>51,959</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES (DEFICITS) | | | | | | | |
| Restricted for: | | | | | | | |
| Victim services | - | - | - | - | - | 34,210 | - |
| Public safety | - | 209,934 | 1,611,932 | 621,587 | 2,054,393 | - | - |
| Public works | - | - | - | - | - | - | - |
| Culture and recreation | 561,109 | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Roads and bridges | - | - | - | - | - | - | 1,787,526 |
| Assigned: | | | | | | | |
| Subsequent year's budget | 21,877 | 222,957 | - | 69,241 | - | - | 1,029,301 |
| Unassigned | - | - | - | - | - | - | - |
| Total fund balances (deficits) | <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> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 582,986</u> | <u>\$ 432,891</u> | <u>\$ 1,611,932</u> | <u>\$ 690,828</u> | <u>\$ 2,106,352</u> | <u>\$ 34,210</u> | <u>\$ 2,845,065</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 |
|------------------------------------|------------------------------|---------------------------------|-----------------------------------|----------------------------|-------------------------------------|---------------------|-------------------------------|---|----------------------|
| \$ - | \$ 10,246 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 14,964 |
| - | - | - | - | - | - | - | - | - | 55,507 |
| - | - | - | - | 175,233 | - | - | 4,670 | - | 288,328 |
| 37,350 | 1,997,213 | - | - | - | 153,121 | - | - | - | 2,384,566 |
| 191,901 | - | 188,807 | 516,699 | 7,282,744 | 6,178 | 2,938,099 | 76,430 | 192,590 | 19,332,180 |
| <u>\$ 229,251</u> | <u>\$ 2,007,459</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>\$ 22,075,545</u> |
| \$ - | \$ 106,548 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 134,786 |
| - | 1,066,828 | - | - | - | - | - | - | - | 1,066,828 |
| - | 299,193 | - | - | - | - | - | - | - | 299,193 |
| - | 1,472,569 | - | - | - | - | - | - | - | 1,500,807 |
| - | - | - | - | - | - | - | - | - | 51,959 |
| - | 1,342,728 | - | - | - | - | - | - | - | 1,342,728 |
| - | 1,342,728 | - | - | - | - | - | - | - | 1,394,687 |
| - | - | - | - | - | - | - | - | - | 34,210 |
| 229,251 | - | - | 516,699 | - | - | - | - | - | 5,243,796 |
| - | - | - | - | - | - | 1,532,230 | 81,100 | 192,590 | 1,805,920 |
| - | - | - | - | - | - | - | - | - | 561,109 |
| - | - | 188,807 | - | 7,409,927 | 54,299 | - | - | - | 7,653,033 |
| - | - | - | - | - | - | - | - | - | 1,787,526 |
| - | - | - | - | 48,050 | 105,000 | 1,405,869 | - | - | 2,902,295 |
| - | (807,838) | - | - | - | - | - | - | - | (807,838) |
| <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>\$ 229,251</u> | <u>\$ 2,007,459</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>\$ 22,075,545</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, 2022

| | 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 | \$ - | \$ - | \$ - | \$ - | \$ 1,880,054 | \$ - | \$ - |
| Other taxes | 164,248 | - | 408,652 | - | - | - | - |
| Intergovernmental | - | - | 104,790 | - | - | - | 3,047,987 |
| Charges for services | - | 949,275 | - | 824,678 | - | - | - |
| Fines and forfeitures | - | 2,701 | - | 3,014 | - | 55,982 | - |
| Interest revenue | 520 | 513 | 1,521 | 577 | - | - | 1,994 |
| Contributions and donations | - | 300 | - | - | - | - | - |
| Other revenues | - | - | - | - | - | - | - |
| Total revenues | <u>164,768</u> | <u>952,789</u> | <u>514,963</u> | <u>828,269</u> | <u>1,880,054</u> | <u>55,982</u> | <u>3,049,981</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Administration of justice | - | - | - | - | - | - | - |
| Public safety | - | 1,071,022 | 533,592 | 664,945 | 1,539,041 | 3,436 | - |
| Public works | - | - | - | - | - | - | 1,547,536 |
| Public health and welfare | - | - | - | - | - | - | - |
| Culture and recreation | 44,770 | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - |
| Debt service: | | | | | | | |
| Principal | - | - | - | 130,000 | - | - | - |
| Interest | - | - | - | 40,663 | - | - | - |
| Total expenditures | <u>44,770</u> | <u>1,071,022</u> | <u>533,592</u> | <u>835,608</u> | <u>1,539,041</u> | <u>3,436</u> | <u>1,547,536</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>119,998</u> | <u>(118,233)</u> | <u>(18,629)</u> | <u>(7,339)</u> | <u>341,013</u> | <u>52,546</u> | <u>1,502,445</u> |
| Other financing sources (uses): | | | | | | | |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 119,998 | (118,233) | (18,629) | (7,339) | 341,013 | 52,546 | 1,502,445 |
| Fund balances (deficits), beginning of year | <u>462,988</u> | <u>551,124</u> | <u>1,630,561</u> | <u>698,167</u> | <u>1,713,380</u> | <u>(18,336)</u> | <u>1,314,382</u> |
| Fund balances (deficits), end 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> |

(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 |
|------------------------------------|------------------------------|---------------------------------|-----------------------------------|----------------------------|-------------------------------------|--------------------|-------------------------------|---|---------------|
| \$ - | \$ - | \$ 47,068 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,927,122 |
| - | - | - | - | 2,035,305 | - | - | - | - | 2,608,205 |
| 51,000 | 4,046,968 | - | - | - | 175,919 | - | - | - | 7,426,664 |
| - | - | - | - | - | - | 1,615,580 | 81,100 | 192,590 | 3,663,223 |
| - | - | - | - | - | - | 6,557 | - | - | 68,254 |
| - | - | - | - | 6,352 | 86 | 2,694 | - | - | 14,257 |
| - | 491,009 | - | 515,268 | - | - | - | - | - | 1,006,577 |
| 189 | - | - | - | - | - | - | - | - | 189 |
| 51,189 | 4,537,977 | 47,068 | 515,268 | 2,041,657 | 176,005 | 1,624,831 | 81,100 | 192,590 | 16,714,491 |
| - | 1,344,268 | - | - | 3,080 | - | - | - | - | 1,347,348 |
| - | 119,985 | - | - | - | - | - | - | - | 119,985 |
| - | 1,514,728 | - | - | - | - | - | - | - | 5,326,764 |
| - | 663,083 | - | - | - | - | 837,669 | - | - | 3,048,288 |
| - | 209,591 | - | - | - | - | - | - | - | 209,591 |
| - | 34,835 | - | - | - | 65,601 | - | - | - | 145,206 |
| - | 1,171,747 | - | - | - | - | - | - | - | 1,171,747 |
| - | - | - | - | - | - | 50,829 | - | - | 180,829 |
| - | - | - | - | - | - | 1,530 | - | - | 42,193 |
| - | 5,058,237 | - | - | 3,080 | 65,601 | 890,028 | - | - | 11,591,951 |
| 51,189 | (520,260) | 47,068 | 515,268 | 2,038,577 | 110,404 | 734,803 | 81,100 | 192,590 | 5,122,540 |
| - | - | - | - | - | (32,546) | - | - | - | (32,546) |
| - | - | - | - | - | (32,546) | - | - | - | (32,546) |
| 51,189 | (520,260) | 47,068 | 515,268 | 2,038,577 | 77,858 | 734,803 | 81,100 | 192,590 | 5,089,994 |
| 178,062 | (287,578) | 141,739 | 1,431 | 5,419,400 | 81,441 | 2,203,296 | - | - | 14,090,057 |
| \$ 229,251 | \$ (807,838) | \$ 188,807 | \$ 516,699 | \$ 7,457,977 | \$ 159,299 | \$ 2,938,099 | \$ 81,100 | \$ 192,590 | \$ 19,180,051 |

LANCASTER COUNTY, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022**

| | KEER Special Sources Fund | Brookchase Special Tax District Fund | Capital Improvement Fund | Edgewater II Improvement District Fund | Sun City Special Assessments Fund | Reid Pointe Special Tax District Fund | Capital Projects Sales Tax 3 Fund | Totals |
|---|--|---|---|---|--|--|--|---------------------|
| ASSETS | | | | | | | | |
| Investments | \$ - | \$ - | \$ - | \$ 1,015 | \$ - | \$ - | \$ - | \$ 1,015 |
| Taxes receivable, net | - | - | 73,206 | - | - | - | - | 73,206 |
| Due from other funds | - | 96,970 | 2,456,658 | - | 661 | 146,334 | - | 2,700,623 |
| Total assets | <u>\$ -</u> | <u>\$ 96,970</u> | <u>\$ 2,529,864</u> | <u>\$ 1,015</u> | <u>\$ 661</u> | <u>\$ 146,334</u> | <u>\$ -</u> | <u>\$ 2,774,844</u> |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ 661 | \$ - | \$ - | \$ 661 |
| Due to other funds | - | - | - | - | - | - | 2,039,475 | 2,039,475 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>661</u> | <u>-</u> | <u>2,039,475</u> | <u>2,040,136</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable revenue - property taxes | - | - | 68,478 | - | - | - | - | 68,478 |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>68,478</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>68,478</u> |
| FUND BALANCES (DEFICIT) | | | | | | | | |
| Restricted for: | | | | | | | | |
| Capital projects | - | 96,970 | 1,663,068 | 1,015 | - | 146,334 | - | 1,907,387 |
| Assigned: | | | | | | | | |
| Subsequent year's budget | - | - | 798,318 | - | - | - | - | 798,318 |
| Unassigned | - | - | - | - | - | - | ##### | (2,039,475) |
| Total fund balances (deficit) | <u>-</u> | <u>96,970</u> | <u>2,461,386</u> | <u>1,015</u> | <u>-</u> | <u>146,334</u> | <u>#####</u> | <u>666,230</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ -</u> | <u>\$ 96,970</u> | <u>\$ 2,529,864</u> | <u>\$ 1,015</u> | <u>\$ 661</u> | <u>\$ 146,334</u> | <u>\$ -</u> | <u>\$ 2,774,844</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, 2022**

| | KEER Special Sources Fund | Brookchase Special Tax District Fund | Capital Improvement Fund | Edgewater II Improvement District Fund | Sun City Special Assessments Fund | Reid Pointe Special Tax District Fund | Capital Projects Sales Tax 3 Fund | Totals |
|--|--|---|---|---|--|--|--|--------------------|
| Revenues: | | | | | | | | |
| Property taxes | \$ 593,029 | \$ - | \$ 2,504,859 | \$ - | \$ - | \$ 78,662 | \$ - | \$ 3,176,550 |
| Charges for services | - | 62,017 | - | - | - | - | - | 62,017 |
| Interest revenue | - | 101 | - | 179 | - | 146 | - | 426 |
| Total revenues | <u>593,029</u> | <u>62,118</u> | <u>2,504,859</u> | <u>179</u> | <u>-</u> | <u>78,808</u> | <u>-</u> | <u>3,238,993</u> |
| Expenditures: | | | | | | | | |
| Capital outlay: | | | | | | | | |
| General government | - | - | 240,614 | - | - | - | - | 240,614 |
| Public safety | - | - | 544,996 | - | - | - | 2,039,475 | 2,584,471 |
| Public works | - | - | 716,474 | - | - | - | - | 716,474 |
| Public health and welfare | - | - | 609,626 | - | - | - | - | 609,626 |
| Culture and recreation | - | - | 38,507 | - | - | - | - | 38,507 |
| Debt service: | | | | | | | | |
| Principal | 593,029 | 47,269 | - | - | - | 700,000 | - | 1,340,298 |
| Interest | - | 12,336 | - | - | - | 6,160 | - | 18,496 |
| Fees | - | - | - | - | - | 10,000 | - | 10,000 |
| Total expenditures | <u>593,029</u> | <u>59,605</u> | <u>2,150,217</u> | <u>-</u> | <u>-</u> | <u>716,160</u> | <u>2,039,475</u> | <u>5,558,486</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>2,513</u> | <u>354,642</u> | <u>179</u> | <u>-</u> | <u>(637,352)</u> | <u>#####</u> | <u>(2,319,493)</u> |
| Other financing sources: | | | | | | | | |
| Issuance of bonds | - | - | - | - | - | 649,160 | - | 649,160 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>649,160</u> | <u>-</u> | <u>649,160</u> |
| Net change in fund balances | - | 2,513 | 354,642 | 179 | - | 11,808 | ##### | (1,670,333) |
| FUND BALANCES, beginning of year | <u>-</u> | <u>94,457</u> | <u>2,106,744</u> | <u>836</u> | <u>-</u> | <u>134,526</u> | <u>-</u> | <u>2,336,563</u> |
| FUND BALANCES (DEFICIT), end of year | <u>\$ -</u> | <u>\$ 96,970</u> | <u>\$ 2,461,386</u> | <u>\$ 1,015</u> | <u>\$ -</u> | <u>\$ 146,334</u> | <u>\$ #####</u> | <u>\$ 666,230</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, 2022

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|-------------------|-------------------|
| REVENUES | | | | |
| Other taxes | \$ 115,000 | \$ 115,000 | \$ 164,248 | \$ 49,248 |
| Interest revenue | - | - | 520 | 520 |
| Total revenues | <u>115,000</u> | <u>115,000</u> | <u>164,768</u> | <u>49,768</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and recreation | <u>115,000</u> | <u>115,000</u> | <u>44,770</u> | <u>70,230</u> |
| Total expenditures | <u>115,000</u> | <u>115,000</u> | <u>44,770</u> | <u>70,230</u> |
| Net change in fund balance | - | - | 119,998 | <u>\$ 119,998</u> |
| FUND BALANCES, beginning of year | <u>462,988</u> | <u>462,988</u> | <u>462,988</u> | |
| FUND BALANCES, end of year | <u>\$ 462,988</u> | <u>\$ 462,988</u> | <u>\$ 582,986</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, 2022

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|--|---------------------------------------|-------------------|--------------------|
| REVENUES | | | | |
| Charges for services | \$ 931,050 | \$ 931,050 | \$ 949,275 | \$ 18,225 |
| Fines and forfeitures | - | - | 2,701 | 2,701 |
| Investment income | - | - | 513 | 513 |
| Contributions and donations | - | - | 300 | 300 |
| Total revenues | <u>931,050</u> | <u>931,050</u> | <u>952,789</u> | <u>21,739</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | <u>1,017,811</u> | <u>1,017,811</u> | <u>1,071,022</u> | <u>(53,211)</u> |
| Total expenditures | <u>1,017,811</u> | <u>1,017,811</u> | <u>1,071,022</u> | <u>(53,211)</u> |
| Net change in fund balance | (86,761) | (86,761) | (118,233) | <u>\$ (31,472)</u> |
| FUND BALANCES, beginning of year | <u>551,124</u> | <u>551,124</u> | <u>551,124</u> | |
| FUND BALANCES, end of year | <u>\$ 464,363</u> | <u>\$ 464,363</u> | <u>\$ 432,891</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, 2022

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|---------------------|--------------------|
| REVENUES | | | | |
| Other taxes | \$ 330,000 | \$ 330,000 | \$ 408,652 | \$ 78,652 |
| Intergovernmental | 513,240 | 513,240 | 104,790 | (408,450) |
| Interest revenue | - | - | 1,521 | 1,521 |
| Total revenues | <u>843,240</u> | <u>843,240</u> | <u>514,963</u> | <u>(328,277)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | <u>843,240</u> | <u>843,240</u> | <u>533,592</u> | <u>309,648</u> |
| Total expenditures | <u>843,240</u> | <u>843,240</u> | <u>533,592</u> | <u>309,648</u> |
| Net change in fund balance | - | - | (18,629) | <u>\$ (18,629)</u> |
| FUND BALANCES, beginning of year | <u>1,630,561</u> | <u>1,630,561</u> | <u>1,630,561</u> | |
| FUND BALANCES, end of year | <u>\$ 1,630,561</u> | <u>\$ 1,630,561</u> | <u>\$ 1,611,932</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, 2022

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|--|---------------------------------------|-------------------|------------------|
| REVENUES | | | | |
| Charges for services | \$ 849,420 | \$ 849,420 | \$ 824,678 | \$ (24,742) |
| Fines and forfeitures | 2,500 | 2,500 | 3,014 | 514 |
| Interest revenue | - | - | 577 | 577 |
| Total revenues | <u>851,920</u> | <u>851,920</u> | <u>828,269</u> | <u>(23,651)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 695,199 | 735,199 | 664,945 | 70,254 |
| Debt service: | | | | |
| Principal | 130,000 | 130,000 | 130,000 | - |
| Interest | 40,663 | 40,663 | 40,663 | - |
| Total expenditures | <u>865,862</u> | <u>905,862</u> | <u>835,608</u> | <u>70,254</u> |
| Net change in fund balance | (13,942) | (53,942) | (7,339) | <u>\$ 46,603</u> |
| FUND BALANCES, beginning of year | <u>698,167</u> | <u>698,167</u> | <u>698,167</u> | |
| FUND BALANCES, end of year | <u>\$ 684,225</u> | <u>\$ 644,225</u> | <u>\$ 690,828</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, 2022

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|--|---------------------------------------|---------------------|-------------------|
| REVENUES | | | | |
| Property taxes | \$ 1,703,580 | \$ 1,703,580 | \$ 1,880,054 | \$ 176,474 |
| Total revenues | <u>1,703,580</u> | <u>1,703,580</u> | <u>1,880,054</u> | <u>176,474</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | <u>1,741,737</u> | <u>1,741,737</u> | <u>1,539,041</u> | <u>202,696</u> |
| Total expenditures | <u>1,741,737</u> | <u>1,741,737</u> | <u>1,539,041</u> | <u>202,696</u> |
| Net change in fund balance | (38,157) | (38,157) | 341,013 | <u>\$ 379,170</u> |
| FUND BALANCES, beginning of year | <u>1,713,380</u> | <u>1,713,380</u> | <u>1,713,380</u> | |
| FUND BALANCES, end of year | <u>\$ 1,675,223</u> | <u>\$ 1,675,223</u> | <u>\$ 2,054,393</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, 2022

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|--|---------------------------------|------------------------------|------------------|------------------|
| REVENUES | | | | |
| Fines and forfeitures | \$ 57,000 | \$ 57,000 | \$ 55,982 | \$ (1,018) |
| Total revenues | <u>57,000</u> | <u>57,000</u> | <u>55,982</u> | <u>(1,018)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | <u>57,000</u> | <u>57,000</u> | <u>3,436</u> | <u>53,564</u> |
| Total expenditures | <u>57,000</u> | <u>57,000</u> | <u>3,436</u> | <u>53,564</u> |
| Net change in fund balance | - | - | 52,546 | <u>\$ 52,546</u> |
| FUND BALANCES (DEFICITS), beginning of year | <u>(18,336)</u> | <u>(18,336)</u> | <u>(18,336)</u> | |
| FUND BALANCES, end of year | <u>\$ (18,336)</u> | <u>\$ (18,336)</u> | <u>\$ 34,210</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, 2022**

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|--|---------------------------------------|---------------------|---------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 2,450,000 | \$ 2,450,000 | \$ 3,047,987 | \$ 597,987 |
| Interest revenue | - | - | 1,994 | 1,994 |
| Total revenues | <u>2,450,000</u> | <u>2,450,000</u> | <u>3,049,981</u> | <u>599,981</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | <u>2,508,783</u> | <u>2,508,783</u> | <u>1,547,536</u> | <u>961,247</u> |
| Total expenditures | <u>2,508,783</u> | <u>2,508,783</u> | <u>1,547,536</u> | <u>961,247</u> |
| Net change in fund balance | (58,783) | (58,783) | 1,502,445 | <u>\$ 1,561,228</u> |
| FUND BALANCES, beginning of year | <u>1,314,382</u> | <u>1,314,382</u> | <u>1,314,382</u> | |
| FUND BALANCES, end of year | <u>\$ 1,255,599</u> | <u>\$ 1,255,599</u> | <u>\$ 2,816,827</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, 2022

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|--|---------------------------------|------------------------------|------------|------------|
| REVENUES | | | | |
| Intergovernmental | \$ 150,000 | \$ 150,000 | \$ 175,919 | \$ 25,919 |
| Interest revenue | - | - | 86 | 86 |
| Total revenues | 150,000 | 150,000 | 176,005 | 26,005 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and recreation | 225,250 | 225,250 | 65,601 | 159,649 |
| Total expenditures | 225,250 | 225,250 | 65,601 | 159,649 |
| Excess (deficiency) of revenues over (under) expenditures | (75,250) | (75,250) | 110,404 | 185,654 |
| Other financing uses | | | | |
| Transfers out | (29,750) | (29,750) | (32,546) | (2,796) |
| Total other financing uses | (29,750) | (29,750) | (32,546) | (2,796) |
| Net change in fund balance | (105,000) | (105,000) | 77,858 | \$ 182,858 |
| FUND BALANCES, beginning of year | 81,441 | 81,441 | 81,441 | |
| FUND BALANCES, end of year | \$ (23,559) | \$ (23,559) | \$ 159,299 | |

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, 2022**

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|--|---------------------------------------|---------------------|---------------------|
| REVENUES | | | | |
| Charges for services | \$ 1,534,860 | \$ 1,534,860 | \$ 1,615,580 | \$ 80,720 |
| Fines and forfeitures | - | - | 6,557 | 6,557 |
| Interest revenue | - | - | 2,694 | 2,694 |
| Total revenues | <u>1,534,860</u> | <u>1,534,860</u> | <u>1,624,831</u> | <u>89,971</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | 1,996,255 | 1,996,255 | 837,669 | 1,158,586 |
| Debt service: | | | | |
| Principal | - | - | 50,829 | (50,829) |
| Pinterest | - | - | 1,530 | (1,530) |
| Total expenditures | <u>1,996,255</u> | <u>1,996,255</u> | <u>890,028</u> | <u>1,106,227</u> |
| Net change in fund balance | (461,395) | (461,395) | 734,803 | <u>\$ 1,196,198</u> |
| FUND BALANCES, beginning of year | <u>2,203,296</u> | <u>2,203,296</u> | <u>2,203,296</u> | |
| FUND BALANCES, end of year | <u>\$ 1,741,901</u> | <u>\$ 1,741,901</u> | <u>\$ 2,938,099</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, 2022**

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|--|---------------------------------------|---------------------|-------------------|
| REVENUES | | | | |
| Other taxes | \$ 1,600,000 | \$ 1,600,000 | \$ 2,035,305 | \$ 435,305 |
| Interest revenue | - | - | 6,352 | 6,352 |
| Total revenues | <u>1,600,000</u> | <u>1,600,000</u> | <u>2,041,657</u> | <u>441,657</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | <u>50,000</u> | <u>50,000</u> | <u>3,080</u> | <u>46,920</u> |
| Total expenditures | <u>50,000</u> | <u>50,000</u> | <u>3,080</u> | <u>46,920</u> |
| Net change in fund balance | 1,550,000 | 1,550,000 | 2,038,577 | <u>\$ 488,577</u> |
| FUND BALANCES, beginning of year | <u>5,419,400</u> | <u>5,419,400</u> | <u>5,419,400</u> | |
| FUND BALANCES, end of year | <u>\$ 6,969,400</u> | <u>\$ 6,969,400</u> | <u>\$ 7,457,977</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, 2022

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|--|---------------------------------------|---------------------|---------------------|
| REVENUES | | | | |
| Property taxes | \$ 2,333,820 | \$ 2,333,820 | \$ 2,504,859 | \$ 171,039 |
| Total revenues | <u>2,333,820</u> | <u>2,333,820</u> | <u>2,504,859</u> | <u>171,039</u> |
| EXPENDITURES | | | | |
| Capital outlay: | | | | |
| General government | 335,820 | 335,820 | 240,614 | 95,206 |
| Public safety | 968,794 | 968,794 | 544,996 | 423,798 |
| Public works | 1,050,200 | 1,050,200 | 716,474 | 333,726 |
| Public health and welfare | 610,000 | 610,000 | 609,626 | 374 |
| Culture and recreation | 50,000 | 50,000 | 38,507 | 11,493 |
| Total expenditures | <u>3,014,814</u> | <u>3,014,814</u> | <u>2,150,217</u> | <u>864,597</u> |
| Net change in fund balance | (680,994) | (680,994) | 354,642 | <u>\$ 1,035,636</u> |
| FUND BALANCES, beginning of year | <u>2,106,744</u> | <u>2,106,744</u> | <u>2,106,744</u> | |
| FUND BALANCES, end of year | <u>\$ 1,425,750</u> | <u>\$ 1,425,750</u> | <u>\$ 2,461,386</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, 2022

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|--|---------------------------------------|----------------------|----------------------|
| REVENUES | | | | |
| Sales and other local taxes | \$ 10,500,000 | \$ 10,500,000 | \$ 15,068,141 | \$ 4,568,141 |
| Other revenues | - | - | 86,736 | 86,736 |
| Total revenues | <u>10,500,000</u> | <u>10,500,000</u> | <u>15,154,877</u> | <u>4,654,877</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | 7,599,221 | 7,599,221 | 2,075,804 | 5,523,417 |
| Culture and recreation | - | 277,000 | 205,900 | 71,100 |
| Capital outlay: | | | | |
| Public safety | 15,000 | 15,000 | - | 15,000 |
| Total expenditures | <u>7,614,221</u> | <u>7,891,221</u> | <u>2,281,704</u> | <u>5,609,517</u> |
| Excess of revenues over expenditures | <u>2,885,779</u> | <u>2,608,779</u> | <u>12,873,173</u> | <u>10,264,394</u> |
| Other financing uses | | | | |
| Transfers out | <u>(3,780,000)</u> | <u>(3,780,000)</u> | <u>(3,780,000)</u> | - |
| Total other financing uses | <u>(3,780,000)</u> | <u>(3,780,000)</u> | <u>(3,780,000)</u> | - |
| Net change in fund balance | (894,221) | (1,171,221) | 9,093,173 | <u>\$ 10,264,394</u> |
| FUND BALANCES, beginning of year | <u>21,933,369</u> | <u>21,933,369</u> | <u>21,933,369</u> | |
| FUND BALANCES, end of year | <u>\$ 21,039,148</u> | <u>\$ 20,762,148</u> | <u>\$ 31,026,542</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, 2022

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|---------------------------------|------------------------------|----------------|-----------|
| REVENUES | | | | |
| Sales and other local taxes | \$ - | \$ - | \$ - | \$ - |
| Total revenues | - | - | - | - |
| EXPENDITURES | | | | |
| Capital outlay: | | | | |
| Public safety | - | 2,076,850 | 2,039,475 | 37,375 |
| Total expenditures | - | 2,076,850 | 2,039,475 | 37,375 |
| Net change in fund balance | - | (2,076,850) | (2,039,475) | \$ 37,375 |
| FUND BALANCES, beginning of year | - | - | - | |
| FUND BALANCES, end of year | \$ - | \$ (2,076,850) | \$ (2,039,475) | |

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, 2022**

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual | Variance |
|---|--|---------------------------------------|---------------------|-------------------|
| REVENUES | | | | |
| Property taxes | \$ 3,839,508 | \$ 3,839,508 | \$ 4,409,120 | \$ 569,612 |
| Interest revenue | 1,557 | 1,557 | 1,680 | 123 |
| Total revenues | <u>3,841,065</u> | <u>3,841,065</u> | <u>4,410,800</u> | <u>569,735</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal | 7,085,000 | 7,085,000 | 7,665,000 | (580,000) |
| Interest | 1,126,200 | 1,126,200 | 1,259,270 | (133,070) |
| Fees | 5,000 | 5,000 | 3,306 | 1,694 |
| Total expenditures | <u>8,216,200</u> | <u>8,216,200</u> | <u>8,927,576</u> | <u>(711,376)</u> |
| Deficiency of revenues under expenditures | <u>(4,375,135)</u> | <u>(4,375,135)</u> | <u>(4,516,776)</u> | <u>(141,641)</u> |
| Other financing sources | | | | |
| Transfers in | 3,780,000 | 3,780,000 | 4,359,742 | 579,742 |
| Total other financing sources | <u>3,780,000</u> | <u>3,780,000</u> | <u>4,359,742</u> | <u>579,742</u> |
| Net change in fund balance | (595,135) | (595,135) | (157,034) | <u>\$ 438,101</u> |
| FUND BALANCES, beginning of year | <u>1,528,049</u> | <u>1,528,049</u> | <u>1,528,049</u> | |
| FUND BALANCES, end of year | <u>\$ 932,914</u> | <u>\$ 932,914</u> | <u>\$ 1,371,015</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, 2022

| ASSETS | Clerk of Court | Family Court | Magistrate Court | Detention Center Inmates | Employee Funds | Edenmoor & Walnut Creek 1 & 2 Improvement District | Edgewater II Improvement District |
|--|---------------------------|-------------------------|-----------------------------|-------------------------------------|---------------------------|---|--|
| Cash and cash equivalents | \$ 790,610 | \$ 77,375 | \$ 198,704 | \$ 40,377 | \$ 13,547 | \$ - | \$ - |
| Investments | 20,513 | - | - | - | - | 6,191,186 | 386,162 |
| Taxes receivable | - | - | - | - | - | - | - |
| Receivables | - | - | - | - | - | 804 | - |
| Total assets | 811,123 | 77,375 | 198,704 | 40,377 | 13,547 | 6,191,990 | 386,162 |
| LIABILITIES | | | | | | | |
| Due to others | 720,991 | 77,375 | 198,643 | 40,377 | 13,547 | 6,191,990 | 386,162 |
| Uncollected taxes | - | - | - | - | - | - | - |
| Total liabilities | 720,991 | 77,375 | 198,643 | 40,377 | 13,547 | 6,191,990 | 386,162 |
| NET POSITION | | | | | | | |
| Restricted for individuals, organizations and other governments | 90,132 | - | 61 | - | - | - | - |
| Total net position | \$ 90,132 | \$ - | \$ 61 | \$ - | \$ - | \$ - | \$ - |

| Edgewater Improvement District | Sun City Improvement District | Forfeit Land Commission | City of Lancaster | Town of Kershaw | Town of Chester | Chesterfield | Education Fund | Tax Collector | Total |
|--------------------------------------|-------------------------------------|----------------------------|----------------------|--------------------|--------------------|--------------|-------------------|------------------|---------------|
| \$ - | \$ - | \$ 487,784 | \$ - | \$ - | \$ - | \$ - | \$ 28,708,867 | \$ 1,911,890 | \$ 32,229,154 |
| 649,443 | 828,373 | - | - | - | - | - | 14,334,872 | - | 22,410,549 |
| - | - | - | 381,885 | 23,279 | - | - | 3,532,891 | - | 3,938,055 |
| - | - | - | - | - | - | - | 1,056,788 | - | 1,057,592 |
| 649,443 | 828,373 | 487,784 | 381,885 | 23,279 | - | - | 47,633,418 | 1,911,890 | 59,635,350 |
| 649,443 | 828,373 | - | - | - | - | - | 44,100,527 | - | 53,207,428 |
| - | - | - | 381,885 | 23,279 | - | - | 3,532,891 | - | 3,938,055 |
| 649,443 | 828,373 | - | 381,885 | 23,279 | - | - | 47,633,418 | - | 57,145,483 |
| - | - | 487,784 | - | - | - | - | - | 1,911,890 | 2,489,867 |
| \$ - | \$ - | \$ 487,784 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,911,890 | \$ 2,489,867 |

LANCASTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

CUSTODIAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | Clerk of Court | Family Court | Magistrate Court | Detention Center Inmates | Employee Funds | Edenmoor & Walnut Creek 1 & 2 Improvement District | Edgewater II Improvement District |
|--|-------------------|-----------------|---------------------|-----------------------------|-------------------|--|---|
| ADDITIONS | | | | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,934,092 | \$ 103,768 |
| Fines and fees | 336,856 | 678,103 | 765,672 | - | - | - | - |
| Funds from state and participants | - | - | - | - | 11,835 | - | - |
| Inmate funds collected | - | - | - | 470,762 | - | - | - |
| Funds from foreclosure sales | - | - | - | - | - | - | - |
| Total additions | 336,856 | 678,103 | 765,672 | 470,762 | 11,835 | 2,934,092 | 103,768 |
| DEDUCTIONS | | | | | | | |
| Taxes and fees paid to other governments | 327,430 | 678,103 | 765,672 | - | - | 2,934,092 | 103,768 |
| Inmate funds disbursed | - | - | - | 470,762 | - | - | - |
| Other custodial disbursements | - | - | - | - | 11,835 | - | - |
| Total deductions | 327,430 | 678,103 | 765,672 | 470,762 | 11,835 | 2,934,092 | 103,768 |
| Change in fiduciary net position | 9,426 | - | - | - | - | - | - |
| Net position, beginning of year | 80,706 | - | 61 | - | - | - | - |
| Net position, end of year | \$ 90,132 | \$ - | \$ 61 | \$ - | \$ - | \$ - | \$ - |

| Edgewater Improvement District | Sun City Improvement District | Forfeit Land Commission | City of Lancaster | Town of Kershaw | Town of Chester | Chesterfield | Education Fund | Tax Collector | Total |
|--------------------------------------|-------------------------------------|----------------------------|----------------------|--------------------|--------------------|--------------|-------------------|------------------|--------------|
| \$ 335,475 | \$ 983,813 | \$ - | \$ 5,278,088 | \$ 256,539 | \$ 81,808 | \$ 44,659 | \$ 95,654,725 | \$ - | 105,672,967 |
| - | - | - | - | - | - | - | - | - | 1,780,631 |
| - | - | - | - | - | - | - | - | - | 11,835 |
| - | - | - | - | - | - | - | - | - | 470,762 |
| - | - | 515,717 | - | - | - | - | - | 3,866,344 | 4,382,061 |
| 335,475 | 983,813 | 515,717 | 5,278,088 | 256,539 | 81,808 | 44,659 | 95,654,725 | 3,866,344 | 112,318,256 |
| 335,475 | 983,813 | 549,237 | 5,278,088 | 256,539 | 81,808 | 44,659 | 95,654,725 | 4,194,318 | 112,187,727 |
| - | - | - | - | - | - | - | - | - | 470,762 |
| - | - | - | - | - | - | - | - | - | 11,835 |
| 335,475 | 983,813 | 549,237 | 5,278,088 | 256,539 | 81,808 | 44,659 | 95,654,725 | 4,194,318 | 112,670,324 |
| - | - | (33,520) | - | - | - | - | - | (327,974) | (352,068) |
| - | - | 521,304 | - | - | - | - | - | 2,239,864 | 2,841,935 |
| \$ - | \$ - | \$ 487,784 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,911,890 | \$ 2,489,867 |

**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, 2022

FOR THE STATE TREASURER'S OFFICE:

| COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT | <u>General Sessions</u> | <u>Magistrate Court</u> | <u>Municipal Court</u> | <u>Total</u> |
|--|------------------------------------|------------------------------------|-----------------------------------|---------------------|
| Court Fines and Assessments: | | | | |
| Court fines and assessments collected | \$ 188,100 | \$ 698,460 | N/A | \$ 886,560 |
| Court fines and assessments remitted to State Treasurer | 117,959 | 369,952 | N/A | 487,911 |
| Total Court Fines and Assessments retained | \$ 70,141 | \$ 328,508 | N/A | \$ 398,649 |
| Surcharges and Assessments retained for victim services: | | | | |
| Surcharges collected and retained | \$ 15,428 | \$ 13,180 | N/A | \$ 28,608 |
| Assessments retained | 3,836 | 23,538 | N/A | 27,374 |
| Total Surcharges and Assessments retained for victim services | \$ 19,264 | \$ 36,718 | N/A | \$ 55,982 |

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 | \$ (18,336) | \$ (18,336) |
| <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 | 27,374 | 27,374 |
| Victim Service Surcharges Retained by City/County Treasurer | N/A | 28,608 | 28,608 |
| 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 | \$ 37,646 | \$ 37,646 |

LANCASTER COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2022

| <u>Expenditures for Victim Service Program:</u> | <u>Municipal</u> | <u>County</u> | <u>Total</u> |
|---|-------------------------|----------------------|---------------------|
| Salaries and Benefits | N/A | \$ 645 | \$ 645 |
| Operating Expenditures | N/A | 2,791 | 2,791 |
| 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 | 3,436 | 3,436 |
| Total Victim Service Deficit Retained by Municipal/County Treasurer (A-B) | N/A | 34,210 | 34,210 |
| Less: Prior Year Fund Deficit Repayment | N/A | - | - |
| Carryforward Funds – End of Year | N/A | \$ 34,210 | \$ 34,210 |

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 | 108 - 116 |
| <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..... | 117 - 121 |
| <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i> | |
| Debt Capacity..... | 122 -125 |
| <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 | 126 - 127 |
| <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 | 128 - 130 |
| <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 | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| | 2013 | 2014 ¹ | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 36,831,933 | \$ 40,435,476 | \$ 28,252,587 | \$ 41,708,030 | \$ 49,292,814 | \$ 54,081,125 | \$ 57,524,123 | \$ 73,911,732 | \$ 90,773,584 | \$ 106,455,305 |
| Restricted | 24,325,103 | 20,858,227 | 42,783,910 | 10,692,095 | 19,325,999 | 16,283,439 | 46,407,439 | 33,112,801 | 38,876,125 | 42,641,349 |
| Unrestricted | 16,314,803 | 22,458,160 | (14,302,454) | 6,095,091 | (1,842,111) | 372,744 | (14,229,478) | 1,401,381 | (976,772) | 11,962,094 |
| Total governmental activities net position | <u>\$ 77,471,839</u> | <u>\$ 83,751,863</u> | <u>\$ 56,734,043</u> | <u>\$ 58,495,216</u> | <u>\$ 66,776,702</u> | <u>\$ 70,737,308</u> | <u>\$ 89,702,084</u> | <u>\$ 108,425,914</u> | <u>\$ 128,672,937</u> | <u>\$ 161,058,748</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 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | - | (124,719) | (165,515) | (147,558) | (181,902) | (191,628) | (208,237) | (193,847) | (300,395) | (278,323) |
| Total business-type activities net position | <u>\$ -</u> | <u>\$ 3,666,163</u> | <u>\$ 5,294,904</u> | <u>\$ 5,750,793</u> | <u>\$ 5,580,968</u> | <u>\$ 6,859,942</u> | <u>\$ 6,779,734</u> | <u>\$ 6,417,081</u> | <u>\$ 6,789,904</u> | <u>\$ 6,864,997</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 36,831,933 | \$ 44,226,358 | \$ 33,713,006 | \$ 47,606,381 | \$ 55,055,684 | \$ 61,132,695 | \$ 64,512,094 | \$ 80,522,660 | \$ 97,863,883 | \$ 113,598,625 |
| Restricted | 24,325,103 | 20,858,227 | 42,783,910 | 10,692,095 | 19,325,999 | 16,283,439 | 46,407,439 | 33,112,801 | 38,876,125 | 42,641,349 |
| Unrestricted | 16,314,803 | 22,333,441 | (14,467,969) | 5,947,533 | (2,024,013) | 181,116 | (14,437,715) | 1,207,534 | (1,277,167) | 11,683,771 |
| Total primary government net position | <u>\$ 77,471,839</u> | <u>\$ 87,418,026</u> | <u>\$ 62,028,947</u> | <u>\$ 64,246,009</u> | <u>\$ 72,357,670</u> | <u>\$ 77,597,250</u> | <u>\$ 96,481,818</u> | <u>\$ 114,842,995</u> | <u>\$ 135,462,841</u> | <u>\$ 167,923,745</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 | | | | | | | | | |
|---|---------------|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2013 | 2014 ² | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Expenses | | | | | | | | | | |
| Primary government: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 14,274,314 | \$ 11,299,133 | \$ 13,556,703 | \$ 15,201,832 | \$ 16,903,372 | \$ 17,494,736 | \$ 17,460,461 | \$ 20,570,980 | \$ 20,581,760 | \$ 27,134,070 |
| Public safety | 13,079,241 | 18,204,203 | 18,601,569 | 18,876,586 | 21,395,171 | 24,935,032 | 26,338,671 | 28,036,341 | 28,658,281 | 25,352,662 |
| Public works | 6,514,659 | 7,088,564 | 7,212,342 | 21,072,721 | 11,779,317 | 11,076,062 | 10,105,887 | 11,870,816 | 13,257,472 | 12,818,803 |
| Other activities | 15,897,654 | 19,076,859 | 22,736,802 | 17,617,220 | 15,798,155 | 18,305,309 | 16,869,293 | 17,563,018 | 20,143,858 | 21,040,437 |
| Total governmental activities expenses | 49,765,868 | 55,668,759 | 62,107,416 | 72,768,359 | 65,876,015 | 71,811,139 | 70,774,312 | 78,041,155 | 82,641,371 | 86,345,972 |
| Business-type activities: | | | | | | | | | | |
| Airport | - | 437,607 | 404,801 | 433,400 | 406,115 | 570,727 | 576,261 | 655,519 | 665,304 | 731,612 |
| Total business-type activities expenses | - | 437,607 | 404,801 | 433,400 | 406,115 | 570,727 | 576,261 | 655,519 | 665,304 | 731,612 |
| Total primary government expenses | 49,765,868 | 56,106,366 | 62,512,217 | 73,201,759 | 66,282,130 | 72,381,866 | 71,350,573 | 78,696,674 | 83,306,675 | 87,077,584 |
| Program revenues | | | | | | | | | | |
| Primary government: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | 4,003,901 | 5,937,198 | 6,066,247 | 6,833,003 | 6,664,079 | 7,463,310 | 8,305,241 | 9,326,484 | 10,827,479 | 13,508,091 |
| Administration of justice | 1,067,263 | 1,027,217 | 1,017,176 | 972,856 | 1,004,613 | 1,138,355 | 1,002,973 | 893,735 | 868,196 | 919,217 |
| Public health and welfare | 2,883,399 | 2,748,514 | 2,589,560 | 1,675,770 | 3,135,621 | 2,216,563 | 2,907,450 | 2,752,845 | 4,185,335 | 3,955,055 |
| Other activities | 2,171,849 | 2,310,502 | 2,487,280 | 2,650,051 | 2,614,012 | 4,088,330 | 4,402,003 | 4,260,694 | 4,099,737 | 5,276,912 |
| Operating grants and contributions | 4,346,939 | 9,593,044 | 3,844,636 | 7,981,217 | 5,324,829 | 5,248,920 | 4,848,593 | 5,070,517 | 7,027,593 | 12,745,061 |
| Capital grants and contributions | 3,273,685 | 807,784 | 1,943,650 | 3,834,853 | 3,027,181 | 2,584,615 | 4,258,929 | 3,331,129 | 249,204 | 1,050,320 |
| Total governmental activities program revenues | 17,747,036 | 22,424,259 | 17,948,549 | 23,947,750 | 21,770,335 | 22,740,093 | 25,725,189 | 25,635,404 | 27,257,544 | 37,454,656 |
| 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 |
| 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 | - | 224,120 | 2,053,892 | 825,003 | 171,004 | 1,782,701 | 344,152 | 218,236 | 959,197 | 697,575 |
| Total primary government program revenues | 17,747,036 | 22,648,379 | 20,002,441 | 24,772,753 | 21,941,339 | 24,522,794 | 26,069,341 | 25,853,640 | 28,216,741 | 38,152,231 |

(Continued)

LANCASTER COUNTY, SOUTH CAROLINA

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

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| | 2013 | 2014 ² | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Net (expense) revenue | | | | | | | | | | |
| Governmental activities | \$ (32,018,832) | \$ (33,244,500) | \$ (44,158,867) | \$ (48,820,609) | \$ (44,105,680) | \$ (49,071,046) | \$ (45,049,123) | \$ (52,405,751) | \$ (55,383,827) | \$ (48,891,316) |
| Business-type activities | - | (213,487) | 1,649,091 | 391,603 | (235,111) | 1,211,974 | (232,109) | (437,283) | 293,893 | (34,037) |
| Total primary government | <u>(32,018,832)</u> | <u>(33,457,987)</u> | <u>(42,509,776)</u> | <u>(48,429,006)</u> | <u>(44,340,791)</u> | <u>(47,859,072)</u> | <u>(45,281,232)</u> | <u>(52,843,034)</u> | <u>(55,089,934)</u> | <u>(48,925,353)</u> |
| General revenues and other changes in net position | | | | | | | | | | |
| Primary government: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | 27,805,777 | 30,138,854 | 32,542,322 | 34,917,971 | 36,433,675 | 38,920,804 | 45,315,985 | 50,027,001 | 52,256,106 | 56,297,856 |
| Other taxes | 9,220,550 | 10,759,834 | 11,837,073 | 12,582,362 | 12,628,895 | 13,315,667 | 14,622,673 | 16,721,546 | 20,169,722 | 21,136,519 |
| Unrestricted grants and contributions | 4,029,881 | 3,060,980 | 3,080,863 | 2,981,903 | 3,117,955 | 3,081,986 | 2,954,940 | 3,113,058 | 3,119,897 | 3,718,212 |
| Unrestricted investment earnings | 31,753 | 57,446 | 62,046 | 163,832 | 271,927 | 553,374 | 1,272,202 | 1,342,606 | 164,055 | 233,670 |
| Other | 936,595 | - | - | - | - | - | - | - | - | - |
| 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) |
| Total governmental activities general revenues and other changes in net position | <u>42,024,556</u> | <u>43,977,114</u> | <u>47,472,304</u> | <u>50,581,782</u> | <u>52,387,166</u> | <u>53,031,652</u> | <u>64,013,899</u> | <u>71,129,581</u> | <u>75,630,850</u> | <u>81,277,127</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 |
| Total business-type activities general revenues and other changes in net position | <u>-</u> | <u>40,000</u> | <u>50,000</u> | <u>64,286</u> | <u>65,286</u> | <u>67,000</u> | <u>151,901</u> | <u>74,630</u> | <u>78,930</u> | <u>109,130</u> |
| Total primary government general revenues and other changes in net position | <u>42,024,556</u> | <u>44,017,114</u> | <u>47,522,304</u> | <u>50,646,068</u> | <u>52,452,452</u> | <u>53,098,652</u> | <u>64,165,800</u> | <u>71,204,211</u> | <u>75,709,780</u> | <u>81,386,257</u> |
| Change in net position | | | | | | | | | | |
| Governmental activities | 10,005,724 | 10,732,614 | 3,313,437 | 1,761,173 | 8,281,486 | 3,960,606 | 18,964,776 | 18,723,830 | 20,247,023 | 32,385,811 |
| Business-type activities | - | (173,487) | 1,699,091 | 455,889 | (169,825) | 1,278,974 | (80,208) | (362,653) | 372,823 | 75,093 |
| Total primary government change in net position | <u>\$ 10,005,724</u> | <u>\$ 10,559,127</u> | <u>\$ 5,012,528</u> | <u>\$ 2,217,062</u> | <u>\$ 8,111,661</u> | <u>\$ 5,239,580</u> | <u>\$ 18,884,568</u> | <u>\$ 18,361,177</u> | <u>\$ 20,619,846</u> | <u>\$ 32,460,904</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 |
|-------------|--------------------------|--------------|---|--|--------------------------------|-------------|---------------|
| 2013 | \$ 20,732,179 | \$ 2,223,687 | \$ 4,849,911 | \$ 7,225,680 | \$ 1,522,254 | \$ 472,616 | \$ 37,026,327 |
| 2014 | 22,249,229 | 2,586,810 | 5,302,815 | 7,871,762 | 1,940,220 | 947,852 | 40,898,688 |
| 2015 | 23,817,711 | 2,951,321 | 5,773,290 | 8,655,243 | 2,183,931 | 997,899 | 44,379,395 |
| 2016 | 25,395,538 | 3,356,927 | 6,165,506 | 9,264,782 | 2,286,114 | 1,031,466 | 47,500,333 |
| 2017 | 26,277,300 | 3,520,652 | 6,635,723 | 8,591,056 | 2,382,448 | 1,655,391 | 49,062,570 |
| 2018 | 28,840,615 | 3,446,079 | 6,634,110 | 8,596,418 | 2,411,954 | 2,307,295 | 52,236,471 |
| 2019 | 33,948,353 | 3,920,027 | 7,447,605 | 9,632,957 | 2,487,225 | 2,502,491 | 59,938,658 |
| 2020 | 36,868,463 | 4,539,885 | 8,618,653 | 11,199,016 | 2,813,201 | 2,709,329 | 66,748,547 |
| 2021 | 37,080,478 | 4,743,265 | 10,432,363 | 13,987,334 | 3,154,315 | 3,028,073 | 72,425,828 |
| 2022 | 40,091,055 | 4,931,882 | 11,274,919 | 15,068,141 | 3,460,173 | 2,608,205 | 77,434,375 |

(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 | | | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | 2013 | 2014 ¹ | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 465,876 | \$ 470,608 | \$ 1,036,548 | \$ 1,260,002 | \$ 1,044,264 | \$ 1,065,028 | \$ 1,053,048 | \$ 1,109,493 | \$ 1,003,214 | \$ 2,810,251 |
| Restricted | 1,949,398 | 1,757,465 | 1,664,659 | 1,994,639 | 1,936,721 | 1,443,333 | 2,403,626 | 3,117,080 | 3,361,858 | 2,849,877 |
| Assigned | 216,329 | 1,238,174 | 1,662,673 | 4,922,022 | 4,335,491 | 2,925,044 | 6,868,557 | 8,203,048 | 6,892,272 | 7,436,162 |
| Unassigned | 14,812,691 | 16,940,776 | 17,842,835 | 19,251,333 | 23,275,511 | 27,087,195 | 29,249,962 | 31,432,427 | 39,617,495 | 48,533,918 |
| Total General Fund | <u>\$ 17,444,294</u> | <u>\$ 20,407,023</u> | <u>\$ 22,206,715</u> | <u>\$ 27,427,996</u> | <u>\$ 30,591,987</u> | <u>\$ 32,520,600</u> | <u>\$ 39,575,193</u> | <u>\$ 43,862,048</u> | <u>\$ 50,874,839</u> | <u>\$ 61,630,208</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ 623,943 | \$ 561,127 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | 18,472,163 | 19,338,480 | 41,372,751 | 8,697,456 | 17,389,278 | 15,325,706 | 44,927,922 | 43,003,611 | 35,514,267 | 39,791,472 |
| Assigned | 31,427 | 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 |
| Unassigned, reported in: | | | | | | | | | | |
| Special revenue funds | (150,303) | - | (187,507) | (130,854) | (436,343) | (179,847) | (109,409) | (182,353) | (305,914) | (807,838) |
| Capital projects funds | (774,799) | (723,233) | (668,806) | (617,768) | - | (59,899) | - | - | - | (2,039,475) |
| Total all other governmental funds | <u>\$ 18,202,431</u> | <u>\$ 19,341,894</u> | <u>\$ 40,564,698</u> | <u>\$ 25,389,401</u> | <u>\$ 25,262,726</u> | <u>\$ 28,058,067</u> | <u>\$ 55,514,202</u> | <u>\$ 53,800,067</u> | <u>\$ 49,420,028</u> | <u>\$ 55,401,011</u> |
| Total all governmental funds | <u>\$ 35,646,725</u> | <u>\$ 39,748,917</u> | <u>\$ 62,771,413</u> | <u>\$ 52,817,397</u> | <u>\$ 55,854,713</u> | <u>\$ 60,578,667</u> | <u>\$ 95,089,395</u> | <u>\$ 97,662,115</u> | <u>\$ 100,294,867</u> | <u>\$ 117,031,219</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 | | | | | | | | | |
|---|----------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Revenues: | | | | | | | | | | |
| Taxes | \$ 36,910,888 | \$ 40,100,667 | \$ 43,591,415 | \$ 46,703,440 | \$ 48,219,079 | \$ 51,370,390 | \$ 59,160,122 | \$ 66,656,253 | \$ 71,921,082 | \$ 77,832,529 |
| Licenses and permits | 4,160,774 | 5,191,197 | 5,412,448 | 6,248,935 | 10,346,792 | 6,802,235 | 6,912,416 | 7,531,313 | 9,199,118 | 10,971,741 |
| Intergovernmental | 7,283,619 | 13,378,905 | 7,679,451 | 12,871,513 | 6,009,615 | 10,413,632 | 9,217,432 | 9,521,558 | 11,444,493 | 17,004,276 |
| Charges for services | 4,644,851 | 4,882,693 | 5,189,021 | 5,017,909 | 5,723,388 | 6,800,198 | 7,177,398 | 7,280,484 | 7,296,439 | 8,346,188 |
| Fines, fees, and forfeitures | 1,056,203 | 1,028,680 | 1,020,330 | 1,024,620 | 1,137,351 | 1,139,183 | 1,045,268 | 817,399 | 749,252 | 852,830 |
| Interest income | 29,211 | 57,446 | 62,046 | 163,832 | 1,177,037 | 553,374 | 1,272,202 | 1,342,606 | 164,055 | 233,670 |
| Contributions and donations | 525,936 | 351,666 | 344,344 | 2,831,040 | 271,928 | 450,436 | 526,931 | 258,776 | 497,921 | 1,077,329 |
| Contributions from property owners | - | - | - | - | - | - | - | - | - | - |
| Other | 486,396 | 230,863 | 247,254 | 247,577 | 202,836 | 205,132 | 264,277 | 656,354 | 638,573 | 1,201,565 |
| Total revenues | 55,097,878 | 65,222,117 | 63,546,309 | 75,108,866 | 73,088,026 | 77,734,580 | 85,576,046 | 94,064,743 | 101,910,933 | 117,520,128 |
| Expenditures: | | | | | | | | | | |
| General government | 11,619,717 | 10,004,834 | 11,646,926 | 11,900,170 | 13,170,074 | 15,760,730 | 14,922,267 | 16,595,200 | 18,688,495 | 24,130,786 |
| Administration of justice | 1,709,906 | 1,823,021 | 1,982,265 | 2,123,474 | 2,067,748 | 2,112,988 | 2,168,732 | 2,351,776 | 2,415,594 | 2,621,704 |
| Public safety and law enforcement | 16,364,710 | 16,500,414 | 17,169,386 | 16,921,863 | 18,942,981 | 20,049,477 | 22,431,673 | 26,227,341 | 25,380,906 | 27,760,699 |
| Public works | 5,549,083 | 6,279,272 | 6,656,489 | 20,100,712 | 11,738,926 | 10,306,899 | 9,276,883 | 10,890,271 | 17,358,204 | 11,343,363 |
| Public health and welfare | 6,292,003 | 6,587,179 | 6,353,634 | 6,940,375 | 7,373,665 | 7,292,478 | 7,630,114 | 10,066,880 | 8,592,318 | 8,874,512 |
| 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 |
| Economic development | 1,954,572 | 5,517,505 | 659,185 | 2,244,723 | 3,844,142 | 2,816,911 | 1,195,172 | 949,374 | 1,602,966 | 1,550,046 |
| Other | 3,196,847 | - | - | - | - | - | - | - | - | - |
| Capital outlay | 133,297 | 3,101,804 | 9,575,828 | 8,919,489 | 7,452,924 | 3,565,409 | 2,086,336 | 6,775,685 | 6,925,495 | 24,791,873 |
| Debt service | | | | | | | | | | |
| Principal retirement | 7,203,729 | 7,515,489 | 16,482,104 | 9,097,775 | 3,548,365 | 5,755,391 | 7,419,030 | 9,580,883 | 7,253,830 | 9,405,593 |
| Interest | 2,274,282 | 2,002,080 | 1,895,703 | 1,789,488 | 1,647,576 | 1,589,485 | 1,364,646 | 1,789,676 | 1,765,303 | 1,320,740 |
| Fees | - | 7,500 | 274,560 | 92,071 | 7,500 | 3,500 | 227,662 | 4,656 | 13,306 | 299,596 |
| Total expenditures | 56,298,146 | 62,565,988 | 76,392,444 | 83,735,367 | 70,867,999 | 73,098,501 | 72,959,340 | 91,417,393 | 100,077,211 | 116,376,778 |
| Excess (deficiency) of revenues over (under) expenditures | (1,200,268) | 2,656,129 | (12,846,135) | (8,626,501) | 2,220,027 | 4,636,079 | 12,616,706 | 2,647,350 | 1,833,722 | 1,143,350 |
| Other financing sources (uses): | | | | | | | | | | |
| Transfer in | 8,042,257 | 6,129,115 | 9,295,417 | 26,469,059 | 2,326,475 | 3,651,522 | 5,628,487 | 4,895,885 | 4,741,680 | 4,392,288 |
| Transfer out | (8,042,257) | (6,169,115) | (9,345,417) | (26,533,345) | (2,391,761) | (3,718,522) | (5,780,388) | (4,970,515) | (4,820,610) | (4,501,418) |
| Issuance of debt - capital leases | - | 226,000 | 445,000 | - | - | - | - | - | - | - |
| Issuance of debt | - | 950,000 | 35,384,119 | 6,750,000 | 650,000 | - | 19,905,000 | - | 700,000 | 14,289,160 |
| Premium on bond | - | - | - | 686,146 | - | - | 2,116,323 | - | - | 1,396,381 |
| Payment to refunded debt escrow agent | - | - | - | (9,199,375) | - | - | - | - | - | - |
| Sale of capital assets | 77,792 | 210,915 | 89,512 | 500,000 | 232,575 | 154,875 | 24,600 | - | 177,960 | 16,591 |
| Special item - insurance recoveries | - | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 77,792 | 1,346,915 | 35,868,631 | (1,327,515) | 817,289 | 87,875 | 21,894,022 | (74,630) | 799,030 | 15,593,002 |
| Net change in fund balances | \$ (1,122,476) | \$ 4,003,044 | \$ 23,022,496 | \$ (9,954,016) | \$ 3,037,316 | \$ 4,723,954 | \$ 34,510,728 | \$ 2,572,720 | \$ 2,632,752 | \$ 16,736,352 |
| Debt Service as a Percentage of Noncapital Expenditures | 18.85% | 16.72% | 25.93% | 14.63% | 8.58% | 10.90% | 13.61% | 15.52% | 11.53% | 12.36% |

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 |
|------|--------------------------|--------------|---|--|--------------------------------|----------------|---------------|
| 2013 | \$ 20,616,739 | \$ 2,223,687 | \$ 4,849,911 | \$ 7,225,680 | \$ 1,522,254 | \$ 472,617 | \$ 36,910,888 |
| 2014 | 21,990,985 | 2,586,810 | 5,302,815 | 7,871,762 | 1,940,220 | 408,075 | 40,100,667 |
| 2015 | 23,648,295 | 2,951,321 | 5,773,290 | 8,655,243 | 2,183,931 | 379,335 | 43,591,415 |
| 2016 | 25,289,628 | 3,356,927 | 6,165,506 | 9,264,782 | 2,286,114 | 340,483 | 46,703,440 |
| 2017 | 26,173,979 | 3,520,652 | 6,635,723 | 8,591,056 | 2,382,448 | 915,221 | 48,219,079 |
| 2018 | 28,755,053 | 3,446,079 | 6,634,110 | 8,596,418 | 2,411,954 | 1,526,776 | 51,370,390 |
| 2019 | 33,689,494 | 3,920,027 | 7,447,605 | 9,632,957 | 2,487,225 | 1,982,814 | 59,160,122 |
| 2020 | 37,363,857 | 4,539,885 | 8,618,653 | 11,199,016 | 2,813,201 | 2,121,641 | 66,656,253 |
| 2021 | 37,201,411 | 4,743,265 | 10,432,363 | 13,987,334 | 3,154,315 | 2,402,395 | 71,921,083 |
| 2022 | 40,489,209 | 4,931,882 | 11,274,919 | 15,068,141 | 3,460,173 | 2,608,205 | 77,832,529 |

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

LANCASTER COUNTY, SOUTH CAROLINA

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

| Year | Property Taxes | Inter- governmental | Licenses and Permits | Charges for Services | Fines, Fees, and Forfeitures | Other | Total Revenues | Other Financing Sources | Grand Total Revenues Including Other Financing Sources |
|-------------|-------------------|------------------------|-------------------------|-------------------------|---------------------------------|--------------|----------------|----------------------------|---|
| 2012 | \$ 22,224,415 | \$ 2,843,967 | \$ 2,873,627 | \$ 3,008,911 | \$ 906,290 | \$ 1,470,680 | \$ 33,327,890 | \$ 1,079,031 | \$ 34,406,921 |
| 2013 | 24,410,433 | 3,303,561 | 4,160,774 | 2,816,174 | 893,708 | 831,362 | 36,416,012 | 102,792 | 36,518,804 |
| 2014 | 24,653,264 | 4,226,086 | 5,191,197 | 3,999,763 | 937,975 | 2,359,029 | 41,367,314 | 235,915 | 41,603,229 |
| 2015 | 26,871,707 | 4,383,847 | 5,412,448 | 4,243,269 | 930,840 | 2,609,881 | 44,451,992 | 1,115,639 | 45,567,631 |
| 2016 | 32,394,019 | 4,541,474 | 6,248,935 | 3,977,933 | 935,942 | 1,442,395 | 49,540,698 | 7,190,762 | 56,731,460 |
| 2017 | 30,394,683 | 4,670,820 | 6,009,615 | 4,619,066 | 1,051,759 | 2,928,604 | 49,674,547 | 262,590 | 49,937,137 |
| 2018 | 32,519,908 | 4,913,937 | 6,802,235 | 4,263,883 | 1,045,120 | 3,059,927 | 52,605,010 | 233,590 | 52,838,600 |
| 2019 | 37,751,878 | 5,003,978 | 6,912,416 | 4,438,960 | 974,883 | 3,884,591 | 58,966,706 | 46,470 | 59,013,176 |
| 2020 | 41,435,302 | 5,230,588 | 7,531,313 | 4,186,195 | 744,088 | 4,240,153 | 63,367,639 | 30,828 | 63,398,467 |
| 2021 | 47,183,218 | 5,826,715 | 10,971,741 | 4,620,948 | 784,576 | 4,805,857 | 74,193,055 | 49,137 | 74,242,192 |

(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 |
|-------------|-----------------------|------------------------------|---------------------------------------|--------------|----------------------------|------------|--------------|-----------------------|-------------------------|--|
| 2013 | \$ 9,817,196 | \$ 1,693,101 | \$ 10,676,053 | \$ 4,137,879 | \$ 5,901,039 | \$ 828,894 | \$ 488,409 | \$ 33,542,571 | \$ 1,913,347 | \$ 35,455,918 |
| 2014 | 9,943,242 | 1,823,021 | 12,229,972 | 4,328,763 | 6,168,796 | 3,734,954 | 492,823 | 38,721,571 | 40,000 | 38,761,571 |
| 2015 | 11,543,862 | 1,982,265 | 14,155,303 | 5,277,991 | 6,326,950 | 3,857,890 | 207,429 | 43,351,690 | 416,249 | 43,767,939 |
| 2016 | 11,827,178 | 2,108,384 | 14,145,424 | 4,805,405 | 6,919,809 | 3,787,090 | 450,489 | 44,043,779 | 7,466,400 | 51,510,179 |
| 2017 | 12,529,121 | 2,063,616 | 15,206,095 | 5,612,657 | 6,803,861 | 4,062,665 | 429,845 | 46,707,860 | 65,286 | 46,773,146 |
| 2018 | 14,745,595 | 2,112,988 | 16,510,580 | 5,528,950 | 7,280,243 | 4,127,179 | 222,087 | 50,527,622 | 382,365 | 50,909,987 |
| 2019 | 14,298,332 | 2,157,241 | 17,947,213 | 5,479,025 | 7,618,327 | 4,089,295 | 227,249 | 51,816,682 | 151,901 | 51,968,583 |
| 2020 | 16,167,367 | 2,256,109 | 21,675,582 | 5,733,934 | 8,054,393 | 3,986,590 | 50,000 | 57,923,975 | 1,187,637 | 59,111,612 |
| 2021 | 18,450,984 | 2,301,657 | 20,369,784 | 6,404,447 | 8,293,700 | 4,217,149 | 50,000 | 60,087,821 | 1,012,766 | 61,100,587 |
| 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 |

(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 | | |
| 2013 | 2012 | \$ 223,980,320 | \$ 4,479,606,400 | \$ 74,846,481 | \$ 883,965,916 | \$ 298,826,801 | \$ 5,363,572,316 | 5.57 % | 85.10 % |
| 2014 | 2013 | 231,213,120 | 4,624,262,400 | 79,072,239 | 946,454,939 | 310,285,359 | 5,570,717,339 | 5.57 | 90.41 |
| 2015 | 2014 | 241,517,630 | 4,830,352,600 | 82,400,776 | 995,933,689 | 323,918,406 | 5,826,286,289 | 5.56 | 92.80 |
| 2016 | 2015 | 255,663,400 | 5,113,268,000 | 87,570,084 | 1,066,887,072 | 343,233,484 | 6,180,155,072 | 5.55 | 94.30 |
| 2017 | 2016 ⁽²⁾ | 272,287,050 | 5,445,741,000 | 96,647,049 | 1,166,052,922 | 368,934,099 | 6,611,793,922 | 5.58 | 91.20 |
| 2018 | 2017 | 288,360,810 | 5,767,216,200 | 101,725,024 | 1,211,912,052 | 390,085,834 | 6,979,128,252 | 5.59 | 95.60 |
| 2019 | 2018 | 302,285,440 | 6,045,708,800 | 109,715,204 | 1,301,444,272 | 412,000,644 | 7,347,153,072 | 5.61 | 101.20 |
| 2020 | 2019 | 325,248,500 | 6,504,970,000 | 109,997,560 | 1,319,960,975 | 435,246,060 | 7,824,930,975 | 5.56 | 108.75 |
| 2021 | 2020 | 341,045,420 | 6,820,908,400 | 116,572,389 | 1,401,840,457 | 457,617,809 | 8,222,748,857 | 5.57 | 105.10 |
| 2022 | 2021 | 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 |

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

(2) Real property was reassessed.

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

LANCASTER COUNTY, SOUTH CAROLINA

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

| Levy Year Ended December 31 | Fiscal Year Ended June 30 | Lancaster County | | | | Overlapping Rates (1) | | | | | | | | | Total Direct and Overlapping Rates |
|--------------------------------------|---------------------------------|----------------------------------|----------------|--|-----------------|------------------------------------|-----------------------------|----------------------------|--------------------|----------------------|---------------------|----------------|--------------------------|--------|---|
| | | Lancaster County School District | | | | University of S.C. Lancaster | Town of Heath Springs | Town of Van Wyck (3) | Town of Kershaw | City of Lancaster | | | | | |
| | | County Operating | County Debt | County Capital Improvement and Court Security | Total County | | | | | | School Operating | School Debt | Total School District | | |
| 2012 | 2013 | 71.40 | 6.10 | 7.60 | 85.10 | 140.00 | 47.00 | 187.00 | 3.80 | - | | 72.10 | 149.70 | 497.70 | |
| 2013 | 2014 | 75.65 | 7.16 | 7.60 | 90.41 | 145.00 | 43.00 | 188.00 | 3.95 | - | | 75.00 | 154.70 | 512.06 | |
| 2014 | 2015 | 78.00 | 7.00 | 7.80 | 92.80 | 149.50 | 43.00 | 192.50 | 4.10 | - | | 75.00 | 156.90 | 521.30 | |
| 2015 | 2016 | 80.80 | 5.30 | 8.20 | 94.30 | 149.50 | 53.00 | 202.50 | 4.30 | - | | 75.00 | 164.40 | 540.50 | |
| 2016 | 2017 ² | 76.00 | 7.00 | 8.20 | 91.20 | 149.50 | 68.00 | 217.50 | 4.30 | - | | 77.00 | 176.40 | 566.40 | |
| 2017 | 2018 | 80.10 | 7.10 | 8.40 | 95.60 | 149.50 | 68.00 | 217.50 | 4.50 | - | | 82.00 | 178.50 | 578.10 | |
| 2018 | 2019 | 84.20 | 8.30 | 8.70 | 101.20 | 154.50 | 65.00 | 219.50 | 4.70 | - | - | 85.00 | 172.90 | 583.30 | |
| 2019 | 2020 | 88.70 | 11.25 | 8.80 | 108.75 | 159.50 | 65.00 | 224.50 | 4.90 | - | - | 85.00 | 172.90 | 596.05 | |
| 2020 | 2021 | 88.70 | 7.60 | 8.80 | 105.10 | 163.50 | 65.00 | 228.50 | 4.90 | - | - | 95.00 | 174.70 | 608.20 | |
| 2021 | 2022 | 84.30 | 8.50 | 8.80 | 101.60 | 163.50 | 65.00 | 228.50 | 4.90 | - | - | 95.00 | 175.90 | 605.90 | |

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 | 2022 | | | | 2013 | | | |
|---|------------------------|------|---|----------------|------------------------|------|---|----------------|
| | 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 | \$ 12,471,830 | 1 | 2.39% | \$ 2,824,045 | \$ 7,572,510 | 1 | 2.53% | \$ 2,146,207 |
| Haile Gold Mine Inc | 7,289,422 | 2 | 1.40% | 1,689,101 | 1,892,756 | 6 | 0.63% | 512,165 |
| Red Ventures | 6,834,294 | 3 | 1.31% | 1,595,808 | | | 0.00% | |
| Lennar Carolina LLC | 3,005,580 | 4 | 0.58% | 649,909 | | | | |
| Keer America Corporation | 2,995,719 | 5 | 0.57% | 698,969 | | | 0.00% | |
| Morgan Corp | 2,547,180 | 6 | 0.49% | 580,259 | | | | |
| Capital Clum SC Appartments LLC | 2,448,930 | 7 | 0.47% | 547,416 | | | | |
| Hutton Indian Land LLC | 2,221,210 | 8 | 0.43% | 496,513 | | | 0.00% | |
| The Flats at Edgewater LLC | 2,032,600 | 9 | 0.39% | 454,353 | | | | |
| PSREG Six Mile Creek Owner, LP | 1,922,240 | 10 | 0.37% | 429,684 | | | 0.00% | |
| Lancaster Hospital Corp. | | | | | 4,398,090 | 2 | 1.47% | 1,688,207 |
| The Gillette Company | | | | | 4,014,234 | 3 | 1.34% | 1,672,972 |
| Springs Global | | | | | 1,588,890 | 8 | 0.53% | 424,620 |
| Springland Associates | | | | | 1,395,020 | 5 | 0.47% | 531,649 |
| Pulte Home Corp. | | | | | 2,299,350 | 4 | 0.77% | 585,544 |
| Lancaster Telephone Co. | | | | | 1,415,180 | 7 | 0.47% | 465,269 |
| Wells Real Estate | | | | | 1,293,393 | 9 | 0.43% | 356,847 |
| Springmaid Federal Credit Uniion | | | | | 806,648 | 10 | 0.27% | 331,207 |
| Total assessed value of ten largest taxpayers | \$ 43,769,005 | | 8.38% | \$ 9,966,058 | \$ 26,676,071 | | 8.93% | \$ 8,714,687 |
| Total assessed value of all taxpayers | \$ 522,390,536 | | 100% | | \$ 298,826,801 | | 100% | |

Source: Lancaster County Treasurer

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

LANCASTER COUNTY, SOUTH CAROLINA

REAL PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

| Levy Year | Original Levy | Adjustments | Total Adjusted Levy | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|-----------|------------------|-------------|------------------------|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
| | | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2012 | \$ 18,086,112 | \$ (61,664) | \$ 18,024,448 | \$ 17,297,322 | 95.97% | \$ 626,977 | \$ 17,924,299 | 99.44% |
| 2013 | 19,312,592 | 530,677 | 19,843,269 | 18,975,609 | 95.63% | 756,639 | 19,732,248 | 99.44% |
| 2014 | 20,736,283 | 435,654 | 21,171,937 | 20,418,390 | 96.44% | 636,296 | 21,054,686 | 99.45% |
| 2015 | 22,506,743 | 393,321 | 22,900,064 | 22,135,439 | 96.66% | 643,372 | 22,778,811 | 99.47% |
| 2016 | 23,702,386 | 128,901 | 23,831,287 | 23,149,210 | 97.14% | 550,989 | 23,700,199 | 99.45% |
| 2017 | 24,415,252 | 1,131,332 | 25,546,584 | 24,808,606 | 97.11% | 579,685 | 25,388,291 | 99.38% |
| 2018 | 29,214,057 | 1,814,650 | 31,028,707 | 30,259,717 | 97.52% | 573,289 | 30,833,006 | 99.37% |
| 2019 | 32,966,150 | 703,975 | 33,670,125 | 32,887,097 | 97.67% | 467,054 | 33,354,151 | 99.06% |
| 2020 | 32,623,017 | 1,019,568 | 33,642,585 | 33,021,251 | 98.15% | - | 33,021,251 | 98.15% |
| 2021 | 35,049,897 | 1,585,667 | 36,635,564 | 36,109,720 | 98.56% | - | 36,109,720 | 98.56% |

Source: Lancaster County Treasurer

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

LANCASTER COUNTY, SOUTH CAROLINA

VEHICLE PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

| Levy Year | Original Levy | Adjustments | Total Adjusted Levy | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|-----------|------------------|-------------|------------------------|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
| | | | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2012 | \$ 1,982,449 | \$ 116,229 | \$ 2,098,678 | \$ 2,018,240 | 96.17% | \$ 77,715 | \$ 2,095,955 | 99.87% |
| 2013 | 2,212,716 | 175,945 | 2,388,661 | 2,275,933 | 95.28% | 109,481 | 2,385,414 | 99.86% |
| 2014 | 2,559,126 | 256,987 | 2,816,113 | 2,709,070 | 96.20% | 102,130 | 2,811,200 | 99.83% |
| 2015 | 2,846,803 | 419,698 | 3,266,501 | 3,030,026 | 92.76% | 137,317 | 3,167,343 | 96.96% |
| 2016 | 3,144,338 | 512,265 | 3,656,603 | 3,381,874 | 92.49% | 158,298 | 3,540,172 | 96.82% |
| 2017 | 3,061,408 | 434,695 | 3,496,103 | 3,221,298 | 92.14% | 141,340 | 3,362,638 | 96.18% |
| 2018 | 3,274,821 | 463,679 | 3,738,500 | 3,425,273 | 91.62% | 162,884 | 3,588,157 | 95.98% |
| 2019 | 3,856,161 | 625,681 | 4,481,842 | 4,106,769 | 91.63% | 197,930 | 4,304,699 | 96.05% |
| 2020 | 3,916,497 | 971,371 | 4,887,868 | 4,492,005 | 91.90% | - | 4,492,005 | 91.90% |
| 2021 | 3,911,122 | 1,047,080 | 4,958,202 | 4,596,865 | 92.71% | - | 4,596,865 | 92.71% |

Source: Lancaster County Treasurer

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

LANCASTER COUNTY, SOUTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

| Fiscal Year | Governmental Activities | | | | | | | Total Outstanding Debt | Percentage of Personal Income | Per Capita |
|----------------|--------------------------------|--------------------------------|--|-----------------------|---------------------------------|-------------------|--|------------------------------|-------------------------------------|------------|
| | General Obligation Bonds | Special Obligation Bonds | SCAGO Public Facilities Installment Purchase Revenue Bonds | Financed Purchases | Special Source Revenue Bonds | Leases Payable | Unamortized Discount/Premium on Debt | | | |
| 2013 | \$ 18,325,000 | \$ - | \$ 24,710,000 | \$ 2,797,416 | \$ 2,510,000 | \$ - | \$ 341,199 | \$ 48,683,615 | 3.06% | 616 |
| 2014 | 17,506,450 | - | 19,675,000 | 2,611,477 | 2,210,000 | - | 374,768 | 42,377,695 | 2.52% | 527 |
| 2015 | 31,300,178 | - | 14,445,000 | 2,875,644 | 9,394,000 | - | 3,530,280 | 61,545,102 | 3.52% | 740 |
| 2016 | 36,736,205 | - | - | 2,451,843 | 7,504,000 | - | 3,627,628 | 50,319,676 | 2.67% | 586 |
| 2017 | 34,589,492 | - | - | 2,038,778 | 7,154,382 | - | 2,929,225 | 46,711,877 | 2.31% | 521 |
| 2018 | 29,372,360 | - | - | 1,826,483 | 6,782,076 | - | 2,158,137 | 40,139,056 | 1.77% | 434 |
| 2019 | 42,398,607 | - | - | 1,602,396 | 6,433,649 | - | 3,654,075 | 54,088,727 | 1.82% | 567 |
| 2020 | 34,123,712 | - | - | 620,000 | 6,110,057 | - | 2,924,721 | 43,778,490 | 1.43% | 447 |
| 2021 | 27,917,646 | - | - | 570,000 | 5,812,293 | - | 2,267,214 | 36,567,153 | 0.68% | 381 |
| 2022 | 27,524,538 | 6,140,000 | - | 520,000 | 4,856,716 | 290,128 | 2,920,877 | 42,252,259 | 0.75% | 418 |

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) |
|-------------|--------------------------|--------------------------------------|--|----------------------------|--|---------------------|
| 2013 | \$ 18,325,000 | \$ 341,199 | \$ 571,773 | \$ 18,094,426 | 0.34% | 229 |
| 2014 | 17,506,450 | 374,768 | 572,689 | 17,308,529 | 0.31% | 215 |
| 2015 | 31,300,178 | 3,530,280 | 2,857,126 | 31,973,332 | 0.55% | 384 |
| 2016 | 36,736,205 | 3,627,629 | 3,264,525 | 37,099,309 | 0.60% | 432 |
| 2017 | 34,589,492 | 2,929,225 | 1,631,995 | 35,886,722 | 0.54% | 401 |
| 2018 | 29,372,360 | 2,158,137 | 839,211 | 30,691,286 | 0.44% | 332 |
| 2019 | 42,398,607 | 3,654,075 | 4,461,216 | 41,591,466 | 0.57% | 436 |
| 2020 | 34,123,712 | 2,924,721 | 2,334,738 | 34,713,695 | 0.44% | 354 |
| 2021 | 27,917,646 | 2,267,214 | 1,528,049 | 28,656,811 | 0.35% | 298 |
| 2022 | 27,524,538 | 2,920,877 | 1,071,015 | 29,374,400 | 0.30% | 282 |

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, 2022

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Percentage Applicable to County</u> | <u>Amount Applicable to County</u> |
|-----------------------------------|-----------------------------|--|--|
| Direct debt: | | | |
| Lancaster County | \$ 42,252,259 | 100% | \$ 42,252,259 |
| Overlapping debt: | | | |
| City of Lancaster | N/A | 100% | N/A |
| Lancaster School District | N/A | 100% | N/A |
| Total overlapping debt | - | | - |
| Total direct and overlapping debt | \$ 42,252,259 | | \$ 42,252,259 |

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 | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Debt Limit | \$ 22,713,718 | \$ 23,580,100 | \$ 24,665,722 | \$ 26,153,377 | \$ 27,880,673 | \$ 29,389,302 | \$ 30,639,401 | \$ 32,738,053 | \$ 34,227,352 | \$ 39,048,145 |
| Total Net G.O. Debt Applicable to Limit | 15,538,227 | 14,818,761 | 12,147,161 | 16,740,199 | 14,737,497 | 12,795,789 | 13,993,784 | 12,635,261 | 11,176,952 | 15,376,943 |
| Legal Debt Margin | \$ 7,175,491 | \$ 8,761,339 | \$ 12,518,561 | \$ 9,413,178 | \$ 13,143,176 | \$ 16,593,513 | \$ 16,645,617 | \$ 20,102,792 | \$ 23,050,400 | \$ 23,671,202 |
| Total Net G.O. Debt Applicable to the Limit as a Percentage of Debt Limit | 68.41% | 62.84% | 49.25% | 64.01% | 52.86% | 43.54% | 45.67% | 38.60% | 32.66% | 39.38% |

Legal Debt Margin Calculation for Fiscal Year 2022

| | |
|--|----------------|
| Assessed value (1) | \$ 487,236,302 |
| Add back: exempt Merchant Inventory (2) | 865,515 |
| Total assessed value | 488,101,817 |
| Debt limit (8% of assessed value) (3) | 39,048,145 |
| Debt applicable to limit: | |
| Total general obligation bonds | 27,524,538 |
| Less amount set aside for repayment of G.O. debt (4) | (1,071,015) |
| Less G.O. bonds not applicable to 8% debt limit (5) | (11,076,580) |
| Net G.O. bonds applicable to limit | 15,376,943 |
| Legal debt margin without a referendum (6) | \$ 23,671,202 |

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) |
|--------------------|------------------------------|---|-------------------------------------|------------------------------|-------------------------------------|
| 2013 | 79,089 | \$ 1,588,503 | \$ 20,085 | 11,554 | 10.8% |
| 2014 | 80,458 | 1,681,492 | 20,899 | 11,581 | 6.6% |
| 2015 | 83,160 | 1,746,609 | 21,003 | 11,760 | 6.6% |
| 2016 | 85,842 | 1,883,631 | 21,943 | 12,420 | 6.0% |
| 2017 | 89,594 | 2,020,076 | 22,547 | 12,758 | 4.6% |
| 2018 | 92,550 | 2,270,066 | 24,528 | 13,017 | 3.9% |
| 2019 | 95,380 | 2,973,662 | 31,177 | 13,258 | 4.1% |
| 2020 | 98,012 | 3,057,190 | 31,192 | 13,936 | 10.6% |
| 2021 | 96,016 | 5,348,952 | 52,999 | 14,722 | 4.8% |
| 2022 | 100,336 | 5,609,650 | 55,909 | 14,414 | 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

| Employer | 2022 | | | 2013 | | |
|----------------------------------|-----------|------|---------------------------------------|-----------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Red Ventures | 1,925 | 1 | 4.52% | 1,600 | 1 | 4.92% |
| Lancaster County Schools | 1,800 | 2 | 4.23% | 1,569 | 2 | 4.82% |
| Movement Mortgage | 725 | 3 | 1.70% | | | |
| MUSC (Springs Memorial Hospital) | 642 | 4 | 1.51% | 700 | 6 | 2.15% |
| Continental Tire | 609 | 5 | 1.43% | 430 | 7 | 1.32% |
| Lancaster County (1) | 535 | 6 | 1.26% | 840 | 3 | 2.58% |
| Nutramax Laboratories | 483 | 7 | 1.13% | | | |
| Cardinal Health | 440 | 8 | 1.03% | 800 | 4 | 2.46% |
| KEER America | 401 | 9 | 0.94% | | | |
| Oceana Gold | 396 | 10 | 0.93% | | | |
| Founders Federal Credit Union | | | | 311 | 10 | 0.96% |
| Duracell (Gillette) | | | | 405 | 8 | 1.24% |
| Wal-Mart | | | | 723 | 5 | 2.22% |
| URS Nuclear | | | | 400 | 9 | 1.23% |
| Total | 7,956 | | 18.68% | 7,778 | | 23.90% |
| Total Labor Force | 42,601 | | | 32,543 | | |

Source: Lancaster County Economic Development Corporation and SC Department of Employment and Workforce
(1) 2022 survey does not include part-time

LANCASTER COUNTY, SOUTH CAROLINA

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

| Function | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Government Administration | 90.00 | 90.00 | 96.00 | 102.00 | 103.00 | 105.00 | 103.00 | 107.00 | 112.00 | 111.00 |
| Administration of Justice | 31.00 | 34.00 | 36.00 | 38.00 | 37.00 | 38.00 | 37.00 | 36.00 | 36.00 | 37.00 |
| Culture & Recreation | 56.00 | 58.00 | 62.00 | 71.00 | 69.00 | 69.00 | 69.00 | 64.00 | 62.00 | 62.00 |
| Public Safety & Law Enforcement | 187.00 | 210.00 | 226.00 | 240.00 | 243.00 | 250.00 | 263.00 | 269.00 | 273.00 | 275.00 |
| Public Works | 41.00 | 43.00 | 45.00 | 49.00 | 47.00 | 51.00 | 63.00 | 64.00 | 69.00 | 69.00 |
| Public Health & Welfare | 80.00 | 81.00 | 79.00 | 85.00 | 84.00 | 87.00 | 92.00 | 98.00 | 102.00 | 104.00 |
| | <u>485.00</u> | <u>516.00</u> | <u>544.00</u> | <u>585.00</u> | <u>583.00</u> | <u>600.00</u> | <u>627.00</u> | <u>638.00</u> | <u>654.00</u> | <u>658.00</u> |

Source: Lancaster County Human Resources Department

LANCASTER COUNTY, SOUTH CAROLINA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------|--------|--------|---------|------------|---------|---------|------------|---------|---------|
| Administration of Justice | | | | | | | | | | |
| Clerk of Court general sessions cases disposed | 1,910 | 1,929 | 1,977 | 2,869 | 2,059 | 2,624 | 2,693 | 3,148 | 1,940 | 4,044 |
| Clerk of Court common pleas cases disposed | 2,210 | 2,172 | 2,533 | 1,715 | 1,654 | 1,565 | 1,914 | 2,737 | 1,659 | 2,402 |
| Family Court cases disposed | 820 | 735 | 1,034 | 818 | 994 | 988 | 853 | 726 | 778 | 968 |
| Magistrate Court | | | | | | | | | | |
| Criminal Docket total cases filed | 2,562 | 2,493 | 2,300 | 2,551 | 2,671 | 3,224 | 3,921 | 2,427 | N/A | 1,957 |
| Traffic Docket total cases filed | 9,933 | 11,209 | 8,604 | 10,645 | 11,537 | 9,342 | 12,555 | 7,864 | 9,436 | 8,829 |
| Civil Docket total cases filed | 2,149 | 2,348 | 2,418 | 2,437 | 2,536 | 3,076 | 3,106 | 2,425 | 2,437 | 2,051 |
| Culture and Recreation | | | | | | | | | | |
| Library - Circulation | n/a | n/a | n/a | 276,906 | 278,736 | 282,774 | 279,304 | 145,921 | 76,134 | 200,864 |
| Recreation - total number of participants | n/a | n/a | n/a | 217,415 | 223,476 | 224,157 | 11,257 | 11,837 | 3,411 | 9,800 |
| General Government | | | | | | | | | | |
| Assessor - number of parcels revised | n/a | n/a | n/a | 14,102 | 46,875 (1) | 17,626 | 15,369 | 55,530 (1) | 10,600 | 9,820 |
| Building - number of permits issued | n/a | n/a | n/a | 2,738 | 2,847 | 2,847 | 3,386 | 4,113 | 4,362 | 4,139 |
| Delinquent Tax - number of properties redeemed | n/a | n/a | n/a | 224 | 270 | 273 | 269 | 211 | 208 | 74 |
| Human Resources - number of applications taken | n/a | n/a | n/a | 1,034 | 663 | 518 | 254 | 311 | 317 | 291 |
| Planning - number of rezoning cases | n/a | n/a | n/a | 19 | 27 | 38 | 32 | 26 | 32 | 19 |
| Risk Management - number of inspections performed | n/a | n/a | n/a | 68 | 60 | 60 | 60 | 65 | 60 | 56 |
| Fleet Operations - number of work orders | n/a | n/a | n/a | 2,919 | 2,228 | 2,846 | 3,250 | 3,249 | 3,167 | 3,104 |
| Public Safety & Law Enforcement | | | | | | | | | | |
| Coroner - total number of deaths | n/a | n/a | n/a | 463 | 500 | 560 | 571 | 647 | 810 | 848 |
| Communication E911 - total number of calls | n/a | n/a | n/a | 122,164 | 152,695 | 104,218 | 181,987 | 148,717 | 181,804 | 175,337 |
| Detention Center - total number incarcerated | 3,477 | 3,366 | 3,261 | 2,997 | 3,351 | 3,486 | 3,355 | 3,376 | 2,640 | 2,060 |
| Fire Service - total number of calls | 3,644 | 3,533 | 4,543 | 5,948 | 6,368 | 6,496 | 7,215 | 7,620 | 6,911 | 9,708 |
| Sheriff Department | | | | | | | | | | |
| Calls for services | n/a | n/a | n/a | 61,707 | 67,515 | 65,906 | 68,758 | 70,533 | 64,279 | 63,516 |
| Total arrests | n/a | n/a | n/a | 3,275 | 3,677 | 3,549 | 3,838 | 3,840 | 3,019 | 2,927 |
| Litter complaints | n/a | n/a | n/a | 95 | 117 | 160 | 395 | 378 | - | - |
| Public Works | | | | | | | | | | |
| Road maintenance - total work orders | n/a | 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 | n/a | 6,156 | 6,811 | 6,090 | 7,760 | 8,514 | 18,157 | 10,765 |
| Tons of comingled recyclables collected | n/a | n/a | n/a | 771 | 709 | 536 | 624 | 457 | 37 | - |
| Public Health & Welfare | | | | | | | | | | |
| Animal Control | | | | | | | | | | |
| Number of animals through shelter | 4,338 | 3,611 | 3,992 | 3,433 | 3,387 | 3,069 | 2,659 | 1,868 | 2,148 | 1,988 |
| EMS - total number of calls | 12,497 | 12,530 | 14,891 | 14,880 | 15,144 | 17,380 | 17,108 | 17,937 | 19,830 | 19,224 |

Sources: Various county departments

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

(1) Reassessment year - all parcels were revised

LANCASTER COUNTY, SOUTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

| Function/Program | Fiscal Year | | | | | | | | | |
|--|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Public safety and law enforcement | | | | | | | | | | |
| Number of police stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 (1) | 1 | 1 | 1 |
| Number of police sub-stations | 4 | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 |
| Number of police vehicles | 116 | 123 | 135 | 143 | 135 | 148 | 155 | 148 | 148 | 137 |
| Number of fire stations | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Number of fire sub-stations | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 |
| Number of fire emergency vehicles | 111 | 111 | 111 | 111 | 111 | 112 | 113 | 114 | 114 | 114 |
| Public works | | | | | | | | | | |
| Miles of unpaved roads maintained | n/a | 214.84 | 215.84 | 215.84 | 215.84 | 215.84 | 215.84 | 215.84 | 215.84 | 215.84 |
| Miles of paved roads maintained | n/a | 164.81 | 168.76 | 168.76 | 200.81 | 223.76 | 234.41 | 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 | 25 | 33 | 37 | 31 | 31 | 31 | 30 | 30 | 36 |
| Culture and recreation | | | | | | | | | | |
| Number of parks | 15 | 15 | 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

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

(1) - Item corrected in 2020.

*Beginning in FY2015, QRV vehicles are included.

COMPLIANCE SECTION



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

**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, 2022, and the related notes to the financial statements, which collectively comprise Lancaster County, South Carolina's basic financial statements and have issued our report thereon dated December 6, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the ampersand being a simple cross.

Columbia, South Carolina
December 6, 2022



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, 2022. 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, 2022.

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 generally accepted auditing standards, *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 generally accepted auditing standards, *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
December 6, 2022

LANCASTER COUNTY, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| Federal Grantor/Pass-through Grantor/Program Title | Assistance Listing Number | Grant Identification Number | Total Expenditures | Passed through to Subrecipients |
|--|--|--|-------------------------------|--|
| <u>U.S. Department of Justice</u> | | | | |
| (Passed through the SC Department of Public Safety) | | | | |
| Edward Byrne Memorial Assistance Grant Program | 16.738 | 2020-DJ-BX-0677 | \$ 14,215 | \$ - |
| Edward Byrne Memorial Assistance Grant Program | 16.738 | 1G19036 | 145,652 | - |
| Edward Byrne Memorial Assistance Grant Program | 16.738 | 5G000221 | 85,365 | - |
| | | | <u>245,232</u> | <u>-</u> |
| COVID-19 Coronavirus Emergency Supplemental Funding Program | 16.034 | 1CF20085 | 28,996 | - |
| COVID-19 Coronavirus Emergency Supplemental Funding Program | 16.034 | 1CF20149 | 2,323 | - |
| COVID-19 Coronavirus Emergency Supplemental Funding Program | 16.034 | 2020-VD-BX-1156 | 388 | - |
| | | | <u>31,707</u> | <u>-</u> |
| Victims Advocate | 16.575 | 1V20020 | 41,412 | - |
| Victims Advocate | 16.575 | 1V19110 | 41,422 | - |
| | | | <u>82,834</u> | <u>-</u> |
| Drug Court Discretion Grant Program | 16.585 | 2018-DC-BX-0048 | 119,985 | - |
| | | | <u>119,985</u> | <u>-</u> |
| Innovations in Community Based Crime Reduction | 16.817 | 2019-BJ-BX-0012 | 259,321 | - |
| | | | <u>259,321</u> | <u>-</u> |
| Comprehensive Opioid Abuse Site-based Program | 16.838 | 2019-AR-BX-K053 | 66,542 | - |
| Comprehensive Opioid Abuse Site-based Program | 16.838 | 2020-AR-BX-0036 | 86,837 | - |
| | | | <u>153,379</u> | <u>-</u> |
| Total U.S. Department of Justice | | | <u>892,458</u> | <u>-</u> |
| <u>U.S. Department of Homeland Security</u> | | | | |
| (Passed through the SC Emergency Management Division) | | | | |
| Emergency Management Performance Grants | 97.042 | 20EMPG01 | 7,770 | - |
| | | | <u>7,770</u> | <u>-</u> |
| Total U.S. Department of Homeland Security | | | <u>7,770</u> | <u>-</u> |
| <u>U.S. Department of Health and Human Services</u> | | | | |
| (Passed through the SC Department of Social Services) | | | | |
| Child Support Enforcement | 93.563 | N/A | 130,169 | - |
| Child Support Enforcement | 93.563 | N/A | 38,753 | - |
| Child Support Enforcement | 93.563 | N/A | 12,873 | - |
| Child Support Enforcement | 93.563 | N/A | 6,815 | - |
| Child Support Enforcement | 93.563 | N/A | 4 | - |
| | | | <u>188,614</u> | <u>-</u> |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243 | 1H79TI082533-01 | 90,054 | - |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243 | 1H79TI082533-02 | 409,750 | - |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243 | 1H79FG000350-01 | 7,848 | - |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243 | 1H79TI083846-01 | 103,770 | - |
| | | | <u>611,422</u> | <u>-</u> |
| 477 Cluster | | | | |
| Child Care Development Fund | 93.575/93.596 | N/A | 35 | - |
| | | | <u>35</u> | <u>-</u> |
| Temporary Assistance for Needy Families - TANF Block Grant | 93.558 | N/A | 3,172 | - |
| | | | <u>3,172</u> | <u>-</u> |
| Total 477 Cluster | | | <u>3,207</u> | <u>-</u> |
| Substance Abuse and Mental Health Services/Opioid Response | 93.788 | N/A | 1,303 | - |
| | | | <u>1,303</u> | <u>-</u> |
| Medicaid Cluster | | | | |
| Medicaid Assistance Program | 93.778 | N/A | 1,241 | - |
| Total Medicaid Cluster | | | <u>1,241</u> | <u>-</u> |
| Social Services Block Grant Administration | 93.667 | N/A | 610 | - |
| Family Preservation (CWS Part II) | 93.556 | N/A | 22 | - |
| Foster Care | 93.658 | N/A | 980 | - |
| | | | <u>1,612</u> | <u>-</u> |
| Total U.S. Department of Health and Human Services | | | <u>807,399</u> | <u>-</u> |

LANCASTER COUNTY, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| 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 | \$ 1,381 | \$ - |
| Total SNAP Cluster | | | <u>1,381</u> | <u>-</u> |
| Total U.S. Department of Agriculture | | | <u>1,381</u> | <u>-</u> |
| <u>U.S. Department of Transportation</u> | | | | |
| COVID-19 Airport Improvement Program | 20.106 | 3-45-0034-024-2021 | 207,772 | - |
| COVID-19 Airport Improvement Program | 20.106 | 3-45-0034-021-2020 | 85,716 | - |
| | | | <u>293,488</u> | <u>-</u> |
| (Passed through the SC Department of Public Safety) | | | | |
| Highway Safety Cluster | | | | |
| National Priority Safety Programs | 20.616 | M4HVE-2021-HS-45-21 | 39,029 | - |
| National Priority Safety Programs | 20.616 | M4HVE-2022-HS-45-22 | 23,243 | - |
| | | | <u>62,272</u> | <u>-</u> |
| Total Highway Safety Cluster | | | <u>62,272</u> | <u>-</u> |
| Total U.S. Department of Transportation | | | <u>355,760</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 | 14,125 | - |
| Community Development Block Grant | 14.228 | 4-CE-19-007 | 302,159 | - |
| Community Development Block Grant | 14.228 | 4-RP-17-003 | 50,280 | - |
| COVID-19 Community Development Block Grant | 14.228 | CDBG-CV1-003 | 65,501 | - |
| | | | <u>432,065</u> | <u>-</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>432,065</u> | <u>-</u> |
| <u>U.S. Department of Commerce</u> | | | | |
| Economic Development Cluster | | | | |
| Investments for Public Works and Economic Development Facilities | 11.300 | 04-01-07416 | 3,672 | - |
| Total Economic Development Cluster | | | <u>3,672</u> | <u>-</u> |
| Total U.S. Department of Commerce | | | <u>3,672</u> | <u>-</u> |
| <u>U.S. Institute of Museum and Library Services</u> | | | | |
| Library Services and Technology Program | 45.310 | IID-ARPA-056 | 8,000 | - |
| Library Services and Technology Program | 45.310 | IID-ARPA-057 | 11,000 | - |
| | | | <u>19,000</u> | <u>-</u> |
| Total U.S. Institute of Museum and Library Services | | | <u>19,000</u> | <u>-</u> |
| <u>U.S. Department of Treasury</u> | | | | |
| (Passed through the State of South Carolina) | | | | |
| COVID-19 Coronavirus Relief Fund | 21.019 | N/A | 50,113 | - |
| | | | <u>50,113</u> | <u>-</u> |
| COVID-19 Coronavirus State and Local Fiscal recovery Funds | 21.027 | N/A | 3,750,897 | - |
| | | | <u>3,750,897</u> | <u>-</u> |
| Total U.S. Department of Treasury | | | <u>3,801,010</u> | <u>-</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 6,320,515</u> | <u>\$ -</u> |

LANCASTER COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE I. BASIS OF PRESENTATION

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

NOTE II. DE MINIMIS INDIRECT COST RATE

The County chose not to use the ten percent de Minimis cost rate for the year ended June 30, 2022.

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, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

___ Yes X No

Significant deficiencies identified?

___ Yes X None Reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal Control over major programs:
Material weaknesses identified?

___ Yes X No

Significant deficiencies?

___ Yes X None Reported

Type of auditor's report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in
accordance with the Uniform Guidance?

___ Yes X No

Identification of major programs:

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?

X Yes ___ No

LANCASTER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

None reported.